

# Comprehensive Motor Vehicle Insurance Target Market Determination

Effective Date: 5 October 2021

This target market determination (**TMD**) is designed to help you understand the intended target market for the PowerTorque Insurance Comprehensive Motor Vehicle Insurance product (**Comprehensive MVI**). This TMD sets out the types of people this Comprehensive MVI might suit, information about distribution conditions and how we review this TMD to ensure it remains appropriate.

Comprehensive MVI is underwritten by Aioi Nissay Dowa Insurance Company Australia Pty Ltd ABN 11 132 524 282, AFSL Number 443540 (referred to in this document as **we**, **us** or **our**). This TMD is not a Product Disclosure Statement (**PDS**) and is not a summary of the product terms and conditions. Please read the Product Disclosure Statement (available at [www.powertorquefinance.com.au/insurance/comprehensive-car-insurance](http://www.powertorquefinance.com.au/insurance/comprehensive-car-insurance)) for full details of the policy cover, benefits and conditions.

Any advice in this document is general in nature and does not take into account your objectives, financial situation or needs. Before making a decision to purchase Comprehensive MVI you should consider the appropriateness of the advice taking into account your own objectives, financial situation and needs and refer to the current PDS available from participating dealers, via our website at [www.powertorquefinance.com.au/insurance/comprehensive-car-insurance](http://www.powertorquefinance.com.au/insurance/comprehensive-car-insurance) or by calling **137 800**.

## About Comprehensive MVI

The following are the key attributes of Comprehensive MVI:

- Agreed value cover for accidental loss or damage to the insured vehicle (including fire and theft).
- Cover for legal liability for accidental loss or damage to other people's property caused by the insured vehicle (or a substitute vehicle) or a boat, caravan or trailer whilst it is attached to, or accidentally detached from, the insured vehicle (or substitute vehicle).
- New vehicle replacement cover where the insured vehicle becomes a total loss in the first 2 years of original registration, provided Comprehensive MVI was purchased within 12 months of the original registration of the insured vehicle, and the vehicle is continuously insured with us under a comprehensive motor vehicle insurance policy.
- A lifetime guarantee on all repairs we have authorised to the insured vehicle.
- Use of new genuine parts in the repair of the insured vehicle if the vehicle is within three years of its original registration at the time of the accident.
- Cover for rental car hire for up to 21 days if the insured vehicle is stolen, and the theft is covered by Comprehensive MVI. (Cover for rental car hire following accidental damage is an optional benefit under Comprehensive MVI, which may be added to the policy for an additional premium.)

## Target market

Comprehensive MVI is designed for vehicle owners who may experience a financial burden should accidental loss or damage to their vehicle occur, or legal liability arise because of loss or damage to someone else's property caused by their vehicle (the **likely objectives, financial situation and needs**).

Comprehensive MVI is likely to be consistent with these likely objectives, financial situation and needs because:

- it covers the key events related to the vehicle that are likely to result in consumer loss (being accidental damage to or theft of the insured vehicle, or legal liability to pay compensation for loss or damage to someone else's property arising out of an accident involving the insured vehicle);
- it provides consumers with certainty as to the amount their vehicle is covered for during the period of cover (being the agreed value); and
- it provides additional benefits for circumstances that are likely to arise from an insured event (for example, towing and storage fees, loss of personal items inside the vehicle, and use of a rental car following theft).

The below table describes the types of consumers who form the target market for Comprehensive MVI, as well as the consumers who fall outside the target market. Because Comprehensive MVI is designed for vehicle owners, this description includes references to the types of vehicles for which Comprehensive MVI is suitable.

Suitable for:	Unsuitable for:
<ul style="list-style-type: none"> <li>• Vehicles registered in Australia that are in a safe and roadworthy condition.</li> <li>• Vehicles that are used for private use or business use (other than for the types of excluded uses listed adjacent).</li> <li>• Vehicles that are used for limited rideshare use (up to 35 hours per week).</li> <li>• People who want certainty of knowing the amount that their vehicle will be covered for (as Comprehensive MVI provides agreed value cover).</li> </ul>	<ul style="list-style-type: none"> <li>• Heavy vehicles such as trucks (with a gross vehicle mass of more than 5 tonnes), buses and prime movers.</li> <li>• Vehicles that are not imported by the manufacturer/Australian distributor, or are homemade or construction kit vehicles.</li> <li>• Vehicles worth more than \$300,000.</li> <li>• Vehicles that are registered in another country or are in an unsafe or unroadworthy condition.</li> <li>• Vehicles used in connection with emergency, law enforcement or security services.</li> <li>• People who hire out or use their vehicle for fare or reward (other than limited rideshare we agree to cover), including purposes such as fast food delivery and paid driving lessons.</li> <li>• People who require cover when using their vehicle for motor sports or contests.</li> </ul>

## Distribution conditions

Comprehensive MVI is designed to be distributed by our agent Toyota Finance Australia Limited ABN 48 002 435 181, AFSL Number 392536 (TFA) via:

- its appointed representatives at participating dealerships; or
- the Toyota Insurance National Customer Solutions Centre.

Both we and TFA can only distribute our product through representatives that have received adequate training from us, and when they agree to follow the guidance we give to them regarding selling Comprehensive MVI (including, for example, sales scripting). System underwriting content and sales scripting will include questions to confirm that any potential policyholders meet the key eligibility criteria of Comprehensive MVI.

The above distribution conditions make it likely that Comprehensive MVI will only be distributed to consumers that fall within the target market described earlier in this TMD because:

- TFA and its representatives have knowledge of the policy cover, benefits and conditions of Comprehensive MVI, as do our representatives; and
- the sales processes are specifically designed to identify consumers outside the target market and prevent Comprehensive MVI being sold to those customers.

## **Reviewing this TMD**

We will review this TMD at least every two years, starting from the effective date of this TMD.

We will also review this TMD if any of the following occur (each being a 'review trigger'):

- we make any material changes or updates to our Comprehensive MVI product;
- we make any material changes to how we distribute Comprehensive MVI;
- we make any material changes or updates to our acceptance criteria for our Comprehensive MVI product;
- systemic complaints from customers, or a pattern of feedback from our employees or representatives, about a particular issue relating to the design or distribution of Comprehensive MVI;
- the performance of Comprehensive MVI indicates that this TMD is no longer appropriate, having regard to relevant performance metrics such as claims ratios and policy sales and cancellation rates; or
- we become aware that a significant dealing in Comprehensive MVI that is not consistent with this TMD has occurred.

We will review this TMD within 10 business days of the occurrence of a review trigger.

## **Reporting**

TFA will record all complaints it receives about Comprehensive MVI and this will be reported to us in writing quarterly. This report will set out the number of complaints received by TFA in the most recent reporting period, and the nature of those complaints, and must be provided to us within 10 business days of the end of the most recent reporting period.

We will also prepare our own quarterly reports examining certain key metrics related to the review triggers described earlier in this TMD, including data regarding the number and type of complaints received and the number of Comprehensive MVI policies issued, renewed, varied or cancelled in the preceding reporting period. These reports will be produced within 10 business days of the end of the most recent reporting period.

If TFA becomes aware of a significant dealing in Comprehensive MVI that is not consistent with this TMD, they must report it to us in writing within 10 business days.