

# Virgin Money Car Insurance



## Target Market Determination

Effective Date: 27 June 2024

### About this Document

This Target Market Determination (TMD) is designed to provide information about the Virgin Money Car Insurance product. Its purpose is to explain the class of customers that comprise the target market, and how the product is distributed. It also contains information about reporting obligations of our Distributors and when the TMD will be reviewed.

The TMD is not a Product Disclosure Statement (PDS), nor is it a summary of the terms and conditions or acceptance criteria for the product. The information contained in the TMD constitutes general advice only and does not consider any specific customer's circumstances, objectives, needs or financial situation. Customers should review the PDS and any applicable Supplementary PDS (SPDS) for full terms and conditions, including benefits, exclusions and limits that apply, before deciding to purchase the product. This product is issued by Auto & General Insurance Company Limited (AFSL 285571) (also referred to in this document as "AGIC", "us", "we" and "our").

## Target Market of Customers for Which this Product is Suitable

### Product Description

This product provides customers with varying levels of protection against financial loss arising from an insured event, depending on the types of cover we offer and the selections they make.

### Key Product Attributes by Type of Cover

Comprehensive	Third Party Property, Fire and Theft	Third Party Property Only
<b>Cover for:</b> <ul style="list-style-type: none"><li>✓ legal liability for accidental damage to someone else's car or property caused by the use of the car.</li><li>✓ loss or damage to the car as a result of fire or theft.</li><li>✓ accidental loss or damage to the car as a result of events such as collision, storm, flood, hail, attempted theft or malicious act.</li></ul>	<b>Cover for:</b> <ul style="list-style-type: none"><li>✓ legal liability for accidental damage to someone else's car or property caused by the use of the car.</li><li>✓ loss or damage to the car as a result of fire or theft (excluding attempted theft).</li></ul>	<b>Cover for:</b> <ul style="list-style-type: none"><li>✓ legal liability for accidental damage to someone else's car or property caused by the use of the car.</li></ul>
<b>Also includes:</b> <ul style="list-style-type: none"><li>✓ additional benefits applicable to this type of cover.</li><li>✓ optional benefits or policy options you have selected, and we have agreed to cover you for.</li></ul>	<b>Also includes:</b> <ul style="list-style-type: none"><li>✓ additional benefits applicable to this type of cover.</li></ul>	<b>Also includes:</b> <ul style="list-style-type: none"><li>✓ additional benefits applicable to this type of cover.</li></ul>

The cover provided by the product, including details of the various types of cover, policy benefits and options, is subject to the terms and conditions, limits, excesses and exclusions as set out in the PDS and any applicable SPDS.

Suitability

✓ Who this Product is Suitable for

This product is likely to be suitable for customers:

- Who:
- have a car (e.g. sedan, station wagon, SUV) or light commercial vehicle (e.g. 4-wheel drive, utility, van).
  - want to insure drivers who hold a valid driver's licence or permit to drive within Australia.
  - are between 16 and 99 years of age.
  - reside in Australia.
- Whose car:
- is registered and roadworthy.
  - is used for private or limited business purposes.
  - has a carrying capacity of less than 2 tonnes.

✗ Who this Product is not Suitable for

This product is not suitable for customers:

- Who:
- have had their previous insurance refused or cancelled due to non-disclosure or fraud.
  - have had a conviction for fraud or arson.
  - are not willing to list all people who normally reside with the regular driver and who may drive the car.
  - are not willing to list all people who may use the car for acceptable business purposes.
  - require cover for damage that did not occur during the period of insurance or for events not covered by the policy.
- Whose car:
- is located or driven outside Australia.
  - is imported privately or commercially in low volumes.
  - is used for carrying passengers for payment, including taxis and/or ridesharing (e.g. Uber).
  - is used for carrying or delivering other people's goods for payment (e.g. parcel, food delivery).
  - is used to provide driving tuition for payment.
  - is hired out to other people, including under peer-to-peer car sharing arrangements.
  - is used for racing, trials, tests, contests, rallies or any activity on a racetrack.
  - is a motorhome.

Likely Objectives and Needs of the Target Market

This product is for customers who want protection against financial loss arising from an insured event.

This product provides varying levels of protection depending on the type of cover and optional benefits we offer. The product can be tailored to meet the likely objectives, needs and financial situation of a customer in the target market, as outlined below.

Customers who need protection for:	Type of Cover		
	Comprehensive	Third Party Property, Fire and Theft	Third Party Property Only
• legal liability for accidental damage to someone else's car or property caused by the use of the car.	✓	✓	✓
• loss or damage to the car as a result of fire or theft.	✓	✓	✗
• accidental loss or damage to the car as a result of events such as collision, storm, flood, hail, attempted theft or malicious act.	✓	✗	✗
• additional benefits (vary by type of cover).	✓	✓	✓
• optional benefits or policy options.	✓	✗	✗

Optional Benefits for Car Insurance

Customers who choose Comprehensive cover may be able to select from a range of optional benefits or policy options to suit their own circumstances, objectives, needs and financial situation. Some of the options that may be available are:

- Choice of Repairer.
- Accident Hire Car.
- Reduced Window Glass Excess.

