



# Target Market Determination

Motor Fleet



# Sompo Motor Fleet Target Market Determination (TMD)

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<b>Product TMD applies to:</b>	<b>SOMPO MOTOR FLEET PRODUCT DISCLOSURE STATEMENT AND POLICY WORDING</b> SJMF V1 08-20 dated June 2020 (incorporating any applicable Supplementary Product Disclosure Statement) ( <b>PDS</b> ) in relation to cover provided to retail clients.
<b>TMD made by the Issuer/Insurer</b>	The PDS and this TMD is issued by Sompo Japan Insurance Inc. Australian Registered Business Number 000 837 801, incorporated in Japan (Sompo) as set out in the PDS (the <b>insurer/issuer/we, us, our</b> ) through our underwriting agent SURA Pty Ltd ABN 36 115 672 350 AFSL 294 313 (SURA).
<b>TMD date</b>	05 / 10 / 2021
<b>Important information about this TMD</b>	<p>The Corporations Act requires us to make this TMD and include certain information in it. Any terms used in this TMD that are defined in the Corporations Act have the same meaning as in that Act.</p> <p>This TMD is not intended to be a consumer facing disclosure document and does not form part of the terms of the product.</p> <p>Any information or examples given in the TMD must not be read as a complete list of eligibility or the standard terms and conditions and limitations that apply to the product.</p> <p>A retail client must refer to the PDS and other policy documents to understand the terms and conditions of the product that will apply and any retail client must refer to the PDS before deciding. The PDS is available at <a href="http://www.sompo.com.au">www.sompo.com.au</a>. Any terms used in this TMD have the same meaning as defined in the PDS.</p> <p>This TMD does not consider any person's individual needs, objectives or financial situation and does not provide financial product advice or recommendation on the cover.</p>

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## Who is our target market for the product?



Some of the key characteristics of a person in the target market for this product are:

- ✔ those who have a motor vehicle(s), mobile machine(s) and/or trailer(s) (referred to as a “vehicle” in this TMD) that is used in relation to their business, and which may also be used for private (non business related) purposes;
- ✔ those seeking to insure their vehicle under a Comprehensive vehicle type of insurance policy which is primarily designed to provide cover in relation to accidental loss or damage to the insured vehicle;
- ✔ those who want legal liability cover for damage to other people or their property;
- ✔ those who are represented by an insurance broker;
- ✔ those who wish to insure:
  - a vehicle primarily used for business purposes;
  - a vehicle being driven and located in Australia or New Zealand (or being transported in or between Australia and New Zealand);
  - a vehicle that is roadworthy;
  - a vehicle that is of a kind we are able to insure under our eligibility criteria
  - a vehicle for a usage that is covered under our policy terms and not outside of our eligibility criteria (for example we do not cover a vehicle used for hire or reward such as a taxi);
  - persons licenced to drive a vehicle under relevant laws in Australia or New Zealand (as applicable);
- ✔ they are persons (or wish to cover persons) with a claims or driving history acceptable to us and otherwise are of a type we are able to insure under our eligibility criteria;
- ✔ they want agreed value cover or market value cover for the vehicle;
- ✔ they want to pay excess(es) in relation to any loss covered by the insurance of a type and level specified in the policy and/or agreed with us; and
- ✔ they want a policy for 12 month period and cover during the periods specified in the policy.

However, a person is only in our target market for this product where they meet the eligibility criteria for the issue (including new business, renewals and variation as applicable) of the product that has been approved by us in writing (**Approved Eligibility Process**). We advise as part of the Approved Eligibility Process if a person is eligible or not.

As part of the eligibility criteria, a person must:

- ✔ want cover for the type of person(s), property; usage; and loss, damage and/or liability, (as applicable) we can agree to provide cover for under our underwriting rules, subject to the excess(es), terms, conditions, limits, exclusions that apply; and
- ✔ be able to confirm they:
  - can afford the premiums and be able to make payments using the payment options available; and
  - can afford to pay the excess amount(s) we offer and are happy for the applicable excesses to apply (see the PDS for more details).

