

Target Market Determination

Effective Date: 16 November 2023

This Target Market Determination (**TMD**) is designed to provide information about the **Budget Direct Pet 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 person's individual circumstances, likely objectives, financial situation or needs. Customers should review the PDS 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

Suitability

- This product is likely to be consistent with the likely objectives, financial situation and needs of customers in the target market, as detailed below.
- Consumer research was conducted to ensure the product is of value to those customers in the target market. We will, through analyses of customer feedback, continually review the suitability of the product to its target market.



Who This Product is Suitable For

The product is likely to be suitable for customers that have the following personal and financial characteristics:

- an Australian resident over 18 years of age;
- the owner of a cat or dog that is over 8 weeks and under 9 years old when the policy is first purchased;
- are able to afford to pay their pets' veterinary expenses up front prior to claiming eligible expenses back via the reimbursement model offered via this product (refer below for further information).
- able to afford the premium indicated for the cover offered in order to insure their pet (which may increase over time) and to afford the co-insurance contribution (20%) and excess - \$100 per condition per policy term.
- able to afford any veterinary expenses above the Maximum Benefit Limit and sub-limits as listed under Product Features.

The product is not likely to be suitable for customers if any of the following apply to them or their pet:

- Customers who are not able to afford to pay for their pets' veterinary expenses upfront prior to claiming eligible expenses back via this product's reimbursement model (refer below for further information).
- Customers using their cat or dog for commercial or occupational purposes, except for use as a guide dog or assistance animal.
- Customers requiring cover for their pets' pre-existing condition(s) that is not fully cured (free of symptoms for at least 12 months), or condition that arises during any relevant waiting period for their pet.
- The pet is an animal other than a cat or dog.
- The pet is a breed of dog or cat banned from ownership in Australia or in a customer's state of residence; or
- The pet is a dog who has been declared a dangerous dog by an authorised council officer or local court.
- Coverage in respect of funeral expenses and/or the cost of obtaining a replacement pet in the event of the death of their pet.
- Customers seeking to claim for costs associated with routine and preventative care, elective or cosmetic procedures, dental treatments or behavioural conditions.

Reimbursement Model of Cover Provided

- This product is only suitable for customers who can afford to fund their pets' treatment costs upfront and then claim back their eligible expenses later.

How the claims process works

Customers must:

- pay the treating veterinary practitioner bill in full for the treatment provided to their pet;
- obtain an itemised bill from the treating veterinary practitioner;
- submit their claim and the itemised invoice via the claims lodgement options as detailed in their PDS;

A Customer's claim will be assessed, and if their claim is approved in accordance with our PDS terms, eligible expenses covered under this product will be reimbursed to their nominated bank account.

Cover

This product is designed to be of value to customers who want insurance protection for a cat or dog and whose needs are covered by the key features of the cover it provides, which are outlined below:

Cover for:

- accidental injuries to their cat or dog; and
- illnesses to their cat or dog.

Product Features

Key Features	Benefit
Maximum Benefit Limit*	\$12,000
Tick Paralysis**	\$1,500
Snake Attack **	\$1,200
Orthopaedic Conditions **	\$4,000
Foreign Object Ingestion**	2 instances per period of cover
Elective Procedures	Not Covered
Pregnancy Related Conditions	Not Covered

Key Conditions

Waiting Period Accident	2-days
Waiting Period Illness	30-days
Waiting period Cruciate	6-months
Waiting Period Tick Paralysis	30-days
Excess per condition per policy period	\$100

*the maximum amount payable in respect of eligible claims during the policy term

** Benefit sub-limit applies. Benefit is part of and not in addition to the overall benefit limit

Acceptance Criteria

We also have acceptance criteria that we use to determine whether a customer, who may be in the target market, would be offered the product, such as the type of animal, its breed, and/or its age.

Distribution of the Product

The product is distributed through the following channels:

Application Process

- Online
- Telephone (PHIS call centre only)
- Aggregator sites (if applicable)

Our Distributors

- Pet Health Insurance Services Pty Ltd (PHIS), acting under binder with AGIC
- Authorised Representatives of AGIC
- Australian Financial Service Licensees with arrangements with PHIS or AGIC

The application process online (via the PHIS controlled quote engine) and via the PHIS call centre, includes specific questions, disclosures and scripting to reduce the likelihood of the product being sold to a customer who falls outside our target market. All PHIS staff authorised to sell our products by telephone are trained to understand the key product attributes and the target market for the products that they sell. A selection of Sales calls is reviewed each month to ensure compliance with approved sales processes and any breaches are recorded and remedial training provided to sales representatives as required. Any customer remediation that may be required is also carried out.

All customers will be informed of whether they are eligible to purchase our product as part of the application process.

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

Reporting

Our Distributors of the product are required to report the following to us:

Reportable matter	When
Any potential or actual issue of the product to a retail customer in breach of the distribution conditions or otherwise outside of the Target Market	As soon as practicable after becoming aware of the information and within 10 business days.
Information that suggests that, if the product is issued to retail customers in the Target Market, it may not be consistent with the likely objectives, financial situation and needs of those customers	As soon as practicable after becoming aware of the information and within 10 business days.
The number and detail of complaints received in relation to the product	Immediately, but at the latest within 24 hours of receiving the complaint.
Compliance incidents or breaches in relation to the product	Immediately, but at the latest within two business days of becoming aware of any breach or potential breach.

Reviewing the TMD

We review this TMD within two years of the Effective Date. We will undertake subsequent reviews at least every two years after the end of the previous review. 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.
- Material changes to acceptance criteria or underwriting rules which may impact on the target market.
- Customer complaints and feedback which may indicate the product is not meeting the target market's needs.
- Material increase 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 not being provided to the target market.
- Material changes to how the product is distributed which may impact on whom 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 sales conversion rates and cancellations.
- Material decreases against expected loss ratio which may indicate the product is no longer providing an acceptable level of value to the target market
- Should any significant dealing outside the target market be detected

Preparation Date

This document has been prepared on 07 November 2023..