

TARGET MARKET DETERMINATION: Motor Dealership Insurance

INTRODUCTION

This Target Market Determination (TMD) has been prepared by Mainstay Underwriting Pty Ltd ABN 47 123 301 762. This TMD is current as at 01/07/2024 and relates to our Dealership Insurance Product Disclosure Statement and Combined Policy Wording issued by the Mainstay Underwriting.

The PDS and this TMD is issued by Certain Underwriters at Lloyd's as set out in the PDS. References to "we", "us" or "our" means the underwriting agency Mainstay Underwriting Pty Ltd ABN 123 301 762 AFSL 477690.

This TMD describes:

- Who the product is suitable for and who it is not suitable for;
- How the product will be distributed to Policyholders;
- How often we will review this TMD and when the next review will occur;
- What events or circumstance may trigger a review of this TMD;
- The information that we need, to decide if the TMD is no longer appropriate; and
- Our reporting obligations for this TMD.

The TMD is not intended to provide financial advice and does not form part of the terms of insurance. In addition to the key eligibility requirements outlined in this TMD, the product is subject to acceptance criteria as determined by Mainstay from time to time.

When making a decision about whether to purchase Motor Dealership Insurance, please review the product's Combined Product Disclosure Statement and Combined Policy Wording and Financial Services Guide (Disclosure Document).

Please use the Disclosure Document to understand the meaning of any capitalised terms used in this TMD which are not defined in this document.

EFFECTIVE DATE AND OPERATION OF TMD

The effective date of this TMD is 01/07/2024 (Effective Date). The TMD will apply to Motor Dealership Insurance sold to Policyholders on or after the Effective Date. The TMD applies until it is replaced or withdrawn. We may review this TMD at any time.

PRODUCT DESCRIPTION AND TARGET MARKET

Product Description <p>Motor Dealership Insurance provides insurance to protect policyholders from key risks associated with the operation of a motor Dealership Business.</p> <p>It offers 7 types of insurance to Policyholders across a 12-month period relating to:</p> <ul style="list-style-type: none"> • Property Damage; • Business Interruption; • Crime & Contingencies; • Motor Combined Risks; • Broadform Liability; • Equipment breakdown; and • Hail. <p>Motor Dealership Insurance is subject to per event limits, sub-limits, terms, conditions and exclusions. Refer to the Disclosure Document for full details.</p>
Motor Dealership Insurance is suitable for: <p>Policyholders of Mainstay Underwriting who:</p> <ul style="list-style-type: none"> • Operate a business in the motor vehicle industry in Australia; • Wish to insure their liability and physical business property assets; and • Have the ability to pay the costs associated with purchasing Motor Dealership insurance, including but not limited to, their Premium, any Excess and any costs above any applicable annual limits or sub-limits under the terms of the Insurance from their own financial resources.
Motor Dealership Insurance is <u>not</u> suitable for: <p>People who:</p> <ul style="list-style-type: none"> • Are seeking cover for the insurance of certain types of property that are excluded under the terms of Motor Dealership Insurance, including but not limited to, property whilst in transit (exceptions apply), jewellery, precious metals or stones, aircraft, animals or unexplained loss; or • Are seeking cover for the insurance of certain events that are excluded under the terms of Motor Dealership Insurance, including but not limited to, tyre manufacturing, retread or rebuilt tyre manufacturing, cladding or excluded perils (e.g. flood, fusion, water, Pollution and Contamination, termites, wear and tear, faulty materials etc.); or • Do not have the ability to pay the costs associated with purchasing Motor Dealership Insurance, including but not limited to, their Premium, any Excess and any costs above any applicable annual limits or sub-limits under the terms of Motor Dealership Insurance from their own financial resources; Already hold other insurance products which adequately insure them for property damage including insurance or who prefer not to insure their property assets with an insurance product.
Hail Insurance <p>Hail Insurance is only available to policyholders who hold a parametric hail insurance policy from Mainstay Underwriting Pty Ltd. It is not suitable or available to Policyholders who have purchased such insurance from another provider.</p>

Motor Dealership Insurance is designed for people who are eligible to become a Policyholder of Mainstay Underwriting and whose likely objectives, financial situation and needs are described below.