See **Attachment A** for a summary the product’s key attributes and key likely needs, objectives and financial situation of the target market.

## Examples of who isn't in our target market



**By way of example and at a very high level only, a person won't be in the target market** if they:

- ✗ want cover for drivers without a current driver's licence acceptable to us or with a claims or driving history that is not acceptable to us;
- ✗ are not represented by an insurance broker;
- ✗ owners of a motor vehicle used for private purposes only;
- ✗ want cover for agreed value where we are only prepared to offer market value cover (or vice versa);
- ✗ want cover for vehicles such as motorhomes and buses or cover for motorcycles or golf buggies;
- ✗ want cover for use of the vehicle of a type not covered by us. For example, we do not cover use of the vehicle:
  - for private purposes only;
  - in connection with the motor trade for experiment, test, trial, demonstration or towing;
  - in connection with a race, trial, test, contest or other sports event;
  - for carrying passengers for hire or reward, except for a private pooling arrangement including private courtesy bus arrangements or when the insured person receives a travelling allowance from their full time employer;
  - for courier or taxi use;
- ✗ cannot afford the price or for whom the payment options are not suitable;
- ✗ can't afford to pay the excess amount(s) we offer or don't want an excess we propose to apply (e.g. Basic Excess, Age Excess, Inexperienced Driver Excess and/or additional Tipping Excess) (see the PDS for more details);
- ✗ want cover for types of loss or damage to the vehicle or liability that we exclude, such as:
  - wear and tear, rust, corrosion, depreciation, or mechanical, structural, electrical or computer failures, malfunctions or non-performance;
  - loss of use of the vehicle or associated financial loss; or
  - damage to tyres or wheel rims caused by braking, road punctures, cuts or bursts;
- ✗ do not want their claim to be settled in accordance with the 'Making a Claim' section of the PDS and other terms relevant to claims settlement (e.g. where we keep the vehicle where there is a total loss, where we deduct any unpaid premium for the period of insurance will be deducted from the amount payable to the insured when settling a total loss claim and/or where we repair a vehicle in accordance with the PDS conditions).

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

**Any conditions and restrictions on retail product distribution conduct in relation to the product, other than a condition or restriction imposed by or under another provision of the Corporations Act (Distribution Conditions)**

The product under this TMD may only be issued on our behalf by SURA which acts under an authority given by us to arrange, enter into, vary and dispose of this insurance and handle and settle claims in relation to it, on our behalf.

SURA cannot distribute the product directly to retail clients. SURA may consider applications by retail clients made through insurance brokers acting on their behalf (that hold an Australian Financial Services Licence for dealing services in relation to general insurance and meet acceptability criteria agreed to by us or SURA).

Cover can only be issued to a retail client by SURA where they meet the eligibility criteria for the issue (including new business, renewals and variation as applicable) of the product that has been approved by us in writing (**Approved Eligibility Process**).

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.

**TMD Review**

The TMD will be reviewed within 12 months from the date of this TMD and subsequently every 48 months unless agreed otherwise after the end of the previous review. We will also review the TMD within 10 business days of becoming aware of a Review Trigger specified below and where otherwise required by law.

**Review Triggers**

These are an event or circumstance that is identified to or by us as part of our Product Governance Framework (or otherwise), including:

- the nature and number of complaints, complaints data and trends;
- customer feedback and testing;
- number of cancellations and lapses of the product;
- data on product claim ratios, the number, nature and magnitude of claims paid, denied and withdrawn and average claim duration;
- information received by and in relation to distributors;
- feedback from a regulator such as ASIC or APRA or other interested parties such as the Insurance Council of Australia and Code Governance Committee;
- changes to information or circumstances we took into account when developing the TMD, such as changes to the Approved Eligibility Process, underwriting guidelines, pricing, or reinsurance requirements or the number of policies sold, including penetration rates; or
- any significant dealings that are inconsistent with the TMD,

that reasonably suggests that it is no longer reasonable for us to conclude that if the cover were to be issued:

- to a retail client in accordance with the Distribution Conditions, it would be likely that the retail client is in our target market; or
- to a retail client in our target market, it would likely be consistent with the likely objectives, financial situation and needs of the retail client.

