

Target Market Determination

Product: Heavy Motor Vehicle Fleet Insurance



Product Disclosure Statement Heavy Motor Vehicle Fleet Insurance (POLHMIASD052025)

Effective Date 1 May 2025

This Target Market Determination (**TMD**) is effective from the date shown above (**Effective Date**). This TMD will apply to policies that are purchased or renewed on or after the Effective Date. For historical versions of this document, you can contact us, or refer to our website at <https://www.hmia.com.au/news-resources>.

Issuer: HDI Global Specialty SE ABN 58 129 395 544, AFS Licence No 458776 ("**HDI**", "**we**"). HMIA Pty Ltd ("**HMIA**") ABN 11 169 198 323, AR No. 462126, is an authorized representative of SGUAS Pty Ltd ("**SGUAS**") ABN 15 096 726 895, AFS Licence No 234437. HMIA is a general insurance intermediary and acts under a binding authority as agent for HDI. The above is a short description of the relationship between the Issuer whose claims are handled and settled by HMIA.

ABOUT THIS TMD

This TMD applies to the Heavy Motor Vehicle Fleet Insurance (POLHMIASD052025) Product Disclosure Statement and Policy Wording Document dated 1 May 2025 and any applicable Supplementary Product Disclosure Statement (the **PDS**).

This TMD assists customers, distributors and employees to understand the class of customers for which this insurance product has been designed, and to assist them to consider their objectives, financial situation or needs. This TMD describes the circumstances in which the insurance product is suitable for a customer. Customers for whom the insurance product is suitable, are referred to as our **Target Market**.

This TMD does not take into account any individual's objectives, financial situation or needs, nor does the TMD form part of the terms of insurance cover. In addition to the key eligibility requirements outlined in this TMD, the insurance product is also subject to certain criteria and factors which we consider, when we decide whether to issue the insurance product to a customer.

WHICH INSURANCE PRODUCT DOES THE TMD APPLY TO?

This TMD is for the Heavy Motor Vehicle Fleet Insurance product specified above.

This insurance product provides cover as set out below and has been designed for customers in the target market to provide cover against:

- Loss of, or damage to, Your Insured Property caused by or arising from an Accident, theft or Malicious Damage (Section 1 – Loss or Damage to Your Insured Property); and
- Your legal liability to third parties resulting from an Accident caused by, or arising out of the use of Your Insured Property (Section 2 – Third Party Liability Cover).

The insurance product provides customers with options to tailor the insurance product to suit the customer's individual needs via various endorsements which are recorded on Your Policy Schedule.

HMIA's policy on its approach to the distribution and development of insurance products for appropriate target market distribution is available on HMIA's website at www.hmia.com.au/news-resources/.

KEY POLICY EXCLUSIONS AND LIMITATIONS YOU NEED TO BE AWARE OF INCLUDE (BUT ARE NOT LIMITED TO) THE FOLLOWING:

This insurance product does not provide cover if:

- (a) Consequential Loss is suffered by You as a result of You not having the use of Your Insured Property;
- (b) loss or damage arising from depreciation, wear and tear, mechanical, structural, electronic or electrical breakdown or failure, rust or other forms of corrosion; and
- (c) there are costs of repairing pre-existing damage or for the cost of fixing faulty repairs, design or workmanship.

This insurance product will also not cover damage relating to:

- (a) any loss, damage, liability or expense caused by:
 - i. vibration from Your use of Your Insured Property; or
 - ii. the weight of Your Insured Property or its load exceeding any lawful requirements; or
 - iii. Your Insured Property, including its load (being carried, towed, or in any way transported) or any Tool of Trade, which exceeds its lawful dimensions, height and/or width, unless its dimensions, height and/or width for the route upon which Your Insured Property was travelling at the time of the Accident was authorised by permit from the relevant statutory authority;
 - iv. the reckless overloading or operation of Your Insured Property when its limiters, load measuring devices, safety mechanisms or warning systems are defective, non-operational or intentionally disabled, regardless of whether You were aware or not.
- (b) Your Insured Property being driven or operated by You or any other person who is not licensed to drive or operate such Insured Property under all relevant laws, by-laws and regulations and whom You knew, was not so licensed to do so by law, unless the Insured Property was being driven or operated without Your permission or authority.

