

# MOTOR FLEET INSURANCE – COMPREHENSIVE COVER AND THIRD PARTY PROPERTY DAMAGE ONLY COVER

## Target Market Determination (TMD)

Effective Date: 5 October 2021

### About this document

This TMD applies to the **comprehensive cover** and **third party property damage only cover** described in the Product Disclosure Statements listed in Appendix 1 (**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>Comprehensive cover:</b> <p>This cover provides protection for a number of vehicles for:</p> <ul style="list-style-type: none"><li>• the cost of the repairs to, or replacement of, those vehicles arising from theft or accidental or malicious loss or damage (<b>loss of or damage cover</b>); and</li><li>• persons that drive, or are passengers in, those 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>
	<b>Third party property damage <u>ONLY</u> cover:</b> <p>This cover provides protection for a number of vehicles for:</p> <ul style="list-style-type: none"><li>• persons that drive, or are passengers in, those 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> <p><b>BUT NOT</b> protection for loss or damage to, or theft of, those vehicles.</p> <hr/> <p>An insured may choose whether:</p> <p>(a) all of its vehicles have either comprehensive cover or third party property damage only cover; or</p> <p>(b) some of its vehicles have comprehensive cover and other vehicles have third party property damage only.</p> <p>The type of cover that applies to each vehicle will be set out in your documentation.</p>
Optional cover(s):	<p>An insured may add one or more of the following optional cover(s) to comprehensive cover:</p> <ul style="list-style-type: none"><li>- <b>Hire Costs</b> – extends loss of or damage cover to include a rental vehicle after an accident;</li><li>- <b>Incorrect fuel damage</b> – extends loss of or damage cover to include damage caused by the use of an incorrect fuel, coolant or additive; and</li><li>- <b>Tools and equipment</b> – extends loss of or damage cover to include tools and equipment of trade in an accident or that are lost or stolen.</li></ul> <p>Optional covers are subject to the monetary limitations and exclusions set out in the PDS.</p>
Key eligibility criteria:	<p><b>Insured:</b></p> <ul style="list-style-type: none"><li>- is a business or charitable entity with an establishment in Australia;</li><li>- requires insurance for a number of vehicles in connection with its activities; and</li><li>- seeks a single policy to cover their vehicles rather than an individual policy for each vehicle.</li></ul> <p><b>Vehicles:</b></p> <ul style="list-style-type: none"><li>- if required to be registered by law, are registered with the relevant transport authority in Australia or New Zealand;</li><li>- are used primarily on public roads;</li><li>- are used primarily in connection with the insured's activities;</li><li>- are located in Australia or New Zealand;</li><li>- are of a make and model accepted by the Issuer;</li><li>- are roadworthy and safe to drive;</li><li>- are not used in an underground mine or mining shaft; and</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 that exceed the limits set out in the PDS;</li><li>o to carry passengers for hire or reward;</li><li>o for motor sports events, trials or testing/demonstration; and</li><li>o other non-permitted purposes.</li></ul></li></ul> <p>At the request of an insured, 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, including:

(a) at the time of the accident or liability:

- if required to be registered by law, the vehicle was not registered with the relevant transport authority in Australia or New Zealand;
- the vehicle was not located in Australia or New Zealand;
- the driver was not licensed for that type of vehicle, or not following licence conditions;
- the 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;
- the vehicle was used with a number of passengers or trailers, or a load that exceeds the limits for which the vehicle was constructed; or
- the vehicle was used for a non-permitted purpose, unless that use has been accepted by the Issuer and shown in the Policy Schedule. Some examples include:
  - for hire or carrying passengers for hire or reward;
  - the vehicle was used in an underground mine, mining shaft or on rails or tracks;
  - transportation of explosives, radioactive goods, large quantities of gases or other dangerous goods; or
  - motor sports events, trials or testing/demonstration purposes.

The key exclusions set out above that relate to a driver being:

(i) unlicensed or not following licensing conditions; or

(ii) under the influence of, or exceeding the legal limit for drugs or alcohol, or refusing a test,

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.

(b) for the **loss of or damage cover** - loss, damage or liability in connection with:

- depreciation; and wear and tear;
- rust and corrosion;
- mechanical, structural, electrical or computer breakdowns, repairs or failures;
- tyres or wheel rims caused by braking, road punctures, cuts or bursts;
- pre-existing faults or damage;
- use of incorrect fuel, coolant or additive, unless covered under the Incorrect fuel damage optional cover; and
- consequential loss (such as loss of use), or aggravated, exemplary or punitive damage.

(c) for the **third-party property damage cover** - loss, damage or liability in connection with:

- property belonging to the insured, or in the custody of the insured;
- 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 vehicle as tool of trade (as described in the PDS) on a work site or location;
- the transportation of explosives, radioactive materials, or quantities of other dangerous goods that exceed the quantities permitted in the PDS; or
- consequential or financial loss (such as loss of use, value or life), or aggravated, exemplary or punitive damage.

At the request of an insured, 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:	Loss of or damage cover:	Third party property damage cover:
Excess:	Other key terms:	

**Insured Value** – Claims are subject to monetary limits. For total loss claims, claims are subject to a monetary limit of:

- (a) the market value where the vehicle is a sedan, station wagon, four wheel drive, panel van or utility or goods carrying vehicle under 3.5 tonnes; or
- (b) otherwise, the lower of the sums insured or the market value.

