

# COMMERCIAL MOTOR – THIRD PARTY FIRE AND THEFT COVER

## Target Market Determination (TMD)

Effective Date: 30 September 2022

### About this document

This TMD applies to the **third party fire and theft cover** described in the Product Disclosure Statements and Supplementary Product Disclosure Statements listed in Appendix 1 (together, referred to as the **PDSs**) that have been issued by Allianz Australia Insurance Limited ABN 15 000 122 850 AFS Licence No. 234708 (the **Issuer**).

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)

Main cover(s):	<b>Third party fire and theft cover:</b> This cover provides protection for: <ul style="list-style-type: none"><li>the cost of repairs to a vehicle and its accessories if lost or damaged as a result of a fire, lightning, explosion or theft (<b>fire and theft cover</b>); and</li><li>persons that drive, or are passengers in, one or more of vehicles to cover their liability for damage or destruction to someone else's property arising out of the use of those vehicles (<b>third party property damage cover</b>).</li></ul>
Key eligibility criteria:	<b>Insured:</b> <ul style="list-style-type: none"><li>operates a business in Australia.</li></ul> <b>Vehicle(s):</b> <ul style="list-style-type: none"><li>is used in connection with the insured's business;</li><li>if required to be registered by law, is registered for business use with the relevant transport authority in Australia;</li><li>is of a make and model accepted by the Issuer and shown in your schedule;</li><li>has a fuel system that complies with the relevant Australian Standards;</li><li>has not been modified unless accepted by the Issuer and shown in the policy schedule;</li><li>is roadworthy, safe to drive and with no existing damage, except minor wear and tear;</li><li>is not used for hire or to carry passengers for hire or reward unless accepted by the Issuer and shown in the policy schedule; and</li><li>is not used to transport commercial quantities of explosives, radioactive goods or gases.</li></ul>
Key exclusions:	The PDS for this cover has specific coverage and exclusions, including: <p>(a) at the time of the loss, damage or liability:</p> <ul style="list-style-type: none"><li>driver was licensed for that type of vehicle, or not following licence conditions;</li><li>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;</li><li>vehicle is used for non-permitted purpose, or with a number of passengers or a load that exceeds the limits for which the vehicle was constructed; or</li><li>vehicle is used for drilling or tunnelling underground or driven in an underground mine or mining shaft except to the extent accepted by the Issuer and documented in the PDS; or</li><li>vehicle was used for motor sports, trials, testing or demonstration purposes.</li></ul> <p>For the <b>fire and theft cover</b> only:</p> <p>(b) loss, damage or liability in connection with:</p> <ul style="list-style-type: none"><li>causes other than theft or a fire, lightning or explosion;</li><li>depreciation; and wear and tear;</li><li>rust and corrosion;</li><li>mechanical, structural, electrical or computer breakdowns, repairs or failures;</li><li>tyres or wheel rims caused by braking, road punctures, cuts or bursts;</li><li>pre-existing faults or damage;</li><li>intentional, malicious or criminal acts by, or with the consent of, the insured;</li><li>a failure to take reasonable steps to prevent loss or damage; or</li><li>consequential loss (such as loss of use), or aggravated, exemplary or punitive damage.</li></ul> <p>For the <b>third-party property damage cover</b> only:</p> <p>(c) loss, damage or liability in connection with:</p> <ul style="list-style-type: none"><li>underground services, such as pipes and cables;</li><li>aircraft;</li><li>psychological or psychiatric injury not directly arising from a serious physical bodily injury arising from use of the vehicle;</li><li>liability that could be claimed under a compulsory or statutory insurance policy or scheme;</li><li>the transportation of commercial quantities of explosives, radioactive materials, gases and other dangerous goods unless accepted by us and listed in your policy schedule; or</li><li>consequential loss (such as loss of use), or aggravated, exemplary or punitive damage.</li></ul> <p>See also Limitations and Ineligible Persons below.</p>

Limitations:	Accidental damage and theft cover:	Third party property damage cover:
	<p><b>Insured Value</b> – Claims are subject to a limit of the lower of \$5000 and the market value of the vehicle. Other limitations and conditions are specified in the PDS and policy schedule.</p> <p><b>Fulfilment options</b> – claims may be fulfilled by repair or by a cash settlement payment depending on the circumstances and subject to the terms and conditions of the PDS.</p> <p>Other limitations, conditions and additional benefits are specified in the PDS and the policy schedule.</p>	<p>Claims for legal liability are subject to a per event limit as specified in the PDS. For liability arising from the transportation of dangerous goods a separate per event limit applies.</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>	
Other key terms:	<p><b>Other benefits</b> – in addition to the benefits under the main cover(s), there a number of additional benefits available under these cover(s). There are some differences in the additional benefits available under the products covered by this TMD, including different monetary limits that apply to these additional benefits. The additional benefits available under each product, together with the applicable monetary limits, are set out in the applicable PDS. For example, legal costs and liability for loading and unloading. Claims for these additional benefits are subject to separate monetary limits set out in the PDS.</p>	

