

# AON VERTEX HEAVY MOTOR VEHICLE INSURANCE:

- COMPREHENSIVE COVER
  - THEFT, FIRE AND THIRD PARTY LIABILITY COVER
  - THIRD PARTY LIABILITY COVER ONLY
- ## Target Market Determination (TMD)

Effective Date: 5 October 2021

### About this document

This TMD applies to the **Comprehensive Cover, Theft, Fire and Third Party Liability Cover and Third Party Liability Cover Only** described in the following Product Disclosure Statements (**PDS**) listed below together with any related Supplementary Product Disclosure Statements:

- AON Vertex Heavy Motor Insurance Policy POL1215GT/AON 10/21 and AON code - BRO20211001

that have been issued by Allianz Australia Insurance Limited ABN 15 000 122 850 AFS Licence No. 234708 (the **Issuer**) through its underwriting agents Global Transport & Automotive Insurance Solutions Pty Ltd ABN 93 069 048 255, AFS Licence No 240714 (**GT**).

The purpose of this TMD is to describe the class of customers for which the products described in the PDSs have been designed, having regard to the likely needs, objectives and financial situation of that class of customers. Examples used in this TMD are illustrative only, and are not intended to be exhaustive.

This TMD is not intended to provide any financial product advice, and does not consider any individual customer's personal needs, objectives or financial situation.

This TMD does not replace the terms and conditions, and disclosures made, in the PDSs. A customer should refer to the applicable PDS before making a decision about a product.

A customer may fall within the target market described in this TMD, but may not meet the Issuer's underwriting criteria on application.

For further information on the Issuer's approach to the distribution and development of products for appropriate target markets, go to <https://www.allianz.com.au>.

## A. Target Market

### Product description (including key attributes)

<b>Main cover(s):</b>	<p><b>Comprehensive cover:</b></p> <p>This cover provides protection for:</p> <ul style="list-style-type: none"><li>• the cost of the repairs to, or replacement of, one or more vehicles arising from theft or loss or damage from an unforeseen or unintended happening (<b>Own Damage</b>); and</li><li>• persons that drive, or are passengers in, those vehicles to cover their liability for:<ul style="list-style-type: none"><li>- damage or destruction to someone else's property arising out of the use of those vehicles; and</li><li>- death or injury to another person arising out of the use of those vehicles,</li></ul></li></ul> <p><b>(Third Party Liability – Property Damage &amp; Personal Injury).</b></p> <p><b>Fire, Theft and Third Party Liability Cover:</b></p> <ul style="list-style-type: none"><li>• the cost of the repairs to, or replacement of, one or more vehicles arising from theft or loss or damage from a fire (<b>Fire and Theft</b>); and</li><li>• persons that drive, or are passengers in, those vehicles to cover their liability for:<ul style="list-style-type: none"><li>- damage or destruction to someone else's property arising out of the use of those vehicles; and</li><li>- death or injury to another person arising out of the use of those vehicles,</li></ul></li></ul> <p><b>(Third Party Liability – Property Damage &amp; Personal Injury).</b></p> <p><b>Third Party Liability Cover Only:</b></p> <p>This cover provides protection for persons that drive, or are passengers in, those vehicles to cover their liability for:</p> <ul style="list-style-type: none"><li>- damage or destruction to someone else's property arising out of the use of those vehicles; and</li><li>- death or injury to another person arising out of the use of those vehicles,</li></ul> <p><b>(Third Party Liability – Property Damage &amp; Personal Injury).</b></p>
<b>Optional cover(s):</b>	<p>Optional cover(s) may be added to the main cover(s) at the option of a customer. These include:</p> <ul style="list-style-type: none"><li>- <b>Hook liability</b> – extends the main covers for items whilst being lifted, lowered, carried or suspended;</li><li>- <b>Extended release (unspecified contract or specified contract)</b> – extends the cover under Third Party Liability - Property Damage and Personal Injury to cover the liability of any entity or person arising from an insured event that the insured is contractually required to release from liability;</li><li>- <b>Downtime / replacement vehicle hire (specified vehicles)</b> – extends the cover under Own Damage to cover the Daily Amount specified in the Schedule following loss, damage or theft;</li><li>- <b>Dual / multi lifts</b> – extends the main covers to cover 2 items sharing a lifting load subject to the Issuers consent prior to the lift; and</li><li>- <b>Carriage of Dangerous Goods</b> – increases the insured limit under the cover for Third Party Liability - Property Damage and Personal Injury.</li></ul>
<b>Key eligibility criteria:</b>	<p><b>Insured:</b></p> <ul style="list-style-type: none"><li>- either an individual in Australia or a business or charitable entity with an establishment in Australia.</li></ul> <p><b>Vehicles:</b></p> <ul style="list-style-type: none"><li>- are located in Australia;</li><li>- if required to be registered by law, are registered for business use with the relevant transport authority in Australia;</li><li>- are of a make and model accepted by the Issuer and shown in the Policy Schedule;</li><li>- are roadworthy, safe to drive and with no existing damage, except minor wear and tear;</li><li>- unless accepted by the Issuer and shown in the Policy Schedule, are not used:<ul style="list-style-type: none"><li>o for the transportation of explosives or radioactive goods, or other dangerous goods in quantities/ infectious substances or radioactive substances that exceed the limits set out in the PDS;</li><li>o to carry passengers for hire or reward; and</li><li>o for motor trade or motor sports events, trials or testing/demonstration; and</li><li>o for underground excavation or mining, or on rails, airport tarmac or a landing field.</li></ul></li></ul> <p>At the request of a customer, the Issuer may tailor a product covered by this TMD. The key eligibility criteria may be adjusted to reflect the changes made to a product. In such cases, the changes made to a product will be specifically disclosed to, and agreed to by, the Insured and will be set out in the Policy Schedule.</p>

