

29 Sept 2021

Target Market Determination – Version 1

Equine Insurance

IRT Insurance Pty Ltd on behalf of Liberty Mutual Insurance Company - a member of the Liberty Mutual Insurance Group (**Issuer**)

Effective date: 5 October 2021

1 Target Market Determination

This Target Market Determination (**TMD**) is made by IRT Insurance Pty Ltd as agent for Liberty Mutual Insurance Company, a member of the Liberty Mutual Insurance Group (**Issuer**), pursuant to section 994B of the Corporations Act 2001 (Cth). IRT Insurance is also the distributor of the Equine Insurance Mortality Cover (**Equine Insurance**) and acts as agent of Liberty Mutual Insurance Company a member of the Liberty Mutual Insurance Group, the Issuer of the Equine Insurance.

This TMD is not a Product Disclosure Statement (**PDS**) - the PDS for the Equine Insurance is available at the following link <http://irtinsurance.com/wp-content/uploads/2021/09/PDS-Policy-Booklet-August-2021.pdf> which contains full details of the coverage, conditions, limitations and exclusions applicable to the Equine Insurance. This TMD does not take into account any person's individual objectives, financial situation or needs and does not constitute general or personal financial product advice. Persons interested in acquiring the Equine Insurance should carefully consider the PDS before making a decision to acquire the Equine Insurance. The Issuer makes no representation as to whether or not the Equine Insurance is suitable for any particular person. Existing policy holders should review the information contained in this TMD when looking to renew their cover or whenever their circumstances change.

This document is intended to provide a record of the Issuer's assessment of the Equine Insurance, which forms the basis of this TMD. It also details the Equine Insurance's distribution channel(s) and distribution strategy which must align to this TMD. This document is also used as a basis for the periodic review of the Equine Insurance's suitability for distribution to the identified target market.

Prior to making any decision in relation to the Equine Insurance, policyholders should obtain and consider the PDS, and obtain financial product advice if necessary. The PDS may be obtained by contacting the Issuer on 1800 331 215 or insurance@irt.com. This TMD should

not be taken by a person to be a substitute for obtaining and considering the PDS or obtaining financial product advice that takes into account the person’s objectives, financial situation and needs.

2 Purpose of this TMD

The purpose of this TMD is to describe the class of customers for which the products described in the PDSs have been designed, having regard to the likely needs, objectives and financial situation of that class of customers. This TMD describes:

- the types of customer that the Equine Insurance is suitable for;
- how the Equine Insurance is distributed;
- the events and circumstances that will require this TMD to be reviewed; and
- the information that product distributors must provide to the Issuer and the circumstances in which such information must be provided.

3 Target market

The Equine Insurance is suitable for a target market of consumers who own or lease Horses, and whose likely objectives, financial situation and needs include the following:

Likely Needs	<p>The likely needs of the target market are:</p> <ul style="list-style-type: none"> ▪ a requirement for mortality and theft insurance to help protect against the financial or financial-in-kind commitments that will arise in the event of the death or theft of a Horse; and ▪ access to options to provide insurance cover for other risks associated with the ownership or lease of Horses to enable the consumer to tailor the product to their individual circumstances.
Likely Objectives	The likely objectives of the target market are to financially protect their Horses from death, theft and other insurable losses.
Likely Financial Situation	The likely financial situation of the target market is that they will be able to afford to pay premiums associated with the main and any optional insurance covers, and who can also afford to bear the excess that will apply in the event that a claim is made.

4 Product description

The Equine Insurance is designed for Owners &/or Lessee’s of Horses of all breeds and disciplines participating in the equine industry (both retail and wholesale). These customers make up the target market for this Equine Insurance.

However, this Equine Insurance is not suitable for everyone. Certain customers are outside the target market and should not be permitted to receive this Equine Insurance (see ‘Who this product is not suitable for’ below).

