

## TARGET MARKET DETERMINATION Journey Personal Accident Insurance

### Epsilon Underwriting Agencies

[www.epsiloninsurance.com](http://www.epsiloninsurance.com)

#### *Accident & Health:* Journey Personal Accident Insurance

Effective Date: 5 October 2021

Product	Journey Personal Accident Insurance
Issuer	Epsilon Underwriting Agencies (AFSL: 245612) on behalf of certain Underwriters at Lloyd's of London
Distributor(s)	Licensed insurance Brokers (and their authorised representatives) holding an AFSL approved by Epsilon
Publication Date	5 October 2021
Review Date	Please see heading: Reviewing This Target Market Determination
Distributor's Reporting Requirements	Monthly – (please see heading: 'Review Mechanisms')

## WHAT IS A TARGET MARKET DETERMINATION?

A Target Market Determination (**TMD**) is prepared by the issuer of the product and aims to provide customers and distributors with sufficient information to understand who the product is suitable for. It also details the distribution conditions for this product, how often the TMD will need to be reviewed, along with the distributor's reporting and record keeping requirements.

## WHY DOES EPSILON NEED TO HAVE A TARGET MARKET DETERMINATION?

As a retail product issuer and AFS licence holder, Epsilon Underwriting is required to adhere to the Design and Distribution Obligations (DDO) defined by ASIC Regulation 274 and The Corporations Act (2001).

## WHAT DO WE TAKE INTO CONSIDERATION WHEN MAKING A TARGET MARKET DETERMINATION?

The questions we ask as part of our target market determination are:

- What are the objectives the product is seeking to meet, what are the customers' needs.
- Product fees and customers capacity to meet financial obligations.
- Risk profile of the product over its lifetime and a customer's capacity to bear losses.
- The complexity of the product i.e. is it easy for a customer to understand.

## BACKGROUND AND PRODUCT OUTLINE

Epsilon Underwriting Agencies Pty Limited (**EPSILON**) underwrites insurance on behalf of certain Underwriters at Lloyd's of London. In performing this function, EPSILON issues a **Journey Personal Accident** Insurance Policy (the product) to customers.

In general, the product provides lump sum or weekly benefits to consumers if they suffer an accidental injury while travelling on their direct route to and from their usual place of employment.

When issuing this product, EPSILON acts as agents for the Underwriters and is authorised to provide only general financial product advice and factual information about the product. Individual customers will need to consider whether this insurance product meets their specific objectives, financial situation and needs.

This product is only distributed to customers who have appointed a licensed insurance Broker (or their authorised representatives) to act on their behalf as their agent.

## TARGET MARKET DETERMINATION

### CLASS OF CONSUMERS COMPRISING THE TARGET MARKET FOR THE PRODUCT

#### **The product is suitable for ('target market')**

The product is suitable for consumers aged 70 and under who are employed or self-employed and wish to purchase insurance cover against the risks of an accidental injury while travelling on their direct route to and from their usual place of employment.

The product is not complex and is appropriate for retail customers who work in occupations and industries that are acceptable to cover under EPSILON'S underwriting guidelines.

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#### **The product is not suitable for ('negative target market')**

The product will likely be inappropriate for consumers who fall outside the product's underwriting criteria (due to the type of work they do) or claims criteria (that is, they are ineligible to make a claim or a policy exclusion applies). This will include consumers who, for example:

- are outside the age limit given above;
- are unemployed; or
- are seeking cover whilst working or outside of work hours.

Additionally, the product will be inappropriate for those who will otherwise derive lesser benefits, such as consumers who have already obtained another insurance policy covering substantially the same risks, for example, a group policy obtained via their employer (but only to the extent both policies cover the same risks).

## HOW WE DISTRIBUTE THIS PRODUCT

To avoid the product being mis-sold to customers, this product cannot be purchased from EPSILON by customers directly. A network of brokers (**the Brokers**) distributes the product to consumers. Brokers are required to provide EPSILON with a proposal form on behalf of the customer for submission. The Broker will then be referred to an EPSILON Accident and Health Underwriter who specialises in this area and has the appropriate training for this product.

To obtain a quotation for this product, EPSILON will require the following details from the Broker such as:

- The sum insured;
- Occupation class;
- Salary percentage intended to be covered;
- Benefit period and excess period; and
- Total number of insured persons.

As a result of these measures, EPSILON expects consumers who are unlikely to receive sufficient benefits from this product will be identified before an inappropriate sale is made. It is a condition of the quotation, that both the Broker and the customer review the Policy Wording and associated endorsements and are satisfied with not just the benefits of coverage but also the limitations and restrictions on coverage prior to finalising the sale to the consumer (i.e. binding the risk).

## REVIEWING THIS TARGET MARKET DETERMINATION

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

<b>Initial Review</b>	Within (1) Year of Effective Date
<b>Periodic Review</b>	Within (3) Years of Effective Date
<b>Review triggers /events</b>	<p>Any event or circumstance that arise that may suggest the current Target Market Determination is no longer appropriate the Target Market determination will be reviewed within 10 business days of the follow triggers or events including, but not limited to:</p> <ul style="list-style-type: none"> <li>• Systematic issues across the product lifecycle.</li> <li>• A change in insurance terms or coverage.</li> <li>• Any alteration in acceptance criteria.</li> <li>• The product is deemed to no longer suit the likely objectives, financial situation and needs of the retail client.</li> <li>• Determination by us that a significant dealing or breach has occurred.</li> <li>• Ongoing similar feedback from customers or brokers warrants product review.</li> <li>• Significant changes in metrics i.e. claims data, sales data, complaints, cancellation rates.</li> </ul>

## REVIEW MECHANISMS

The following reporting will be used to review, assess, and document our Target Market Determination for appropriateness:

<b>Complaints</b>	Complaints are monitored on a monthly basis
<b>Sales Data</b>	Review and analysis of customer and sales data for fluctuation on a monthly basis
<b>Claims Data</b>	Review and analysis of claims data on a monthly basis
<b>Cancellation Rates</b>	Review of cancelation rate in comparison to sales data on a monthly basis

## RELATED PRODUCT DISCLOSURE STATEMENT

Epsilon Underwriting – Expatriate Medical & Emergency Evacuation Insurance

## CONTACT DETAILS

We welcome your questions and comments about our Target Market Determination. If you have any queries, please contact us at:

### OUR ACCIDENT AND HEALTH SPECIALIST

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