## Key exclusions:

The PDS for this cover has specific coverage and exclusions. These include, at the time of the accident, loss or liability:

- driver was unlicensed, or not following licence conditions;
- driver was under the influence of, or exceeded the legal limit for, drugs or alcohol, or refuses a request for a test for drugs or alcohol; and
- the damage caused by insured was deliberate, criminal or wilful;
- the vehicle was being used:
  - for motor trade or motor sports events, racing, trials or testing/demonstration purposes;
  - the vehicle was used to carry or lift cargo in excess of that for which the vehicle was designed/constructed;
  - to carry passengers for hire, fare or reward unless accepted by the Issuer and shown in the Policy Schedule;
  - while the vehicle was unroadworthy; or
  - for underground excavation or mining.

The key exclusions set out above that relate to:

(a) a driver being unlicensed or not following licensing conditions;

(b) a driver being under the influence of, or exceeding the legal limit for drugs or alcohol, or refusing a test; or

(c) a vehicle being unroadworthy,

will not apply to the insured where they can prove that they were unaware of those circumstances. However, those key exclusions will apply to the driver of the vehicle.

For **Own Damage** and **Fire and Theft**, loss or damage in connection with:

- depreciation; and wear and tear;
- rust and corrosion;
- pre-existing faults or damage;
- mechanical, structural, electrical or computer breakdowns, repairs or failures unless caused by an accident or malicious damage;
- blades, drills and other equipment whilst in use;
- tyres being damaged by application of brakes, by road punctures, cuts, bursting, shredding of tread or damage to rubber tracks of earthmoving type vehicles through cuts and/or ruptures;
- a failure to take reasonable steps to prevent loss or damage;
- consequential loss (such as loss of use); or
- fines, penalties or aggravated, punitive or liquidated damages.

For **Own Damage** and **Fire and Theft**, loss, damage or liability in connection with:

- intentional, malicious or criminal acts by, or with the consent of, the insured.

For **Fire and Theft**, loss or damage in connection with events other than theft or fire.

For **Third Party Liability - Property Damage and Personal Injury**, liability in connection with:

- underground services, such as pipes and cables;
- psychological or psychiatric injury not directly arising from a serious physical bodily injury arising from use of the vehicle;
- use of a vehicles as tool of trade (as described in the PDS) on a work site or location;
- use of vehicles on rails, tarmac or a landing field;
- the transportation of infectious substances or radioactive substances;
- any event which is coverable, or required to be covered, under any statutory or compulsory insurance scheme; and
- consequential or financial loss (such as loss of use, value or life), or fines, penalties and aggravated, exemplary or punitive damages.



At the request of a customer, the Issuer may tailor a product covered by this TMD. The key exclusions may be adjusted to reflect the changes made to a product. In such cases, the changes made to a product will be specifically disclosed to, and agreed to by, the Insured and will be set out in the Policy Schedule.