Main Cover	<p>The Equine Insurance is designed for Horse Owners &/or Lessee’s (both retail and wholesale).</p> <p>This main cover of this product provides for the payment of the Fair Market Value of a Horse in the event of its death or destruction on humane grounds as a result of an injury or illness sustained or contracted and notified to the insurer during the period of the policy. It also includes cover for theft or straying during the period of the policy where the animal is not recovered within 30 days.</p>
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	It is suitable for the target market because it can assist in covering the cost of replacement.
Optional Cover	<p>The Equine Insurance may be tailored by the policyholder to add optional covers. These additional options will assist in covering unexpected costs applicable to the consumer's individual circumstances if the Horse is injured, falls ill, dies during surgery or is transported by air or sea.</p> <p>The optional covers available under Equine Insurance are:</p> <ul style="list-style-type: none"> • Colic Surgery – provides cover for the reimbursement of expenses, up to a maximum payment of \$10,000 (depending upon the premium paid) to cover various costs involved with this surgery. • Emergency Surgery – provides cover for the reimbursement of up to \$15,000 (depending upon premium paid) of certain reasonably incurred and customary fees for surgical procedures performed for a life-threatening illness, injury or condition. • Stallion Permanent Infertility - covers certain loss which may be incurred in the event of the stallion becoming totally and permanently impotent, infertile or incapable of serving mares as a result of an accident, sickness or disease. • Prospective Foal Insurance (Unborn Foal) - covers the Insured against loss, up to but not exceeding the Sum Insured (usually 3 x the service fee paid) in the event of the foal failing to be born alive or survive until expiry of cover. • Stallion Congenital Infertility – Thoroughbred Stallions Only – 1st Season at Stud (60% infertility) – covers the insured against loss in the event the Stallion proves to be infertile, up to but not exceeding the Sum Insured. • Limited Permanent Disability – covers the insured for up to 60% of the insured value, if the animal becomes totally and permanently disabled as a result of a sudden, accidental and external injury, which occurs during the policy term and the animal can no longer be used for the purpose intended as stated in the policy. • Permanent Disability – covers the insured for up to 60% or 75% of the insured value if the animal becomes totally and permanently disabled as a result of an accident, injury, illness or disease, which occurs during the policy term and the animal can no longer be used for the purpose intended as stated in the policy. • Elective Operation/Castration – covers the risk of death during a recognised surgery procedure undertaken by a qualified Veterinary Surgeon. • Air Transit - covers the Horse whilst on board or being loaded into or unloaded from an aircraft licensed for passenger &/or cargo carrying, from aerodrome to aerodrome whilst being transported between the places described in the insurance. • Sea Transit – covers the Horse whilst on board or being loaded into or unloaded from a vessel licensed for cargo carrying from port to port whilst being transported between the places described in the insurance.
Eligibility	<p>In order to be eligible for the following covers, the Insured must satisfy the following eligibility criteria:</p> <p>Equine Insurance – Mortality & Theft</p> <ul style="list-style-type: none"> • Insured must be 18 years or over • Insured must provide appropriate health documentation satisfactory to the Underwriter (Issuer) • Insured must provide a completed and signed Application For Insurance acceptable to the Underwriter (Issuer)

