

Target Market Determination

for Motor Trade Insurance

About this document

This Target Market Determination (TMD) applies to Motor Trade Insurance Products. It covers retail sections of Motor Trade 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 the TMD. The TMD seeks to offer customers, distributors and staff an understanding of the class of customers for which this product has been designed, having regard to 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 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 Motor Trade Insurance product is 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 Motor Trade Insurance product can be tailored to suit the individual customer. This can be based on a choice of any combination of the following covers according to their needs: Home Building, Home Contents, Motor Vehicle, Boat or Personal Accident. Each cover can be tailored to suit the individual customer, based on the value of the assets they are insuring (for covers 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 Trade Home Building Insurance

Key eligibility criteria	This product is appropriate for	This product is not appropriate for
The type of Home you own	Providing cover for a private residential building, including the fixtures and fittings, such as a: <ul style="list-style-type: none">Free standing houseTownhouse, villa or duplexSemi-detached house or terrace	Buildings which are, but not limited to: <ul style="list-style-type: none">Under body corporate or strata titleHouseboats Note: different products may be available for these types of buildings
How you use the Home you own	A private residential building that: <ul style="list-style-type: none">Is your Primary ResidenceIs Rented to tenantsUsed as Accommodation for employees, andUsed as a Holiday Home	The Home is a business, for example: <ul style="list-style-type: none">Hotels, motels, or hostelsFor the purposes of an exhibition or displayUsed predominantly for commercial or non-primary production business reasons
The condition of your Home	The Home meets the acceptable dwelling criteria, including being: <ul style="list-style-type: none">SecureUndamagedStructurally sound, andWell maintained	The Home fails the acceptable dwelling criteria, including being: <ul style="list-style-type: none">Under initial constructionNot in habitable condition, orUnder renovation that costs more than specified in the PDS

3.1.2 Motor Trade Home Contents Insurance

Key eligibility criteria	This product is appropriate for	This product is not appropriate for
The type of Home you live in as the owner or as a tenant	General Contents you own within a private residence that is a: <ul style="list-style-type: none"> • Free standing house • Townhouse, villa or duplex • Unit, flat or apartment • Semi-detached house or terrace • Retirement village or aged care facility, or • Strata Titled property 	Contents you own and are permanently located within, but not limited to: <ul style="list-style-type: none"> • Houseboats • Motor Homes • Farm machinery Note: different products may be available to insure contents within these types of buildings
The type of Contents	<ul style="list-style-type: none"> • Household goods or items that you own or are legally responsible for, and • Are items which you or your family keep in and around your Home 	Contents listed as excluded and/or under 'contents do not include' in the PDS such as: <ul style="list-style-type: none"> • A Boat • A Jet ski • Animals
How you use the Home you live in as the owner or as a tenant	A private residential building that: <ul style="list-style-type: none"> • Is your Primary Residence • Is your Holiday Home, or • Could be used for occasional short-term rental agreements subject to acceptance criteria 	The Home is a business, for example: <ul style="list-style-type: none"> • Hotels, motels, or hostels • For the purposes of an exhibition or display, or • Used predominantly for commercial or non-primary productions business reasons
The condition of the Home you live in as the owner or as a tenant	The Home meets the acceptable dwelling criteria, including being: <ul style="list-style-type: none"> • Secure • Undamaged • Structurally sound, and • Well maintained 	<ul style="list-style-type: none"> • Buildings under initial construction • Buildings not in habitable condition, or • Buildings under renovation that costs more than specified in the PDS

3.1.3 Motor Trade Composite 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"> • Goods carrying vehicles, including utes and small trucks, passenger vehicles • Private use vehicles • Trailers and horse floats • Static risks at their site of operation • Customer vehicles in their responsibility 	<ul style="list-style-type: none"> • Heavy commercial vehicles • Grey imports • Motorhomes and campervans • Buses • Veteran and vintage cars
How you use your Vehicle	<ul style="list-style-type: none"> • The vehicle is used for private or business use 	<ul style="list-style-type: none"> • The vehicle is used for carrying paying customers, hire, racing or driver tuition
The condition of Vehicle	<ul style="list-style-type: none"> • Good repair and condition • Meets the registration requirements to your State or Territory 	<ul style="list-style-type: none"> • Not in good repair and condition • Does not meet registration requirements

3.1.4 Motor Trade 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"> • Employee of a business or company with access to benefits such as sick leave or workers compensation
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