See also Limitations and Ineligible Persons below.



Limitations:	Own Damage and Fire and Theft:	Third Party Liability - Property Damage and Personal Injury:
	<p><b>Insured Value</b> – Claims are subject to monetary limits. For total loss claims, claims are subject to a limit based on:</p> <ul style="list-style-type: none"> <li>(a) the market value of the affected vehicle; or</li> <li>(b) if accepted by the Issuer and shown in the Policy Schedule, an agreed value.</li> </ul> <p><b>Finance Payout</b> – The cash settlement payment for a total loss claim where an insured vehicle that is subject to a lease, commercial hire purchase or similar agreement, will meet the sums due under those agreements provided it does not exceed the market value by more than 20% nor include interest or payments in arrears at the time of the accident.</p> <p><b>Fulfilment options</b> – claims may be fulfilled either by repair, reinstatement, replacement (if applicable) or by a cash settlement payment, depending on the circumstances.</p> <p><b>Replacement options</b> – replacement with a new vehicle only applies if the insured vehicle was purchased new and is less than 2 years old at the time of the claim.</p> <p>Other limitations, conditions and additional benefits are specified in the PDS and the policy schedule.</p>	<p><b>Legal liability:</b> Claims for legal liability are subject to a per event limit of \$30,000,000.</p> <p>Liability arising from the transportation of dangerous goods is subject to a separate limit of \$1,250,000. A customer can request this limit be increased which will be shown in the Policy Schedule.</p>
Excess:	<p>Claims are subject to the payment of premium and the applicable excess as specified in the Policy Schedule. Excess payable may be different for different types of claims, types of vehicles and age or experience of the driver.</p> <p>Excess can be adjusted by agreement between the customer and the Issuer, and a customer may choose one of the following excess options, which if chosen will be shown in the Policy Schedule:</p> <ul style="list-style-type: none"> <li>- excess payable for one event or a continuous or repeated exposure to be capped; and</li> <li>- excess increased if accident occurs or liability arises outside the permitted radius shown in the Policy Schedule.</li> </ul>	
Other key terms:	<p><b>Other benefits</b> – in addition to the main covers, there a number of additional benefits available under the main covers. These additional benefits are set out in the PDS and are subject to separate limits and conditions set out in the PDS.</p> <p>These additional benefits include:</p> <ul style="list-style-type: none"> <li>(a) in connection with <b>Own Damage and Fire and Theft</b>, cover for costs related to: <ul style="list-style-type: none"> <li>- cost of repatriating driver and passengers;</li> <li>- loss or damage to employee’s personal effects or passenger’s baggage;</li> <li>- hire of a replacement vehicle;</li> <li>- vehicle recovery, towing and retrieval;</li> <li>- removal of vehicle or load debris; and</li> <li>- emergency repairs.</li> </ul> </li> <li>(b) in connection with <b>Third Party Liability - Property Damage and Personal Injury:</b> <ul style="list-style-type: none"> <li>- extended cover for employees and drivers of an insured vehicle;</li> <li>- extended cover for non-owned vehicles when used in connection with the insured’s business;</li> <li>- extended cover for persons with an insurable interest in an insured vehicle;</li> <li>- extended cover for liability connected with the towing of trailers or other items;</li> <li>- legal costs and expenses related to defend or settle a claim; and</li> <li>- liability for loss of use to owner of a non-owned trailer.</li> </ul> </li> </ul> <p><b>Additional Vehicles</b> – the main cover(s) also cover any additional vehicles or a vehicle that replaces the original insured vehicle provided that the additional or replacement vehicle is of a similar type to the existing vehicles or the one replaced and has been notified to the Issuer in accordance with the PDS.</p>	

## Likely needs, objectives and financial situation



### Comprehensive Cover is designed for:

	<b>Likely needs and objectives</b> <p>Persons or business/charitable entities that operate one or more vehicles in connection with their business that seek protection for:</p> <ul style="list-style-type: none"><li>the financial detriment or burden resulting from theft of, or loss or damage from an unforeseen or unintended happening to, their vehicles;</li><li>themselves/itself (and the driver of, and passengers in, their vehicles) against liabilities for accidental damage or destruction to someone else's property arising from the use of their vehicles; and</li><li>themselves/itself (and the driver of, and passengers in, their vehicles) against liabilities for personal injury to another person arising from the use of their vehicles.</li></ul>	<b>Likely financial situation</b> <p>Persons or business/charitable entities that are able to pay premiums in accordance with the chosen premium structure, and any excess in the event of a claim in accordance with the chosen excess option.</p>
	Based on our assessment of the key terms, features and attributes, the <b>Comprehensive Cover</b> is likely to be consistent with the needs, objectives and financial situation of customer's in the target market.	

