

Target Market Determination

Product: Heavy Motor Vehicle Fleet Insurance



Product Disclosure Statement Heavy Motor Vehicle Fleet Insurance (POLHMIASD112022)

Effective Date 31 August 2024

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 [Target Market Determinations](#).

Issuer: HDI Global Specialty SE ABN 58 129 395 544, AFS Licence No 458776 (“**HDI**”, “**we**”).
HMIA Pty Ltd ABN 11 169 198 323 AR No.462126 of SGUAS Pty Ltd (“**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 by HMIA.

ABOUT THIS TMD

This TMD applies to the Heavy Motor Vehicle Fleet Insurance (POLHMIASD112022) Product Disclosure Statement and Policy Wording Document dated 1 November 2022 and any applicable Supplementary Product Disclosure Statement (together the **PDS**).

This TMD seeks to assist customers, distributors and employees in understanding the class of customers for which this insurance product has been designed, and in assisting them to consider their own likely objectives, financial situation or needs. This TMD describes the circumstances in which we believe the insurance product is likely to be suitable for a customer. Customers for whom we believe the insurance product is likely suitable, are collectively 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 a 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 acceptance criteria and the TMD does not include all the factors we consider, when we decide whether to issue the insurance product to a customer.

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WHICH INSURANCE PRODUCT DOES THIS TMD APPLY TO?

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

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

- Loss of, or damage to, Your Vehicle caused by or arising from an Accident, Theft or Malicious Damage (Section 1); and
- Your legal liability to third parties resulting from an Accident caused by, or arising out of the use of Your Vehicle (Section 2).

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 in the [Product Development and Distribution Policy](#) available on HMIA's website.

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 Vehicle;
- (b) loss or damage arising from 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 Vehicle; or
 - ii. the weight of Your Vehicle or its load exceeding any lawful requirements; or
 - iii. if Your Vehicle exceeds its lawful dimensions, height and or width, unless authorised by permit to exceed height and width.
- (b) Your Vehicle being driven by You or any other person who is not licensed to drive such a Vehicle under all relevant laws, by-laws and regulations and whom You knew, was not so licensed to do so by law, unless the Vehicle was being operated without Your permission or authority.
- (c) Your Vehicle 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 Vehicle.

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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:

- (a) the lesser of Market Value or Sum Insured; or
- (b) the Agreed Value.

For full details of the limitations, exclusions and cover available and in this insurance product, customers, distributors, and employees should read the PDS, which can be found at [Product Disclosure Statements](#), 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 is commercial fleet operators who require protection for a fleet of owned or leased Vehicles (as defined) and/or Mobile Plant (as defined) that are registered/licensed in Australia.

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

The below table 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 Vehicles or Mobile Plant against:

- ✓ the cost of the repairs to, or replacement of, those Vehicles and/or Mobile Plant arising from accidental or malicious physical loss or destruction, including theft; and
- the Driver's that drive those Vehicles and/or operate Mobile Plant to cover their liability for physical loss or destruction of third party property arising out of the use of those Vehicles and/or Mobile Plant.

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 in the event of a claim in accordance with the chosen excess 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 Vehicle at the time of an Accident;
- ✗ Customers who require cover for loss or damage to the load of their Vehicle at the time of an Accident;
- ✗ Customers who require cover for loss or damage whilst carting Excluded Goods (as defined) at the time of an Accident.

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THE EXCESS

When we pay a claim, you normally pay an excess. The insurance product includes a number of different excesses that apply in various circumstances as set out below:

Standard Excess

When you buy a policy, you can choose your Standard Excess from a range of options to suit your needs. A lower Standard Excess may save you money if you claim on the policy but would normally increase the premium you pay to buy the policy. A higher Standard Excess may reduce your premium but could cost you more if you have a claim. You will need to consider whether you can pay the higher excess at the time of the claim.

In addition to the Standard Excess above, the 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 Mobile Plant and/or Vehicles for certain types of claims; and
- b) for certain Vehicles and/or Mobile Plant when driven/operated by a person under a certain age.

Subject to the terms and conditions as set out in the PDS.

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 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 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.

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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 to not distribute the insurance product where they receive notice that this TMD is not up to date and no new TMD has been provided; and- where a new TMD has been provided, agree to distribute in accordance with the new TMD.• The TMD is currently not subject to any ASIC action that might suggest 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 has 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 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.</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 would 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 significantly 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 has been identified, this TMD will be reviewed within ten (10) business days.</p>

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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.