

Target Market Determination

IQUMULATE PREMIUM FUNDING PTY LTD: DOMESTIC INSURANCE PREMIUM FUNDING:

1. About this document

This target market determination (“TMD”) is designed to provide customers, authorised distributors and IQumulate Premium Funding staff with the appropriate information to understand who this product has been designed for and our approach to determining that the product is likely to be consistent with the objectives, financial situations and needs of the customer and the distribution conditions.

In this document the terms “IQumulate,” “we,” “us” or “our” refer to IQumulate Premium Funding Pty Ltd ABN 82 127 517 677, IQumulate Funding Services Pty Ltd ABN 49 632 439 902.

The term “authorised distributors” refers to “Brokers.”

Date from which this target market determination is effective is 5 October 2021

2. Class of customers that fall within this target market determination.

This Target Market Determination (“TMD”) sets out the target market for

- Domestic insurance premium funding.
- Residential strata insurance premium funding

The information below summarises the overall class of customers that fall within the target market for domestic insurance and residential strata premium funding, based on the product key attributes and the objectives, financial situation and needs that it has been designed to meet:

Domestic Insurance

- Individuals where the insurance product funded is deemed **not** to be commercial in nature.
- Individuals wishing to fund the following domestic insurance policies to be used wholly or predominantly for domestic and/or household purposes:
 - o Household
 - o Marine pleasure craft
 - o Motor vehicle domestic

- o Rural – domestic policy
- o Personal accident
- o Thoroughbred – if pro rata cancellable

Residential Strata

- In relation to residential strata insurance, an owner’s corporation (“OC”) which has an ABN and registered for GST.
- The strata manager has authority to organise the insurance/coordinate payment, and can execute the loan agreement on behalf of the OC (if required)
- A strata manager acts as the managing agent for the OC and holds an agency agreement with the OC. Strata Manager can execute the premium funding agreement on behalf of the executive committee.
- For loans up to \$400,000, we require 1 signature from the Strata Manager or OC, and for loans greater than \$400,000, 2 signatures from the OC and financial documentation are necessary.

This TMD applies to both domestic insurance and residential strata premium funding which are referred to in the respective Terms & Conditions (“T & C”) of their premium funding agreements.

The domestic insurance and residential strata premium funding products have been designed for customers whose objectives, financial situation and needs (as listed below) are aligned with the products (including the key attributes):

- Spreading their insurance costs over monthly fixed instalments.
- Borrowing for their insurance premium without security.
- Borrowing for their insurance premium without the need for personal guarantees.

3. Product description and key attributes

The key eligibility requirements and product attributes of domestic insurance premium funding are:

- Up to 10 individuals can apply for the 1 domestic premium loan.
- Short term loans for the funding of insurance premiums.
- Loan amount ranging from \$250 to \$50,000.
- Loans greater than the maximum amount of \$50,000 are subject to enhanced level of due diligence, credit criteria and approval.
- Application fee applies (\$15 for loans <\$500. \$20 for loans >\$500)
- Equal monthly instalments with repayment period of 10 - 12 months or within appetite parameters of IQumulate.

- At least 1 payment to be paid and cleared prior to settlement.
- Loan to complete before insurance policy expiry date.
- Restricted to funding borrowers domiciled in Australia & New Zealand.
- No recourse to individual borrowers

The key eligibility requirements and product attributes for residential strata insurance are:

- Minimum loan amount is \$500 - \$1,000,000.
- Loans greater than the maximum amount of \$1,000,000 are subject to enhanced level of due diligence, credit criteria and approval.
- Application fee applies (\$20 - \$250)
- Short term loan up to 10 - 12 months
- The legal entity is the owner's corporation.
- Secured by fully cancellable policies with pro-rata return premiums.
- No recourse to the owner's corporation in the event of arrears (loans cancelled after 14 days no payment)

This product is suitable for:	This product is not suitable for:
<ul style="list-style-type: none"> • Customers who want to pay for their insurance premium via instalments. 	<ul style="list-style-type: none"> • Customers who want to pay for their insurance in one lump sum.
<ul style="list-style-type: none"> • Customers who are funding a domestic insurance product. 	<ul style="list-style-type: none"> • Customers who are funding products that are deemed wholly or predominantly for commercial purposes.
<ul style="list-style-type: none"> • Customers who are the policy holder/s of the insurance product. 	<ul style="list-style-type: none"> • Customers who are not the policy holders of the insurance product.
<ul style="list-style-type: none"> • Customers who are funding residential strata insurance premiums. 	<ul style="list-style-type: none"> • Customers that are not an individual or a body corporate of a residential strata title.
<ul style="list-style-type: none"> • Customers who expect clear disclosure of fees, charges, and terms, along with responsible lending practices that ensure their financial well-being. 	<ul style="list-style-type: none"> • Customers that do not meet our lending criteria e.g., bankrupt customers.

4. Distribution of this product

This product is designed to be distributed via:

- Direct business by calling 1300 555 058 (AU) & 0800 000 246 (NZ).
- Authorised distributors, who hold or are Authorised Representatives of an Australian Financial Services Licensee.

Our authorised distributors use online distribution platforms to access our products.

IQumulate will make risk-based decisions through our underwriting process prior to offering a domestic premium funding loan.

Key underwriting criteria relating to this target market determination may include:

- Loan history of customers with IQumulate.
- Information sourced through Credit Bureau Reports.
- Demonstrated capacity to service the proposed commitment.
- Risk Appetite of IQumulate.

5. Reviewing this target market determination

IQumulate will review this target market determination in accordance with the below:

Initial review	Within the 12 months of the effective date.
Periodic reviews	At least every 2 years from the initial review.
Review triggers or events	<p>IQumulate will review this TMD if any event or circumstances (called ‘review triggers’) occur that would reasonably suggest that the determination is no longer appropriate, such as (but not limited):</p> <ul style="list-style-type: none"> • We make a material change to the cover provided by the product. • A change in our underwriting criteria that impacts on the suitability of the product for the target market. • A material change to the distribution of the product. • The discovery of a relevant and material deficiency in the product’s disclosure documentation. • Systemic complaints which indicate that the product is no longer suitable for the described target market. • Notification from ASIC requiring cessation of product distribution. • Significant dealing in the product that indicates a material pattern that is not consistent with this TMD. • Material and relevant reductions in our key product suitability metrics such as: <ul style="list-style-type: none"> ○ Customer satisfaction. ○ Authorised distributor feedback. ○ Product acceptance. ○ Financial performance. ○ Benefits to customers. ○ Product value and affordability.

Where a review trigger has occurred, this target market determination will be reviewed within 10 business days.

6. Reporting and monitoring this target market determination

IQumulate may collect the following information from our authorised distributors in relation to this TMD.

Complaints	We and all authorised distributors must record all complaints received about this product on a quarterly basis (Complaints Reporting Period). Authorised distributors are required to provide to us written details of any complaints about the product they have received during the Complaints Reporting Period within 10 business days of the end of the period.
Significant dealings	Authorised distributors will report if they become aware of a significant dealing in relation to this TMD within 10 business days.