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(c) Your Insured Property being used in an unsafe or unroadworthy condition, unless such condition was not detected by You, or could not be detected by routine external physical observation. We will pay if You prove the loss, damage or Your legal liability was not caused or contributed to by the unsafe or unroadworthy condition of Your Insured Property.

Claims are subject to a monetary limit. For total loss claims, claims are subject to a monetary limit as shown in Your Policy Schedule being the lesser of Market Value or Sum Insured.

For full details of the limitations, conditions, exclusions and cover available and in this insurance product, customers, distributors, and employees should read the PDS, which can be found at www.hmia.com.au/news-resources/ or you can request a copy by calling (02) 9227 8400.



WHAT IS THE TARGET MARKET FOR THE INSURANCE PRODUCT?

The overall target market for this insurance product includes commercial fleet operators who require protection for a fleet of Vehicles (as defined) and any associated Mobile Plant (as defined) that are domiciled in Australia.

The key eligibility requirements to purchase this insurance product are set out below.

The table (below) sets out those customers who are within the Target Market and those who are not:

Customers **WITHIN** the Target Market

(Customers are likely to be within the target market if all of the following apply)

Customers that want to protect their Insured Property (as defined) against:

- ✓ the cost of the repairs of, or replacement of, their Insured Property arising from accidental or malicious physical loss or destruction, including theft; and
- ✓ the drivers or operators that drive or operate Insured Property to cover their liability for physical loss or destruction of third party property arising out of the use of the Insured Property.

Customers that can service the premium costs of the insurance product including fees and government charges in accordance with the chosen premium structure and excess (in the event of a claim) having given consideration to their individual objectives, financial circumstances, needs, personal circumstances and vulnerability or hardship considerations.

Relevant financial situation considerations include:

- ✓ Ability to pay any Excess(es) in the event of a claim made under the Policy in accordance with the chosen Excess(es) option.

Customers **NOT** within the Target Market and for whom the insurance product is not suitable

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

- ✗ Customers who are individual persons who do not operate under an Australian Business Number (ABN);
- ✗ Customers who want to cover Consequential Loss or downtime for the loss of use of their Insured Property at the time of an Accident;
- ✗ Customers who require cover for loss or damage to the load of their Insured Property at the time of an Accident;
- ✗ Customers who require cover for loss or damage whilst carting Excluded Goods (as defined in the PDS) at the time of an Accident;
- ✗ Customers who require cover for loss or damage resulting from, or occasioned by, the stealing, conversion, abscondment or misappropriation of Your Insured Property by any person to whom Your Insured Property has been loaned or hired.

THE EXCESS

When we pay a claim, you normally pay an Excess(es). The insurance product includes a number of different Excesses that apply in various circumstances as set out below:

Standard Excess

The standard Excess(es) are shown in Table 1 – Standard Excess(es) in the PDS as well as on Your Schedule.

Any Excess(es) shown on Your Schedule will prevail over the applicable Excess(es) noted in the PDS or any applicable SPDS.

In addition to the Standard Excess above, the Additional Excess(es) below may apply based on the circumstances of Your claim. These are in addition to the Standard Excess.

Additional Excesses

An Additional Excess may be payable in the event of:

- a) different types of Insured Property for certain types of claims; and
- b) for certain Insured Property when driven/operated by a person under a certain age.

Subject to the terms and conditions set out in the Schedule, PDS or any applicable SPDS.

CONSISTENCY WITH THE TARGET MARKET

The insurance product, including its key attributes, is likely to be consistent with the objectives, financial situation or needs of the class of customers in the target market, as it provides the insurance cover for that class of customers. This has been determined based on an assessment of the cover available under the insurance product, including its key attributes. Individual customers will need to consider whether this insurance product meets their individual objectives, financial situation or needs.

WHAT DISTRIBUTION CONDITIONS APPLY TO THIS INSURANCE PRODUCT?

This insurance product has an application process that has been designed to guide customers directly to the insurance cover most likely to meet their objectives, financial situation or needs based on their responses to the questions in our insurance product proposal form.

