



**Target Market
Determination (TMD)
for ATL Taxi Operators
Package Insurance**

Effective Date: 5 October 2022

Target Market Determination for ATL Taxi Operators Package Insurance

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This document is the Target Market Determination (TMD) for ATL Taxi Operators Package Insurance (Insurance) distributed by ATL Insurance Group Pty Limited (ATL) ABN 33 133 273 631 AFSL 333234, under a binding authority issued to ATL by the insurer, The Hollard Insurance Company Pty Limited (Hollard) ABN 78 090 584 473, AFSL 241436 (together 'we'). This TMD was prepared on the 5th of October 2022.

We take a consumer-centric approach to the design of insurance products to make sure that our products are suitable for the consumers who fall within the target market. The insurance is distributed through licensed general insurance brokers who apply for cover on behalf of their customers in accordance with the applicable distribution conditions and eligibility criteria.

Purpose of this document

The purpose of this TMD is to describe the class of customers for which the Insurance has been designed and to specify distribution conditions including key eligibility criteria, which together ensure that the Insurance is likely to be consistent with the likely objectives, financial situation and needs of those customers.

It's important to note that this TMD doesn't take anyone's personal circumstances into account. Even if you are a customer in the target market, no one knows your situation better than you. Before you make any decisions about the Insurance, you should consult with your broker to ensure the insurance is appropriate for your personal circumstances; and read and consider the Product Disclosure Statement (**PDS**) which provides complete information about the Insurance, including coverage, exclusions, excesses, limitations, terms and your rights and obligations.

Also, this TMD doesn't include all the factors we consider when we decide whether to issue a policy. For example, we have a set of eligibility criteria we use to assess whether a risk is of a type or level we wish to insure, including, type of vehicle(s), value of the vehicle(s) and location of the vehicle(s) and whether driver(s) meet our age and experience and other eligibility criteria as set out in the PDS. These factors may change over time or in different circumstances. We apply these factors when we decide whether to offer, issue, renew or agree to vary a policy.

What insurance does ATL Taxi Operators Package Insurance provide?

The Insurance is designed to provide insurance cover to commercial businesses or individuals that operate one or more motor vehicles for use in their business, or in order to offer passenger transportation services to individuals or businesses in exchange for fees (**Transport Fleet**).

The Insurance provides cover to manage one or more of the following risks arising from the use of the Transport Fleet (**Fleet Risks**):

- Loss or damage to the Transport Fleet;
- Legal liability for damage caused to other people's property.

There are two types of cover available under the Insurance for vehicles in the Transport Fleet:

Comprehensive Cover, which provides cover against loss or damage to the Transport Fleet arising from accident, collision, theft, fire, storm, or malicious damage. This cover also includes Third Party Property Damage Cover.

Third Party Property Damage Cover, which provides cover against legal liability for damage caused to other people's property arising from the use of the Transport Fleet. This cover provides no insurance for damage to the Transport Fleet regardless of who is at fault.

The Insurance does not include cover for loss of income that may result from a vehicle in the Transport Fleet being damaged and therefore not available for use, however, customers who select Comprehensive Cover can extend their cover by adding any of the optional covers:

- Business Interruption Insurance (Downtime);
- Business Liability Insurance.

What is the target market for ATL Taxi Operators Package Insurance?

The target market for the Insurance is:

- ✓ Individuals, commercial businesses or other enterprises which;
- ✓ operate motor vehicles primarily intended to transport individuals, rather than goods, such as taxis;
- ✓ own and operate a Transport Fleet; and
- ✓ require insurance to manage Fleet Risks.

The Insurance is not designed for:

- × enterprises that require standalone cover for vehicles that are used as tools of trade, such as excavators, forklifts or other special use vehicles;
- × Individuals, commercial businesses or other enterprises which transport goods for reward (These enterprises may be in the target market for our Transport Operators Package Insurance.)
- × individuals who use their vehicle(s) for personal use and to provide services, including rideshare or other personal transport and delivery services (These customers may be in the target market for our Rideshare Operators Package Insurance)

Commercial Businesses, Individuals, or other enterprises

The Insurance is designed for businesses that operate a Transport Fleet.

