

Target Market Determination Private Collectibles and Valuables Insurance

What is a Target Market Determination?

This Target Market Determination (**TMD**) seeks to offer customers, distributors, and Keystone's staff with an understanding of the classes of customers for which the product has been designed, having regard to the needs, objectives, and financial situation of the target market.

This document is not to be treated as a full summary of the product's terms and conditions and is not intended to provide financial advice.

Customers must refer to the Product Disclosure Statement (PDS) and any supplementary documents which outline the Private Collectibles and Valuables Insurance terms and conditions when deciding about this product.

What does this TMD relate to?

This TMD is for Keystone's Private Collectibles and Valuables Insurance Policy.

The TMD is effective as of 5 October 2021.

Overview of Keystone's Private Collectibles and Valuables Insurance

Keystone's Private Collectibles and Valuables Policy is designed to enable collectors to purchase insurance for artworks and collectibles (a defined term) and jewellery and valuables (a defined term). The terms "artworks and collectibles" and jewellery and valuables" are collectively referred to as insured items in this TMD.

The Private Collectibles and Valuables policy will pay an agreed value in the event of an insured peril happening which causes damage to the insured collectibles or valuables.

There are limitations and restrictions as to what is covered in the Private Collectibles and Valuables policy. These are set out fully in the policy wording.

The Private Collectibles and Valuables policy has been developed and modified over a period of years to ensure it is sufficiently broad to cover most claims, within the confines of the premium paid. Keystone acknowledges that not every cover is suitable for each collector, and that factor is considered in ongoing product development.

Keystone will consider covering a cohort of claims identified as not being covered under the policy as part of our regular review, at an appropriate premium.

What is payable under the Private Collectibles and Valuables Insurance

The Private Collectibles and Valuables policy responds to perils insured, in the event of damage to an insured item. The perils include:

- a. Perils Insured A - all risks of physical loss or damage (including accidental loss or damage and theft) but excluding Fire and Extended Perils. The expression Perils Insured A is defined in the policy, and
- b. Perils Insured B – being physical loss or damage by fire and other perils explained in the Policy. The expression Fire and Extended perils is defined in the policy.

Who are Keystone's Target Market Customers?

Keystone's target market is individuals and self-managed super funds as owners of collectibles and valuables.

The target market **excludes**:

- a. inexperienced collectors;
- b. collectors with collectibles and valuables without proper records of ownership and value; and
- c. collectors using inappropriate means of storage of collectibles and valuables.

Distribution Restrictions

Keystone's products are not able to be acquired directly; they can only be acquired through AFS licenced brokers.

Keystone continually interacts with brokers to ensure products are consistent with their clients' likely objectives, financial situation, and needs, and Keystone continues to monitor the adequacy of the target market and the adequacy of products with brokers.

Monitoring and Review

Keystone monitors the Collectibles and Valuables insurance product, its ease of acquisition, customer satisfaction, and claims paid to ensure the product continues to meet target market objectives, and the financial situation and needs of policyholders. Keystone also monitors that the product delivers what is promised and whether there has been less than satisfactory or poor outcomes for clients.

Monitoring is a continuous process based on outcomes. A written record of Keystone's ongoing monitoring will be maintained and will be part of the minutes of each quarterly product review.

Monitoring and review of the product also has regard to distributor considerations and involves continuous liaison with the broker market.

Keystone's initial review of the product will take place on or before 5 December 2021.

The product will thereafter be reviewed on a quarterly basis.

The review committee will consist of the Executive Directors.

The review process will include:

- a. continuous monitoring of issues raised by brokers as to the adequacy of the product for the target market or generally;
- b. identification of any issues that arise out of regular communication with brokers which is inconsistent with the target market, the suitability of the product for the target market, the performance of the product, or the way the product is marketed;
- c. identifying recurrent issues such as claims or service issues and whether they give rise to a need to review the target market or the product itself;
- d. identifying any poor outcomes and whether they impact the target market and create a need to review the product; and
- e. confirmation of the ongoing adequacy of the TMD or identifying what changes are required to be made.

Immediately following a review (not less than ten (10) working days after the review) Keystone will amend, if required, the target market for the product and, if necessary, create a product review plan to ensure the product's ongoing suitability for the target market.

Record Keeping

Written minutes of the initial review and each quarterly review will be made and kept as part of Keystone's compliance record.

Reporting to Underwriters

A copy of the minutes of each quarterly TMD review will be provided to our underwriting security, together with a record of timelines for any action agreed to be taken arising out of the quarterly review meeting.

Any underwriter feedback will be reviewed at quarterly meetings.