**Fulfilment options** – claims may be fulfilled either by repair, reinstatement, replacement (if applicable) or by a cash settlement payment, depending on the circumstances. Other limitations, conditions and additional benefits are specified in the PDS and the Policy Schedule.

Claims for legal liability are subject to a per event limit as specified in the PDS, which may be modified, by agreement, in the Policy Schedule.

For liability arising from the transportation of certain quantities of dangerous goods a separate per event limit applies as specified in the PDS, which may be modified, by agreement, in the Policy Schedule.

Claims for legal liability do not include liability that could be claimed under any compulsory or statutory policy or scheme.

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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.



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**Other benefits** – there are a number of additional benefits available under the main covers. These additional benefits are set out in the PDS and are subject to separate monetary limits and conditions set out in the PDS.



**Automatic addition and deletion** – the loss of or damage cover also covers any replacement or additional vehicles acquired during the cover period provided that the acquired vehicles are of a similar type to the vehicles insured at the commencement of the policy and have been notified to the Issuer in accordance with the PDS. Claims for acquired vehicles are subject to a separate monetary limit set out in the PDS.

## Likely needs, objectives and financial situation

### Comprehensive cover is designed for:

	<b>Likely needs and objectives</b>	<b>Likely financial situation</b>
	<p>A business or charitable entity that would like to insure a number of vehicles used in connection with their activities and seek protection for:</p> <ul style="list-style-type: none"> <li>o the financial detriment or burden resulting from accidental loss or damage to, or theft of, their vehicles; and</li> <li>o 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.</li> </ul>	<p>A business or charitable entity that is 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>
	<p>Based on our assessment of the key terms, features and attributes, the comprehensive cover is likely to be consistent with the needs, objectives and financial situation of insured’s in the target market.</p>	

### Third party property damage ONLY cover is designed for:

	<b>Likely needs and objectives</b>	<b>Likely financial situation</b>
	<p>A business or charitable entity that would like to insure a number of vehicles used in connection with their activities and seek protection for 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, <b>BUT NOT</b> loss or damage to, or theft of, their vehicles.</p>	<p>A business or charitable entity that is 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>
	<p>Based on our assessment of the key terms, features and attributes, the third party property damage cover is likely to be consistent with the needs, objectives and financial situation of insured’s in the target market.</p>	

## B. Ineligible Persons

### Comprehensive cover is not designed for:



A business or charitable entity:

- that does not have an establishment in Australia;
- that does not have a number of vehicles;
- that seeks a policy for each of its vehicles rather than a single policy to cover all their vehicles;
- whose vehicles, if required to be registered by law, are registered with the relevant transport authority in Australia or New Zealand;
- whose vehicles are not primarily used in connection with its activities;
- whose vehicles are not primarily used on public roads;
- whose vehicles are not located in Australia or New Zealand;
- whose vehicles are unsafe or not roadworthy;
- whose vehicles are of a make or model that is not accepted by the Issuer;
- whose vehicles are used in an underground mine or mining shaft; or
- unless accepted by the Issuer and shown in the Policy Schedule, whose vehicles:
  - o are used for the transportation of explosives or radioactive goods, or other dangerous goods in quantities that exceed the limits set out in the PDS;
  - o are used to carry passengers for hire or reward; or
  - o are used for motor sports events, trials or testing/demonstration.

### Third party property damage ONLY cover is not designed for:



A business or charitable entity:

- that wants protection for loss or damage to, or theft of, their vehicles;
- that does not have an establishment in Australia;
- that does not have a number of vehicles;
- that seeks a policy for each of its vehicles rather than a single policy to cover all their vehicles;
- whose vehicles, if required to be registered by law, are registered with the relevant transport authority in Australia or New Zealand;
- whose vehicles are not primarily used in connection with its activities;
- whose vehicles are not primarily used on public roads;
- whose vehicles are not located in Australia or New Zealand;
- whose vehicles are unsafe or not roadworthy;
- whose vehicles are of a make or model that is not accepted by the Issuer;
- whose vehicles are used in an underground mine or mining shaft; or
- unless accepted by the Issuer and shown in the Policy Schedule, whose vehicles:
  - o are used for the transportation of explosives or radioactive goods, or other dangerous goods in quantities that exceed the limits set out in the PDS;
  - o are used to carry passengers for hire or reward; or
  - o are used for motor sports events, trials or testing/demonstration.

## C. Distribution

### Distribution channels

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

- brokers or other intermediaries
- by calling the Issuer
- general advice model or personal 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 the 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 **comprehensive cover** and the **third party property damage only cover** described in the Product Disclosure Statements (**PDSs**) listed below and any related Supplementary Product Disclosure Statements:

- Allianz Motor Fleet Insurance (POL428BA)
- Territory Motor Fleet Insurance (POL892TIO)
- Marsh Commercial Motor and Motor Fleet (POL332BA/MAR)
- Allianz Motor Vehicle Fleet Insurance (Willis) (POL1207BA/WIL)