

Target Market Determination

for Business Insurance

About this document

This Target Market Determination (TMD) applies to Business Insurance products. It covers the retail sections of Business Insurance products. Other sections may also be available, but as they are not covered by ASIC's Product Design and Distribution Obligations and they do not form part of this TMD. The TMD seeks to offer customers, distributors and employees an understanding of the class of customers for which this product has been designed, considering their needs, objectives and financial situation.

This document is not intended to provide financial advice regarding coverage, nor does it form a part of the terms of cover. In addition to the key eligibility requirements outlined in this document, the product is also subject to acceptance criteria. Customers must refer to the Product Disclosure Statement (PDS) and any supplementary document(s), which outline the relevant terms, conditions, exclusions and insurance cover being provided under the product, when making a decision about this product.

1. Issuer

Insurance Australia Limited, ABN 11 000 016 722, AFS Licence No. 227681

2. Date from which this Target Market Determination is effective

5 October 2021.

This Target Market Determination is effective from the date shown above. This Target Market Determination will apply to policies that are purchased or renewed on or after 5 October 2021. For historical versions of this document, please contact your insurer or distributor, or refer to our website at iag.com.au/tmd.

3. Class of customers that fall within this target market

The Business Insurance products are designed to offer choices of cover for a class of customers whose likely needs, objectives and financial situation outlined below, are aligned with the product and its key attributes and eligibility criteria.

3.1 Product description and key attributes

The Business Insurance products can be tailored to suit the individual customer. This can be based on a choice of any combination of the following products according to their needs: Motor Vehicle or Personal Accident. Each product can be tailored to suit the individual customer, based on the value of the assets they are insuring (for products other than Personal Accident or Illness), occupation or income (for Personal Accident or Illness), options for excess, certain optional covers and premium payment arrangements.

The key eligibility requirements to purchase this insurance product include:

3.1.1 Motor Vehicle Insurance

Key eligibility criteria	This product is appropriate for	This product is not appropriate for
The type of Vehicle you own	<ul style="list-style-type: none">Passenger vehicles, including but not limited to: sedans, wagons, SUV, utilities and people carriersCaravans, Trailers and Horse Floats	Including but not limited to: <ul style="list-style-type: none">Heavy commercial vehiclesFarm vehicles including tractors and equipment
How you use the Vehicle	The vehicle is used for Private or Business use or occasional ridesharing	Where the vehicle is used for racing, paid driver education or hire or solely used for carrying paying customers (including solely for ridesharing)
The condition of Vehicle	<ul style="list-style-type: none">Good repair and conditionMeets the registration requirement to your state or territory	<ul style="list-style-type: none">Not in good repair and conditionDoes not meet registration requirements

3.1.2 Personal Accident and Illness Insurance

Key eligibility criteria	This product is appropriate for	This product is not appropriate for
The income you earn	<ul style="list-style-type: none"> People who are self-employed as a business owner or primary producer and who earn an income from that employment, or People who earn an income as an employee 	<ul style="list-style-type: none"> People who do not earn an income
Your employment status	<ul style="list-style-type: none"> People who are self-employed as a business owner or primary producer and do not have access to sick leave or workers compensation 	<ul style="list-style-type: none"> People who are employees of a business or company with access to benefits such as sick leave or workers compensation. Unless you have opted for leisure hours only
Your health	<ul style="list-style-type: none"> People who meet our acceptance criteria including pre-existing medical conditions which have been pre-approved 	<ul style="list-style-type: none"> People who require cover for a pre-existing medical condition that does not meet our acceptance criteria

Each PDS has specific coverage and limitations.

3.2 Needs and objectives

This product has been designed for people who require a choice of different covers as set out in the tables below. The crosses indicate the needs and objectives that each choice of cover has not been designed for.

3.2.1 Motor Vehicle Insurance

Needs and objectives	Comprehensive	Third Party Fire and Theft Insurance	Third Party Insurance
Level of cover	High level of cover	Mid level of cover	Lowest level of cover
Requiring cover for damage to your Motor Vehicle	✓	✓ If caused by fire or theft only	✗
Requiring protection for your Legal Liability in respect of another person's vehicles or property caused by a motor vehicle accident	✓	✓	✓
Requiring choice of additional covers or options	✓	✗	✗

3.2.2 Personal Accident and Illness Insurance

Needs and objectives	Choice of cover	
	Accident cover	Accident and Illness cover
Seeking cover for loss of a portion of income due to an unforeseen accidental injury	✓	✓
Seeking cover for loss of a portion of income due to an illness first diagnosed during the policy period	✗	✓
Seeking optional cover for loss of a portion of income due to injury when participating in some sporting activities as specified in the PDS (e.g. football, polo)	✓	✓
Seeking cover that provides a lump sum for certain injuries such as losing a hand or an eye and/or accidental death during the policy period	✓	✓
Seeking a life insurance or non-cancellable insurance product	✗	✗

Each PDS has specific coverage and limitations.

3.3 Financial situation

A person who is able to pay premiums in accordance with the chosen premium structure, excess, fees and government charges, having regard to personal circumstances and vulnerability or hardship considerations.

Relevant financial situation considerations	Motor Vehicle	Personal Accident/ Illness
Ability to potentially vary your premium by considering different levels of cover	✓	✓
Ability to potentially vary your premium level by choosing your excess	✓	✓
Ability to choose to pay your premium annually or by instalment	✓	✓
Ability to potentially vary your premium by choosing optional covers to suit your needs	X	✓

3.4 Consistency with the target market

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

4. How this product can be distributed and distribution conditions

The following distribution conditions apply:

- This product is designed to be distributed by us or our distributors by any of the following means, where authorised:
 - Online through relevant websites
 - By contacting a branch or contact centre
 - In person (e.g. branch, agency or premises visit)
- This product can only be issued to people where they are eligible for that cover in accordance with the application and/or acceptance/renewal criteria that has been approved in writing by the issuer and which complies with relevant laws
- This product can only be distributed by us or distributors where we or our distributors have received training and relevant accreditation (if required) and have met annual compliance reviews.

The distribution conditions will make it likely that customers who acquire the insurance product are in the target market, as we consider that the distribution conditions are appropriate and will 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.

5. Reviewing this Target Market Determination

We will review this Target Market Determination in accordance with the below.

Initial review	Within three (3) years of the effective date
Periodic reviews	At least every three (3) years from the initial review
Review triggers or events	Any event or circumstances arise that would suggest the TMD is no longer appropriate. This may include (but not limited to): <ul style="list-style-type: none"> • A material change to the design or distribution of the insurance cover, including related documentation • An alteration in acceptance criteria or underwriting criteria • Systemic issues across the product lifecycle • Distribution conditions are no longer appropriate • We have determined that a significant dealing has occurred • Where applicable, feedback from distributors and customers • External events such as adverse media coverage or regulatory attention, and • Significant changes in metrics including claims, complaints and loss ratios

Where a review trigger has occurred, this Target Market Determination will be reviewed within 10 business days.

6. Reporting and monitoring this Target Market Determination

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

Complaints	All complaints in relation to this product on a monthly basis. This will include written details of the complaints.
Sales data	Relevant sales and customer data in relation to this product on a monthly basis.
Claims data	Where relevant, claims data in relation to this product on a monthly basis.
Significant dealings	Report if we or they become aware of a significant dealing in relation to the product that is inconsistent with the TMD within 10 business days.

7. PDS to which this Target Market Determination applies

This TMD applies to the following PDS:

PDS Reference	
Business Insurance	