

# Comprehensive Motor Vehicle Insurance Target Market Determination

Effective Date: 1 October 2024

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 PDS (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 call centre(s) and 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 up to a maximum of \$20 million 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 30 days if the insured vehicle is stolen, and the theft is covered by Comprehensive MVI, or if the insured vehicle is accidentally damaged as a result of a not-at-fault collision. (Cover for rental car hire following any accidental damage is an optional benefit under Comprehensive MVI, which may be added to the policy for an additional premium.)
- A requirement to pay an applicable excess if a claim occurs which does not allow us any opportunity to recover costs from another party.

## Target market

Comprehensive MVI is designed for vehicle owners who have the following **likely objectives, financial situation and needs**:

- They intend to protect themselves against a financial burden or loss should their vehicle be stolen or accidentally damaged;
- They intend to protect themselves or drivers of their vehicle should legal liability arise because of loss or damage to someone else's property caused by their vehicle;

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- They have the financial means to pay an excess amount in the event of a claim where costs cannot be recovered from another party; and
- They want to know how much cover they are receiving for the premium they are required to pay.

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);
- 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 a not-at-fault collision or theft); and
- An applicable excess will apply to any claims where we do not have the opportunity to recover costs from another party.

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>• People who want the certainty of knowing the amount that their vehicle will be covered for.</li> <li>• Vehicles registered in Australia that are in a safe and roadworthy condition.</li> <li>• Vehicles that are used for private use, goods carrying use, courier use or business use (other than for excluded types of usage).</li> <li>• Vehicles that are used for limited rideshare use (up to a maximum of 35 hours per week).</li> <li>• People who will be able to pay the applicable excess in the event of a claim.</li> </ul>	<ul style="list-style-type: none"> <li>• People who want their vehicle insured for market value.</li> <li>• People who are not licensed to drive on Australian roads.</li> <li>• Vehicles which have been altered by performance modification, unless we have agreed to cover any such modification in writing.</li> <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 registered in another country.</li> <li>• Vehicles with a value of \$300,000 or more.</li> <li>• Vehicles that 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 carry hazardous or inflammable goods in excess of government regulations.</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.

We may also directly distribute Comprehensive MVI through our representatives at the call centre(s) that we operate.

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 using system controls and knock out questions to identify consumers and vehicles 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;
- We identify 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 claims frequency for Comprehensive MVI falls below 10% over a 12-month period, the claims loss ratio falls below 50% over a 12-month period, or the claims denial rate rises above 2% over a 12-month period;
- A significant increase in policy sales or cancellation rates over two consecutive quarters indicates that Comprehensive MVI may no longer be consistent with this TMD;
- We become aware that a significant dealing in Comprehensive MVI that is not consistent with this TMD has occurred; or
- We become aware of a system control error where the acceptance criteria has not been met adequately.

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.