	<ul style="list-style-type: none"> Horse must be no more than 17 years old prior to the commencement of cover <p>Each optional cover is subject to additional eligibility criteria. Refer to the PDS for full eligibility criteria.</p>
<p>Key attributes of Main and Optional Cover</p>	<p>The key attributes of Equine Insurance – Mortality & Theft are:</p> <ul style="list-style-type: none"> Death or destruction on humane grounds of any insured Horse, resulting from an injury or illness sustained or contracted and notified to the insurer during the period of insurance, up to but not exceeding the Sum Insured. Theft or straying during the period of insurance, where the Horse is not recovered within 90 days, up to but not exceeding the Sum Insured. 90 day extension provided the policy is for 12 months and the full premium is paid, the insurance is extended to cover the death of any Horse insured occurring within 90 days after the time of expiry specified in the policy as a result of any accident occurring, or illness or disease manifesting itself, during the period of the insurance, provided that the accident, illness or disease has been notified to the insurers in writing prior to the expiry date shown on the policy schedule. <p>The key attributes of the optional cover are:</p> <ul style="list-style-type: none"> <p>Colic Surgery:</p> <ul style="list-style-type: none"> Reimbursement of covered expenses incurred, to a maximum benefit noted on the Policy schedule, for operating room costs, including supply of drugs, veterinarians, surgical staff, anaesthesia and medical technical assistant charges for an emergency operation which requires surgical invasion of the abdominal cavity in order to correct torsion or other type of blockage of the intestinal tract. <p>Emergency Surgery:</p> <ul style="list-style-type: none"> Reimbursement of covered expenses incurred to a maximum benefit as noted on the policy schedule, for reasonable and customary fees for surgical procedures performed on a covered animal for a life-threatening illness, injury or condition. Life-threatening illness, injury or condition is defined as a health condition, which will result in the death of the covered animal if not promptly surgically treated by a licensed veterinarian. <p>Stallion Permanent Infertility:</p> <ul style="list-style-type: none"> Indemnity against the loss which may be incurred in the event of the insured stallion becoming totally & permanently impotent, infertile or incapable of serving mares as a result of an accident, sickness or disease incurred and notified to the insurers during the period of insurance. Indemnity shall be limited to the FAIR MARKET VALUE of the stallion immediately prior to the accident or first manifestation of the sickness or disease given rise to the loss, but not exceeding the limit of the Insurers liability specified in the schedule in respect to that stallion. <p>Prospective Foal Insurance (Unborn Foal):</p> <ul style="list-style-type: none"> Indemnity against loss, up to but not exceeding the sum insured. <p>Stallion Congenital Infertility – Thoroughbred Stallions Only – 1st Season at Stud (60% infertility):</p> <ul style="list-style-type: none"> Indemnifies the insured against loss up to but not exceeding the sum insured. <p>Limited Permanent Disability:</p> <ul style="list-style-type: none"> Indemnity for up to 60% of the insured value.

	<ul style="list-style-type: none"> ■ Permanent Disability: <ul style="list-style-type: none"> • Indemnity up to 60% or 75% of the insured value. ■ Elective Operation/Castration: <ul style="list-style-type: none"> • Indemnity against loss, up to but not exceeding the sum insured. ■ Air Transit: <ul style="list-style-type: none"> • Cover up to but not exceeding the sum insured. ■ Sea Transit: <ul style="list-style-type: none"> • Cover up to but not exceeding the sum insured.
Exclusions	<p>The key exclusions of Equine Insurance include the following (a full list of exclusions can be found in the PDS):</p> <p>Key exclusions:</p> <ul style="list-style-type: none"> • Intentional slaughter (unless certain conditions are met); • death directly or indirectly caused by or contributed to or arising from: <ul style="list-style-type: none"> ○ transport by water other than inland waterway; ○ any surgical operation unless conducted by a qualified veterinary Surgeon and certified by him to have been necessitated solely by an accident, disease or illness and to have been carried out in an attempt to preserve the animal's life; ○ the giving of any medication unless by a veterinarian (or experienced personnel directed by him) and certified by that veterinarian to have been of a preventative nature or necessitated by an accident, injury, illness or disease occurring during the period of this Insurance; ○ malicious or wilful injury for which the insured or any of his servants is responsible; ○ ionising radiations or contaminations by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel; ○ confiscation or nationalisation or requisition or destruction by or under the order of any Government or public or local authority or any person or body having jurisdiction in the matter; or ○ war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power riots, strikes, civil commotions or confiscation or nationalisation or requisition or destruction by or under the order of any government or public or local authority or any person or body having jurisdiction in the matter • Hendra Virus – loss directly or indirectly caused by, happening through, in consequence of or contributed to by the insured being unable to provide current and up to date vaccination status of the horse in accordance with the vaccine manufacturer's recommendations. • Coronavirus – loss directly or indirectly caused by, happening through, in consequence of or contributed to by Coronavirus, or any mutation or variation of SARS-CoV-2. • Death (whether by destruction or otherwise) caused by or contributed to or by any of the following: Castration, Spaying, Foot & Mouth Disease, or Equine Infectious Anaemia. <p>Each optional cover is subject to additional exclusions. Refer to the PDS for full exclusions applicable to optional cover.</p>
Who this product is not suitable for	<p>The Equine Insurance product and its options are not suitable for:</p> <p>Mortality & Theft – this cover is not suitable:</p> <ul style="list-style-type: none"> • For Insureds under the age of 18 years;