That means the target market is made up of commercial enterprises or individuals that operate a Transport Fleet which they use as part of that business in relation to, or for the purpose of, the provision of people transportation services.

This includes, but is not limited to:

- ✓ taxi operations providing passenger transport services;

Operate a Transport Fleet

A Transport Fleet is:

- ✓ a fleet of one or more motor vehicles registered for use on public roads within Australia;
- ✓ owned (including vehicles subject to finance) or leased by the commercial business;
- ✓ for use by the business and its staff and employees;
- ✓ to be used primarily to provide passenger transportation services in exchange for fees; and
- ✓ used primarily to transport people in return for fees on public roads.

A Transport Fleet is not a fleet of vehicles:

- × comprised only of vehicles used as tools of trade, such as excavators or other special use vehicles; or
- × Individuals, commercial businesses or other enterprises which transport goods for reward
- × primarily used off road or used primarily on private property; or
- × Used for any race, trial, test, contest or other motor sport.

Manage Fleet Risks

The Insurance is designed to manage Fleet Risks.

- ✓ That means the target market is made up of individuals, commercial businesses or other enterprises;

that wish to take out insurance to manage one or more of the Fleet Risks.

The Insurance is not designed for:

- × individuals, commercial businesses or other enterprises that do not require insurance to manage Fleet Risks; or
- × individuals, commercial businesses or other enterprises that wish to self-insure.

What is the target market for each type of cover?

Comprehensive Cover

Comprehensive Cover provides insurance for loss or damage to a vehicle in the Transport Fleet. It covers loss or damage to the vehicle in the Transport Fleet and also includes Third Party Property Damage Cover. Customers who select Comprehensive Cover can also choose to add one or more optional covers.

The target market for Comprehensive Cover is customers who require insurance to manage the risk of loss or damage to the Transport Fleet. The target market also includes customers who wish to add one or more of the optional covers, only available with Comprehensive Cover.

This includes customers who require insurance when loss or damage to a vehicle in the Transport Fleet:

- ✓ is the fault of the eligible driver of the vehicle in the Transport Fleet; or
- ✓ is caused by another person who is:
 - not able to be identified; or
 - is uninsured and is unable to pay for the loss or damage.
- ✓ is as a result of theft or malicious damage.
- ✓ arises from a fire or storm,
- ✓ results in consequential losses that may be covered by an optional cover.

Third Party Property Damage Cover

Third Party Property Damage cover (**TPPD**) provides insurance for legal liability for damage caused to other people's property, including other vehicles, arising from the use of a vehicle in the Transport Fleet. If the eligible driver of a vehicle in the Transport Fleet is legally responsible for an accident that results in damage to other people's property, TPPD will pay to repair the damage or property loss. TPPD does not cover loss or damage to vehicles in the Transport Fleet in any circumstances.

The target market for Third Party Property Damage Cover is customers who require insurance to manage the risk of legal liability for damage caused to other people's property arising from and caused by the use of vehicles in the Transport Fleet.

What key attributes help refine the target market?

The target market for each type of cover available under the Insurance can be refined by determining which customers are likely to obtain value from the optional covers (which are only available with Comprehensive Cover) taking into account the key attributes of those optional covers.

The insurance is distributed through licensed general insurance brokers who apply for cover on behalf of their customers. The distribution conditions require brokers to provide information in respect of their customers to confirm eligibility for the Insurance and any optional covers.

The Distribution Conditions only allow the Insurance to be issued to customers who are eligible to take up the Insurance and are therefore within the target market, as refined by these key attributes, which ensures that the Insurance is likely to be consistent with the likely objectives, financial situation and needs of those consumers.

The information below explains when and how each key attribute is likely to be consistent with the likely objectives, financial situation and needs of customers in the target market. It is not intended to be a full description of each key attribute. Further information about each key attribute is set out in the PDS.

The target market for Comprehensive Cover includes customers who require insurance to manage one or more of the risks covered by the optional covers. Comprehensive Cover is likely to be consistent with the likely objectives, financial situation and needs of those customers.

