

Target Market Determination for ProRisk Total Loss Assist

This Target Market Determination is designed to provide consumers, ProRisk 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 consumer and the distribution conditions.

In this document the terms “we”, “us” or “our” refer to Professional Risk Underwriting Pty Ltd (“ProRisk”) ABN 80 103 953 073 AFS Licence No. 308076.

PRORISK TOTAL LOSS ASSIST

This Total Loss Assist Insurance (product) is designed for consumers who lease a vehicle and want to protect any possible shortfall of the amount owing in the event their vehicle is declared a total loss. When a vehicle is declared a total loss, the amount provided by the motor comprehensive insurer may not cover off the amount outstanding on the lease.

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

- ProRisk – Total Loss Assist Insurance Policy detailed in the Combined Product Disclosure Statement (PDS), Policy Wording and Financial Services Guide (FSG)

DISTRIBUTION OF THIS PRODUCT

This product is issued by Professional Risk Underwriting Pty Ltd (“ProRisk”) ABN 80 103 953 073 AFS Licence No. 308076 on behalf of the insurer Virginia Surety Company, Inc (VSC) ARBN 080 339 957 AFSL 245579 and distributed via:

- Authorised Insurance Brokers; or
- Authorised Representatives of Authorised Insurance Brokers.

Only our authorised insurance brokers and their authorised representatives are authorised 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 consumers 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 consumers in the target market.

This TMD is applicable for Total Loss Assist Insurance – 15th January 2024 issued by ProRisk. Conditions may apply. **This is general advice only and does not take into account your personal objectives, financial situation or needs and may not be right for you.** Always read the PDS, the policy wording and the applicable documents that accompanying the policy before selecting a policy. Prepared on: 9th January 2024. Effective from 15th January 2024

THIS PRODUCT IS SUITABLE FOR

- Consumers who take out a finance lease on a motor vehicle
- Consumers over 18 years of age at the commencement of cover
- Consumers whose motor vehicle is under 10 years old and valued at less than \$150,000

THIS PRODUCT IS NOT SUITABLE FOR

- Consumers whose vehicles are not leased via a finance contract
- Consumers under 18 years of age at commencement of cover
- Consumers who use the motor vehicle for
 - Hire;
 - Carriage of passengers for fare/reward (but not including car-pooling arrangements);
 - Courier purposes;
 - Driver instruction (other than immediate family); or
 - Consumers who use the motor vehicle in motor sport of any kind including testing

The ProRisk Total Loss Assist Insurance is subject to the acceptance criteria.

The Product Disclosure Statement contains the detailed policy cover, terms, conditions and exclusions.

Where a consumer 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 consumer needs to consider the PDS, and other information provided by us (and/or seek professional advice) before deciding.

KEY BENEFITS

In the event your vehicle is declared a total loss, we will pay to the policy holder or the financier (if lease balance outstanding) of their vehicle as follows:

- We will pay the greater of either;
 - the difference between the comprehensive insurer's total loss payment and the price the consumer originally paid for the vehicle, or
 - the difference between the comprehensive insurer's total loss payment and the amount needed to settle the consumer's outstanding finance contract balance.
- A minimum payment of \$5,000 applies to all valid claims.

By providing benefits such as a minimum payment of \$5,000 and the greater of the finance contract balance or purchase price in the event of a total loss, places the consumer in the best possible position throughout the loan period.

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Cover limits and premium pricing are based upon your vehicle purchase price and the term of your finance contract. See table below:

Level	Purchase Price	Maximum Payment	Minimum Payment
1	\$0 - \$25,000	\$12,500	\$5,000
2	\$25,001 - \$35,000	\$17,500	\$5,000
3	\$35,001 - \$50,000	\$25,000	\$5,000
4	\$50,001 - \$65,000	\$37,500	\$5,000
5	\$65,001 - \$80,000	\$40,000	\$5,000
6	\$80,001 - \$150,000	\$50,000	\$5,000

KEY EXCLUSIONS

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

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 consumer.

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:
 - Product acceptance, including feedback from our authorised insurance brokers and their authorised representatives and consumers;
 - Financial performance including significant changes in metrics including claims and loss ratios;
 - Product value and affordability; and
 - Systemic issues across the product life cycle.

We will review this TMD **within 10 business days** of the occurrence of any review trigger.

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REPORTING

ProRisk must record all complaints received about this product on a quarterly basis (Complaints Reporting Period). Our authorised insurance brokers and their authorised representatives are also required to report to us if they become aware of significant dealing in this product which is not consistent with this TMD within 10 business days of becoming aware of such dealing. 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

ProRisk 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.

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