

# Target Market Determination

## Clover OneMotor – Comprehensive and Third Party Property Damage Vehicle Insurance

### About this Target Market Determination (TMD)

This TMD applies to the cover set out in the Clover OneMotor Combined Product Disclosure Statement and Financial Services Guide dated 1 November 2023 (PDS).

This TMD:

- sets out the class of customers the OneMotor cover has been designed for, having regard to the likely objectives, financial situation and needs of that class of customers;
- does not consider individual customers' objectives, financial situation or needs, and customers should consider the PDS and other information provided by us before deciding whether to apply for this OneMotor cover;
- sets out the distribution conditions that apply to the OneMotor cover, the review periods and triggers, and the reporting requirements for the TMD;
- provides information and examples but not a complete list of the eligibility or terms, conditions and exclusions that apply to this OneMotor cover.

To fully understand the terms and conditions of this product, customers should read the PDS at [cloverinsure.com.au/motor/](http://cloverinsure.com.au/motor/) and any other policy documents before deciding if the product is suitable for them.

If customers have already purchased this product, they should review the information we have provided to them whenever their circumstances change, to make sure the product is still right for them.

### Target Market

#### Product Description and Key Attributes

The OneMotor product allows customers to choose from Comprehensive or Third Party Property Damage covers.

	<b>Comprehensive</b>	<b>Third Party Property Damage</b>
Coverage provided	cover against financial loss that may result from your vehicle being accidentally damaged, lost, stolen or destroyed and third party property damage.	cover against legal liability following a motor vehicle accident causing loss or damage to a third party's property.
Target market	designed to provide customers in the target market with cover against financial loss that may result from their vehicle being accidentally damaged and any damage that they may cause to other property or vehicles. These customers will own or lease their vehicle in Australia.	designed to provide customers in the target market with cover against financial loss that may result from any damage that they may cause to other property or vehicles. These customers will own or lease their vehicle.

The OneMotor product has different features dependent on whether you choose Comprehensive or Third Party Property Damage covers. The OneMotor product also provides specific optional extras and exclusions.

This product is appropriate for private and/or business use for passenger vehicles including but not limited to sedans, wagons, SUVs and utilities.

### Key features of OneMotor covers:

Feature	Comprehensive	Third Party Property Damage
Damage to your motor vehicle	✓	✗
Cover for legal liability following a motor vehicle accident-causing loss or damage to a third party's property	✓	✓
Requiring protection for your legal liability for injury caused by a motor vehicle accident	✗	✗
Choice of optional covers	✓	✗

### Optional Benefits

The following optional benefits can be added to your OneMotor Comprehensive cover policy. These options will alter your premium.

Feature	Comprehensive	Third Party Property Damage
Glass excess waiver	✓	✗
Hire car	✓	✗
Choice of repairer	✓	✗
Choice of lifetime, agreed or market value	✓	✗
Business extension – stock, tools and equipment.	✓	✗

### Likely objectives, financial situation and needs of customers in the target market

In general, owners of vehicles in Australia need to manage certain financial risks associated with particular events that may cause loss or damage to their vehicle. They also need protection for legal liability arising from their vehicle causing loss or damage to someone else's property, as well as protection for certain legal costs arising with such liability claims.

The likely objectives and needs of a person in the target market are principally to transfer these financial risks through insurance protection of the types covered by this product, for a period and on terms and conditions (including limits and excesses and price) acceptable to them.

The likely financial situation of a person in the target market is principally that:

- they can afford to pay the premiums (which may vary over time) and be able to make payments via the payment options available;
- they can afford to pay or bear multiple excesses which may apply to one claim;
- they are able to financially contribute where their claim is for an amount greater than a sublimit, for instance under additional benefits which may apply to the policy;
- where the claim includes rectification of pre-existing damage or wear and tear not covered by the policy, they are able to financially contribute to:
  - cover this damage
  - rectify the damage before a repair or payment is made under the claim, or
  - accept a cash settlement for the cost of the damage related to the insured events;
- where the sum insured is insufficient to cover the total loss amount, they are able to cover any difference between the sum insured and the total value of the loss; and
- for a person taking OneMotor Third Party Property Damage cover, they also need to be able to cover the cost of any accidental damage to their vehicle.

## Description of the target market

This product is suitable for customers:

- who own or are legally responsible for a motor vehicle used for private and/or business purposes in Australia; and
- who need insurance for loss or damage to their vehicle and associated legal liability.

