

# Target Market Determination

## Product: Heavy Motor Vehicle Fleet Insurance



This Target Market Determination ('TMD') is effective from 5 October 2021 and relates to comprehensive cover within the Heavy Motor Vehicle Fleet Insurance Product Disclosure Statement ('PDS') (POLHMIASD032021).

Heavy Motor Insurance Australia ('HMIA') acts under a binding authority as agent for the insurer, HDI Global Specialty SE – Australia ('HDI Global Specialty') (ABN 58 129 395 544) (AFSL No. 458776), of this product.

This TMD provides HDI Global Specialty's distributors and customers information about:

- the customers for whom this product is appropriate (being the target market);
- the customers for whom this product is NOT appropriate;
- any distribution conditions attaching to the product;
- the reporting obligations of the distributors; and
- the review period(s) and events which may trigger a review.

This TMD identifies the customers within the target market for Heavy Motor Vehicle Fleet Insurance. This TMD does NOT consider a customer's personal needs, objectives and financial situation.

Customers should always refer to the Heavy Motor Vehicle Fleet Insurance PDS and any Supplementary Product Disclosure Statement ('SPDS') that may apply, to ensure the product is suitable for their needs.

This product has two (2) sections of cover as set out below and has been designed for consumers in the target market to provide cover as follows:

- Loss of, or damage to, Your Vehicle caused by or arising from an Accident, Theft or Malicious Damage (Section 1); and
- Your legal liability to third parties resulting from an Accident caused by, or arising out of the use of Your Vehicle (Section 2).

### WHO IS WITHIN THE TARGET MARKET FOR HMIA'S FLEET INSURANCE

#### Customers within the Target Market

(Customers are within the target market if all the following conditions apply)

- ✓ Is a transport operator;
- ✓ Has an Australian Business Number (ABN);
- ✓ Operates within Australia.

### Customers NOT within the Target Market

(Customers are not within the target market if any of the following conditions apply)

- X** Individual persons who do not operate under an Australian Business Number (ABN);
- X** Vehicles that are used for the conveyance of passengers for hire, fare or reward;
- X** Vehicles used in connection with the motor trade, experiments, tests, trials, and/or demonstration;
- X** Vehicles used in, or participating in, or being tested or prepared for any motor sport including but not limited to rally driving, motor racing, any activity on a racetrack, competitive motor sport event, an experiment, contest or other motor sports events;
- X** Unroadworthy vehicles; or
- X** Any motor vehicles situated outside of Australia.

### DISTRIBUTION CONDITIONS

The application process has been designed to guide customers directly to the product most likely to meet their needs and objectives based on their responses to our questions.

HMIA's staff have been adequately trained in the product, the customer(s) it is intended for and the underwriting criteria.

<b>Distribution Restrictions</b>	<ul style="list-style-type: none"> <li>• This product can only be sold via an insurance broker and cannot be sold directly to the public.</li> </ul>
<b>Distribution Conditions</b>	<ul style="list-style-type: none"> <li>• This product can only be sold on an offer and acceptance basis.</li> <li>• This product can be sold to customers within the target market without the customer being provided with any financial product advice, or general or personal advice.</li> </ul>
<b>Distribution Method</b>	<ul style="list-style-type: none"> <li>• This product is sold via an insurance broker only.</li> <li>• This product is available for purchase to customers who have engaged with an insurance broker to act on their behalf. The insurance broker is responsible for ensuring the information presented to the client is true and accurate and is in line with HMIA's TMD.</li> <li>• This product is not available for purchase by the client/insured directly.</li> </ul>

### TMD REVIEWS

#### Review Period

The initial review of this TMD will occur no later than 12 months from the date this TMD is first published, or within 10 business days if an event or circumstance (Review Trigger) occurs which would reasonably suggest that the TMD is no longer appropriate.

This TMD will then be reviewed at least every 24 months after the end of the previous review or agreed otherwise with HDI Global Specialty.

#### Examples of Review Triggers that would reasonably suggest that the TMD is no longer appropriate

The events or circumstances that may suggest the product is no longer suitable to the target class of customers and would trigger a review (prior to the scheduled periodic review date) include, but are not limited to, HMIA becoming aware of:

- significant increase in the number of complaints relating to the product received by us or reported by distributors which suggests to us that the TMD is no longer appropriate;
- adverse trends in policy and claims data indicating that the product is not performing as expected by the customer;
- an event or circumstance that would materially impact on or change a factor taken into account when making the TMD that would suggest to us that the TMD is no longer appropriate;
- a material change to the product including the PDS, policy wording information or assumptions upon which the target market was formulated;
- the product is being distributed and purchased in a way that is significantly inconsistent with this TMD; and
- change of relevant law, regulatory guidance, industry code or feedback from regulators such as ASIC or other interested parties which has a material effect on the terms or distribution of the product.

### REPORTING OBLIGATIONS

Distributors of this product are required to provide HDI Global Specialty with complaints information via the agreed complaints submission process including:

- the number of complaints the distributor has received about this product during the reporting period;
- a short summary of the nature of the complaint raised and any steps taken to address the complaint; and
- any general feedback on this product.

Distributors should include sufficient details about the complaint that would allow HDI Global Specialty to identify whether the TMD may no longer be appropriate to the class of customers.

**Reporting Period:** Monthly and no later than 10 business days after the agreed complaints reporting date (*Complaints Reporting Period*).

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### SIGNIFICANT DEALINGS

If an actual or possible significant dealing outside of the target market is identified, HDI Global Specialty requires information such as the date (or date range) the dealing occurred, details about the dealing(s) and any mitigating steps or actions taken.

Distributors should have regard to current ASIC guidelines when determining what may constitute a significant dealing.

HMIA will notify HDI Global Specialty of any significant dealing in the product that is not consistent with the TMD as soon as practicable after becoming aware of this matter, and within 10 business days. This includes but is not limited to a consideration of the nature and degree of harm resulting from the issue of this product to a retail customer.