- Where the insured is unable to employ a qualified Veterinarian for all internal treatments and reproductive examinations;
- Horses that will be aged more than 17 years at the commencement of cover
- Where the Horse will not remain within the geographical limits as stated in the policy; or
- Where the insured is unable to provide health certification ie: Owners Declaration of Health or Certificate of Health issued by a qualified Veterinarian, satisfactory to the Underwriter/Issuer
- Where the insured is unable to provide a completed & signed Application for Insurance acceptable to the Underwriter (Issuer)

Colic Surgery – this optional cover is not suitable:

- Where the Horse has a history of serious colic attacks;
- Where the insured requires cover for transit and other charges not specifically listed

Emergency Surgery – this optional cover is not suitable:

- Where the Horse has a history of abdominal or colic surgery; or
- Where the insured requires cover for transit and other charges not specifically listed; or
- Where the insured is unable or not willing to pay \$500 excess for each and every claim during the period of insurance (note: this excess will be deducted from any claim proceeds).

Stallion Permanent Infertility – this optional cover is not suitable for:

- Horses that are not a proven breeding stallion.

Prospective Foal Insurance (Unborn Foal) – this optional cover is not suitable:

- Where the mare has a history of slipping/missed or aborted foetus'; or
- Where the mare is over 14 years of age.

Stallion Congenital Infertility – Thoroughbred Stallions Only – 1st Season at Stud – this optional cover is not suitable:

- Where the insured is unable to provide a current veterinary certificate stating that the external genitalia are palpably normal;
- Where the Horse is not a Thoroughbred as defined In The Australian Stud Book;
- Where the stallion is not standing at an establishment where trained personnel undertake the breeding program;
- Where the insured has any reason to suspect that the stallion is other than a normal breeding risk; or
- Where there is any other First Season Infertility insurance on the stallion, or
- Where the insured is unable to warrant that neither the stallion nor a sample of his semen has, prior to inception, been subjected to any test or examination that could have indicated that the stallion is other than a normal breeding risk.

Limited Permanent Disability – this option is not suitable:

- Where the insured is unable to provide a current veterinary certificate satisfactory to the Underwriter (Issuer) attesting to the Horse's health and conformation status;
- Where the Horse is used for Eventing, Flat Racing, Jumps Racing, Polo, Polocrosse, Hunting, Horse Trials or Breeding;
- Where cover for Limited Permanent Disability is required in excess of \$100,000; or

	<ul style="list-style-type: none"> Where the insured has other Limited Permanent Disability cover in place. <p>Permanent Disability – this option is not suitable;</p> <ul style="list-style-type: none"> Where the insured is unable to provide a current veterinary certificate satisfactory to the Underwriter (Issuer) attesting to the Horse’s health and conformation status; Where the Horse participates in Flat Racing, Jumps Racing, Polo, Polocrosse, Hunting, Eventing, Horse Trials or Breeding; or Where cover for Permanent Disability is required in excess of \$100,000 <p>Elective Operation/Castration – this option is not suitable:</p> <ul style="list-style-type: none"> Where the Horse is over 3 years of age at time of castration; or Where the Horse is a Cryptorchid i.e.: one testicle not descended OR with pre-existing medical condition unless a veterinarian has recommended the procedure take place. <p>Air Transit – this option is not suitable:</p> <ul style="list-style-type: none"> Where travel is not organised via a recognised transport agent; or Where the Horse is not booked to travel on an IATA commercial airline licenced to carry cargo/livestock. <p>Sea Transit – this option is not suitable:</p> <ul style="list-style-type: none"> Where travel is not organised via a recognised transport agent; or Where the Horse is not booked to travel on a vessel licenced to carry cargo/livestock.
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5 Distribution conditions

