



Insurance for 4X4 enthusiasts

Target Market Determination for Club 4X4 Comprehensive Daily Drive Insurance

Prepared 1st July 2022

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This document is the Target Market Determination (TMD) for Club 4X4 Comprehensive Daily Drive Insurance (Insurance) distributed by Club 4X4 Pty Limited (Club 4X4) ABN 41 606 776 274 AFSL 333234, an authorised representative of Lifestyle Insurance Group Pty Ltd ABN 48 057 816 172, Australian Financial Services Licence (AFSL) No. 246937 (Lifestyle Insurance Group). The issuer is The Hollard Insurance Company Pty Limited (Hollard) ABN 78 090 584 473, AFSL 241436 (together 'we'). This TMD was prepared on 1 July 2022.

We take a consumer-centric approach to the design and distribution of insurance products to make sure that our products are suitable for the consumers who buy them.

Purpose of this document

The purpose of this TMD is to describe the class of customers for which the Insurance has been designed and to specify distribution conditions, which together ensure that the Insurance is likely to be consistent with the likely objectives, financial situation and needs of those consumers.

It's important to note that this TMD doesn't take any individual's personal circumstances into account. Even if you are a consumer in the target market, and we offer the Insurance to you, that doesn't necessarily mean that it is appropriate for your personal circumstances. No one knows your situation better than you, so before you make any decisions about the Insurance, you should read and consider the Product Disclosure Statement (PDS) which provides complete information about the Insurance, including coverage, exclusions, excesses, limitations, terms and your rights and obligations to decide if the Insurance is right for you.

Also, this TMD doesn't include all the factors we consider when we decide whether to issue a policy. For example, we have a set of underwriting criteria we use to assess whether a risk is of a type or level we wish to insure. These factors may change over time or in different circumstances. We apply these factors when we decide whether to offer, issue, renew or agree to vary a policy.

What insurance does Club 4X4 Comprehensive Daily Drive Insurance provide?

The Insurance is designed to provide insurance cover to private individuals for passenger motor vehicles including but not limited to sedans, wagons, SUV's, utilities and people carriers that are used for private purposes. It is not designed for motor vehicles that are primarily used on unsealed roads or in remote locations.

The Insurance provides cover to manage the following risks arising from the use of the insured motor vehicle:

- Loss or damage to the motor vehicle;
- Legal liability for damage caused to other people's property.

There is one main type of cover available under the Insurance:

Comprehensive Cover, which provides:

- cover against loss or damage to the motor vehicle arising from accident, collision, theft, fire, storm, or malicious damage; and
- additional benefits, as described in the PDS; and
- optional benefits which can be added (additional premium is payable); and
- cover against legal liability for damage caused to other people's property arising from the use of the motor vehicle.

What is the target market for Club 4X4 Comprehensive Daily Drive Insurance?

The target market for the Insurance is private individuals who:

- ✓ own a motor vehicle primarily used on sealed roads which they use for private purposes; and
- ✓ who require insurance to cover:
 - loss or damage to the motor vehicle; or
 - legal liability for damage caused to other people's property.

The Insurance is not designed for:

- private individuals using motor vehicles designed for and used off sealed roads;
- private individuals who use their vehicle(s) to earn income or provide services, including ride share or other personal transport and delivery services, such as Uber Eats;
- commercial enterprises that operate motor vehicles primarily intended to transport individuals, rather than goods, such as taxis;
- commercial enterprises that own and operate motor vehicles for purposes related to the business or for income generating purposes, including motor vehicles that are used as tools of trade, such as excavators or other special use vehicles.

What key attributes help refine the target market?

The target market for each type of cover available under the Insurance can be refined by determining which customers are likely to obtain value from the included additional benefits or from selecting one or more of the optional benefits, taking into account the key attributes of those benefits.

The Distribution Conditions for the Insurance have been designed to ensure that customers who are eligible to take up the Insurance are within the target market, as refined by these key attributes, which ensures that the Insurance is likely to be consistent with the likely objectives, financial situation and needs of those consumers.

The information below explains when and how each key attribute is likely to be consistent with the likely objectives, financial situation and needs of customers in the target market. It is not intended to be a full description of each key attribute. Further information about each key attribute is set out in the PDS.

The target market for Comprehensive Daily Drive Insurance includes customers who require insurance to manage one or more of the risks covered by the additional benefits or optional extras. This Comprehensive Daily Drive Insurance is likely to be consistent with the likely objectives, financial situation and needs of those customers.

ADDITIONAL BENEFITS

Following a covered claim, the Comprehensive Daily Drive Insurance automatically includes the additional benefits listed below:

Towing and Storage Costs

For vehicles that cannot be driven as a result of loss or damage for which a claim is accepted we will cover the reasonable cost of towing your vehicle to the nearest repairer, place of safety or any other place which we agree to. We will also cover the reasonable cost of storing your vehicle.

The target market for this additional benefit is car owners who are in the target market for Comprehensive Daily Drive insurance and who may need towing assistance after an accident.

Vehicle Hire Benefit

If your vehicle has been stolen and your claim has been accepted, we will assist you in hiring a similar vehicle for up to 21 days from a licensed vehicle hire company. Incidental costs, insurance of and liabilities of operating the hired vehicle are not covered. The key attribute of this additional benefit is our contribution towards the cost of hiring a similar vehicle for up to 21 days if the motor vehicle is unable to be driven due to theft covered by the policy. This benefit ceases on the earliest of when:

- we have settled your claim; or
- we have paid the maximum benefit for vehicle hire benefit.

This additional benefit is likely to be consistent with the likely objectives, financial situation and needs of customers who use the motor vehicle regularly and who would require a replacement vehicle if their vehicle is stolen.

