

# LEASED MOTOR FLEET INSURANCE – COMPREHENSIVE COVER

## Target Market Determination (TMD)

Effective Date: 5 October 2021

### About this document

This TMD applies to the **comprehensive cover** described in the Product Disclosure Statements listed in Appendix 1 (**PDSs**) that have been issued by Allianz Australia Insurance Limited ABN 15 000 122 850 AFS Licence No. 234708 (the **Issuer**).

The purpose of this TMD is to describe the class of customers for which the products described in the PDSs have been designed, having regard to the likely needs, objectives and financial situation of that class of customers. Examples used in this TMD are illustrative only, and are not intended to be exhaustive.

This TMD is not intended to provide any financial product advice, and does not consider any individual customer's personal needs, objectives or financial situation.

This TMD does not replace the terms and conditions, and disclosures made, in the PDSs. A customer should refer to the applicable PDS before making a decision about a product.

A customer may fall within the target market described in this TMD, but may not meet the Issuer's underwriting criteria on application.

For further information on the Issuer's approach to the distribution and development of products for appropriate target markets, go to <https://www.allianz.com.au>.

## A. Target Market



### Product description (including key attributes)

Main cover(s):	<p><b>Comprehensive cover:</b></p> <p>This cover provides protection for vehicles that are subject to a finance or operating lease, or under Vehicle Management Services:</p> <ul style="list-style-type: none"> <li>for the cost of the repairs to, or replacement of, those vehicle(s) arising from theft or accidental or malicious loss or damage (<b>loss of or damage cover</b>); and</li> <li>for persons that drive, or are passengers in, those vehicle(s) to cover their liability for damage or destruction to someone else's property arising out of the use of those vehicle(s) (<b>third party property damage cover</b>).</li> </ul>	
Key eligibility criteria:	<p><b>Insured:</b></p> <ul style="list-style-type: none"> <li>leases vehicle(s) under a finance or operating lease, or is under Vehicle Management Services; and</li> <li>either an individual in Australia or a business or charitable entity with an establishment in Australia.</li> </ul> <p><b>Vehicle(s):</b></p> <ul style="list-style-type: none"> <li>is subject to a finance or operating lease, or under Vehicle Management Services;</li> <li>is registered with the relevant transport authority in Australia;</li> <li>is roadworthy and safe to drive;</li> <li>is not used to carry passengers for hire, fare or reward unless accepted by the Issuer and shown in the policy schedule; and</li> <li>is of a make or model accepted by the Issuer and shown in the policy schedule.</li> </ul>	
Key exclusions:	<p>The PDS for this cover has specific coverage and exclusions, including:</p> <p>(a) at the time of the accident, loss or liability:</p> <ul style="list-style-type: none"> <li>the driver was unlicensed, or not following licence conditions;</li> <li>the driver was under the influence of, or exceeded the legal limit for, drugs or alcohol, or refuses a request for a test for drugs or alcohol; and</li> <li>the vehicle was used for motor sports events, trials or testing/demonstration purposes.</li> </ul> <p>(b) loss, damage or liability in connection with:</p> <ul style="list-style-type: none"> <li>depreciation; and wear and tear;</li> <li>rust and corrosion;</li> <li>mechanical, structural, electrical or computer breakdowns, repairs or failures;</li> <li>tyres or wheel rims caused by braking, road punctures, cuts or bursts;</li> <li>pre-existing faults or damage;</li> <li>underground services, such as pipes and cables;</li> <li>the transportation of explosives or radioactive materials, or quantities of other dangerous goods that exceed the quantities permitted in the PDS; or</li> <li>consequential or financial loss (such as loss of use, value or life), or aggravated, exemplary or punitive damage.</li> </ul> <p>See also Limitations and Ineligible Persons below.</p>	
Limitations:	<p><b>Loss of or damage cover:</b></p> <p><b>Insured Value</b> – Claims are subject to monetary limits. For total loss claims, claims are subject to a monetary limit based on one of the following options selected by the customer:</p> <p>(a) the market value; or</p> <p>(b) the agreed value.</p> <p>as shown in the Policy Schedule.</p> <p><b>Fulfilment options</b> – claims may be fulfilled either by repair, reinstatement, replacement (if applicable) or by a cash settlement payment, depending on the circumstances.</p> <p>Other limitations, conditions and additional benefits are specified in the PDS and the policy schedule.</p>	<p><b>Third party property damage cover:</b></p> <p>Claims for legal liability are subject to a per event limit as specified in the PDS.</p> <p>For liability arising from the transportation of certain quantities or of dangerous goods a separate per event limit applies as specified in the PDS, which may be modified, by agreement, in the Policy Schedule.</p> <p>Claims for legal liability do not include liability that could be claimed under any compulsory or statutory policy or scheme.</p>

<b>Excess:</b>	Claims are subject to the payment of premium and the applicable excess as specified in the policy schedule. Excess payable may be different for different types of claims, types of vehicles and age or experience of the driver.
<b>Other key terms:</b>	<b>Other benefits</b> – in addition to the main covers, there are a number of additional benefits available under the main covers. These additional benefits are set out in the PDS and are subject to separate monetary limits and conditions set out in the PDS.