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

Distribution Channel	This insurance product is sold via an insurance broker only.
Distribution Restrictions	<p>This insurance product may only be distributed if the following conditions are met:</p> <ul style="list-style-type: none">• It may only be sold directly to the public through an insurance broker.• The agreement between the Issuer and HMIA sets out the obligations to distribute the insurance product only to customers within the TMD, and the ramification if the insurance product is distributed to customers outside of the TMD.• HMIA must:<ul style="list-style-type: none">- be authorised to distribute the insurance product and those arrangements must not have been cancelled or suspended;- agree to comply with all underwriting criteria and levels of authority (as applicable);- agree not to distribute the insurance product where this TMD is not up to date and no new TMD has been provided to the customer; and- agree to distribute in accordance with the new TMD where a new TMD has been provided.• The TMD is currently not subject to any ASIC action that suggests that the TMD is no longer appropriate. <p>If an insurance broker provides personal advice in relation to the insurance product, it is that broker's responsibility to ensure that acquiring the insurance product is in the best interests of the customer having regard to the customer's objectives, financial situation or needs.</p> <p>Accordingly, when personal advice has been provided in relation to the insurance product by the broker, the obligations under this TMD do not apply to HMIA or HDI.</p>
Distribution Conditions	<ul style="list-style-type: none">• This insurance product may only be sold to customers where they are eligible for that insurance cover in accordance with the application and/or acceptance / renewal criteria that have been approved in writing by the Issuer and which complies with relevant laws.• This insurance product may only be distributed by us or distributors where we or our distributors have received appropriate training and relevant accreditation (if required) and have met annual compliance reviews. <p>The distribution conditions make it likely that customers who acquire the insurance product are in the target market, as the distribution conditions are appropriate and enable us and our distributors to direct the insurance product to the class of customers who fall within the target market set out above. This has been determined based on an assessment of the distribution conditions and the target market.</p>

WHEN WILL WE REVIEW THIS TMD?

We will review this TMD as set out below:

Initial review	Within twelve (12) months of the effective date of the first TMD for this insurance product.
Periodic reviews	At least every twenty-four (24) months from the completion of the previous review.
Review triggers and events	<p>Any event or circumstances that arise which suggest the TMD is no longer appropriate. This may include (but is not limited to):</p> <ul style="list-style-type: none">• any significant dealings that are inconsistent with the TMD;• an event or circumstance that would materially impact on or change a factor taken into account when making the TMD that would suggest to the Issuer that the TMD is no longer appropriate, such as a change in underwriting requirements;• the insurance product has not been materially distributed and purchased in a way that is inconsistent with this TMD;• a material change to the insurance product including the PDS, the policy wording information or assumptions upon which the TMD was formulated like the application process, pricing requirements or underwriting guidelines;• feedback, such as significant or systemic complaints or claims issues, received from insurance brokers, distributors or customers who purchased the insurance product, which are of a nature that suggest to the Issuer that the TMD is no longer appropriate;• change of relevant law, regulatory guidance, industry code or feedback from regulators such as ASIC, APRA or other interested parties which has a material effect on the terms or distribution of the insurance product. <p>Where a review trigger is identified, this TMD will be reviewed within ten (10) business days.</p>

REPORTING AND MONITORING THIS TMD

We will collect and may require HMIA to report on the following information in relation to this TMD to HDI:

Complaints	All complaints in relation to this insurance product are reported to HDI monthly and not later than ten (10) business days after the agreed complaints reporting date. This will include written details of the complaints. HDI is notified of all complaints within two (2) business days.
Sales data	Relevant sales and customer data in relation to this insurance product is provided monthly. If HMIA become aware that the insurance cover is issued to a customer that was not within the target market for the insurance cover in accordance with the application process, HMIA will notify HDI as soon as practicable after becoming aware of the matter, and within ten (10) business days.
Claims data	Where relevant, claims data will be provided in relation to this insurance product monthly.
Significant dealings	HMIA will notify HDI (within two (2) business days) if HMIA or HMIA's distributors become aware of a significant dealing in relation to the insurance product that is inconsistent with the TMD. This includes but is not limited to a consideration of the nature and degree of harm resulting from the issue of this insurance product to a retail customer.
Communication from a regulator in relation to the insurance product or TMD	HMIA will report this matter to HDI within two (2) business days.