Distribution	<p>The Equine Insurance (Mortality & Theft and the available optional cover) are distributed solely by IRT Insurance Pty Ltd as agent for the Issuer under a general advice model via:</p> <ul style="list-style-type: none"> Direct contact by the insured – both inward and outbound telephone calls Emails – both inbound and outbound Referrals – others refer the client to IRTI – this may be via telephone or email. IRTI does not discuss or provide the referrer with information pertaining to the insurance product or its options. Website – direct online interaction via our website Print & electronic media specific to the Horse industry – provides contact details direct to IRTI
Restrictions on distribution	<p>The Equine Insurance is not to be distributed to an Insured that does not meet the eligibility criteria for the Main Cover.</p>
Review of this document	<p>This TMD will be reviewed at least annually on or before the 12 month anniversary of the date of this TMD. The Issuer will also review this TMD within 10 business days upon the occurrence of one or more of the following:</p> <ul style="list-style-type: none"> It is determined that there has been a significant dealing in the product that is not consistent with the TMD. There is a material change to the design or distribution of the insurance cover, including to the Product Disclosure Statement. There is a material change in the way Applications for cover are assessed and underwritten. Any identifiable systemic issues in the product or the distribution chain. Regular feedback from clients and industry participants.

	<ul style="list-style-type: none"> • Significant or unexpectedly high number of complaints (as defined in section 994A(1) of the Act) regarding product design, product availability or any distribution condition where the product issuer considers this reasonably suggests that this TMD is no longer appropriate. • The use of Product Intervention Powers, regulator orders or directions in relation to the distribution of this product where the product issuer considers this reasonably suggests that this TMD is no longer appropriate. • Significant changes in the performance of the product by reference to policy cancellations, claims ratios, complaints.
Data collection and reporting requirements	<p>The Issuer is required to monitor the distribution of this product which includes collecting information about sales, claims ratios, complaints, certain consumer demographics and any significant dealings in the product that are inconsistent with this TMD.</p> <p>Distributors of the Equine Insurance must collect the following information and report it to the Issuer on a monthly basis:</p> <ul style="list-style-type: none"> • Product claims ratio • Number, nature & magnitude of paid, denied & withdrawn claims • Number of policies/options sold • Policy lapse or cancellation rates • Average claim duration • Details of all complaints received • Complaint trends <p>The Distributors of the Equine Insurance must report to the Issuer as soon as it becomes aware of a significant dealing that is not consistent with this TMD.</p>

6 Questions

If you have any questions about this TMD, please contact the issuer as follows:

- Issuer: IRT Insurance Pty Ltd as Agent for Liberty Mutual Insurance Company - a member of the Liberty Mutual Insurance Group
- Email: insurance@irt.com
- Phone: 1800 331 215
- Website: <http://www.irtinsurance.com>

7 Details of Issuer, product and TMD

Issuer:	IRT Insurance Pty Ltd – ABN: 88 005 508 501 on behalf of Liberty Mutual Insurance Company - a member of the Liberty Mutual Insurance Group
Australian Financial Services Licence (AFSL) number:	247020
Product:	Equine Insurance

Issuer: IRT Insurance Pty Ltd – ABN: 88 005 508 501 on behalf of Liberty Mutual Insurance Company - a member of the Liberty Mutual Insurance Group

Date of TMD 1st October 2021

Version of TMD Version 1 – September 2021
