

# TARGET MARKET DETERMINATION

**30 Days Free Introductory Loan  
Protection Insurance**

**Prepared on 29/04/2024**

**AWN** <sup>®</sup>  
INSURANCE

# TARGET MARKET DETERMINATION FOR AWN LOAN PROTECTION 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 Policy Document that sets out the terms and conditions of cover. You must refer to the Product Disclosure Statement before deciding about this insurance.

**Please note:** This 30 days Free Introductory Loan Protection Insurance (Loan Protection Insurance) is a complimentary product giving coverage for only a 30 day period.

## PURPOSE OF THE INSURANCE

Loan Protection Insurance is an optional form of loan protection, which can cover for Your loan repayments in the event of Disability or Involuntary Unemployment. The extent of the loss to which this insurance responds is based on Your liability under the relevant Finance Agreement and is subject to the application of certain Policy benefit limits as specified in this Policy.

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

- AWN 30 days Free Introductory Loan Protection Insurance 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 18 years or older, who are

- are working on a continuous basis for a reward for a minimum of 20 hours per week in either;
  - Full time or permanent part-time Employment; or
  - a fixed-term contract
- are applying for a new loan through an accredited Finance Company.
- must be an Australian or New Zealand citizen or holder of any Australian or New Zealand Permanent Residency Visa or 457 Visa Holder when You apply for this insurance.

This product is suitable for

- Consumers who take out a finance loan.

This product is not suitable for

- self-employed or a person employed in a seasonal work, in a casual or temporary nature.
- over 64 years of age at the commencement of the Period of Insurance
- someone not applying for a new loan through an accredited Finance Company.

The AWN Loan Protection 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

Loan Protection Insurance is designed to meet one of two benefits, they are:

Your loan repayments in the event of Disability or Involuntary Unemployment; or

Asset Protection Insurance if Your Motor Vehicle is involved in a Total Loss event in the Period of Insurance.

### Provided Coverage

Type of Cover	Maximum Benefit Limit, applicable to one valid Claim.
Disability and Involuntary Unemployment	Up to a Maximum Benefit Limit of \$5,000

### OR

Type of Cover	Maximum Benefit Limit, applicable to one valid Claim.
Asset Protection Insurance	Up to a Maximum Benefit Limit of \$5,000

Not everything is covered by the Policy. The above is a limited summary only and not a full description of the coverages. All cover is subject to terms, conditions, exclusions and limitations that are not listed in the summary. You need to read the Policy Terms and Conditions included in this document to properly understand the cover provided and its limitations.

## KEY EXCLUSIONS

Event or Circumstance	Involuntary Unemployment	Disability	Asset Protection Insurance
A Pre-existing Medical Condition occurring in the six (6) months preceding the Cover Commencement Date.		×	
Alcoholism, Drug addiction or the influence of intoxicating liquor or Drugs.	×	×	
Mental or functional disorder (meaning any form of anxiety, depression, stress, psychosis or neurosis), unless You are receiving care and attention from a psychiatric specialist or psychiatric nurse.		×	
Involuntary Unemployment which You were aware of before You entered into this Policy.	×		
Normal cessation of an Employment contract or seasonal Employment	×		
Voluntary redundancy, resignation, retirement or abandonment of Your Employment.	×		
Self-employment or where Your employing company is controlled by You or Your family.	×		
Dismissal due to misconduct. Misconduct means not following company rules or breaking the law.	×		
Disability and Involuntary Unemployment Claims simultaneously.	×	×	
Any Claim arising directly or indirectly from: <ul style="list-style-type: none"> <li>• War or acts of Terrorism.</li> <li>• You engaging in Active War.</li> <li>• Nuclear Risks.</li> </ul>	×	×	
Total Loss event if You already have another GAP styled insurance product.			×

If the Total Loss was the result of a theft when Your Motor Vehicle was left unoccupied (that is, nobody is inside it) and is left unlocked, with the windows or roof open or with the keys inside or on it.			×
If Your Motor Vehicle if the Total Loss occurred while the person in charge of the Motor Vehicle is convicted of driving under the influence of drink or drugs at the time of an incident, or driving against medical advice.			×
If Your Motor Vehicle if the Total Loss occurred when being driven with Your consent by any person who is not authorised under Your Comprehensive Vehicle Insurance Policy.			×
Any Claim where Your Motor Vehicle Insurer or a Third-Party Vehicle Insurer has offered to repair Your Motor Vehicle, but You have requested the Claim to be dealt with on a Total Loss basis.			×
Any loss of use of Your Motor Vehicle or any other direct or indirect losses (such as travel costs or loss of earnings).			×
Your Motor Vehicle if it is driven by any person not holding a valid current licence to drive Your Motor Vehicle or driven without Your consent by a family member, spouse or partner.			×

## 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, ABN: 85 138 079 286 and holder of AFS Licence No 342516, 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.

Some of the key acceptance criteria relating to this target market determination may include:

- Your employment status
- Your pre-existing medical condition
- Your age
- Period of loan

## 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,
- 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 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 5 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.