This product is not suitable for customers where:

- their vehicle is:
  - not roadworthy, not registered or does not meet the relevant transport regulations;
  - driven by a person who does not have a valid licence to drive in Australia;
  - hired out, used as a chauffeur, taxi, limousine, charter service or ridesharing including delivering people or goods for a fee;
  - used for paid driving tuition;
  - used airside at any airport;
  - used in motor sport activities; or
  - one that includes but is not limited to a heavy commercial vehicle, bus, motorhome, caravan, trailer, horse float, motorcycle or a farm vehicle including tractors and equipment.
- they require cover for flood, earthquake, cyclone, storm or bushfire within 72 hours of the commencement of the policy for the first time.
- they cannot afford to pay the premiums, applicable excesses and any loss or damage that is excluded by, or greater than the limits of, cover.
- they require cover for electrical or mechanical breakdown.
- they require cover on a vehicle being driven or stored outside of Australia.
- they require cover for cranes, winches or lifting devices.

### **Business extension – stock, tools and equipment (Comprehensive only)**

The business extension optional cover is suitable for customers who have stock, tools and equipment of trade in their vehicle.

### **Choice of repairer (Comprehensive only)**

The choice of repairer optional cover is suitable for customers who would like to choose their repairer following an accident. The repairer may not be a Clover approved repairer.

### **Glass excess waiver (Comprehensive only)**

The glass waiver optional cover is suitable for customers who would like to have a nil excess when getting their windscreen repaired.

### **Hire, rental or loan car (Comprehensive only)**

The hire, rental or loan car optional cover is suitable for customers who would like to have a hire, rental or loan car when they have an at fault claim.

## Suitability

If the OneMotor cover is issued to a customer in the target market as described, it will likely be consistent with the likely objectives, needs and financial situation of that person, principally because the person will have the key characteristics of someone who is likely to need and value the OneMotor cover and who is able to meet our eligibility criteria.

## Distribution conditions

Clover OneMotor Insurance can only be issued to a retail client via our intermediary partners (distributors) where the retail client submits information (directly or through their insurance broker) into Clover's online system or a third-party interface connected to that system which meets the eligibility criteria for the product (including for new business, renewals and variations as applicable). The eligibility criteria, which include all aspects of the target market description, have been approved in writing by us.

All distributors acting on our behalf are only allowed to engage in retail distribution conduct, including through use of Clover's online system or a third-party interface, if they have been authorised in writing by us to do so and this authority has not been cancelled or suspended. All distributors are also subject to appropriate contractual terms, training, supervision and monitoring.

We believe it is reasonable to conclude that if insurance were to be issued in accordance with the above distribution conditions it would be likely that the customer is in the target market, principally because the Clover online system or third-party interface connected to that system will only allow the product to be issued to a customer who meets the eligibility criteria approved by us and the distributors using that system will be subject to appropriate contractual terms, training, supervision and monitoring regarding its use.

## Reviewing this Target Market Determination

We will review the TMD if we identify or become aware of any event or circumstance that would reasonably suggest that the TMD is no longer appropriate, which could include the following:

- there are amendments to our PDS that materially change the cover provided.
- new eligibility criteria are introduced for the product.
- we introduce other ways in which our products are sold.
- we identify there may be a product suitability issue following reviews of our complaint and claims data.
- we identify a significant dealing that is not consistent with this TMD.
- where are material changes in our product suitability metrics such as:
  - customer satisfaction (including complaints and claims trends)
  - product acceptance (including renewal and cancellations data), or
  - financial performance (including net loss ratio).

Where a review trigger has been identified, this TMD will be reviewed within 10 business days.

## Reporting

We will require our distributors and claims providers to report on the following information (as appropriate) in relation to this TMD:

<b>Complaints</b>	All complaints in relation to this product within two business days and on a monthly basis. This will include written details of the complaints.
<b>Sales data</b>	This is available continuously through our platform OnePatch.
<b>Claims data</b>	This is available continuously through our claims providers platform Wilbur.
<b>Significant dealings</b>	Any dealing in relation to the product that is inconsistent with the TMD, as soon as practicable but within 10 business days.
<b>Suitability</b>	Any information our distributors become aware of that suggest the TMD may no longer be suitable, as soon as practicable but within 10 business days.

### Questions

If you have any questions about our products or this Target Market Determination, please contact us on (02) 9000 6180

Effective date:	24 November 2023
Issuer:	Clover Insurance Pty Ltd, ABN 19 653 550 371, AFS Licence No. 538528
Underwriter:	RAC Insurance Pty Ltd ABN 59 094 685 882, AFS Licence No. 231222.