



TARGET MARKET DETERMINATION – ARMADA INSURANCE PROTECT CLEAR LEASE MOTOR FLEET

Product Disclosure Statement (PDS)	Armada Insurance Protect Clear Lease Motor Fleet V6 – 1 January 2022
Effective Date	1 September 2022 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 https://www.prorisk.com.au/products/target-market-determinations/
Product Issuer:	HDI Global Specialty SE – Australia, ABN 58 129 395 544, AFS Licence No 458776 (“HDI Global Specialty”).
Product Distributor:	Professional Risk Underwriting Pty Ltd (ProRisk) ABN 80 103 953 073 AFS Licence No. 308076 under a binding authority issued to ProRisk by HDI Global Specialty SE.

ABOUT THIS DOCUMENT

This Target Market Determination (TMD) applies to the Leased Motor Vehicle described in Armada Insurance Protect Clear Lease Motor Fleet V6 Product Disclosure Statement and Policy Wording Document dated 1 January 2022 and any applicable Supplementary Product Disclosure Statement (together the PDS). The TMD seeks to offer customers, distributors and employees an understanding of the class of customers for which this product has been designed, considering their likely needs, objectives and financial situation. This TMD describes the circumstances in which we believe the product is likely to be suitable. Customers who fit those circumstances are collectively called our target market.

This TMD does not take anyone’s personal circumstances into account, nor does it form a part of the terms of cover. In addition to the key eligibility requirements outlined in this TMD, it is also subject to acceptance criteria and the TMD does not include all the factors we consider when we decide whether to issue insurance.

Customers must refer to the PDS and any supplementary document(s), which outline the relevant terms, conditions, exclusions, excesses, your rights and obligations and insurance cover being provided under the product, when making a decision about this product. We recommend that customers contact their broker



or distribution partner and read the relevant PDS for full details on cover to determine whether the product is appropriate for their objectives, financial situation and needs.

WHAT PRODUCT DOES THIS TARGET MARKET DETERMINATION APPLY TO?

This product has three (3) sections of cover as set out below and has been designed for customers in the target market to provide financial protections as follows:

- against theft or accidental loss or damage to your vehicle as per Section 1;
- against your legal liability for property damage and injury to other people caused by your vehicle as per Section 2;
- for additional benefits as per Section 3.

ProRisk policy on its approach to the distribution and development of products for appropriate target market distribution is available at:

<https://www.prorisk.com.au/globalassets/documents/prorisk-product-design--distribution-policy-2021.pdf>

WHAT IS THE TARGET MARKET FOR THE PRODUCT?

The overall target market for this product is customers who have a motor vehicle under a novated lease with their employer and require financial protection for:

- loss or damage to their vehicle and/or,
- legal liability for damage to other people’s property and injury to other people caused by their vehicle

The key eligibility requirements to purchase this insurance product include:

Customers <u>WITHIN</u> the Target Market (Customers are within the target market if all the following conditions apply)	
✓	Customers with a motor vehicle under a novated lease through with their employer; and
✓	the motor vehicles is up to 2 tonnes carrying capacity; and
✓	the novated lease is for a period from 1 to 5 years.



Customers <u>NOT</u> within the Target Market (Customers are NOT within the target market if any of the following conditions applies)	
x	Customers who do not have a motor vehicle under a novated lease with their employer;
x	Customers with motor vehicles over 2 tonnes carrying capacity;
x	Customer's motor vehicle is unregistered or unroadworthy;
x	Customers with operating leases with periods under 1 year and over 5 years or;
x	Drivers with DUI (alcohol and/or drugs) offences

YOUR EXCESS

When we pay a claim, you normally pay an excess. The product includes a number of different excesses that apply in various circumstances. If more than one excess applies to a claim, we add them together to work out the total excess payable by you.

FINANCIAL SITUATION

Our target market is 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:

- Ability to choose to pay your premium annually or by instalment.

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 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 product meets their specific objectives, financial situation and needs.



WHAT DISTRIBUTION CONDITIONS APPLY TO THIS PRODUCT?

The product application process has been designed to guide customers directly to the product most likely to meet their needs and objectives based on their responses to the questions in our product application.

ProRisk's staff have been adequately trained in the product, the customer(s) it is intended for and the underwriting criteria applicable to the product.

<p>Distribution Restrictions</p>	<p>This product can only be distributed if the following conditions are met:</p> <ul style="list-style-type: none"> ■ It can only be sold by an insurance broker via authorised distributors and cannot be sold directly to the public. ■ The agreement between the insurance broker and ProRisk sets out the obligations on the broker and ProRisk to distribute products only to customers within the TMD, and the ramification if the product is distributed to customer outside of the TMD. ■ The insurance product distributor must; <ul style="list-style-type: none"> – be authorised to distribute the 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 product where they receive notice from Us 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>Where an insurance broker provides personal advice in relation to the product it is that broker's responsibility to ensure that acquiring the product is in the best interests of the customer having regard to the customer's objective, financial situation and needs. Accordingly, when personal advice has been provided in relation to the product the obligation under this TMD do not apply to the insurance broker or ProRisk</p>
<p>Distribution Conditions</p>	<ul style="list-style-type: none"> – This product can only be sold to customers 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.



ARMADA

UNDERWRITING

	<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>
Distribution Method	<p>– This product can only be distributed by an insurance broker through manual quoting under the agreement between the broker and ProRisk</p>

WHEN WILL WE REVIEW THIS DOCUMENT?

We will review this TMD in accordance with the below.

Initial review	Within twelve (12) months of the effective date of the first TMD for this product
Periodic reviews	At least every twenty-four (24) months of the completion of the previous review
Review triggers and events	<p>Any event or circumstances arise that would suggest the TMD is no longer appropriate. This may include (but not limited to):</p> <ul style="list-style-type: none">▪ an event or circumstance that would materially impact on or change a factor taken into account when making the TMD that would suggest to Us that the TMD is no longer appropriate, such as a change in underwriting requirements;▪ the product has not been materially distributed and purchased in a way that is significantly inconsistent with this TMD;▪ a material change to the product including Product Disclosure Statement, Policy Wording information or assumptions upon which the TMD was formulated like the Application Process, pricing requirements, underwriting guidelines;▪ feedback, such as significant or systemic complaints or claims issues, received from insurance brokers, distributors or customers who purchased the product, which are of a nature that suggest to us 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 product. <p>Where a review trigger has been identified, this Target Market Determination will be reviewed within ten (10) business days.</p>



REPORTING AND MONITORING THIS TARGET MARKET DETERMINATION

We will collect and may require ProRisk to report on the following information in relation to this TMD to HDI Global Specialty:

Complaints	All complaints in relation to this product are reported to HDI Global Specialty on a monthly basis and not later than ten (10) business days after the agreed complaints reporting date. This will include written details of the complaints. HDI Global Specialty is notified of all complaints within 2 business days.
Sales data	Relevant sales and customer data in relation to this product on a monthly basis. If ProRisk become aware that the cover is issued to a customer that was ineligible for cover in accordance with the application process, ProRisk will notify HDI Global Specialty as soon as practicable after becoming aware of the matter, and within 10 business days.
Claims data	Where relevant, claims data in relation to this product on a monthly basis
Significant dealings	ProRisk will notify HDI Global Specialty if ProRisk or ProRisk's distributors become aware of a significant dealing in relation to the product that is inconsistent with the TMD within two (2) business days. This includes but is not limited to a consideration of the nature and degree of harm resulting from the issue of this product to a retail customer.
Communication from a regulator in relation to the product or TMD	ProRisk to report to HDI Global Specialty on same day