## Likely needs, objectives and financial situation

### Comprehensive cover is designed for:

	<p><b>Likely needs and objectives</b></p> <p>Business, charitable entities or persons that have vehicle(s) that are subject to a finance or operating lease, or under Vehicle Management Services and seek protection for:</p> <ul style="list-style-type: none"> <li>• the financial detriment or burden resulting from accidental loss or damage to, or theft of, those vehicle(s); and</li> <li>• themselves/itself (and the driver of, and passengers in, their vehicle(s)) against liabilities for accidental damage or destruction to someone else's property arising from the use of those vehicle(s).</li> </ul>	<p><b>Likely financial situation</b></p> <p>Business, charitable entities or persons that are able to pay premiums in accordance with the chosen premium structure, and any excess in the event of a claim in accordance with the chosen excess option.</p>
	Based on our assessment of the key terms, features and attributes, the comprehensive cover is likely to be consistent with the needs, objectives and financial situation of customer's in the target market.	

## B. Ineligible Persons

### Comprehensive cover is not designed for:

	<p>Business or charitable entities or persons:</p> <ul style="list-style-type: none"> <li>- who do not lease one or more vehicle(s) under a finance or operating lease, or are under Vehicle Management Services;</li> <li>- whose vehicle(s) are located outside Australia or New Zealand;</li> <li>- whose vehicle(s) are not registered with the relevant transport authority in Australia or New Zealand;</li> <li>- whose vehicle(s) are unsafe or not roadworthy;</li> <li>- whose vehicle(s) are of a make or model that is not accepted by the Issuer; or</li> <li>- whose vehicle(s) are used: <ul style="list-style-type: none"> <li>• in an underground mine or mining shaft;</li> <li>• for the transportation of explosives, radioactive goods, or quantities of other dangerous goods in quantities that exceed the limits set out in the PDS;</li> <li>• for hire or to carry passengers for hire or reward; or</li> <li>• for motor sports events, trials or testing/demonstration.</li> </ul> </li> </ul>
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## C. Distribution

### Distribution channels

Products under this TMD may be distributed through any of the following means:

- online through relevant websites
- third party distributors and agents
- general advice model

All of these channels are monitored by the Issuer and staffed by persons who have been trained in the distribution of the Products covered by this TMD and the Application Process.

### Distribution conditions and restrictions

Products under this TMD can only be issued to customers that are eligible for that cover in accordance with the application and/or renewal criteria that has been approved in writing by the Issuer and which complies with the law (**Application Process**).

The Application Process has been tailored to identify the Target Market described in this TMD as part of the eligibility criteria for the Products covered by this TMD, and the use of the Application Process would make it more likely that a Product covered by this TMD will be acquired by persons in the Target Market.

Products under this TMD can be distributed either directly by the Issuer, or by distributors approved by the Issuer (**Approved Distributors**). Approved Distributors and their systems and processes are assessed and monitored by the Issuer, and therefore the either the direct distribution by the Issuer or distribution by Approved Distributors would make it more likely that the Approved Distributor will comply with the terms of this TMD.

### Distribution information

We require distributors to provide the following information in relation to their distribution of products covered by this TMD:

Complaints	all complaints in relation to this TMD on a quarterly basis to the Issuer unless the Issuer has requested a distributor to report more frequently. This will include written details of the complaints.
Sales data	report relevant sales and customer data in relation to this TMD on a quarterly basis to the Issuer unless the Issuer has requested a distributor to report more frequently.
Significant dealings	notification if they become aware of a significant dealing in relation to this TMD that is inconsistent with this TMD within 10 business days.

### Other

In addition to the distribution conditions, restrictions and information set out above, the Issuer may include other conditions, restrictions and information on the distribution of products under this TMD.

Any additional conditions and restrictions will be notified (in writing) to an Approved Distributor.

## TMD reviews

This TMD shall be reviewed as follows:

First review	Within 12 months from the date of this TMD.
Subsequent reviews	At least every three years after the end of the previous review.
Review triggers	<p>Where an event or circumstance is identified by us or is notified to us that would reasonably suggest the TMD is no longer appropriate. This may include (but is not limited to):</p> <ul style="list-style-type: none"><li>• a material change to the design or distribution of a product, including material changes to policy documentation or the PDS;</li><li>• a material alteration to acceptance criteria or underwriting criteria, and the Application Process;</li><li>• identified systemic issues in the product or the distribution of the product;</li><li>• relevant material external events such as relevant litigation or adverse media coverage;</li><li>• relevant feedback, information or notification received from a distributor, regulator such as ASIC or APRA or other interested parties;</li><li>• significant changes in metrics. These include sales, policy cancellations, lapses in renewals, claims, complaints and loss ratios; and</li><li>• any significant dealings that are inconsistent with the TMD,</li></ul> <p>to the extent these events or circumstances reasonably suggest the TMD is no longer appropriate.</p>

## Appendix

This TMD applies to the **comprehensive cover** described in the Product Disclosure Statements (**PDSs**) listed below and any related Supplementary Product Disclosure Statements:

- Allianz Motor Vehicle Lease Insurance (POL1100DE 02/21)
- Allianz Motor Vehicle Lease Insurance (POL1100DE 08/21)
- Leased Vehicle Motor Insurance (POL887DE 02/21)