

Target Market Determination

Effective Date: 27 June 2024

About this Document

This Target Market Determination (TMD) is designed to provide information about the Budget Direct Motorcycle Insurance product. Its purpose is to explain the class of customers that comprise the target market, and how the product is distributed. It also contains information about reporting obligations of our Distributors and when the TMD will be reviewed.

The TMD is not a Product Disclosure Statement (PDS), nor is it a summary of the terms and conditions or acceptance criteria for the product. The information contained in the TMD constitutes general advice only and does not consider any specific customer's circumstances, objectives, needs or financial situation. Customers should review the PDS and any applicable Supplementary PDS (SPDS) for full terms and conditions, including benefits, exclusions and limits that apply, before deciding to purchase the product.

This product is issued by Auto & General Insurance Company Limited (AFSL 285571) (also referred to in this document as "AGIC", "us", "we" and "our").

Target Market of Customers for Which this Product is Suitable

Product Description

This product provides customers with varying levels of protection against financial loss arising from an insured event, depending on the types of cover we offer and the selections they make.

Key Product Attributes by Type of Cover

Comprehensive	Third Party Property, Fire and Theft	Third Party Property Only
Cover for:	Cover for:	Cover for:
<ul style="list-style-type: none">✓ legal liability for accidental damage to someone else's vehicle or property caused by the use of the motorcycle.✓ loss or damage to the motorcycle as a result of fire or theft.✓ accidental loss or damage to the motorcycle as a result of events such as collision, storm, flood, hail, attempted theft or malicious act.	<ul style="list-style-type: none">✓ legal liability for accidental damage to someone else's vehicle or property caused by the use of the motorcycle.✓ loss or damage to the motorcycle as a result of fire or theft (excluding attempted theft).	<ul style="list-style-type: none">✓ legal liability for accidental damage to someone else's vehicle or property caused by the use of the motorcycle.
Also includes:	Also includes:	Also includes:
<ul style="list-style-type: none">✓ additional benefits applicable.✓ optional benefits you have selected, and we have agreed to cover you for.	<ul style="list-style-type: none">✓ additional benefits applicable.	<ul style="list-style-type: none">✓ additional benefits applicable.

The cover provided by the product, including details of the various types of cover, policy benefits and options, is subject to the terms and conditions, limits, excesses and exclusions as set out in the PDS and any applicable SPDS.

Suitability



Who this Product is Suitable for

This product is likely to be suitable for customers:

Who:

- have a type of motorcycle that meets our acceptance criteria e.g. cruiser, sports, road, enduro, scooter.
- want to insure riders who have a valid Australian motorcycle licence or permit.
- are between 16 and 99 years of age.
- reside in Australia.

Whose motorcycle:

- is registered for on-road use and roadworthy.
- is used for private purposes only.



Who this Product is not Suitable for

This product is not suitable for customers:

Who:

- have a type of motorcycle that does not meet our acceptance criteria e.g. ATV, moped, motocross, trike (excluding some scooters) or a motorcycle with an engine capacity of more than 1800CC.
- are not willing to list all people who normally reside with the regular rider and who may ride the motorcycle.

Whose motorcycle:

- is located or ridden outside of Australia.
- is imported privately or commercially in low volumes.
- has any of the following aftermarket modifications:
 - custom paintwork,
 - ECU (electronic control unit) remap or upgrade,
 - frames or subframes,
 - nitrous oxide kit,
 - turbo or supercharged.
- is used for business use of any kind including:
 - carrying passengers for payment,
 - delivering other people's goods for payment (e.g. parcel, food delivery),
 - providing driving tuition for payment,
 - hiring out to other people, including under peer to peer motorcycle sharing arrangements.
- is used for racing, trials, tests, contests, rallies or any activity on a racetrack.

Likely Objectives and Needs of the Target Market

This product is for customers who want protection against financial loss arising from an insured event.

This product provides varying levels of protection depending on the type of cover and optional benefits we offer. The product can be tailored to meet the likely objectives, needs and financial situation of a customer in the target market, as outlined below.

Customers who need protection for:	Type of Cover		
	Comprehensive	Third Party Property, Fire and Theft	Third Party Property Only
<ul style="list-style-type: none"> • legal liability for accidental damage to someone else's property caused by the use of the motorcycle. 	✓	✓	✓
<ul style="list-style-type: none"> • loss or damage to the motorcycle as a result of fire or theft. 	✓	✓	✗
<ul style="list-style-type: none"> • accidental loss or damage to the motorcycle for insured events such as collision, storm, flood, hail, attempted theft or malicious act. 	✓	✗	✗
<ul style="list-style-type: none"> • additional benefits (vary by type of cover). 	✓	✓	✓
<ul style="list-style-type: none"> • optional benefits. 	✓	✗	✗

Optional Benefits for Motorcycle Insurance

Customers who choose Comprehensive cover may be able to select from a range of optional benefits to suit their own circumstances, objectives, needs and financial situation. These include:

- Choice of Repairer.
- Accident Hire Car.
- Riding Gear.
- Reduced Windshield Excess.