### Fire, Theft and Third Party Liability is designed for:

	<b>Likely needs and objectives</b> <p>Persons or business/charitable entities that operate one or more vehicles in connection with their business that seek protection for:</p> <ul style="list-style-type: none"><li>the financial detriment or burden resulting from theft of, or loss or damage from fire <b>BUT NOT</b> loss or damage arising from events or circumstances other than theft or fire;</li><li>themselves/itself (and the driver of, and passengers in, their vehicles) against liabilities for accidental damage or destruction to someone else's property arising from the use of their vehicles; and</li><li>themselves/itself (and the driver of, and passengers in, their vehicles) against liabilities for personal injury to another person arising from the use of their vehicles.</li></ul>	<b>Likely financial situation</b> <p>Persons or business/charitable entities that are able to pay premiums in accordance with the chosen premium structure, and any excess in the event of a claim in accordance with the chosen excess option.</p>
	Based on our assessment of the key terms, features and attributes, the <b>Fire, Theft and Third Party Liability Cover</b> is likely to be consistent with the needs, objectives and financial situation of customer's in the target market.	

### Third Party Liability Cover Only is designed for:

	<b>Likely needs and objectives</b> <p>Persons or business/charitable entities that operate one or more vehicles in connection with their business that seek protection for:</p> <ul style="list-style-type: none"><li>themselves/itself (and the driver of, and passengers in, their vehicles) against liabilities for accidental damage or destruction to someone else's property arising from the use of their vehicles; and</li><li>themselves/itself (and the driver of, and passengers in, their vehicles) against liabilities for personal injury to another person arising from the use of their vehicles,</li></ul> <p><b>BUT NOT</b> loss of, or damage to, these vehicles.</p>	<b>Likely financial situation</b> <p>Persons or business/charitable entities that are able to pay premiums in accordance with the chosen premium structure.</p>
	Based on our assessment of the key terms, features and attributes, the <b>Third Party Liability Cover Only</b> is likely to be consistent with the needs, objectives and financial situation of customer's in the target market.	

## B. Ineligible Persons

### Comprehensive Cover is not designed for:



Persons or business/charitable entities:

- whose vehicle is located outside Australia;
- whose vehicle is not registered with the relevant transport authority in Australia;
- whose vehicle is unsafe or not roadworthy;
- whose vehicle is of a make or model that is not accepted by the Issuer; or
- unless accepted by the Issuer and shown in the Policy Schedule, whose vehicles:
  - o are used to carry passengers for hire or reward;
  - o for motor trade or sports events, trials or testing/demonstration purposes;
  - o to carry passengers for hire, fare or reward unless accepted by the Issuer and shown in the policy schedule;
  - o are used for the transportation of explosives or radioactive goods, or other dangerous goods in quantities/ infectious substances or radioactive substances that exceed the limits set out in the PDS; or are used for underground excavation or mining, or on rails, tarmac or a landing field.

### Theft, Fire and Third Party Liability Cover is not designed for:



Persons or business/charitable entities:

- whose vehicle is located outside Australia;
- whose vehicle is not registered with the relevant transport authority in Australia;
- that seek protection for loss or damage to their vehicles from events or circumstances other than fire and theft;
- whose vehicle is unsafe or not roadworthy;
- whose vehicle is of a make or model that is not accepted by the Issuer; or
- unless accepted by the Issuer and shown in the Policy Schedule, whose vehicles are used:
  - o motor trade or sports events, trials or testing/demonstration purposes;
  - o to carry passengers for hire, fare or reward unless accepted by the Issuer and shown in the policy schedule; or
  - o for the transportation of explosives or radioactive goods, or other dangerous goods in quantities/ infectious substances or radioactive substances that exceed the limits set out in the PDS; or
  - o for underground excavation or mining, or on rails, tarmac or a landing field.

