

## TARGET MARKET DETERMINATION

### ECONOMY COVER CAR INSURANCE POLICY

#### About This Document

This target market determination (TMD) seeks to offer consumers, distributors and staff with an understanding of the class of consumers for which this product has been designed, having regard to the objectives, financial situation and needs of the target market.

This document is not to be treated as a full summary of the product's terms and conditions and is not intended to provide financial advice. Consumers must refer to the Product Disclosure Statement (PDS) and any supplementary documents which outline the relevant terms and conditions under the product when making a decision about this product.

This TMD applies to the AI Insurance Economy Cover Insurance Policy, a product of Pacific International Insurance Pty Ltd (The Product).

This TMD is effective from 5 October 2021.

#### Class of Consumers That Fall Within This Target Market

This Product has been designed for consumers whose likely objectives, financial situation and needs are aligned with the Product's key attributes. The Product is designed for those consumers who have a vehicle that is valued under \$50,000 and that is either a sedan, utility, four-wheel drive or people mover, and registered for use on Australian roads. The Product is only suitable for drivers over 18 years of age who hold a driver's licence that is valid in Australia, and who have had

- no convictions for fraud
- no more than 3 motor vehicle claims in the previous 5 years
- no driver's licence suspension or good behaviour condition in the previous 5 years
- no current declared bankruptcy
- no licence suspension due to drink or drug related offences in the previous 5 years

There are certain car owners that fall outside the target market (please refer to "Class of consumers falling outside this target market").

The level of cover for this Product is Third Party Property Damage Insurance.

This cover is designed for owners of cars who possess a low value car or owners who are only seeking cover for damage done to another person's property resulting from the use of their car.

The key attribute of this cover is protection against legal liability for damage to another person's property resulting from the use of their car, such as in a collision.

This product is suitable for the target market because it limits their financial loss due to an incident causing damage to another's property.

### **Class of Consumers Falling Outside This Target Market**

This Product is not suitable for car owners whose car:

- is a private import
- is produced by the following manufacturers:
  - Asia
  - Austin
  - Bedford
  - Bentley
  - Cadillac
  - Chevrolet
  - Daewoo
  - Daihatsu
  - Daimler
  - Datsun
  - Eunos
  - Ferrari
  - Ford Tickford Engineering
  - Giocattolo
  - Holden HDT
  - Holden Jackaroo
  - Hummer
  - Lada
  - Lamborghini
  - Lancia
  - Leyland
  - M.G.
  - Morris
  - Nissan Special Vehicles
  - Pontiac
  - Porsche
  - Renault
  - Rover
  - SEAT
  - TVR
  - Vauxhall
- is any make or model that is considered a Cabriolet, Convertible, Hardtop, Softtop, Roadster or Targa
- is greater than \$50,000 in value
- is classed as a Van, Light bus or Truck 2.5-3.5GVM as per [glassguide.com.au](http://glassguide.com.au)
- isn't registered

- is being used to carry or move goods for reward
- is being used for hire
- is being used for professional Driving Instruction
- is being used for professional or amateur motor racing
- is being used for professional or amateur rallies
- being used for speed or other contests such as Drag racing, Time trails, Burnouts
- being used a Taxi/ Uber/ Ride Sharing service

### **How This Product is to be Distributed**

The Product can only be purchased from AI Insurance (The Distributor) via their contact centre.

When completing a quote, the sales process includes a number of questions that help to determine if the applicant is within the target market for this product, if we will insure them and their property and for what price and excess. The customer should always answer these questions accurately and check with The Distributor if they are not sure what a question means.

These conditions make it likely that the Product will only be distributed to customers within the target market for this product because The Distributor representatives have knowledge of the policy terms and conditions and The Distributor processes are designed to identify instances where a policy is not suitable for the applicant.

### **Reviewing This Document**

We collect information and prepare reports regarding sales activity, performance, complaints and any occasions where this product has been sold contrary to the TMD on an at least quarterly basis to help improve its products and service.

*We will review this TMD if:*

- there are amendments to our PDS that change the cover provided;
- material changes are made to our underwriting guidelines;
- we introduce other ways in which this product can be sold;
- we receive a significant number of complaints regarding the design or distribution of this product, both from direct and aggregator sourced business based on monthly reporting analytics;
- the business performance and value provided by this Product indicate the TMD is no longer appropriate, having regard to appropriate data such as claims ratios and policy sales and cancellation rates; or
- we identify that there has been a significant dealing in the Product that is not consistent with the TMD.

Our review will occur within 10 business days of any of the above events occurring.

In any other event, a review of this TMD will be completed no later than two years from the publication date of this TMD and subsequently at two-yearly intervals.

**Distributor Reports**

The Distributor will report weekly to the Issuer on any complaints received in respect of the Product.

The Distributor, shall when called upon to do so, report to the Issuer on:

- Complaints and compliments received in respect of the Product design;
- Cancellation reason reports; and
- Loss ratios, if not already reported.