

Target Market Determination (TMD)

Comprehensive Car Insurance



Get set. Go.

Target Market Determination (TMD)

Product Disclosure Statement (PDS):	Apia Car Advantage Insurance Product Disclosure Statement – PDS prepared 3 November 2020
Product:	Comprehensive Car Insurance
Original Date:	25/08/2021
Updated:	07/09/2023
Issuer:	AAI Limited ABN 48 005 297 807 (AAI)
AFSL Number:	230859

Australian Pensioners Insurance Agency Pty Limited ABN 14 099 650 996 (Apia), authorised representative number 239591, acts as an authorised representative of AAI.

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>
--	---

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?

Key Eligibility Criteria	This product is suitable for:	This product is not suitable for:
Customers within target market	Owners of passenger cars (including 4WDs, utilities and vans) Customers who are over 50 years of age	Vehicles such as, but not limited to: <ul style="list-style-type: none"> motorcycles motorhomes mobile homes
Use of car	Cars that are used for one of the following uses: <ul style="list-style-type: none"> Private: the car is primarily used for private use, including travelling to and from the customer's place of work Business: if used in connection with earning an income from an acceptable occupation 	Cars that are used in the following ways such as, but not limited to: <ul style="list-style-type: none"> taxis ridesharing activities hire or courtesy cars removalist racing, sporting events, rallies, competitions
Location of car	Cars that are located within an acceptable postcode area	Cars that are not located within an acceptable postcode area
Vehicle type	Cars that match our list of acceptable makes and models	Cars such as, but not limited to: <ul style="list-style-type: none"> homemade and kit cars grey import or private import
Condition of car	Cars that meet our acceptable physical condition criteria and are fitted with acceptable non-standard accessories or modifications	Cars that: <ul style="list-style-type: none"> do not meet our acceptable physical condition criteria including, but not limited to, cars with damage that is not wear and tear have unacceptable non-standard accessories or modifications such as, but not limited to, nitro or hydrogen fuel

This product is designed to be consistent with the likely objectives, financial situation and needs of Customers who meet the Key Eligibility Criteria described above and who:

Customer objectives 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; and
Financial situation	<ul style="list-style-type: none"> are able to pay premiums in accordance with the chosen policy structure, inclusive of any applicable GST, stamp duty, other government charges and any levies that apply. <p>Customers can adjust the premium to suit their circumstances by choosing from a range of excesses, amounts of cover, options and by choosing to pay annually or by instalments.</p>

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;
- the product can be tailored to suit individual needs by allowing customers flexibility to choose from a range of excesses, options, amounts of cover and payment options; 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:
By 25/08/2023.
- b. Ongoing review periods:
At least every 2 years following the first review period.
- c. Significant impact review:
Within 1 year of the TMD being updated based on a Review Trigger, a significant dealing outside of target market or a material change to the product's distribution channel.

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, through our ongoing monitoring of product value data metrics (such as those identified in Section 9 of this TMD), that material deviations have occurred in a combination of data metrics reasonably suggesting that the product is not providing value or the 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 policy administration system through the following distribution channels:
 - websites;
 - contact centres;
- 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.

Business processes including reasonable platform controls (such as knockout underwriting questions), staff and distributor training, telephone and platform scripting and quality assurance programs are designed to ensure that the product is distributed to Customers within the target market in line with the above distribution conditions.

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