

Virgin Money

Home and Contents Insurance

Target Market Determination



Effective Date: 27 June 2024

About this Document

This Target Market Determination (TMD) is designed to provide information about the Virgin Money Home and Contents 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 protection against financial loss arising from an insured event.

Key Product Attributes

Home Insurance	Contents Insurance
Cover for: ✓ loss or damage to the home at the insured address caused by the insured events. ✓ legal liability for claims made against the customer caused by accidents at the insured address. Also includes: ✓ applicable additional benefits. ✓ optional covers you have selected, and we have agreed to cover you for.	Cover for: ✓ loss or damage to the contents at the insured address caused by the insured events. ✓ legal liability for claims made against the customer caused by accidents anywhere in Australia. Also includes: ✓ applicable additional benefits. ✓ optional covers you have selected, and we have agreed to cover you for.

The cover provided by the product, including details of the various 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.

Home Insurance

 Who this Product is Suitable for

This product is likely to be suitable for customers:

- | | |
|--|---|
| Who: <ul style="list-style-type: none">• are at least 16 years of age.• have, or will have within 30 days, an Australian mailing address.• own a home in Australia used for residential purposes either as an owner occupier or a landlord. | Whose insured home: <ul style="list-style-type: none">• is located at an acceptable address for the insurer.• is a free-standing house, townhouse, duplex, semi-detached house, terrace house, or villa or similar.• is structurally sound, well maintained, in good condition, watertight and secure. |
|--|---|

 Who this Product is not Suitable for

This product is not suitable for customers:

- | | |
|---|---|
| Who: <ul style="list-style-type: none">• wish to insure strata properties (unless a freestanding home).• wish to insure hotels, motels, boarding houses, or similar multi-occupancy dwellings, or dormitories.• wish to insure properties that are used for business purposes other than a home office.• wish to insure caravans, cars, trailers, mobile homes, or shipping containers.• wish to insure homes that are National Trust or heritage listed or have a heritage overlay.• wish to be covered for maintenance and the effects of wear and tear to the home.• wish to be covered for damage because of design defects in their home.• wish to be covered for events not covered by the policy.• have ever been convicted of arson or fraud, or any other conviction. | <ul style="list-style-type: none">• have had an insurance company cancel or refuse to renew insurance.• only wish to settle accepted claims by cash settlement in all circumstances.• wish to be covered for loss or damage that existed prior to taking out a policy with us. Whose insured home: <ul style="list-style-type: none">• is in the Northern Territory or above the Tropic of Capricorn (excluding the Greater Rockhampton area).• has asbestos roofs.• is not structurally sound, well maintained, in good condition, watertight and secure.• is under construction and not at lock-up stage or homes under construction by an owner-builder. |
|---|---|

Contents Insurance

✓

Who this Product is Suitable for

This product is likely to be suitable for customers:

- Who:**

 - are at least 16 years of age.
 - have, or will have within 30 days, an Australian mailing address.
 - reside in or own a home in Australia used for residential purposes either as an owner occupier, renter, or a landlord.
- Whose insured contents:**

 - are in good condition.
 - are in a home located at an acceptable address for the insurer.
 - are in a free-standing house, townhouse, duplex, semi-detached house, terrace house, villa, apartment or similar.
 - are in a home that is structurally sound, well maintained, in good condition, watertight and secure.

✗

Who this Product is not Suitable for

This product is not suitable for customers:

- Who:**

 - wish to be covered for contents in a hotel, motel, boarding house, or similar multi-occupancy dwelling.
 - wish to be covered for maintenance of their contents and the effects of wear and tear.
 - wish to be covered for loss or damage that existed prior to taking out a policy with us.
 - wish to insure caravans, cars, trailers, mobile homes, or shipping containers.
 - wish to be covered for events not covered by the policy.
 - have ever been convicted of arson or fraud, or any other conviction.
 - have had an insurance company cancel or refuse to renew insurance.
 - only wish to settle accepted claims by cash settlement in all circumstances.
- Whose insured contents:**

 - are in a home in the Northern Territory or above the Tropic of Capricorn (excluding the Greater Rockhampton area).
 - are in a home with an asbestos roof.
 - are in a home that is not structurally sound, well maintained, in good condition, watertight and secure.
 - are in a home that is under construction and not at lock-up stage or homes under construction by an owner-builder.
 - are in a home that is used for business purposes other than a home office.
 - are in a caravan, car, trailer, mobile home, or shipping container.
 - are not in good condition.

Likely Objectives and Needs of the Target Market

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

This product provides protection depending on the type of cover and optional covers 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.

Home Insurance	Occupancy Type		
Customers who need protection for:	Owner	Landlord	Renter
• Loss or damage to their tenanted home.	×	✓	×
• Loss or damage to their owner-occupied or non-rented holiday home.	✓	×	×
• Legal liability for claims that may be made against them at the insured address.	✓	✓	✓
• Applicable additional benefits related to their claim.	✓	✓	✓
• Optional covers to suit their own insurance objectives, needs, financial situation, and circumstances (see below).	✓	✓	✓

Contents Insurance	Occupancy Type		
Customers who need protection for:	Owner	Landlord	Renter
• Loss or damage to contents in a tenanted home.	×	✓	×
• Loss or damage to contents in an owner-occupied or non-rented holiday home.	✓	×	×
• Loss or damage to contents in a home that they rent.	×	×	✓
• Legal liability for claims that may be made against them anywhere in Australia (including at the insured address).	✓	✓	✓
• Applicable additional benefits related to their claim.	✓	✓	✓
• Optional covers to suit their own insurance objectives, needs, financial situation, and circumstances (see below).	✓	✓	✓

Optional Cover(s) for Home and Contents Insurance	Product Type	
Depending on the cover type selected and with our agreement, customers may be able to select from a range of optional covers to suit their own circumstances, objectives, needs and financial situation. These include:	Home	Contents
• Flood: This option will extend cover to loss or damage caused by flood.	✓	✓
• Accidental Damage: This option will extend cover to include loss or damage caused by a sudden, unintended, and unexpected event that is not the result of a deliberate act.	✓	✓
• Motor Burnout: This option covers you for the burnout of electric motors that are less than ten years old if the burnout is caused by an electric current, power surge, or both.	✓	✓
• Portable Personal Effects: This option extends the contents cover to certain items when away from the home.	×	✓
• Sum Insured Safeguard: This option will increase the amount we pay by up to an additional 25% of the sum insured if the assessed cost to repair or replace exceeds your sum insured.	✓	×
• Commercial Storage: This option will extend the coverage to your contents stored in a commercial storage facility during your period of insurance.	×	✓
• Landlord Options: For landlords who want extra cover for 'Tenant default' and or 'Theft and malicious damage by tenants or their visitors'.	✓	✓

Eligibility criteria determines which type of cover and/or optional covers 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 policy cover 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 cover to suit their own circumstances, objectives, needs and financial situation. Where available, this may be done by:

- adjusting the basic excess amount,
- choosing whether to pay annually or by instalment,
- adjusting the sums insured, which can include specifying certain contents items, and/or
- adding or removing available optional covers.

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
• Online. • Telephone.	• 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:

- Virgin Money Home and Contents Insurance PDS.

Auto & General Insurance Company Limited, the product issuer of Virgin Money Home and Contents 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.