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# Insurance Program Review

Project Kingfisher - Target Co Pty Ltd

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**Project Code:** WES-PKF-INS-001

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## 1. Current Insurance Program

Marsh has been engaged to review the existing insurance program of Target Co Pty Ltd and advise on adequacy of coverage, claims history, and integration considerations for the proposed acquisition.

### 1.1 Policy Schedule Summary

Policy	Insurer	Limit (\$m)	Deductible	Premium (\$k p.a.)	Expiry
Industrial Special Risks	Zurich / QBE	\$500.0	\$250k	\$1,840	30 Jun 2026
Public & Products Liability	Allianz	\$100.0	\$50k	\$620	30 Jun 2026
Workers Compensation	Various (state)	Statutor y	N/A	\$4,250	Various
Management Liability (D&O;)	AIG / Chubb	\$50.0	\$100k	\$385	30 Jun 2026
Cyber Liability	Beazley	\$20.0	\$150k	\$280	30 Jun 2026
Marine Cargo / Transit	Tokio Marine	\$30.0	\$25k	\$520	30 Jun 2026
Motor Vehicle Fleet	QBE	\$10.0	\$2.5k/ve hicle	\$185	30 Jun 2026
Business Travel	Zurich	\$2.0	Nil	\$42	30 Jun 2026
Total Annual Premium	-	-	-	\$8,122	-

## 2. Claims History (3 Years)

Year	# Claims	Gross Incurred (\$m)	Net Incurred (\$m)	Largest Single Claim
FY23	142	\$4.8	\$3.2	\$1.2m (flood damage - Lismore store)
FY24	118	\$3.1	\$2.4	\$0.6m (customer injury - slip & fall)

Year	# Claims	Gross Incurred (\$m)	Net Incurred (\$m)	Largest Single Claim
FY25 YTD	64	\$1.9	\$1.4	\$0.4m (cargo loss - container)

The claims experience is broadly consistent with industry benchmarks for a retail operation of this scale. The FY23 Lismore flood claim (\$1.2m) was a natural catastrophe event and is not indicative of systemic risk.

### 3. Key Observations and Recommendations

**Cyber Insurance:** The current \$20m cyber liability limit is considered inadequate for a business with 2.1 million customer records and growing e-commerce operations. We recommend increasing the limit to \$50m, consistent with Wesfarmers group standards. Estimated incremental premium: \$120-180k p.a.

**Product Recall:** The Company does not currently carry standalone product recall insurance. Given the own-brand product range (35% of sales) and sourcing from Southeast Asian manufacturers, we recommend a \$10m product recall policy. Estimated premium: \$80-120k p.a.

**Change of Control:** All existing policies contain standard change of control provisions. The current insurer will need to be notified of the acquisition and consent obtained prior to completion. Alternatively, the Buyer may elect to novate the Company onto the Wesfarmers group insurance program from the completion date.

**W&I; Insurance:** A warranty and indemnity (W&I;) insurance policy should be considered for this transaction. Based on the proposed Enterprise Value of \$2.6 billion, we estimate a W&I; policy with a \$260m limit (10% of EV) would attract a premium of \$5.2-7.8m (2-3% of limit) plus IPT. This is within normal market ranges for transactions of this size.