CAR INSURANCE TARGET MARKET DETERMINATION

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Product Disclosure Statement (PDS):	AAMI Comprehensive Car Insurance Product Disclosure Statement – PDS prepared 18 September 2020 including any Supplementary Product Disclosure Statement (SPDS) AAMI Third Party Property Damage Car Insurance Product Disclosure Statement – PDS prepared 18 September 2020 including any Supplementary Product Disclosure Statement (SPDS)
Product:	Car insurances contained in the PDS
Original Date:	04/08/2021
Updated:	27/06/2025
Issuer:	AAI Limited ABN 48 005 297 807 trading as AAMI
AFSL number:	230859

What is a Target Market Determination?

A Target Market Determination (TMD) is a determination that AAMI has made to:

- Describe the classes of customers for whom this Product has been designed;
- specify distribution conditions;
- specify TMD review periods and triggers; and
- set out reporting requirements.

This TMD assists AAMI staff, our distributors and customers in understanding the target market for this Product. In this TMD, distribution includes the following conduct in relation to retail customers:

- dealing in the Product (e.g. issuing or arranging for insurance to be issued to a customer);
- giving a PDS or other regulated disclosure document; and
- providing general financial product advice in relation to the Product.

This TMD is not the PDS and is not a summary of the features or terms of the Product. For full details of the cover available in this Product, including the terms, conditions and exclusions that apply read the PDS which can be found at www.aami.com.au.

What is the target market for this Product?

The target market for the Product is those customers for whom it is likely to be suitable for, taking into account:

- the key attributes;
- the likely objectives, financial situation and needs of customers who will acquire the Product; and
- key eligibility and suitability criteria.

What are the key attributes of this Product?

A customer can choose to tailor cover under their policy to meet their own financial situation, objectives and needs. The choices that the customer can make will impact the kind and scope of cover, policy limits, excess amount, policy premium amount and structure.

Customers can adjust the premium, and some other amounts payable under their policy, to suit their circumstances by choosing from a range of excesses, amounts of cover, options and by choosing to pay annually or by instalments.

The below table describes the key attributes for each type and level of cover.

Comprehensive cover	Fire, Theft & Third Party Property Damage cover	Third Party Property Damage cover
Cover for: • accidental loss or damage to the car; • legal liability for loss or damage to another person's car or property caused by the use of the car; • hire car after an event for unlimited days (optional cover); • market value cover (optional cover). **Also provides:** • optional covers; • AAMI's complete range of additional covers available for car insurance.	**Cover for:** • accidental loss or damage to the car by fire or theft (including attempted theft); • legal liability for loss or damage to another person's car or property caused by the use of the car. **Also provides:** • a selected range of additional covers available for car insurance.	**Cover for:** • legal liability for loss or damage to another person's car or property caused by the use of the car. **Also provides:** • a selected range of additional covers available for car insurance.

What are the likely objectives, financial situation and needs of customers in the target market?

The Product is designed for customers who own a motor vehicle that meets the acceptable physical condition criteria. The Product has three levels of cover that allow each customer to choose to tailor cover under their policy to meet their own objectives, financial situations and needs. The below table further describes the likely objectives, financial situation and needs of the target market for each level of cover.

	Needs cover for:	Comprehensive cover	Fire, Theft & Third Party Property Damage cover	Third Party Property Damage cover
Objectives and needs	Accidental loss or damage	✓	Fire and theft only	×
	Legal liability	✓	✓	✓
	Additional covers	✓	Limited range available	Limited range available
	Optional covers	✓	×	×
Financial situation	Customers who are able to pay premiums, in accordance with their chosen policy and payment structure, and any other amounts payable under the policy terms, as and when they become payable (for example, a policy excess).			

Who is the Product suitable for?

This Product is suitable for customers who:	This Product is not suitable for:
• Have a passenger car (including 4WDs, utilities and vans) that match our list of acceptable makes and models. • Use their car for: – Private use, including travelling to and from the customer's work; or – Business use; if used in connection with earning an income from an acceptable occupation.	• A vehicle that is a motorcycle, motorhome or mobile home. • Cars that are used in the following ways including: – taxis; – company owned cars used as fleet cars, hire cars, ridesharing or car schemes; – privately owned and registered cars that are hired, leased or rented to another person or third party for ridesharing activities; – removalist; – racing, sporting events, rallies, competitions.

Why is the Product appropriate for customers in the target market?