Eligibility criteria determines which type of cover and/or optional benefits may be offered.

Likely Financial Situation of the Target Market

Customers in the target market can afford to pay:

- the premium, including applicable fees and government charges, indicated for the type of cover and option(s) chosen, which may increase from year to year,
- upfront costs for policy benefits and/or options that, when claimed on, may be settled on a reimbursement basis, and
- the total excess, being the sum of the basic excess and all the additional excesses, that may apply at the time of a claim.

Customers may be able to adjust the premium they pay by tailoring the policy to suit their own circumstances, objectives, needs and financial situation. Where available, this may be done by:

- choosing the type of cover,
- adjusting the basic excess amount,
- choosing whether to pay annually or by instalment,
- restricting the age of drivers covered to drive the car,
- selecting the amount the car is insured for, choosing between market value or a specific value agreed to by us, and/or
- adding or removing available optional benefits or policy options.

Eligibility criteria may apply.

Consistency Between the Product and Target Market

Based on the assessment of this product, including its key attributes, the issuer considers this product to likely be consistent with the outlined objectives, needs and financial situation of the target market. Consumer research, analysis of customer feedback, and monitoring of ‘Review Triggers’ are undertaken to ensure the product is suitable and of value to customers in the target market.

Distribution of this Product

The product is distributed through the following channels:

Application Process	Our Distributors
<ul style="list-style-type: none"><li>• Online.</li><li>• Telephone.</li></ul>	<ul style="list-style-type: none"><li>• Auto &amp; General Services Pty Ltd (AGS), acting under binder with AGIC.</li><li>• Authorised Representatives of AGS or AGIC.</li><li>• Australian Financial Service Licensees with arrangements with AGS or AGIC.</li></ul>

Distribution Conditions

The below distribution conditions would make it likely that the customers who are offered the product are in the target market.

All staff authorised to sell our products are trained to understand the key product attributes and the target market for the products that they sell. A selection of sales is reviewed each month to ensure compliance with approved sales processes. Any breaches identified are recorded and remedial training is provided to sales representatives as required. Any customer remediation that may be required is also carried out.

The application process includes specific questions, disclosures, scripting and embedded acceptance and underwriting criteria aimed at assessing customers’ eligibility and reducing the likelihood of the product being sold to a customer who falls outside our target market. All customers will be informed of whether they are eligible to purchase our product as part of the application process.

### Reporting and Monitoring this TMD

Our Distributors of the product are required to report the following to us as soon as practicable after becoming aware of the information and within 10 business days:

Complaints	The number and detail of complaints received in relation to the product.
Significant Dealings	Actual or potential significant dealings in relation to the product that is not consistent with the TMD. This would include but is not limited to selling the product to customers outside of the target market.
Distribution information	Any potential or actual issue of the product to a customer in breach of the distribution conditions or otherwise outside of the target market.  Information that suggests that, if the product is issued to customers in the target market, it may not be consistent with the likely objectives, needs and financial situation of those customers.

### Reviewing the TMD

We will review this TMD as follows:

**Initial review:** By 1 October 2023.

**Subsequent reviews:** At least once every two years after the end of the previous review.

**Significant impact review:** Within one year of the TMD being updated due to a significant dealing outside of the target market, a material change to the product or a triggered review.

**Triggered reviews:** We will also review the TMD where an event or circumstance occurs that may suggest that the TMD is no longer appropriate ('Review Triggers'), as follows:

#### Review Triggers

- Material changes to the cover provided by the product, such as expansion or reduction in cover.
- Changes to acceptance or underwriting criteria which may impact the suitability of the product for the target market.
- Customer complaints and feedback which may indicate the product is not meeting the needs of the target market.
- Material increases over expected claims rejection rates.
- Compliance incidents and breaches which may indicate the product is not being correctly sold to its target market, or expected benefits are not being provided to the target market.
- Changes to how or by whom the product is distributed which may impact who the product is sold to.
- Concerns raised by our Distributors in relation to ensuring the product is only being sold to customers within the target market.
- Concerns raised by a regulator in relation to product design and distribution obligations.
- Material changes to expected results in relation to quote to sales conversion, mid-term cancellations and renewal lapses.
- Material decreases against expected claims ratio which may indicate the product is no longer providing an acceptable level of value to the target market.

- Systemic issues discovered within the product lifecycle or distribution of the product.
- Any significant dealing outside the determined target market is detected.

**Product(s) to Which this TMD Applies**

This TMD applies to the following PDSs (Part A and Part B) and any applicable SPDS:

PDS Part A	PDS Part B
<ul style="list-style-type: none"><li>• Virgin Money Car Insurance PDS Part A.</li></ul>	<ul style="list-style-type: none"><li>• Virgin Money Price Saver Car Insurance PDS Part B.</li><li>• Virgin Money Price Promise Car Insurance PDS Part B.</li></ul>

Auto & General Insurance Company Limited, the product issuer of Virgin Money Car Insurance, is a signatory to the General Insurance Code of Practice. The code commits us to, among other things, providing high standards of customer service and a fair and effective complaints process. General insurers' compliance with the code is monitored and enforced by the Code Governance Committee (CGC), an independent body.