

## What is this Product?

This product ("Protection") is a discretionary miscellaneous financial risk product issued by Capricorn Mutual Limited ("CML").

The Protection comprises up to eighteen business and personal types of protection.

"Discretionary" means CML exercises its discretion both to issue Protection to Members, and to grant or not grant indemnity if a claim is made. Protection is not insurance.

## What customer need is met by this Protection?

CML Members can protect their business and personal assets against loss or damage, and liability.

## For whom is Protection designed?

Protection may only be held by CML Members and is restricted to Australian or New Zealand persons, corporations, organisations or entities admitted to membership of CML in accordance with its Constitution:

- i. Shareholders of Capricorn Society Limited ("CSL");
- ii. Persons holding a CSL Trading Account; or
- iii. Associates of persons in i-ii. approved by CML,

provided each person pays the annual CML subscription and contributions.

For CML Members, Protection is designed for those who:

- ✓ have businesses primarily in the automotive industry;
- ✓ agree with the values of a discretionary mutual organisation;
- ✓ require protection for their assets and liability;

- ✓ value CML's personalised account management service;
- ✓ prefer not to self-insure or have failed to find a better alternative in the general insurance market; and
- ✓ have a risk profile consistent with CML's underwriting criteria.

## For whom is Protection not designed?

Protection is not designed for those:

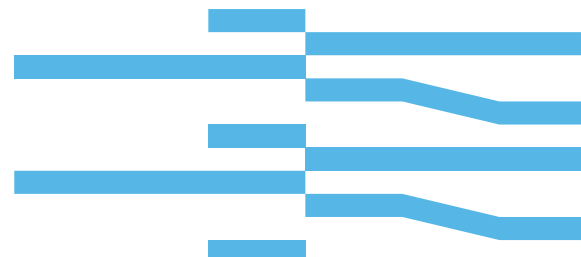
- ✗ ineligible for CML Membership;
- ✗ seeking a type of protection not issued by CML, e.g: Workers Compensation; Management Liability; Directors and Officers; Personal Accident and Illness; or
- ✗ whose circumstances fall outside of CML's prescribed risk profile, which is set based on claims experience and underwriting expertise.

**Note:** even if persons are eligible for Protection and it is designed for them, not all types of protection may be appropriate given their individual circumstances.

## How does CML sell Protection?

Capricorn Risk Services Pty Ltd ("CRS") and Capricorn Mutual Management Pty Ltd ("CMM") are Corporate Authorised Representatives (CARs) authorised by CML to promote, distribute, and service CML protections. CAR employees may sell CML protections to Members face to face, by telephone and electronically.

The CARs maintain a register of complaints related to the product including those regarding its distribution. They report any complaints bimonthly to CML.



## When would this Target Market Determination (TMD) change?

A review of this TMD would be immediately triggered if:

- a Constitution clause pertaining to CML membership is altered;
- CML changes its Protection offer, either increasing or decreasing the types of protection;
- CML discovers protections are being issued to persons outside the bounds of this TMD; or
- CAR distribution arrangements are amended or ended.

Unless CML is already aware, the CARs must report any changes to CML within three business days.

Finally, CML reviews this document at least annually. All reviews are completed within two months.

## Why are we telling you this?

The *Treasury Laws Amendment (Design and Distribution Obligations and Product Intervention Powers) Act 2019* requires a written TMD be published that:

- describes the class of clients that comprise the target market of the product;
- imposes conditions or restrictions on distribution of the product;
- describes triggers indicating a review of the TMD is needed; and
- includes a review period.

## What does this mean for me?

CML has provided you with clarity on whom our Protection is intended for, for whom it is not, and how it is issued.

When using this TMD you should consider your situation and whether or not you fall within our target market, as well as assess your needs against the Protection and distribution method described.

This Target Market Determination was approved on 5 October 2021.