The Product is likely to provide value to, and be consistent with the likely objectives, financial situation and needs of, the customers in the target market because:

- the Product provides cover for the types of loss or damage that customers in the target market might need; and
- the Product can be tailored to suit individual objectives, needs and financial circumstances by allowing customers flexibility to choose from a range of excesses, options, amounts of cover and payment options.

When will we review this TMD?

We will complete a review of this TMD for this Product by no later than the following periods:

a. First review period:
   By 04/08/2023.

b. Ongoing review periods:
   At least every 2 years following the first review period.

c. Significant impact review:
   Within 1 year of the TMD being updated based on a Review Trigger, a significant dealing outside of target market or a material change to the Product's distribution channel.

Other circumstances which will trigger a TMD review

Triggers for this Product are:

- if one or more terms of the Product are altered and we consider that this alteration reasonably suggests that this TMD is no longer appropriate;
- an event or circumstance occurs that materially changes a factor taken into account when making the TMD that would suggest to us that the TMD is no longer appropriate, such as a change in underwriting requirements;
- the discovery of a material defect in the PDS which reasonably suggests that the TMD is no longer appropriate;
- if feedback, such as significant or systemic complaints or claims issues, is received from a distributor or customers who purchased the Product, and we consider that this reasonably suggests to us the TMD is no longer appropriate;
- if feedback, regulatory orders or directions received from a regulator, the Code Governance Committee (CGC) or Australian Financial Complaints Authority (AFCA) suggest this TMD is no longer appropriate;
- if a change in law, regulation, or regulatory guidance that materially affects the product design or distribution of the Product (or class of products that includes this Product) where we consider that this reasonably suggests that this TMD is no longer appropriate;
- where significant dealings outside the TMD occurs, and we consider that this reasonably suggests that this TMD is no longer appropriate;
- if a remediation event relating to this Product occurs where we consider this would reasonably suggest that:
  - this Product is unsuitable for a particular cohort of customers; and
  - the TMD may no longer be appropriate.
- if we consider, through our ongoing monitoring of product value data metrics (such as those identified in the section of this TMD titled 'Information to assess TMDs and reporting periods'), that material deviations have occurred in a combination of data metrics reasonably suggesting that the Product is not providing value or the TMD is no longer appropriate.

What distribution conditions apply to this Product?

The following conditions apply to this Product:

- those distributors who distribute the Product are required to be authorised by us to distribute this Product and those arrangements must not be cancelled or suspended;
- this Product must only be distributed in accordance with this TMD;
- distribution of this Product must comply with all of our eligibility and underwriting criteria;
- distribution of this Product must be conducted through our policy administration system through the following distribution channels:
  - websites;
  - contact centres;
- this Product cannot be distributed where this TMD is not up to date and no new TMD has been published; and
- the TMD must be current and not subject to any ASIC action that might suggest that the TMD is no longer appropriate.

These distribution conditions are supported by business processes including reasonable platform controls (such as knockout underwriting questions), staff and distributor training, telephone and platform scripting and quality assurance programs designed to ensure that the Product is distributed to customers within the target market.

When do third party distributors need to report complaints about this Product to us? *

Third party distributors who distribute our products need to provide us information on complaints made about this Product on a Quarterly basis (Complaints Reporting Period).

Third party distributors who distribute our products are required to provide to us this complaints information within 10 business days of the end of the Complaints Reporting Period.

All complaints lodged with us are handled in accordance with Suncorp's Group Complaint Management Standard.

*This section only applies to products distributed by third party distributors.

Information to assess TMDs and reporting periods

The table below sets out the kinds of information we need to identify, or those that distributors who distribute the Product need to provide to us, to enable us to ensure that the TMD for this Product continues to be appropriate.

Information	Persons required to report	Reporting period
Complaints feedback including: • Nature of complaints • Number of complaints • Product category	Distributors/Issuer	Quarterly
Claims data including: • Average claims costs • Claims acceptance rates • Claims frequency • Loss ratios	Issuer	Quarterly
Product Review outcomes	Issuer	Biennial
Sales information including: • Strike rates • Cancellation rates • Exception reporting	Issuer	Quarterly
Dealings of the Product outside of TMD	Distributors/Issuer	As soon as practicable but within 10 business days
Any feedback, regulatory orders or directions received from a regulator, CGC or AFCA in respect of the Product or its distribution	Distributors/Issuer	As soon as practicable but within 10 business days