### Third Party Liability Only Cover is not designed for:



Persons or business/charitable entities:

- whose vehicle is located outside Australia;
- whose vehicle is not registered with the relevant transport authority in Australia;
- that seek the protection for loss or damage to their vehicles;
- whose vehicle is unsafe or not roadworthy;
- whose vehicle is of a make or model that is not accepted by the Issuer;
- unless accepted by the Issuer and shown in the Policy Schedule, whose vehicles are used:
  - o for motor trade or sports events, trials or testing/demonstration purposes;
  - o to carry passengers for hire, fare or reward unless accepted by the Issuer and shown in the policy schedule;
  - o for the transportation of explosives or radioactive goods, or other dangerous goods in quantities/ infectious substances or radioactive substances that exceed the limits set out in the PDS; or
  - o for underground excavation or mining, or on rails, tarmac or a landing field.

## C. Distribution

### Distribution channels

Products under this TMD may be distributed through any of the following means:

- Aon Risk Services Pty Ltd ABN 17 000 434 720 AFS Licence No. 241141 (**AON**) as broker
- general advice

This channel is monitored by GT (on behalf of the Issuer) and staffed by persons who have been trained in the distribution of the Products covered by this TMD and the Application Process.

### Distribution conditions and restrictions

Products under this TMD can only be issued to customers that are eligible for that cover in accordance with the application and/or renewal criteria that has been approved in writing by the Issuer and which complies with the law (**Application Process**). The Issuer and GT approve the Application Process.

The Application Process has been tailored to identify the Target Market described in this TMD as part of the eligibility criteria for the Products covered by this TMD, and the use of the Application Process would make it more likely that a Product covered by this TMD will be acquired by persons in the Target Market.

Products under this TMD can be distributed directly by GT and AON (**Approved Distributor**). The Approved Distributor and their systems and processes are assessed and monitored by GT (on behalf of the Issuer), and would therefore make it more likely that the Approved Distributor will comply with the terms of this TMD.

### Distribution information

We require distributors to provide the following information in relation to their distribution of products covered by this TMD:

Complaints	<p>all complaints in relation to this TMD must be supplied to GT (on behalf of the Issuer) as soon as reasonably possible, but no later than on a quarterly basis unless GT has requested a distributor to report more frequently. This will include written details of the complaints.</p> <p>GT must supply all complaint information to the Issuer on a quarterly basis unless the Issuer has requested GT to report more frequently.</p>
Sales data	<p>report relevant sales and customer data in relation to this TMD on a quarterly basis to GT (on behalf of the Issuer) unless GT has requested a distributor to report more frequently.</p> <p>GT must supply all sales and customer data to the Issuer on a quarterly basis unless the Issuer has requested GT to report more frequently.</p>
Significant dealings	<p>notification to GT (on behalf of the Issuer) if they become aware of a significant dealing in relation to this TMD that is inconsistent with this TMD within 10 business days.</p> <p>GT must immediately notify the Issuer if it receives a notification of a significant dealing.</p>

### Other

In addition to the distribution conditions, restrictions and information set out above, the Issuer may include other conditions, restrictions and information on the distribution of products under this TMD.

Any additional conditions and restrictions will be notified (in writing) to an Approved Distributor.

## TMD reviews

This TMD shall be reviewed as follows:

First review	Within 12 months from the date of this TMD.
Subsequent reviews	At least every three years after the end of the previous review.
Review triggers	<p>Where an event or circumstance is identified by us or is notified to us that would reasonably suggest the TMD is no longer appropriate. This may include (but is not limited to):</p> <ul style="list-style-type: none"><li>• a material change to the design or distribution of a product, including material changes to policy documentation or the PDS;</li><li>• a material alteration to acceptance criteria or underwriting criteria, and the Application Process;</li><li>• identified systemic issues in the product or the distribution of the product;</li><li>• relevant material external events such as relevant litigation or adverse media coverage;</li><li>• relevant feedback, information or notification received from a distributor, regulator such as ASIC or APRA or other interested parties;</li><li>• significant changes in metrics. These include sales, policy cancellations, lapses in renewals, claims, complaints and loss ratios; and</li><li>• any significant dealings that are inconsistent with the TMD,</li></ul> <p>to the extent these events or circumstances reasonably suggest the TMD is no longer appropriate.</p>