Business Interruption Insurance (Downtime)

The key attribute of the Business Interruption Insurance option is to provide cover up to the nominated amount in the event of a vehicle in the Transport Fleet not being operational due to an event which is covered by the policy.

This optional cover is likely to be consistent with the likely objectives, financial situation and needs of customers who require insurance to manage that risk of ongoing expenses up to the nominated amount, such as an existing obligation to make ongoing finance payments in respect of the Transport Fleet or a replacement hire vehicle.

Business Liability Insurance

The key attribute of the Business Liability Insurance option is to provide cover against legal liability to pay amounts as a result of a claim for injury or damage to property of a third party arising out of the customer's business activities, excluding loss or damage covered under the Commercial Motor Insurance.

This optional cover is likely to be consistent with the likely objectives, financial situation and needs of customers who require insurance to manage risks arising out of the customers business activities as a Transport Operator. This may include customers who do not have any other form of business insurance or wish to combine their insurances in one policy.

Distribution conditions

New policies

The Insurance is distributed by ATL as the Authorised Representative of Hollard, the insurer.

Before the Insurance is issued, the distribution conditions require brokers to provide information in respect of their customers to confirm eligibility for the Insurance and any optional covers. Customers who are eligible will be in the target market if they also:

- meet our underwriting guidelines; and
- are able to pay the premium.

Hollard have a range of supervision and monitoring procedures and contractual arrangements with ATL to ensure that customers are asked these questions and that they are only offered the Insurance if they are likely to be in the target market for the type of cover and applicable key attributes.

Renewals

Before a policy expires, we will consider:

- the information previously provided to us;
- updates to that information;
- other potential changes.

Based on this information and the Brokers confirmation, we will consider whether the customer remains eligible for the current type of cover and applicable key attributes and whether we will offer renewal. In making this assessment, we will have regard to the likely impact on customers of offering cover to customers who are not in the target market and of other various alternatives.

If the customer is no longer eligible for the Insurance and is not likely to be in the target market for the current type of cover, or if we decline to renew, we will explain this clearly and prominently.

TMD Reviews

We will review this TMD regularly to make sure it remains appropriate. The next review is due within 3 years of the preparation date of this document.

As well as our regular reviews, additional reviews may be triggered if we determine that there has been an event or circumstance that reasonably suggests that this TMD needs to change. This would be the case if it's no longer reasonable to conclude that:

- if the Insurance is issued to a customer in accordance with the distribution conditions, it would be likely that the customer is in the target market; or
- the Insurance is likely to be suitable for customers in the target market.

Review triggers could be identified from:

- changes to the Insurance terms;
- compliance incidents and internal audit findings;
- information received from and/or in relation to distributors;
- changes to our underwriting guidelines, pricing, or reinsurance requirements; and
- feedback and policy from ASIC, AFCA, Code Governance Committee and/or other relevant bodies.

We take reasonable steps to monitor relevant information (including the information referenced above) and other metrics to assess if our TMD needs to be reviewed and reassessed.

Reporting obligations

ATL is required to report the following information to Hollard at the following times:

Reportable matter	When
The number of policies sold or renewed that are not within the target market.	As soon as practicable after becoming aware of the matter, and no later than 10 business days.
The number of policies sold.	On a monthly basis.
Responses and response rates on client communications (including renewals).	On a monthly basis.
Lapse rates and cancellation rates.	On a monthly basis.
Product claim ratios.	On a monthly basis.
The number, nature and magnitude of paid, denied and withdrawn claims.	On a monthly basis.
The frequency and amount of excesses paid.	On a monthly basis.
Data on why claims have been withdrawn or denied.	On a monthly basis.
The Product is issued to a client in breach of the distribution conditions or outside of the target market.	As soon as practicable after becoming aware of the matter, and no later than 10 business days.
The nature and number of complaints received about the Product in the reporting period.	On a monthly basis.
If there are any significant dealings that are inconsistent with the TMD.	As soon as practicable after becoming aware of the matter, and no later than 10 business days.
Any compliance incident relating to the Product or its distribution.	As soon as practicable after becoming aware of the matter, and no later than 10 business days.