



Product Development and Distribution Policy



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1 Introduction

1.1 Purpose

This policy sets out the approach taken by ASG Insurances to developing and distributing retail insurance products under the delegated underwriting agreement with the insurer, XL Insurance Company SE, Australia branch (“AXA XL”) for the appropriate target markets. This policy outlines:

- a) The approach utilised in the development of retail products; and
- b) The strategies employed in the distribution of those products.

ASG Insurances has adopted the General Insurance Code of Practice 2020 (“the Code”) and this policy has been prepared in response to the Code.

1.2 Scope

This policy applies to the employees of ASG Insurances when they are developing or distributing ASG Insurances retail insurance products under the delegated underwriting agreement with AXA XL.

2 Our approach to Developing and Distributing Retail Insurance Products

In the development and distribution of retail insurance products, ASG Insurances is committed to:

- a) Treating customers fairly and professionally by providing customers with products that meet the customers’ likely objectives, financial situation and needs; and
- b) Developing and distributing products in accordance with our legal, regulatory and industry code obligations. These obligations include those applicable obligations outlined in the Code,



as well as those outlined in the ASIC’s Regulatory Guide 274 “Product Design and Distribution Obligations”, which form part of the Corporations Act (Cth) 2001.

2.1 Product Design

ASG Insurances collaborates with AXA XL to design retail insurance products in accordance with the terms of the delegated underwriting agreement.

When designing a new product or making any material modification of an existing product, together with AXA XL, we ensure that:

- i. The target market is identified;
- ii. The product has been designed in a way that is likely to be consistent with the customers’ likely objectives, financial situation and needs;
- iii. The product has undergone a product testing and approval process; and
- iv. A Target Market Determination (‘TMD’) is created for each product and made available to the public.

2.2 Product Distribution

All ASG Insurances retail insurance products are distributed through an approved insurance brokers who are appointed by the retail customer to act as agents for the customer (‘Brokers’). We will take reasonable steps to ensure that:

- i. The products and the system the products are distributed through have been designed for a customer seeking insurance through Brokers.
- ii. The Brokers have undergone adequate training in the products, the customer the products are intended for and the underwriting criteria.
- iii. The products are distributed in line with their TMDs.
- iv. Distribution conditions are established within the TMD of each product, which will require the Brokers to adhere to specific distribution guidelines when distributing the product.
- v. Reporting obligations are established within the TMD of each product. These obligations will require the Brokers to provide us with regular reports on areas such as complaints information and notifying us of any significant dealings outside the target market.
- vi. Any feedback from insureds/customers is monitored and appropriate actions are taken in response to the feedback.



- vii. We fulfil our contractual obligations under the delegated underwriting agreement with AXA XL, including in relation to distribution of the products.

2.3 Product Monitoring

ASG Insurances conducts periodic product evaluations on its retail insurance products to ensure that:

- i. The products are monitored, reviewed, and managed throughout their product lifecycle;
- ii. The products continue to meet the likely objectives, financial situation and needs of the customers who acquire them;
- iii. The products are distributed in accordance with the distribution conditions set out in their TMDs; and
- iv. The TMDs of the products are reviewed within the specified review period and in response to review triggers that may indicate that the TMD is no longer appropriate.

In addition, ASG Insurances will take reasonable steps to ensure that we fulfil our reporting obligations under the delegated underwriting agreement with AXA XL such as providing AXA XL with policies, claims and complaints information.

Possible outcomes of a review may include either of the following:

- i. No change is required.
- ii. Changing the product design, target market or distribution; or
- iii. Ceasing to distribute the product.

There are established arrangements requiring both ASG Insurances and the Brokers to maintain records as evidence of compliance with the Product Designs and Distribution Obligations and the Code.

3 Contacts for questions or information

If you have any questions or would like more information about this Policy, please contact ASG Insurances by:

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- 02 89 86 80 86