

PRODUCT DEVELOPMENT AND DISTRIBUTION (AUSTRALIA)

About this document:

Mitsui Sumitomo Insurance Company Limited (MSI) is a subscriber of the General Insurance Code of Practice and is committed to delivering high standards of service to our customers throughout the insurance process.

We have developed appropriate product governance arrangements that cover the entire product lifecycle, including product development, product distribution and product monitoring and review. This ensures we offer fair and transparent products and services that provide value to our customers in compliance with the design and distribution obligations stipulated in the Corporations Act 2001.

This document summarises MSI's approach to the development and distribution of our retail insurance products for appropriate target markets.

Product Development

MSI's product governance framework sets out principles that guide the development of our insurance products and maintain their ongoing integrity. The framework requires a process to approve, monitor and regularly review our products to be strictly followed.

Identifying an appropriate target market (class of customers) for each retail insurance product based on the likely objectives, needs and financial situation of the customers within the target market is critical in the product development stage.

MSI has implemented processes and procedures in relation to:

- identifying the target markets for our products;
- conducting robust testing of the target markets; and
- reviewing the target markets on an ongoing basis.

Product Distribution

MSI distributes its retail insurance products directly and through its distribution partners. A Service Provider Management framework is in place to ensure MSI's partners are appropriately selected for the distribution of MSI's products in the target markets. The distribution process includes, but not limited to, the following key considerations:

- imposing distribution conditions;
- implementing and reviewing the distribution conditions; and
- reporting distribution information.

MSI maintains records of its distribution information.

Product Monitoring and Review

MSI's product governance framework requires ongoing monitoring and regular reviews of its retail insurance products. MSI collects and analyses production information to support its review of the following:

- Target market and Target Market Determination;
- Product design;
- Product distribution; and
- Product performance.

This process ensures that MSI's insurance products can continue to meet the likely objectives, needs and financial situation of the customers in the target markets and that the products are consistently distributed in accordance with the Target Market Determination.