

OUR APPROACH TO DESIGNING AND DISTRIBUTING PRODUCTS

Hutch Underwriting Pty Ltd (Hutch) is committed to putting customer needs at the centre of the design and development of its products.

Working with the underwriters at Lloyd's for whom we are a coverholder, we co-design insurance products to be consistent with the likely objectives, financial situation and needs of customers for who they are intended, and then ensure that our distribution channels are fit to deliver these products to the appropriate customers.

Development of insurance products for appropriate target markets

Our approach to product development involves the following:

- We ensure we involve employees with relevant industry sector and insurance product experience and knowledge in the development process
- We canvass the opinion of insurance market professionals on the design of our products, including lawyers, actuaries, and insurance brokers.
- Where possible, we market test coverage with end customers and their representatives
- We undertake market research to assist us in understanding the likely objectives, financial situation and needs of customers including customers experiencing vulnerability.
- We analyse available internal and external data such as claim ratios, claims paid, withdrawn and denied; policies sold; cancellation and lapse rates and the nature and number of complaints.
- We develop a Target Market Determination for retail insurance products, that describes the class of consumers comprising the target market for the insurance product.
- We undertake these actions within a risk and compliance framework consisting of internal policies, procedures and training for our employees that is designed to ensure fair outcomes for clients.

Distribution of insurance products for appropriate target markets

We distribute products exclusively through licensed insurance brokers and their representatives, as we see this as the most conservative approach to ensuring our products reach consumers in the appropriate target market.

This policy is designed to comply with paragraph 43 of the General Insurance Code of Practice. It is not intended to be a Target Market Determination and should not be relied upon as such.'