## Likely needs, objectives and financial situation

### Third party fire and theft cover is designed for:

	<b>Likely needs and objectives</b> <p>Persons or companies that operate a business that use one or more vehicles in connection with their business and seek protection for:</p> <ul style="list-style-type: none"><li>the financial detriment or burden resulting from loss or damage their vehicle(s) arising from theft or a fire, lightning or explosion; and</li><li>themselves/itself (and the driver of, and passengers in, their vehicle(s)) against liabilities for accidental damage or destruction to someone else's property arising from the use of their vehicle(s).</li></ul>	<b>Likely financial situation</b> <p>Persons or companies 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, third party fire and theft cover (including its key attributes) is likely to be consistent with the needs, objectives and financial situation of customer's in the target market.	

## B. Ineligible Persons

### Third party fire and theft cover is not designed for:

	<p>Persons or companies:</p> <ul style="list-style-type: none"><li>who want more than \$5,000 protection for their vehicle in the event of fire, lightning, explosion or theft;</li><li>who want protection for loss or damage to their vehicle arising from causes other than theft or a fire, lightning or explosion;</li><li>that do not operate a business in Australia;</li><li>who use their vehicle(s) outside Australia;</li><li>if registration is required by law, whose vehicle(s) is not registered for business use with the relevant transport authority in Australia;</li><li>whose vehicle(s) are unsafe or not roadworthy;</li><li>whose vehicle(s) are of a make or model that is not accepted by the Issuer;</li><li>that have modified their vehicle(s) unless accepted by the Issuer and shown in the policy schedule;</li><li>whose vehicle(s) are used for hire or to carry passengers for hire or reward unless accepted by the Issuer and shown in the policy schedule;</li><li>who use their vehicle(s) to transport commercial quantities of explosives, radioactive goods, gases and other dangerous goods unless accepted by the Issuer and shown in the policy schedule; or</li><li>whose vehicle(s) are used for drilling or tunnelling underground or driven in an underground mine or mining shaft except to the extent accepted by the Issuer and documented in the PDS.</li></ul>
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## C. Distribution

### Distribution channels

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

- online through relevant websites
- in-store branches and agencies
- by calling our contact centres
- third party distributors
- general advice model

All of these channels are monitored by 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 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 either directly by the Issuer, or by distributors approved by the Issuer (**Approved Distributors**). Approved Distributors and their systems and processes are assessed and monitored by the Issuer, and therefore either the direct distribution by the Issuer or distribution by Approved Distributors would 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	all complaints in relation to this TMD on a quarterly basis to the Issuer unless the Issuer has requested a distributor to report more frequently. This will include written details of the complaints.
Sales data	report relevant sales and customer data in relation to this TMD on a quarterly basis to the Issuer unless the Issuer has requested a distributor to report more frequently.
Significant dealings	notification if they become aware of a significant dealing in relation to this TMD that is inconsistent with this TMD within 10 business days.

### 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>

## Appendix

This TMD applies to the **third party fire and theft cover** described in the Product Disclosure Statements listed below and any related Supplementary Product Disclosure Statements:

- Allianz Austbrokers Business Pack (POL955)
- Allianz Austbrokers Commercial Motor Insurance (POL407)
- Allianz Business Insurance Pack (POL1013)
- Allianz Business Pack (POL949)
- Allianz Commercial Motor Insurance (POL124)
- Allianz Commercial Motor Insurance Austbrokers (POL409)
- Allianz Gallagher Motor Trades Pack (POL995)
- Allianz Insurance Advisernet Business Pack (POL957)
- Allianz Motor Trades Pack (POL951)
- Allianz Office Pack (POL963)
- Allianz Steadfast Commercial Motor Vehicle Insurance (POL1198)
- Allianz Trades and Services Pack (POL986)
- Avant Business Insurance (POL1068)
- TIO Austbrokers Business Pack (POL1044)
- TIO Austbrokers Commercial Motor Insurance (POL1026)
- TIO Business Insurance Pack (POL1023)
- TIO Commercial Business Pack (POL987)
- TIO Commercial Motor Insurance (POL964)
- TIO Gallagher Motor Trade Pack (POL1050)
- TIO Insurance Advisernet Business Insurance Policy (POL1045)
- TIO Insurance Advisernet Commercial Motor Insurance (POL1028)
- TIO Motor Trades Pack (POL1017)
- TIO Office Pack (POL1018)
- TIO Trades and Services Pack (POL1012)