

# Target Market Determination

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Caravan Care Elite Mechanical Breakdown Insurance

Prepared on 01/10/2021



Coverholder at **LLOYD'S**

# Target Market Determination for AWN Caravan Care Elite Mechanical Breakdown 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.

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, it is the Product Disclosure Statement and Product Document that sets out the terms and condition of cover. You must refer to the Product Disclosure Statement before deciding about this product.

## Purpose of the policy

This AWN Caravan Care Elite Mechanical Breakdown Insurance has been designed to help reduce the financial impact of unexpected and potentially expensive mechanical repairs to your Caravan by providing the parts and labour coverage on Covered Components.

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

- AWN Caravan Care Elite Mechanical Breakdown Insurance detailed in the Combined Product Disclosure Statement (PDS), product wording and Financial Services Guide (FSG)

## Target Market

The product is designed for consumers who are purchasing a Caravan and wish to reduce the financial impact of unexpected and potentially expensive mechanical repairs to their Caravan.

Servicing Requirement - The target consumer is also someone who is prepared to incur the cost of complying with the manufacturer’s ongoing, regular vehicle servicing requirements, as a condition of the policy.

Vehicle related:

Coverage	C1	C2
Vehicle Eligibility	Caravan’s less than 10 years of age at the time of sale.	Caravan’s less than 5 years of age at the time of sale.

This policy is suitable for

- Consumers whose vehicle has a market value of at least \$3,000, but no more than \$120,000;
- Consumers whose vehicle has not been modified from the manufacturer specification which would have any effect on the covered components; and
- Consumers whose vehicle is registered in Australia.

This policy is not suitable for

- Caravans used in competitions, rallies, racing, pacemaking, reliability trials, speed or hill climbing, or any other type of motor racing or competitive activity;
- Caravans carrying passengers for hire or reward;
- Caravans used for the purposes of deliveries or as a courier vehicle, or driver instruction or tuition for reward; or
- Caravans being used outside of Australia.

The AWN Caravan Care Elite Mechanical Breakdown Insurance is subject to the acceptance criteria. The Product Disclosure Statement contains the detailed product cover, terms, conditions and exclusions.

Where a person and their vehicle fall 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 provides benefit should a mechanical breakdown occur, and that mechanical breakdown is caused by a defect, failure or fault of a Covered Component. In the event of a claim, Covered Components will be rectified up to the limits of liability for those components.

### Covered Components

#### **Repairing or replacing covered components of your Caravan**

You are covered against failure of the covered components (excluding appliances) that would have been covered by the original manufacturer's warranty if it had not expired.

For all limits of liability and exclusions, please refer to the Limits of Liability, Exclusions and Miscellaneous sections under Terms and Conditions of the AWN Caravan Care Mechanical Breakdown Insurance.

Please see Product Disclosure Statement for full description of Covered Components. We will pay up to the amount specified in the table below for the applicable cover option.

<b>Coverage</b>	<b>C1</b>	<b>C2</b>
<b>Benefit limit for each valid claim</b>	\$2,500	\$10,000
<b>Total benefit limit for term of the policy</b>	Up to the Market Value of the Caravan (including Appliance Coverage claims, if selected).	

Optional Coverage	Appliance Cover
Benefit limit for each valid claim	\$1,000

Cover available for the following Appliances fitted by the original Caravan manufacturer and specified in the original Manufacturer's warranty:

							
Fridge	Stove	Rangehood	Microwave	Air-Conditioner	Hot water unit	Pressure pump	TV & DVD
							
Suspension	Floor heating	Solar panel	TV antenna	Washer/dryer	Step & slide outs	Reverse camera	Stereo unit

The coverage provided saves you the cost of repairs should a mechanical breakdown of a Covered Component occur. Further, AWN's experience, knowledge and expertise allow AWN to direct your Caravan to the closest approved repairer. Parts for repairs can generally be sourced at a lower cost by AWN, which also represents a potential saving to you were a claim may exceed the limits of our liability or to the total benefit limit.

The product also provides for additional cover benefits to assist you to pay the following in the event of an approved claim in relation to a Covered Component:

#### Towing Assistance

Benefit Limit: Up to \$100.00 per claim - reimbursement for towing charges in the event of an authorised claim where your caravan is unable to be quickly mechanically repaired where it is located or safely driven to an approved repairer.

#### Accommodation Assistance

Benefit Limit: Up to \$100.00 per claim - reimbursement for emergency accommodation, arrangements and costs in the event of an authorised claim where you are more than 400 km's from your registered residence and the covered breakdown takes more than 48 hours.

Cover limits and premium pricing are based upon the level of coverage and the term of your product.

### Key exclusions

- Damage to the Covered Components as a result of:
  - Failure to properly maintain lubricants;
  - Impact or a road traffic accident;
  - Not being maintained in accordance with the appropriate service requirements of this Product;
  - Misuse, neglect, abuse or inappropriate servicing or any repairs required as a result of continued operation of the Caravan once a defect or fault has occurred;
  - Failure to maintain recommended levels or use of incorrect types and grades of fuel, oil, coolants or lubricants or use of any contaminated fuel, oil, coolants or lubricants;
  - Deterioration due to normal wear and tear or the gradual reduction in operating performance of the Caravan or any Covered Component;

- Any pre-existing or known faults existing prior to the commencement of cover or which can be reasonably determined to have arisen or occurred during the manufacturer's warranty and/or the selling agents statutory warranty period for the Caravan;
- Any repairs or mechanical failures where we have not been provided with a reasonable opportunity to assess the damage/fault for the purpose of determining that the repair/replacement was required to remedy a fault or reduce the likelihood of the mechanical failure;
- Any Covered Components or parts subject to recall by the manufacturer, component parts or design elements which are found to have been an inherent design fault, including parts subject to:
- Noisy parts or components, in the absence of their mechanical failure;
- Costs associated with or related to diagnosing, dismantling and reassembling the Caravan, or consumables lost or required to be replaced unless accepted as part of an authorised Claim.

## **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 Certain Underwriters at Lloyds and distributed via:

- Authorised Insurance Brokers; or
- Authorised Representatives.

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 on the suitability of the product for the target market,
- Any material changes 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 a quarterly basis (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.