



# PACIFIC INTERNATIONAL INSURANCE

## TARGET MARKET DETERMINATION

### CAR INSURANCE POLICY

#### **About this document**

This target market determination (TMD) seeks to offer consumers, distributors and staff with an understanding of the class of consumers for which this product has been designed, having regard to the objectives, financial situation and needs of the target market.

This document is not to be treated as a full summary of the product's terms and conditions and is not intended to provide financial advice. Consumers must refer to the Product Disclosure Statement (PDS) and any supplementary documents which outline the relevant terms and conditions under the product when making a decision about this product.

This TMD applies to the pd.com.au Car Insurance Policy, a product of Pacific International Insurance Pty Ltd (effective 1 October 2021) (The Product).

This TMD is effective from 10 February 2022.

#### **Class of consumers that fall within this target market**

This Product has been designed for consumers whose likely objectives, financial situation and needs are aligned with the Product's key attributes. The Product is designed for those consumers who have a vehicle that is either a sedan, utility, four wheel drive or people mover, has been manufactured within the last 31 years and is registered for use on Australian roads. The Product is only suitable for drivers over 16 years of age who hold a driver's licence that is valid in Australia, and who have had

- no criminal convictions in the previous 10 years
- no more than 5 motor vehicle claims in the previous 5 years
- no driver's licence suspension, cancellation, disqualification or good behaviour condition in the previous 5 years
- no declared bankruptcy or defaulted on a loan or credit card in the previous 5 years

There are certain car owners that fall outside the target market (please refer to "Class of consumers falling outside this target market").

Within this Product, you can choose from three levels of car insurance cover, depending on your individual needs or circumstances. Each level of car insurance cover includes various additional

benefits which are included at no additional cost. You may also include various optional covers which attract an additional cost.

#### 1. Comprehensive Car Insurance

This cover is designed for owners of cars whose likely objectives, financial situation and needs are to protect against the financial burden that may result from an event damaging their car and/or becoming legally liable for damage to other property through the use of their car.

The key attributes of pd.com.au Comprehensive Car Insurance include coverage for events such as collision or impact, fire, flood, malicious damage, hail and storm, theft or attempted theft. Another key attribute is third party property damage, providing cover if their car causes damage or loss to someone else's property resulting from the use of their car.

Events such as these could result in significant car repair or replacement costs, so this cover is suitable for the intended target market.

#### 2. Third Party, Fire and Theft Car Insurance

This cover is designed for owners of cars, whose likely objectives, financial situation and needs are that they do not wish to have cover if their car is damaged in an incident such as collision or impact, flood, malicious damage, hail and storm, or they have the means to repair or replace their car if it is accidentally damaged; however require cover if legally liable for damage to other property through the use of their car.

The key attributes of pd.com.au Third Party, Fire and Theft Car Insurance are cover against fire and theft damage to the car. Another key attribute is third party property damage, providing cover if their car causes damage or loss to someone else's property resulting from the use of their car.

This product is suitable for the target market because it limits their financial loss if the car is damaged by fire or theft.

#### 3. Third Party Property Damage Car Insurance

This cover is designed for owners of cars who possess a low value car or owners who are only seeking cover for damage done to another person's property resulting from the use of their car. The key attribute of this cover is protection against legal liability for damage to another person's property resulting from the use of their car, such as in a collision.

This product is suitable for the target market because it limits their financial loss due to an incident causing damage to another's property.

### **Class of consumers falling outside this target market**

This Product is not suitable for car owners whose car:

- Is a private import
- Is produced by the following manufacturers:
  - Aston Martin
  - Bentley
  - Caterham
  - De Tomaso
  - Ferrari
  - Lamborghini
  - Lotus
  - Maserati
  - Morgan
  - Porsche
  - Rolls Royce
  - Tesla
- Is greater than \$100,000 in value
- Is classed as a Van, Light bus or Truck 2.5-3.5GVM as per [glassguide.com.au](http://glassguide.com.au)
- isn't registered
- is being used to carry persons or property, or provide driver instruction, for compensation, a fee, or reward of any kind, including points or criteria for participation in car or ride sharing programs. (A ride sharing program is an arrangement in which a passenger travels in a car for free or for a fee, especially as arranged by means of a website or app. This also extends to include food/goods delivered.)
- is being shown or test driven for sale, without a covered driver being present with and/or in the car
- is used for retail or wholesale delivery of goods
- is used to give driving lessons
- is used as a courtesy car
- is being driven off-road, on sand or on any path, trail or passageway that isn't a gazetted road. Off-road is defined as driving a car on unsurfaced tracks or roads, made of materials such as sand, gravel, riverbeds, mud, snow, rocks, and other natural terrain
- is being driven on rails
- is anywhere other than on dry land and gazetted roads
- is in a race, trial, test, or contest
- is being used in an unlawful manner or for unlawful purposes
- is on a competition racetrack, competition circuit, competition course, or competition arena
- is on consignment to, leased to, or rented to others, or given in exchange for any compensation
- is being driven in connection with emergency services
- is moving substances that pollute, contaminate, or are otherwise potentially harmful, including explosive materials. However, we'll accept a claim if you can prove your car was being used to move such substances legally.
- is being used to carry more passengers than permitted by law, loaded above the legal weight limit, or loaded in an illegal way
- is being used for any purpose for which the car was not designed
- is unlocked, the car alarm is disabled, or the keys to the car are left on, in or near the car

In addition, pd.com.au Car Insurance is not suitable for car owners who use the vehicle as their primary residence and require personal legal liability to be provided by this product.

### **How this product is to be distributed**

Pd.com.au Car Insurance can only be purchased from the pd.com.au website or contact centre, or authorised aggregators.

Pd.com.au employees can only sell The Product through the contact centre if they have received adequate training from us and they must follow any guidance we give them (such as product-specific sales scripting and application processes). When completing a quote, the pd.com.au website and sales processes includes a number of questions that help to determine if the applicant is within the target market for this product, if we will insure them and their property and for what price and excess. The customer should always answer these questions accurately and check with pd.com.au if they are not sure what a question means.

These conditions make it likely that pd.com.au Car Insurance will only be distributed to customers within the target market for this product because pd.com.au representatives have knowledge of the policy terms and conditions and pd.com.au processes are designed to identify instances where a policy is not suitable for the applicant.

### **Reviewing this document**

We collect information and prepare reports regarding sales activity, performance, complaints and any occasions where this product has been sold contrary to the TMD on an at least quarterly basis to help improve its products and service.

### **We will review this TMD if:**

- there are amendments to our PDS that change the cover provided;
- material changes are made to our underwriting guidelines;
- we introduce other ways in which this product can be sold;
- we receive a significant number of complaints regarding the design or distribution of this product, both from direct and aggregator sourced business based on monthly reporting analytics;
- the business performance and value provided by this Product indicate the TMD is no longer appropriate, having regard to appropriate data such as claims ratios and policy sales and cancellation rates; or
- we identify that there has been a significant dealing in the Product that is not consistent with the TMD.

Our review will occur within 10 business days of any of the above events occurring.

In any other event, a review of this TMD will be completed no later than two years from the publication date of this TMD and subsequently at two-yearly intervals.