

TARGET MARKET DETERMINATION

**90-Day Complimentary Asset
Protection Insurance**

Prepared on 01/06/2023

TARGET MARKET DETERMINATION FOR AWN ASSET 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 recommendations 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.

Please note: This 90-Day Complimentary Asset Protection Insurance is a complimentary product giving coverage for only a 90-day period.

PURPOSE OF THE INSURANCE

This AWN Asset Protection Insurance product has been designed to assist consumers with:

- the settlement of the finance used to purchase the vehicle, by paying out the difference between the total loss payout from the comprehensive insurer and the amount outstanding on your loan when your financed vehicle has been declared a total loss; or
- alleviating the cost of vehicle depreciation by receiving a financial benefit in the event their vehicle is declared a total loss.

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

- AWN Asset Protection Insurance Policy is 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

- buying a vehicle with finance and wish to take out cover to protect themselves against the finance shortfall they may experience in the event their financed vehicle is declared a total loss. The finance shortfall (subject to limits) is the difference between the total loss payout from the comprehensive insurer and the amount outstanding on the loan.
- buying a vehicle outright and wishing to alleviate the cost of vehicle depreciation by receiving a financial benefit in the event their vehicle is declared a total loss.

This product is suitable for:

- Consumers who take out a finance loan on a vehicle or purchase a vehicle outright.
- Consumers whose vehicle is always covered by a comprehensive insurance policy.
- Consumers whose vehicle is under 15 years of age with a minimum purchase price of \$10,000 and a maximum purchase price of \$200,000.
- Consumers who are the registered owners and keepers of the vehicle.

This product is not suitable for

- Consumers where the vehicle is new, and the term of its finance contract is equal to or less than the new for old total loss replacement benefit term in its motor insurance policy;
- Consumers purchasing a Motorcycle, motor scooter or moped;
- Consumers purchasing a commercial vehicle with a gross vehicle weight exceeding 3.5 tonnes;
- Consumers whose vehicle is used as a taxi or any other vehicle used for hire or transporting goods.

The AWN Asset 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

Following a valid Claim, where Your Vehicle is declared a Total Loss by Your Comprehensive Vehicle Insurance provider, We will pay the difference, up to the Sum Insured shown on Your Policy Schedule, between the Total Loss Valuation of Your Vehicle and the Purchase Price of Your Vehicle or, if greater, the Early Settlement Amount that You owe Your Finance Company. We will pay up to the amount specified in the table below for the applicable cover option shown on Your Policy Schedule.

Choice of Coverage

90 Days Complimentary Asset Protection Insurance Coverage	Coverage Amount Limit
API Cover Benefit Limit	\$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

- When the comprehensive motor insurer has not made a total loss payment in full.
- When the comprehensive motor insurer offers to repair the vehicle, but the policyholder has instead requested the claim to be dealt with on a total loss basis.
- Any arrears on the repayments on the finance contract.
- Any amounts due under the finance contract which are not directly linked to the purchase or finance of the financed motor vehicle.
- Driving whilst under the influence of alcohol or drugs.

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 have 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 that 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 us with 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 time-frame 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.