

For Commercial Motor Vehicle Insurance

This document is the Target Market Determination (TMD) for Hollard Commercial Insurance Steadfast Client Trading Platform Commercial Motor Insurance (Product) issued by the insurer, The Hollard Insurance Company Pty Limited ABN 78 090 584 473, AFSL 241436 (Hollard). This TMD was prepared on 21st June 2021. This TMD has been created for Hollard's customers and distributors in accordance with the Corporations Act 2001.

PURPOSE OF THIS DOCUMENT:

Our objective is to ensure this Product is likely to be suitable for consumers who purchase it. The purpose of this TMD is to set out how we do this.

We consider a product suitable for consumers if it would be reasonable for us to conclude that the product is likely to meet the objectives, financial situation and needs of those consumers. This TMD describes the circumstances in which we believe the Product is likely to be suitable. Consumers who fit these circumstances are collectively called our target market. The target market for this Product is set out in the below document.

It is important to note that this TMD does not take your personal circumstances into account. Even if you fit the description of our target market, and we offer this Product to you, this does not necessarily mean that this Product is appropriate for your personal circumstances. Before you purchase this insurance, you should read the Product Disclosure Statement (PDS) to understand the terms and conditions and decide if the product is right for you.

This TMD does not include all considerations when an offer is made by us for you to purchase this policy. These considerations include but are not limited to; underwriting criteria, your insurance history and geographic location. These factors may change over time or differ in circumstance. We apply these factors when we offer, issue, renew or agree to vary a policy.

NAME OF PRODUCT:

Steadfast Client Trading Platform Commercial Motor Insurance. Prepared on 27 September 2021.
Version: HCI SCTP CM 102021

Who is the target market for this product and what insurance cover is provided:

This product is designed for Small to Medium Enterprise (SME) businesses who own and operate vehicles used predominately for commercial purposes located within Australia, including but not limited to passenger vehicles, utility vehicles, 4WD vehicles, trucks, trailers, mobile plant, machinery and equipment and require financial protection for:

- Loss or damage to their vehicle, plant and machinery and/or
- Legal liability for damage to other people's property

This Product offers three levels of cover to choose from:

1. Comprehensive – Own Damage and Third Party Property Damage Liability
2. Fire, Theft and Third Party Property Damage Liability
3. Third Party Property Damage Liability only

Note: Each level of cover described above contains additional features that are automatically included and optional features that can be added for an additional cost.

Each policy is underwritten on an offer and acceptance basis according to our underwriting rules that contain occupation lists, usage requirements and guidelines to ensure this product is issued to consumers that fall within our target market.

| Target Market | |
|--|--|
| This product is suitable for: | SME owners and operators: <ul style="list-style-type: none"> • who require protection from financial loss incurred as a result of an accident, fire or theft, and/or liability to third parties • of vehicles, plant and machinery primarily for commercial use • who hold a valid licence for the vehicle which is registered in the State or Territory in which the policy applies. • who meet our underwriting eligibility criteria for acceptance |
| This product is not suitable for: | <ul style="list-style-type: none"> • SME owners and operators who have no insurable interest in the relevant vehicle • Vehicles that are unregistered or unroadworthy other than mobile plant and machinery • Vehicles with a Gross Vehicle Mass exceeding 8,000kg • Vehicles older than 30 years of age at the time of purchasing this product |
| This product is not suitable for vehicle classes: | <ul style="list-style-type: none"> • Ambulance • Buses and Coaches • Caravan • Concrete Agitator Truck • Concrete Pump • Fire Brigade Vehicle • Goods Carrying, 5-10 tonnes • Goods Carrying, over 10 tonnes • Harvesters / Headers • Mobile Crane, Mobile Drilling Rig, Mobile Piling Rig • Prime Mover • Rigid Body Vehicle, over 10 tonnes • Road construction / maintenance vehicles • Semi-Trailer • Tow Truck • Trailer, Tipping • Undertakers Vehicle • Long Haul Vehicles 600km-1000km • Ultra Long Haul Vehicles over 1000km |
| This product is not suitable for vehicles that are used for the following services: | <ul style="list-style-type: none"> • Vehicle Sharing • Car, Truck, Machinery or Equipment – Rental Services • Courier or Delivery Services • Courtesy Vehicle • Driver Education • Emergency Services • Funeral Services • Hire Vehicle • Passenger Transport • Racing or Sporting Events • Removalist Vehicle • Security Patrol |

Target Market cont'd

This product is **not** suitable for vehicles that are used for the following services:

- Taxi
- Transporting flammable or hazardous goods
- Bus Charter
- Demolition (Activities)
- Inter-city Express Passenger Transport
- Livestock (Transport)
- Logging (Transport)
- Logging or Bush Clearing
- Mobile Food Vendors
- Refrigerated Transport
- Road Train
- Shipping Container Transport

DISTRIBUTION CONDITIONS:

New policies:

This Product is sold through Steadfast brokers via digital communication, in-person or over the phone. Before you purchase the Product, your broker will ask you a series of questions designed to help us decide:

- if you are in the target market for the Product and the relevant levels of cover and options;
- if you meet our underwriting guidelines; and
- what premium we should charge.

We have a range of supervision and monitoring procedures including contractual arrangements with Steadfast brokers to help ensure that consumers purchasing the Product are asked these questions and that they are only offered Products if they are likely to be in the target market for the relevant levels of cover and options.

Renewal of your policy:

Before your policy expires, we will consider:

- the information previously provided to us;
- how long it has been since that information was provided or updated;
- likely changes in the value of the relevant vehicle(s); and
- other potential changes.

Your broker will then contact you to confirm the information we have is relevant to your situation, provide our offer to renew your policy (or notify you that we will not renew), and ask you to contact them if there are any changes or questions. Your broker will advise us of any changes to your circumstances and we will assess whether those changes have an impact on our offer to renew your policy. If we believe that you are not likely to fall within our target market for this Product, or if we decline to renew, your broker will explain this clearly and prominently.

Review of this document:

We will review this TMD regularly to make sure it remains appropriate. The first review will be within 12 months of the date it is prepared, and then within 3 years of completion of the previous review thereafter. As well as our regular reviews, additional reviews may be triggered if we determine that there has been an event or circumstance that reasonably suggests that this TMD needs to change.

Review triggers may be identified from:

- changes to the Product terms;
- the number of policies sold or renewed that are not within the target market;
- consumer testing and surveys;
- the nature and number of complaints and complaint trends;
- compliance incidents and internal audit findings;
- lapse and cancellation rates;
- Product claim ratios;
- the number, nature and magnitude of paid, denied and withdrawn claims;
- data on why claims have been withdrawn or denied;
- information received by and/or in relation to distributors (see below);
- changes to our underwriting guidelines, pricing, or reinsurance requirements; and
- feedback and policy from ASIC, AFCA, Code Governance Committee and/or other relevant bodies.

DISTRIBUTOR REPORTING OBLIGATIONS:

The table below identifies the types of information we (or our third party distributors of the product) need to identify and the timeframes in which to assess if this TMD is no longer suitable for this product.

| Reportable matter | When |
|---|--|
| The Product is issued to a client in breach of the distribution conditions or outside of the target market. | As soon as practicable after becoming aware of the matter, and no later than 10 business days. |
| The number and nature of complaints received about the Product in the reporting period. | Quarterly |
| If there are any significant dealings that are inconsistent with the TMD. | As soon as practicable after becoming aware of the matter, and no later than 10 business days. |