Eligibility criteria determines which type of cover and/or optional benefits may be offered.

Likely Financial Situation of the Target Market

Customers in the target market can afford to pay:

- the premium, including applicable fees and government charges, indicated for the type of cover and option(s) chosen, which may increase from year to year,
- upfront costs for policy benefits and/or options that, when claimed on, may be settled on a reimbursement basis, and
- the total excess, being the sum of the basic excess and all the additional excesses, that may apply at the time of a claim.

Customers may be able to adjust the premium they pay by tailoring the policy to suit their own circumstances, objectives, needs and financial situation. Where available, this may be done by:

- choosing the type of cover,
- adjusting the basic excess amount,
- choosing whether to pay annually or by instalment,
- restricting the age of riders covered to ride the motorcycle,
- selecting the amount the motorcycle is insured for, choosing between market value or a specific value agreed to by us, and/or
- adding or removing available optional benefits.

Eligibility criteria may apply.

Consistency Between the Product and Target Market

Based on the assessment of this product, including its key attributes, the issuer considers this product to likely be consistent with the outlined objectives, needs and financial situation of the target market.

Consumer research, analysis of customer feedback, and monitoring of 'Review Triggers' are undertaken to ensure the product is suitable and of value to customers in the target market.

Distribution of this Product

The product is distributed through the following channels:

Application Process	Our Distributors
<ul style="list-style-type: none">• Online.• Telephone.	<ul style="list-style-type: none">• Auto & General Services Pty Ltd (AGS), acting under binder with AGIC.• Authorised Representatives of AGS or AGIC.• Australian Financial Service Licensees with arrangements with AGS or AGIC.

Distribution Conditions

The below distribution conditions would make it likely that the customers who are offered the product are in the target market.

All staff authorised to sell our products are trained to understand the key product attributes and the target market for the products that they sell. A selection of sales is reviewed each month to ensure compliance with approved sales processes. Any breaches identified are recorded and remedial training is provided to sales representatives as required. Any customer remediation that may be required is also carried out.

The application process includes specific questions, disclosures, scripting and embedded acceptance and underwriting criteria aimed at assessing customers' eligibility and reducing the likelihood of the product being sold to a customer who falls outside our target market. All customers will be informed of whether they are eligible to purchase our product as part of the application process.

Reporting and Monitoring this TMD

Our Distributors of the product are required to report the following to us as soon as practicable after becoming aware of the information and within 10 business days:

Complaints	The number and detail of complaints received in relation to the product.
Significant Dealings	Actual or potential significant dealings in relation to the product that is not consistent with the TMD. This would include but is not limited to selling the product to customers outside of the target market.
Distribution information	Any potential or actual issue of the product to a customer in breach of the distribution conditions or otherwise outside of the target market. Information that suggests that, if the product is issued to customers in the target market, it may not be consistent with the likely objectives, needs and financial situation of those customers.

Reviewing the TMD

We will review this TMD as follows:

Initial review: By 1 October 2023.

Subsequent reviews: At least once every two years after the end of the previous review.

Significant impact review: Within one year of the TMD being updated due to a significant dealing outside of the target market, a material change to the product or a triggered review.

Triggered reviews: We will also review the TMD where an event or circumstance occurs that may suggest that the TMD is no longer appropriate ('Review Triggers'), as follows:

Review Triggers

- Material changes to the cover provided by the product, such as expansion or reduction in cover.
- Changes to acceptance or underwriting criteria which may impact the suitability of the product for the target market.
- Customer complaints and feedback which may indicate the product is not meeting the needs of the target market.
- Material increases over expected claims rejection rates.
- Compliance incidents and breaches which may indicate the product is not being correctly sold to its target market, or expected benefits are not being provided to the target market.
- Changes to how or by whom the product is distributed which may impact who the product is sold to.
- Concerns raised by our Distributors in relation to ensuring the product is only being sold to customers within the target market.
- Concerns raised by a regulator in relation to product design and distribution obligations.
- Material changes to expected results in relation to quote to sales conversion, mid-term cancellations and renewal lapses.
- Material decreases against expected claims ratio which may indicate the product is no longer providing an acceptable level of value to the target market.
- Systemic issues discovered within the product lifecycle or distribution of the product.
- Any significant dealing outside the determined target market is detected.

Product(s) to Which this TMD Applies

This TMD applies to the following PDS and any applicable SPDS:

- Budget Direct Motorcycle Insurance PDS.