

TARGET MARKET DETERMINATION

**Rental Vehicle Excess
Refund Insurance**

Prepared on 01/12/2024

AWN  [®]
INSURANCE

TARGET MARKET DETERMINATION FOR RENTAL VEHICLE EXCESS REFUND INSURANCE

This Target Market Determination (TMD) is designed to provide customers, AWN staff and our authorised distributors with appropriate information to understand who this product has been designed for and our approach to determining that the product is likely to be consistent with the objectives, financial situations and needs of the customer and the distribution conditions.

In this document the terms “we”, “us” or “our” refer to Australian Warranty Network Pty Ltd (“AWN”) ABN 78 075 483 206, AFS Licence No. 246469. For customer ease, all sales, claim and complaints enquiries will be administered by AWN.

This TMD does not consider any person’s individual needs, objectives or financial situation and does not provide financial product advice or recommendation on the cover.

Please note, that it is the Product Disclosure Statement and Policy Document that sets out the terms and conditions of cover. You must refer to the Product Disclosure Statement before deciding about this insurance.

PURPOSE OF THE INSURANCE

This Rental Vehicle Excess Refund Insurance product has been designed to compensate individuals for losses incurred through the use of a rental vehicle whilst an individual is travelling.

The policy will reimburse the excess you must pay under a rental agreement following an incident involving a rental vehicle.

This Target Market Determination (TMD) sets out the target market for:

- AWN Rental Vehicle Excess Refund Insurance Policy detailed in the Combined Product Disclosure Statement (PDS), Policy Wording and Financial Services Guide (FSG).

TARGET MARKET

The insurance is designed for purchasers who are

- Hiring a rental vehicle and wish to take out cover to reimburse the costs incurred in the event the excess is payable under their rental agreement.
- Hiring a rental vehicle and wish to take out cover to reimburse the cost (subject to limits) of lost or stolen keys, misfuelling costs or administration charges levied by the rental company.

This product is suitable for

- A New Zealand residents.
- Individuals who hold a valid or internationally recognised driving license or permit for a rental vehicle.
- Individuals who are hiring a rental car with a maximum of 9 seats (including the driver), or a minibus with a maximum gross vehicle weight of 7.5 tonnes and a maximum of 15 seats (including the driver) for up to 180 days.

This product is not suitable for

- Individuals hiring a rental vehicle for a safari or an off-road adventure trail.
- Individuals who are hiring a rental car with 10 seats or more (including the driver), or a minibus with a gross vehicle weight over 7.5 tonnes and 16 seats or more (including the driver).
- Individuals renting a vehicle for any trip in, to or through: Afghanistan, Belarus, Cuba, Congo, Iran, Iraq, Ivory Coast, Liberia, Myanmar, North Korea, Russia, South Sudan, Sudan, Syria, Ukraine or Zimbabwe.

The Rental Vehicle Excess Refund Insurance is subject to the acceptance criteria.

The Product Disclosure Statement contains the detailed policy cover, terms, conditions and exclusions.

Where a person falls within our target market, this does not mean that the cover is right for their individual needs, objectives and financial situation. We do not consider this, and a person needs to consider the PDS, and other information provided by us (and/or seek professional advice) before deciding.

KEY BENEFITS

This product is designed to reimburse the excess that an individual must pay under their rental agreement for the following types of claims:

Excess Reimbursement

We will reimburse the Excess that You must pay under Your Rental Agreement for the following types of claims:

- Road traffic accidents
- Weather-related incidents
- Damage caused by fire or explosion
- Tyre damage
- Windscreen and glass damage
- Damage to the undercarriage and roof
- Collisions with animals
- Theft or attempted theft
- Towing costs
- Accidental and malicious damage

The most We will pay is \$7,500 for any one claim and \$7,500 during any one Period of Insurance.

Misfuelling

We will pay up to \$500 towards the costs incurred as a result of You or any person named on Your Rental Agreement putting the wrong type of fuel into Your Rental Vehicle. We will pay this amount towards:

- The cost of flushing the engine.
- Additional travel expenses which are necessary to continue Your journey.
- The cost of recovering the Rental Vehicle.

Key Cover

We will pay up to \$500 towards the cost of replacing the key or lock transmitter for Your Rental Vehicle if the original key or lock transmitter is lost or stolen, including the cost of replacement locks and any locksmith charges.

Personal Possession

We will pay up to \$500 to repair or replace Your Personal Possessions damaged or stolen from the locked boot, covered luggage area or glove box of the Rental Vehicle.

Administration Charges

We will pay up to \$500 towards any Administration Charges that are applied by Your Rental Company and cannot be recovered following a claim that is covered by this insurance. This includes charges for Loss of Use.

KEY EXCLUSIONS

- When the claim results from a direct breach of the terms and conditions of your rental agreement.
- Any claim resulting from the influence of alcohol, drugs, solvents or chemicals.
- Any claim where you cannot provide original receipts/invoices or for any loss which you cannot prove.
- For theft of personal possessions unless they are out of sight in the locked boot or covered luggage area or glove box of the rental vehicle.

DISTRIBUTION OF THIS PRODUCT

This product is issued by Australian Warranty Network ("AWN") ABN 78 075 483 206, AFS Licence No. 246469 on behalf of Sovereign Insurance Australia Pty Ltd and distributed via:

- Authorised Representatives.
- Authorised Insurance Brokers; or

Only our authorised representatives/insurance brokers are permitted to distribute this product as they understand the market this product has been designed for, have been trained in the relevant acceptance criteria and have the appropriate levels of authority.

This product can only be issued to customers that are eligible for cover in accordance with the application criteria that has been approved in writing by the Issuer and which complies with relevant laws.

The application process has been tailored to identify the target market described in this TMD as part of the eligibility criteria for the product covered by this TMD, and the use of the application process would make it more likely that the product covered by this TMD will be acquired by persons in the target market.

REVIEWING THIS DOCUMENT

We will review this TMD within two years from the effective date to ensure it remains appropriate and in compliance with the objectives, financial situations and needs of the customer.

Furthermore, we will also review this TMD if any event or circumstances (called 'review triggers') occur that would reasonably suggest that the determination is no longer appropriate, such as:

- We make a material change to the cover provided by the product,
- A change in our acceptance criteria that impacts the suitability of the product for the target market,
- A material change to the distribution of the product,
- The discovery of a relevant and material deficiency in the product's disclosure documentation,
- Systemic complaints and claims issues which indicate that the product is no longer suitable for the described target market,
- Material and relevant reductions in our key product suitability metrics such as:
 - Number of cancellations and lapses of the product;
 - Data on product claim ratios, the number, nature and size of paid, denied and withdrawn claims and claims experience;
 - Product value and affordability.

We will review this TMD within 10 business days of the occurrence of any review trigger.

REPORTING

AWN must record all complaints received about this product on receipt from the complainant (Complaints Reporting Period). Our authorised distributors are required to provide to us written details of any complaints that they have received about our product within 2 business days of receipt. If the complaints are systemic and indicate that this product is no longer suitable for the described target market, we will review and update the TMD within the timeframe indicated above.

RECORD KEEPING

AWN will maintain records of the reasonable steps it has taken to ensure that this product is sold in a manner consistent with this TMD. We will also prepare and maintain complete and accurate records of our decisions, and the reasons for those decisions, in relation to:

- All target market determinations for this product,
- Identifying and tracking review triggers,
- Setting review periods, and
- Any other matters documented in this TMD.