



DESIGN & DISTRIBUTION STATEMENT

JUNE 2021

Allianz Design & Distribution Statement

About this Statement

Allianz has adopted the General Insurance Code of Practice 2020 (the **Code**). This Statement has been prepared in response to the Code, and applies to Allianz Australia Insurance Limited and each of its wholly-owned Australian based subsidiaries that issue or distribute Retail Insurance products (**Allianz**).

Introduction

At Allianz, we are committed to delivering customer value and offering services that are transparent, honest and fair. We are also committed to complying with the laws, regulations and industry codes that govern our operations in all jurisdictions.

As an insurer, Allianz must develop and distribute its Retail Insurance products in accordance with our prudential, legal, regulatory and industry code obligations.

From 5 October 2021, these obligations will include the design and distribution obligations (the **DDO**) which form part of the Corporations Act (Cth) 2001 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 Allianz, and
- establishing periodic review periods that will apply to products captured in a TMD.

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:

A. Product Design Stage

Allianz's Product Governance Framework (the **PGF**) sets out the principles, governance and controls that apply to the development, modification and termination of all our Retail Insurance products, including those developed and/or distributed by our distribution partners.

The PGF establishes:

- principles that guide the development of our Retail Insurance products, help us maintain the integrity of our products, and provide value to our customers by offering fair and transparent products, and
- a committee to approve, monitor and review our products throughout the product lifecycle.

At the centre of our product design stage is our assessment of the appropriateness of Retail Insurance products for an identified class of consumers (the **Target Market**) based on their likely needs, objectives and financial situation. Allianz maintains records of its assessment and decisions as part of the product design stage.

B. Product Distribution Stage

Allianz distributes Retail Insurance products directly and through its approved partners, such as brokers, financial institutions, underwriting agents and motor dealers.

Allianz has developed a third party distribution framework that sets the standards for Allianz's distribution partners, including:

- selection and due diligence to align with Allianz's partnering principles
- minimum training requirements
- remuneration and incentives, and the identification and management of any potential conflicts of interest
- distributor reporting, including distribution information, complaints and potential breaches and incidents
- breach and consequence management.

Allianz has a number of systems, processes and procedures to monitor distribution inside and outside the target market. Allianz maintains records of its distribution information.

C. Product Monitoring and Review Stage

Allianz's PGF sets out the principles, governance and controls that apply to the review of all our Retail Insurance products, including those developed and/or distributed by our distribution partners.

The PGF requires ongoing monitoring and periodic reviews of all Retail Insurance products to help us maintain the integrity of our products, and provide value to our customers by offering fair and transparent products.

Allianz collects and monitors a number of information sources in relation to its Retail Insurance products, including:

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

in order to monitor the performance of our Retail Insurance products, customer outcomes and distribution within the Target Market. Our assessment of these information sources may result in changes to product design, the TMD and the distribution of Retail Insurance products.

Document Owner: Chief Technical Officer, Allianz Australia

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Contact: If you have any questions in relation to Allianz's approach to the design and distribution of its products you can contact us on 131 000

