



# TARGET MARKET DETERMINATION



**MOBILITY FLEET**

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This document is the Target Market Determination (**TMD**) for Insuret Mobility Fleet Insurance (**Insurance**) distributed by Insuret Pty Limited (**Insuret**) ABN 42 126 793 379 AR316981, authorized representative of the issuer, The Hollard Insurance Company Pty Limited (Hollard) ABN 78 090 584 473, AFSL 241436 (together '**we**'). This TMD was prepared on 1 September 2021.

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 anyone'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 Insuret Mobility Fleet Insurance provide?

The Insurance is designed to provide insurance cover to commercial businesses that operate a fleet of motor vehicles and offer them for use by individuals or businesses in exchange for rental/hire fees or subscription payments (**Mobility Fleet**).

The Insurance provides cover to manage one or more of the following risks arising from the use of the Mobility Fleet (**Fleet Risks**):

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

There are two types of cover available under the Insurance:

**Comprehensive Cover**, which provides protection against loss or damage to the Mobility Fleet arising from accident, collision, theft, fire, storm, or malicious damage. This cover also includes Third Party Property Damage Cover.

**Third Party Property Damage Cover**, which provides protection against legal liability for damage caused to other people's property arising from the use of the Mobility Fleet. This cover provides no insurance for damage to the Mobility Fleet regardless of who is at fault.

The Insurance does not provide any cover for loss of income that may result from a vehicle in the Mobility Fleet being damaged and therefore not available for use.

## What is the target market for Mobility Fleet Insurance?

The target market for the Insurance is:

- ✓ commercial businesses which;
- ✓ operate a Mobility Fleet; and
- ✓ require insurance to manage Fleet Risks.

The Insurance is not designed for:

- × commercial enterprises that have a fleet of vehicles that are used as tools of trade, such as excavators of other special use vehicles;
- × commercial enterprises that have a fleet of vehicles which they use as part of their own business, for example couriers; limousine services; product suppliers who use their own vehicles to deliver good to customers;  
(These enterprises may be in the target market for our Commercial Motor Insurance.)
- × private individuals who use their vehicle(s) for personal use only.

### **Commercial Businesses**

The Insurance is designed for businesses that operate a Mobility Fleet.

That means the target market is made up of commercial enterprises that plan to make income from rental/hire fees and subscription payments they receive from customers for the use of vehicles in the Mobility Fleet.

This includes, but is not limited to:

- ✓ car rental businesses
- ✓ car sharing and subscription services
- ✓ ride sharing businesses that operate a fleet of vehicles.

### **Operate a Mobility Fleet**

A Mobility Fleet is:

- ✓ a fleet of motor vehicles registered for use on public roads within Australia
- ✓ provided under a contractual agreement, which is not a lease or purchase agreement
- ✓ for use by individuals or businesses for the period specified in the contractual agreement
- ✓ in exchange for rental/hire fees or subscription payments
- ✓ used primarily to transport people and/or goods on public roads.

A Mobility Fleet is not a fleet of vehicles:

- × used as tools of trade, such as excavators or other special use vehicles;

- × used off road or used primarily on private property, including mines;
- × used as a courier or taxi fleet.

### Manage Fleet Risks

The Insurance is designed to manage Fleet Risks.

That means the target market is made up of commercial enterprises that wish to take out insurance to manage one or more of the Fleet Risks.

The Insurance is not designed for:

- × commercial enterprises that do not require insurance to manage Fleet Risks; or
- × commercial enterprises that wish to self-insure.

## What is the target market for each type of cover?

### Comprehensive Cover

Comprehensive Cover provides insurance for loss or damage that is the fault of the driver of a vehicle in the Mobility Fleet. It covers loss or damage to the vehicle in the Mobility Fleet and also includes Third Party Property Damage Cover.

The target market for Comprehensive Cover is customers who require insurance to manage the risk of loss or damage to the Mobility Fleet.

This includes customers who require insurance when loss or damage to a vehicle in the Mobility Fleet:

- ✓ is the fault of the driver of the vehicle in the Mobility Fleet; or
- ✓ is caused by another person who is:
  - not able to be identified; or
  - is uninsured and is unable to pay for the loss or damage.

### Third Party Property Damage Cover

Third Party Property Damage cover (**TPPD**) provides insurance for legal liability for damage caused to other people's property, including other vehicles, arising from the use of a vehicle in the Mobility Fleet. If the driver of a vehicle in the Mobility Fleet is legally responsible for an accident that results in damage to other people's property, TPPD will pay to repair the damage. TPPD does not cover loss or damage to vehicles in the Mobility Fleet in any circumstances.

The target market for Third Party Property Damage Cover is customers who require insurance to manage the risk of legal liability for damage caused to other people's property arising from and caused by the use of vehicles in the Mobility Fleet.

## What key attributes help refine the target market?

The target market for the Insurance includes customers who are likely to obtain value from the following key attributes. 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.

### Market Value

Comprehensive Cover provides cover based on the market value at the time of the loss. This key attribute is most relevant in the event of a total loss.

Market value is worked out by using information about the fleet vehicle, including the age, make, model, condition and kilometres travelled and includes an allowance for the accessories and modifications that we have agreed to insure.

This key attribute is therefore suitable for customers who wish to insure vehicles in the Mobility Fleet based on the market value at the time of loss but may not be suitable for customers who wish to specify a sum insured value for each vehicle in the Mobility Fleet.

### Age Limits

Mobility Fleet Insurance requires the commercial enterprise which operates the fleet to apply and enforce age limits as set out in the policy terms and only allow drivers within those age limits to use the vehicles in the Mobility Fleet. Failure to do this may result in a claim being reduced or refused in full.

This key attribute means the Insurance is therefore suitable for customers who have procedures in place to ensure any applicable age limits are enforced.

## Distribution conditions

### New policies

The Insurance is distributed by Insuret as the Authorised Representative of Hollard, the insurer.

Before you purchase the Insurance, you will be asked a series of questions designed to help us decide:

- if you are in the target market
- if you meet our underwriting guidelines and
- what premium we should charge.

We have a range of supervision and monitoring procedures and contractual arrangements with Insuret 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 fleet vehicles 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, 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 thereafter.

As well as our regular reviews, additional reviews may be triggered if we determine that there has been an event or circumstance that reasonably suggests that 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 Mobility Fleet 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

Insuret 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.