New Vehicle Replacement within 24 months

If you are the first registered owner of the vehicle and it is declared a total loss within 24 months of the original registration in your name and the loss is as a result of an event covered under your comprehensive cover, we will replace your vehicle with a new one of the same make, model and specification if available locally. In addition, we will pay all on road costs including stamp duty, the first 12 months registration and any delivery charges applicable.

The target market for this additional benefit includes car owners who are in the target market for Comprehensive Daily Drive Insurance (including those owners who may replace their current vehicle with a new vehicle) who without this benefit may suffer detriment from depreciation losses within the first 24 months of vehicle ownership.

OPTIONAL EXTRAS

Choice of repairer

Choice of repairer is an optional extra that can be added to Comprehensive Daily Drive Insurance. If you have a claim for damage to your vehicle, we will help you arrange for a repairer to fix your vehicle or you may use a licensed repairer of your choice provided the repairer has the necessary equipment, skills, capabilities, licences and authorisations required by law to complete the repairs to your vehicle.

The target market for this optional benefit is for car owners who prefer to use a repairer of their own choosing who may either have some experience in repairing the insured's vehicle type or based upon a favourable past experience with the repairer.

Excess free windscreen or window glass cover

Excess free windscreen or window glass cover is an optional cover available with Comprehensive Daily Drive insurance. If damage to your windscreen or window glass is the only damage claimed, this optional benefit means you do not need to pay an excess when you claim for that damage. Cover for this optional benefit is limited to a maximum of one (1) claim per policy period and a maximum of \$1000 per event.

The target market for this optional benefit is for car owners who are in the market for Comprehensive Daily Drive Insurance who may benefit from not having to pay an excess at the time of a windscreen or window glass claim.

Not all additional and optional benefits are listed in this TMD. Please refer to the PDS for full details of these benefits.

DISTRIBUTION CONDITIONS

New policies

The Insurance is distributed by Club 4X4 as the Authorised Representative of Lifestyle Insurance Group, acting as agent of Hollard, the insurer.

Before you purchase the Insurance, you will be asked a series of questions designed to confirm that you are eligible for the Insurance and any optional covers. Customers who are eligible will be in the target market if they also:

- meet our underwriting guidelines; and
- are able to pay the applicable premium we charge.

Hollard has a range of supervision and monitoring procedures and contractual arrangements with Club 4X4 to ensure that customers are asked these questions and that they are only offered the Insurance if they are likely to be in the target market for the type of cover and applicable key attributes.

Renewals

Before a policy expires, we will consider:

- the information you previously provided to us;
- updates to that information;
- likely changes in the market value of the insured vehicle/s; and
- other potential changes.

Based on this information, we will consider whether it's likely that you are in the target market for your current type of cover and applicable key attributes and whether we will offer renewal. In making this assessment, we will have regard to the likely impact on customers of offering cover to customers who are not in the target market and of other various alternatives.

As part of the renewal process, we will contact you to confirm the information we have that is relevant to assessing whether you are in the target market and whether we will offer to renew your policy (or notify you that we will not renew). If we believe that you are not likely to be in the target market for your current type of cover, or if we decline to renew, we will explain this clearly and prominently.

If, having been sent our renewal communication, you contact us with any changes or instructions or, accept the renewal offer and/or allow a renewal to proceed on the terms offered, we will take that into account in determining whether you are likely to be in the target market.

TMD Reviews

We will review this TMD regularly to make sure it remains appropriate. The first review will be within 12 months of the date it is prepared and then within 3 years of completion of the previous review.

As well as our regular reviews, additional reviews may be triggered if we determine there has been an event or circumstance that reasonably suggests this TMD needs to change. This would be the case if it's no longer reasonable to conclude that:

- if the Insurance is issued to a customer in accordance with the distribution conditions, it would be likely that the customer is in the target market; or
- the Insurance is likely to be suitable for customers in the target market.

Review triggers could be identified from:

- changes to the Insurance terms;
- compliance incidents and internal audit findings;

- information received from and/or in relation to distributors (see below);
- changes to our underwriting guidelines, pricing, or reinsurance requirements; and
- feedback and policy from ASIC, AFCA, Code Governance Committee and/or other relevant bodies.

We take reasonable steps to monitor relevant information (including the information referenced above) and other metrics to assess if our TMD needs to be reviewed and reassessed.

Reporting obligations

Club 4X4 is required to report the following information to Hollard at the following times

Reportable Matter	When
The number of policies sold or renewed that are not within the target market.	As soon as practicable after becoming aware of the matter, and no later than 10 business days.
The number of policies sold.	On a monthly basis.
Responses and response rates on client communications (including renewals).	On a monthly basis.
Lapse rates and cancellation rates.	On a monthly basis.
Product claim ratios.	On a monthly basis.
The number, nature and magnitude of paid, denied and withdrawn claims.	On a monthly basis.
The frequency and amount of excesses paid.	On a monthly basis.
Data on why claims have been withdrawn or denied.	On a monthly basis.
The Product is issued to a client in breach of the distribution conditions or outside of the target market.	As soon as practicable after becoming aware of the matter, and no later than 10 business days.
The nature and number of complaints received about the Product in the reporting period.	On a monthly basis.
If there are any significant dealings that are inconsistent with the TMD.	As soon as practicable after becoming aware of the matter, and no later than 10 business days.
Any compliance incident relating to the Product or its distribution.	As soon as practicable after becoming aware of the matter, and no later than 10 business days.



Insurance for 4X4 enthusiasts

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Further information is available on our website: www.club4x4.com.au