

## Target Market Determination

Effective Date: 19 July 2024

### About this Document

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 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 choices of different levels of cover for eligible veterinary expenses incurred by them as dog or cat owners. The key product attributes are outlined below and on the following page:

#### Key Product Attributes by Type of Cover

Essential	Comprehensive	Plus	Pet Insurance*
<p><b>Cover for:</b></p> <ul style="list-style-type: none"> <li>accidental injuries to their cat or dog.</li> <li>illness affecting their cat or dog.</li> </ul> <p><b>Also includes:</b></p> <ul style="list-style-type: none"> <li>selectable excess.</li> </ul> <p><b>Annual Policy Limit:</b></p> <ul style="list-style-type: none"> <li>up to \$12,000.</li> </ul> <p><b>Sub-Limits:</b></p> <ul style="list-style-type: none"> <li>tick paralysis: up to \$1,000.</li> <li>snake attack: up to \$1,000.</li> <li>orthopaedic conditions: up to \$4,000.</li> <li>cruciate ligament conditions: up to \$2,600.</li> </ul> <p><b>Benefit Percentage:</b></p> <ul style="list-style-type: none"> <li>80%^ of eligible veterinary expenses.</li> </ul>	<p><b>Cover for:</b></p> <ul style="list-style-type: none"> <li>accidental injuries to their cat or dog.</li> <li>illness affecting their cat or dog.</li> </ul> <p><b>Also includes:</b></p> <ul style="list-style-type: none"> <li>selectable excess.</li> <li>optional cover.</li> </ul> <p><b>Annual Policy Limit:</b></p> <ul style="list-style-type: none"> <li>up to \$15,000.</li> </ul> <p><b>Sub-Limits:</b></p> <ul style="list-style-type: none"> <li>tick paralysis: up to \$1,500.</li> <li>snake attack: up to \$1,500.</li> <li>orthopaedic conditions: up to \$8,000.</li> <li>cruciate ligament conditions: up to \$2,600.</li> </ul> <p><b>Benefit Percentage:</b></p> <ul style="list-style-type: none"> <li>80%^ of eligible veterinary expenses.</li> </ul>	<p><b>Cover for:</b></p> <ul style="list-style-type: none"> <li>accidental injuries to their cat or dog.</li> <li>illness affecting their cat or dog.</li> </ul> <p><b>Also includes:</b></p> <ul style="list-style-type: none"> <li>selectable excess.</li> <li>optional cover.</li> </ul> <p><b>Annual Policy Limit:</b></p> <ul style="list-style-type: none"> <li>up to \$25,000.</li> </ul> <p><b>Sub-Limits:</b></p> <ul style="list-style-type: none"> <li>tick paralysis: up to \$3,000.</li> <li>snake attack: up to \$3,000.</li> <li>orthopaedic conditions: up to \$25,000.</li> <li>cruciate ligament conditions: up to \$3,500.</li> </ul> <p><b>Benefit Percentage:</b></p> <ul style="list-style-type: none"> <li>80%^ of eligible veterinary expenses.</li> </ul>	<p><b>Cover for:</b></p> <ul style="list-style-type: none"> <li>accidental injuries to their cat or dog.</li> <li>illness affecting their cat or dog.</li> </ul> <p><b>Also includes:</b></p> <ul style="list-style-type: none"> <li>selectable excess.</li> <li>optional cover.</li> </ul> <p><b>Annual Policy Limit:</b></p> <ul style="list-style-type: none"> <li>up to \$12,000.</li> </ul> <p><b>Sub-Limits:</b></p> <ul style="list-style-type: none"> <li>tick paralysis: up to \$1,500.</li> <li>snake attack: up to \$1,200.</li> <li>orthopaedic conditions: up to \$4,000.</li> <li>cruciate ligament conditions: up to \$2,600.</li> </ul> <p><b>Benefit Percentage:</b></p> <ul style="list-style-type: none"> <li>80%^ of eligible veterinary expenses.</li> </ul>

\*for customers who purchased their first policy before 22 July 2024 and have not changed their cover.

^less any applicable excess and subject to policy limits and sub-limits (terms, conditions and exclusions apply).

The cover provided by the product, including details of the various types of cover and options, is subject to the terms and conditions, limits, sub-limits, excess, and exclusions as set out in the PDS, any applicable SPDS and your Policy Schedule.

