Product Development and Distribution Policy

This Policy provides our approach to the development and distribution of WIP products and applies to those parts of our business that issue Retail Insurance products.

We follow the General Insurance Code of Practice 2020, updated 1 October 2023 (**the Code**) and this Policy has been prepared in response to the Code.

Our design framework covers all product-related activities impacting the design and distribution of our products and we take accountability to design our products so that they are suitable for the customers who they are sold to.

Overall accountability for product governance and compliance with design and distribution obligations sits with senior management, with oversight through WIP's existing governance and risk frameworks.

We are committed to delivering customer value and offering services that are transparent, honest and fair by:

- Designing and selling insurance products to meet the needs of identified consumer groups through the likely needs, objectives and financial situation of the class of customers that are aligned with our key attributes.
- Designing and selling insurance products and services in a clear, transparent and fair manner.
- Designing and selling insurance products and services that are of value to consumers and the community.
- Continually reviewing and improving our products and services offered to ensure they remain of value to the changing needs of our customers and the community.

We develop and distribute Retail Insurance products in accordance with our legal, regulatory and industry code obligations. These obligations will include the design and distribution obligations (the DDO) which form part of the Corporations Act 2001 (Cth) including:

- creating a Target Market Determination (TMD) and making it available to the public.
- setting out distribution conditions and distribution information in a TMD.
- setting out review triggers in a TMD which will be monitored by us, and
- establishing periodic review periods that will apply to products captured in a TMD.

"**Target Market Determination**" or "**TMD**" means a determination about the class of customers that is the target market for one of our retail insurance products.

For us to comply with these obligations, and to deliver fair and transparent products that provide value to our customers, we have developed product governance arrangements that cover the entire product lifecycle including the stages outlined below:

1. Product Design

When designing a new product or redesigning an existing product the WIP Product Design Principles considerations include:

- The product itself meets our customers needs and will not be overly complex.
- Product features that are clear and do not create confusion.
- Product exclusions that are reasonable for the identified target customer(s).
- Consistent customer outcomes across our customer segments.

2. Product Approach

Our distribution conditions will make it likely that customers who acquire the insurance product are in the target market for that product as we consider that the distribution conditions are appropriate and will enable us and our third-party distributors to direct the insurance product to the class of customers who fall within the target market. This is determined based on an assessment of the distribution conditions and the target market.

We will ensure cover can only be issued to people where they are eligible for that cover in accordance with the application and/or acceptance/renewal criteria that has been approved in writing by us and which complies with relevant laws.

3. Product Distribution

We primarily distribute Retail Insurance products either directly or through our approved partners including Insurance Brokers and their representatives that hold an Australian Financial Services Licence and other Financial Intermediaries. We may also offer insurance products direct to individuals through our partner's websites. Where products are distributed through third parties, WIP relies on contractual arrangements and information provided by distributors to support compliance with TMD distribution conditions and monitoring obligations.

4. Product Monitoring

WIP reviews product and portfolio performance on a regular basis to ensure continued value for customers and alignment with our target markets.

WIP will consider whether there is sufficient management oversight of the product including monitoring of complaints and review of sales processes.

If we identify that a product may no longer meet the likely objectives and needs of the target market in which it was developed we will take appropriate steps to amend or remove the product where appropriate. Review outcomes and trigger events may result in changes to product design, target markets, distribution conditions, or the withdrawal of a product where appropriate.

5. Product Enhancement/Modification/Decommission

All TMDs and the effectiveness of our Product Governance framework will be reviewed annually.

We undertake regular product reviews to assess whether the product is operating the way it was designed, that it continues to meet customer needs and that it is being distributed within target market.

In order to monitor the performance of our Retail Insurance products, customer outcomes and distribution within the Target Market, we collect and monitor a number of information sources in relation to our Retail Insurance products, including:

- trends in customer segments,
- claims outcomes and trends,
- customer and distributor feedback and complaints, and
- regulatory action and litigation.

Our assessment of these information sources may result in changes to product design, the TMD and the distribution of Retail Insurance products.

We also draw on the experience of dedicated teams who proactively look at customer behaviour and market changes relevant to the product.

Depending on the outcome of the Review stage, a possible outcome may be to amend the design of the product or the method of distribution. There may also be other reasons the Enhance/Modify stage is triggered. e.g. to meet regulatory change requirements. In either case, the Enhance/Modify stage broadly follows the same steps outlined above.

A further potential outcome of the Review stage is the potential decommission of a product. This might occur if the product is not delivering the expected customer value, if for commercial or other reasons we decide to withdraw the product or if we cannot reasonably conclude the product is being distributed within the target market.

Contacts for questions or information

If you have any questions or would like more information about this Policy, please contact us.

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