Likely objectives, financial situation, and needs	
Objectives	<p>A person seeking to financially protect themselves against:</p> <ul style="list-style-type: none"> the costs of repairing, rebuilding or replacing their business assets, including in the event of damage to property, Theft and equipment breakdown, their legal liability for Personal Injury and Property Damage to third parties; and associated loss of revenue/income <p>within the limits provided for in Motor Dealership Insurance, following loss, damage or liability caused by certain events which are covered by Motor Dealership Insurance.</p>
Financial situation	<p>A person who is likely to experience a financial burden as a consequence of damage, loss or destruction to their business assets including loss of revenue/income or as a consequence of liability owed to third parties and do not have the resources or desire to 'self-insure' those risks, but have the financial resources to pay for the annual cost of Motor Dealership Insurance.</p>
Needs	<p>The person in the target market's objectives and needs are to transfer risk of the types described below though insurance protection for a period and on terms and conditions (including limits and excesses and price) acceptable to them.</p>

Motor Dealership Insurance is only suitable for a person with the objectives, financial situation and needs described above because:

- It provides cover for the types of loss, damage or liability events that people in the target market are seeking to be insured against; and
- It is designed for people who require insurance with the key attributes described above.

Each person will need to consider whether Motor Dealership Insurance meets their own objectives, financial situation and needs.

DISTRIBUTION OF THIS PRODUCT

This product is distributed by insurance brokers working with Mainstay Underwriting. No one else is permitted to offer this product.

Mainstay Underwriting has distribution conditions in place to help ensure that Motor Dealership Insurance is only sold to people in the target market. These conditions include:

- Any Regulated Person acting on our behalf must not engage in retail distribution conduct unless they have been authorised in writing by us to do so and this authority has not been cancelled or suspended.
- A Regulated Person must not engage in retail distribution conduct in relation to this product if we have notified them or they are aware that, the TMD is no longer appropriate in accordance with ss994B(8) of the Corporations Act or has been replaced or the product has been suspended or is no longer offered.
- Subject always to the above, any other conditions and restrictions on retail product distribution conduct in relation to the product that we have agreed with a Regulated Person in writing, other than a condition or restriction imposed by or under another provision of the Corporations Act.

REVIEWING THIS TMD

This TMD will be reviewed no later than 1 year from the Effective Date. We will then review this TMD annually to ensure it remains appropriate. This TMD will be reviewed earlier if any event or circumstance occurs that would reasonably suggest that the target market is no longer appropriate, or this product is no longer consistent with the likely objectives, financial situation and needs of people in the target market. These events or circumstances are called review triggers.

A review trigger might be where:

- There is a material change to this product, including to the benefits or exclusions;
- There is a relevant and significant change or event affecting a reasonable proportion of people in the target market (e.g. a change in law or regulation);
- There are changes to how this product is distributed;
- There is a pattern of complaints or feedback relating to the appropriateness of this product for the target market;
- Trends in claims suggest that this product is not performing appropriately for the target market;
- There is a reportable significant dealing in this product;
- Significant changes in other metrics relating to the suitability of the Insurance product for Policyholders, including but not limited to cancellations of insurance, higher incidence of declined claims and increased Policyholder complaints;
- There is a material defect in the Disclosure Document for the product which reasonably suggests that the TMD is no longer appropriate;
- There is a change in law or regulatory guidance or industry code which may materially affect the terms of Motor Dealership Insurance or distribution or regulatory feedback or concerns raised to suggest the TMD may no longer be appropriate; or
- Feedback, orders or directions from a regulator or external dispute resolution body like AFCA that suggests this TMD is no longer appropriate.

This TMD will be reviewed within 10 business days of the occurrence of any of the review triggers above.

REPORTING

We record all complaints that we receive about Motor Dealership Insurance. Mainstay Underwriting must provide written details of any complaint received about this product within 10 business days after each Complaints Reporting Period.

For the purpose of this TMD, each 6-month period from the Effective Date is a Complaints Reporting Period. If a product is sold to a person that is not within the target market (i.e. a significant dealing), this must be reported within 10 business days of the date on which Mainstay Underwriting become aware of the sale.

RECORDS

We will keep records of any actions that are taken to make sure Motor Dealership Insurance is distributed only to people within the target market. We will also keep records of any decisions and reasons for:

- Any changes to the TMD for Motor Dealership Insurance;
- How the review triggers were set;
- The steps taken to decide if a review trigger has taken place; and
- How often this TMD is reviewed.