## Waiting period on certain conditions

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Your first period of cover has waiting periods:

- Accidental injuries: 2 days
  - Illnesses: 30 days
  - Cruciate ligament conditions: 6 months
  - Tick paralysis: 30 days
  - Optional Routine Care: No waiting period applies
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## Suitability



### Who This Product is Suitable For

This product is likely to be suitable for customers:

#### Who:

- are Australian residents over 18 years of age.
- are the owners of a cat or dog.
- can afford to pay their pets' veterinary expenses upfront prior to claiming eligible expenses back via the reimbursement model offered via this product.
- can afford the premium indicated for the cover offered in order to insure their pet (which may increase over time) and can afford co-payment and applicable excess.
- can afford any veterinary expenses above the applicable overall annual limit and benefit sub-limits as listed under Key Product Attributes.
- are seeking reimbursement for up to the applicable benefit percentage of eligible veterinary expenses, covering up to their annual policy limit and sub-limits.
- are seeking limited cover for specified routine care expenses (subject to meeting eligibility criteria).

#### Whose pet:

- is a cat or a dog.
- lives primarily at the owner's home address.
- is over 8 weeks and under 9 years old when the policy is first purchased.
- meets any relevant state or council requirement for registration.
- has not been declared a dangerous dog by an authorised council officer or local court.
- is not used for any commercial or occupational purposes (except guide dogs or assistance animals).



### Who This Product is Not Suitable For

This product is not suitable for customers:

#### Who:

- are unable to afford their pets' veterinary expenses upfront prior to claiming eligible expenses back via this product's reimbursement model.
- are seeking to claim for costs associated with elective or cosmetic procedures, dental treatments, or behavioural conditions.

#### Whose pet:

- is an animal other than a cat or a dog.
- is under 8 weeks or over 9 years old when the policy is first purchased.
- is used for commercial or occupational purposes, except for use as a guide dog or assistance animal.

- are requiring cover for their pets' pre-existing condition(s) that are not fully cured (free of symptoms for at least 12 months), or conditions that arise during any relevant waiting period for their pet insurance.
- are seeking total reimbursement of eligible veterinary expenses or a different benefit percentage, or different annual policy limits and sub-limits than those listed in the Key Product Attributes.
- are requiring cover for other excluded illnesses, injuries, and situations detailed in the 'Exclusion' section of the PDS.
- are seeking coverage for funeral expenses and/ or the cost of obtaining a replacement pet in the event of the death of their pet.
- are seeking immediate cover for sickness and illness that are subject to waiting period in the first period of cover.
- are seeking comprehensive cover for routine care expenses.
- is a breed of dog or cat banned from ownership in Australia or in a customer's state of residence.
- has been declared a dangerous dog by an authorised council officer or local court.

## Likely Objectives and Needs of the Target Market

This product is for customers who want contribution towards eligible veterinary expenses incurred for the treatment of their cat or dog.

This product provides varying levels of protection depending on the type of cover and optional cover(s) 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:

	Essential	Comprehensive	Plus	Pet Insurance*
Customers who need partial protection for:				
<ul style="list-style-type: none"> <li>• accidental injuries and illness (limitation of protection varies by type of cover).</li> </ul>	✓ Annual limit \$12,000	✓ Annual limit \$15,000	✓ Annual limit \$25,000	✓ Annual limit \$12,000
<ul style="list-style-type: none"> <li>• repeated preventable activity: 2 instances per annual policy.</li> </ul>	✓	✓	✓	✓
<ul style="list-style-type: none"> <li>• optional Routine Care cover.</li> </ul>	✗	✓	✓	✗

\*for customers who purchased their first policy before 22 July 2024 and have not changed their cover.

The cover provided by the product, including details of the various types of cover and options, is subject to the terms and conditions, limits, sub-limits, excess and exclusions as set out in the PDS, any applicable SPDS and Policy Schedule.

Eligibility criteria 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.

## 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,
- the applicable excess and co-payment that may apply at the time of a claim,
- pets' veterinary expenses upfront prior to claiming eligible expenses back via the reimbursement model offered via this product, and
- any veterinary expenses above the benefit percentage, overall annual limit and benefit sub-limits.

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

- choosing the type of cover that comes with different levels of policy limit and sub-limits,
- adjusting the excess amount,
- choosing whether to pay annually or by instalments, and/or
- adding or removing available optional cover(s).
- 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

- Online.
- Telephone.

### Our Distributors

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

<b>Complaints</b>	The number and detail of complaints received in relation to the product.
<b>Significant Dealings</b>	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.
<b>Distribution information</b>	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 18 July 2025.

**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 Pet Insurance PDS.

Auto & General Insurance Company Limited, the product issuer of Budget Direct Pet Insurance, is a signatory to the General Insurance Code of Practice. The Code commits us to, among other things, providing high standards of customer service and a fair and effective complaints process. General insurers' compliance with the Code is monitored and enforced by the Code Governance Committee (CGC), an independent body.