3.1.5 Motor Trade Boat Insurance

Key eligibility criteria	This product is appropriate for	This product is not appropriate for
The type of Boat you own	<ul style="list-style-type: none"> • Runabouts • Sailboats (single hull) • Dinghies • Cruisers • House boats • Ski boats • Canoes 	Boats including but not limited to: <ul style="list-style-type: none"> • Boats with non-conventional marine motors • Boats used in racing or speed trials • Houseboats, and • Multi-hull ocean boats
How the Boat is used and ownership of the boat	<ul style="list-style-type: none"> • Customers that require coverage for boats owned by the business and/or privately owned, and • The boat is used for private use 	<ul style="list-style-type: none"> • The boat is used in racing or speed trials, or • Boats used in an unsafe manner
The condition of your Boat	<ul style="list-style-type: none"> • The boat meets the acceptable criteria • The boat must be structurally sound 	<ul style="list-style-type: none"> • Unsafe or unseaworthy boats

Optional covers may be available to meet the individual coverage requirements.

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 table below. The crosses indicate the needs and objectives that each choice of cover has not been designed for.

3.2.1 Motor Trade Home Building and Contents Insurance

Needs and objectives	Accidental Damage	Listed Events
Are seeking cover for damage to your home building and/or contents	Cover for Accidental Damage with Additional Benefits	Cover for Listed Events with Additional Benefits
Location of where cover is provided if Contents cover is chosen	<ul style="list-style-type: none"> • At your Home • At your Home in the open air • Away from your Home for limited Listed Events and at locations as listed in the PDS 	<ul style="list-style-type: none"> • At your Home • At your Home in the open air • Away from your Home for limited Listed Events and at locations as listed in the PDS
Are seeking Liability cover – as the property owner or occupier of the property	✓	✓
Are seeking optional covers	✓	✓

3.2.2 Motor Trade Personal Accident and Illness Insurance

Needs and objectives	Accident cover	Accident and Illness cover
Seeking cover for Loss of income due to an unforeseen Accidental injury and/or Accidental death during the policy period	✓	✓
Seeking cover for loss of income due to an Illness first diagnosed during the policy period	X	✓
Seeking cover for Loss of income due to Injury when participating in sporting activities as specified in the PDS (e.g. football, bungee jumping, ski jumping)	✓	✓
Seeking cover that provides a lump sum for certain Injuries such as losing a hand or an eye	✓	✓
Seeking a Life insurance or non-cancellable insurance product	X	X

3.2.3 Motor Trade Composite Motor Vehicle Insurance

Needs and objectives	Choice of cover		
	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 protection for your Legal Liability for injury caused by a motor vehicle accident	✗	✗	✗
Requiring automatic inclusion of optional covers	✗	✗	✗
Requiring choice of additional covers or options	✓	✗	✗

3.2.4 Motor Trade Boat Insurance

Needs and objectives	
Customers that want to be covered for financial loss where their Boat, is destroyed, lost or damaged as a result of a Listed event and/or Accidental damage	✓
Customers seeking protection from financial loss where someone makes a claim or seeks compensation for death or injury to that person or another person and for loss or damage to that person's property	✓
Customers seeking to be covered for financial loss as a result of destruction, loss or damage for a Boat being used outside Australian waters	✗
Customers seeking to be covered for financial loss as a result of destruction, loss or damage for a Boat designed for speeds greater than 50 knots	✗
Boats designed for speeds greater than 50 knots, or fitted with a motor more powerful than recommended	✗
Seeking cover for Boats entrusted by the customer whilst in for repairs	✓
Seeking cover for moored Boats no more than 200 nautical miles from the Australian mainland or Tasmania	✗
Seeking optional covers	✓

Each PDS has specific coverage and limitations. Not all cover benefits are available for all customers. Customers must refer to Policy 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.

Optional covers may be available to tailor coverage where required.

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 include	Home	Personal Accident/ Illness	Boat	Comprehensive	Third Party Fire and Theft Insurance	Third Party only Insurance
Ability to potentially vary your premium by considering different levels of cover	✓	✓	✗	Generally has a high level of premium	Generally has a mid premium level	Generally has the lowest premium level
Ability to potentially vary your premium level by choosing your excess	✓	✓	✓	✓	✓	✓
Ability to choose to pay your premium annually or by instalment	✓	✓	✓	✓	✓	✓
Ability to choose to add optional covers to the policy to suit your needs	✓	✓	✗	✓	✗	✗

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 third party distributors or 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	
Motor Trade Insurance	