

Target Market Determination (TMD)

Comprehensive Car Insurance



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1. What is a Target Market Determination?

A Target Market Determination (TMD) is a determination that Apia has made to:

- describe the class of Customers this product has been designed for;
- specify product distribution conditions;
- specify TMD review periods and triggers; and
- set out reporting requirements.

This TMD assists Apia staff, our Distributors and Customers in understanding the target market for this product.

In this TMD, distribution includes the following conduct in relation to retail Customers:

- dealing in the product (e.g. issuing or arranging for the product to be issued to a Customer);
- giving a PDS or other regulated disclosure document; and
- providing financial product advice in relation to the product.

2. What product does this target market determination apply to?

This TMD applies to Comprehensive cover offered in the Apia Car Advantage Insurance Product Disclosure Statement (PDS) and any Supplementary Product Disclosure Statement (SPDS) we may issue.

3. What are the key attributes of this product?

Summary of Key Product Attributes	<p>This product provides:</p> <ul style="list-style-type: none">• cover for accidental loss or damage to the Customer's car during the period of insurance caused by an incident. Accidental loss or damage cover includes cover for incidents such as hail, storm (including cyclone), fire, theft and collision;• cover for legal liability to pay compensation for loss or damage to another person's vehicle or property caused by the use of the Customer's car. <p>For full details of the cover available in this product, including the conditions and exclusions that apply, Apia staff, our Distributors and Customers should read the PDS which can be found at www.apia.com.au.</p>
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The PDS also offers Fire, Theft & Third Party Property Damage cover and Third Party Property Damage cover as separate levels of cover.

To understand whether a Customer might be considered within the target market for the other products in the PDS, separate TMDs are available for those products. These TMDs can be found at www.apia.com.au.

4. What is the target market for this product?

This product is designed to be consistent with the likely objectives, financial situation and needs of Customers who:

Eligibility	<ul style="list-style-type: none">• are owners of passenger cars (including 4WDs, utilities and vans);• are over 50 years of age at the time of taking out a new policy (or their partner is);• use the car for one or more of the following uses:<ul style="list-style-type: none">– Private: if not in connection with earning an income;– Business: if used in connection with earning an income from an acceptable occupation; and• have a car that meets our underwriting acceptance criteria including:<ul style="list-style-type: none">– is located within an acceptable postcode area;– matches our list of acceptable makes and models; and– meets our acceptable physical condition criteria and is fitted with acceptable non-standard accessories or modifications.
Customer objectives, financial situation and needs	<ul style="list-style-type: none">• require and seek financial protection for accidental loss or damage to the car due to an accident, theft or any other incident not excluded by this product, including hail, storm (including cyclone), fire, theft and collision;• require and seek legal liability cover for loss or damage to another person's vehicle or property caused by the use of the Customer's car.

This product is likely to be consistent with the objectives, financial situation and needs of the Customers in the target market because:

- the product provides cover for the types of loss or damage that Customers in the target market are seeking to insure against; and
- the target market for the product covers those Customers who are eligible to receive cover.

5. When will we review this TMD?

We will complete a review of this TMD for this product by no later than the following periods:

- a. First review period:
2 years after the original date of the TMD.
- b. Ongoing review periods:
At least every 2 years following the first review period.

6. Other circumstances which will trigger a TMD review

The Review Triggers for this product are:

- if one or more terms of the product are altered and we consider that this alteration reasonably suggests that this TMD is no longer appropriate;
- an event or circumstance occurs that materially changes a factor taken into account when making the TMD that would suggest to us that the TMD is no longer appropriate, such as a change in underwriting requirements;
- the discovery of a material defect in the PDS which reasonably suggests that the TMD is no longer appropriate;
- if feedback, such as significant or systemic complaints or claims issues, is received from a Distributor or Customers who purchased the product, and we consider that this reasonably suggests to us the TMD is no longer appropriate;
- if feedback, regulatory orders or directions received from a regulator, the Code Governance Committee (CGC) or Australian Financial Complaints Authority (AFCA) suggest this TMD is no longer appropriate;
- if a change in law, regulation, or regulatory guidance that materially affects the product design or distribution of the product (or class of products that includes this product) where we consider that this reasonably suggests that this TMD is no longer appropriate;
- where significant dealings outside the TMD occurs, and we consider that this reasonably suggests that this TMD is no longer appropriate;
- if a remediation event relating to this product occurs where we consider this would reasonably suggest that:
 - this product is unsuitable for a particular cohort of Customers; and
 - the TMD may no longer be appropriate.
- if we consider that the claims data for the product reasonably suggests that this TMD is no longer appropriate.

7. What distribution conditions apply to this product?

The following conditions apply to this product:

- those Distributors who distribute the product are required to be authorised by us to distribute this product and those arrangements must not be cancelled or suspended;
- this product must only be distributed in accordance with this TMD;
- distribution of this product must comply with all of our underwriting criteria;
- distribution of this product must be conducted through our online platform, contact centres and in-store sales pursuant to specific channel distribution requirements;
- this product cannot be distributed where this TMD is not up to date and no new TMD has been published; and
- the TMD must be current and not subject to any ASIC action that might suggest that the TMD is no longer appropriate.

These distribution conditions make it likely Customers who are issued the product are in the target market because they are supported by reasonably appropriate platform controls, training and scripting designed to ensure that the product is distributed to persons within the target market.

8. When do Third Party Distributors who distribute our products need to report complaints about this product to us?*

Third Party Distributors who distribute our products need to provide us information on complaints made about this product on a Quarterly basis (**Complaints Reporting Period**).

Third Party Distributors who distribute our products are required to provide to us this complaints information within 10 business days of the end of the Complaints Reporting Period.

All complaints lodged with us are handled in accordance with Suncorp's Group Complaint Management Standard.

*This section 8 only applies to products distributed by Third Party Distributors

9. Information to assess TMDs and reporting periods

The table below sets out the kinds of information we need to identify, or those that Distributors who distribute our product need to provide to us, to enable us to ensure that the TMD for this product continues to be appropriate.

Information	Persons required to report	Reporting period
Complaints feedback including: <ul style="list-style-type: none"> • Nature of complaints • Number of complaints • Product category 	Distributors / Issuer	Quarterly
Claims data including: <ul style="list-style-type: none"> • Average claims costs • Claims acceptance rates • Claims frequency • Loss ratios 	Issuer	Quarterly
Annual Product Review outcomes	Issuer	Annually
Sales information including: <ul style="list-style-type: none"> • Strike rates • Cancellation rates • Exception reporting 	Issuer	Quarterly
Dealings of product outside of TMD	Distributors / Issuer	As soon as practicable but within 10 business days
Any feedback, regulatory orders or directions received from a regulator, CGC or AFCA in respect of the product or its distribution	Distributors / Issuer	As soon as practicable but within 10 business days