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## Regulated Persons Reporting

In relation to reporting:

- SURA must report to us; and
  - Regulated Persons other than us who have engaged in retail product distribution conduct in relation to the product covered by the TMD (e.g. insurance brokers acting for the retail client) must report to SURA (or such alternative we otherwise notify in writing), (both referred to as **'you'** below) the following information by the time specified:
    - Information on when cover was issued to a retail client that was ineligible for cover in accordance with the Approved Eligibility Process and reasonable details on the circumstances related to this.  
To be reported as soon as practicable and in any case within 10 business days, after you become aware of the matter.
    - Information on the number of complaints you have received about the product (including if nil) in the month or such other period of time otherwise agreed in writing between us and you that is reasonable having regard to the matters specified in ss994B((7)) of the Corporations Act as well as reasonable details on the circumstances related to the complaint (unless we already have access to such details).  
To be reported as soon as practicable and in any case within 10 business days of the end of the above reporting period.
    - Information on any significant dealings by you that are inconsistent with the TMD and reasonable details on the circumstances related to this.  
To be reported as soon as practicable and in any case within 10 business days, after you become aware of the matter.
    - Information as agreed by you in writing with us that would reasonably to enable us to promptly identify Review Triggers or other events and circumstances that have occurred which would reasonably suggest the TMD is no longer appropriate in accordance with ss994B(8) of the Corporations Act.  
To be reported within the time frames agreed for each type of information that are reasonable having regard to the matters specified in ss994B((7)) of the Corporations Act.
    - Information identified to or by you that would reasonably suggest to you that the TMD is no longer appropriate in accordance with ss994B(8) of the Corporations Act.  
To be reported as soon as practicable and in any case within 10 business days, after you form the view.
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# Attachment A

## Key attributes of product

### Summary of key attribute

All cover summarised below is provided for an agreed period and subject to terms and conditions (including limits and excesses) agreed with us. Refer to PDS for detail.

### Key likely needs, objectives and financial situation of target market

In all cases below 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.

### Key likely Financial Situation of target market

In all cases for cover chosen, is a person able to afford to pay premium on terms proposed and bear any uninsured loss and bear any excess applicable to any claim.

## Main Benefit

### Section A – Cover for Loss of or Damage to Your Vehicle.

Principally designed to provide cover for accidental loss (including damage caused by fire, hail, flood, storm or earthquake, theft and malicious damage) which happens to the vehicle during the period of insurance.

## Main Protection Event

Protection for the vehicle owner and agreed third parties with an interest in the vehicle for accidental loss (including damage caused by fire, hail, flood, storm or earthquake, theft and malicious damage) which happens to the vehicle during the period of insurance.

## Automatic Benefits

### Additional Benefits To Above Main Benefit

#### Accommodation and Travel Expenses

Principally designed to cover the reasonable costs for essential temporary accommodation or travelling expenses to complete the journey or return to point of departure if the vehicle is on a journey and damaged in a covered accident or stolen and not found. Maximum cover \$5,000 any one event.

### Additional Protection Events

Protection for additional temporary accommodation or travelling costs while on a journey if a covered event occurs.

### Additional accessories

Principally designed to cover loss or damage to any equipment and apparatus of the vehicle (including radio receivers, tape recorders, compact disc players, telephones or navigation equipment built into the vehicle, but excluding mobile phones) as maintained by the insured person. Maximum cover \$5,000 any one event.

Protection for replacement or repair of equipment and apparatus of the vehicle in the event of loss or damage.

### Automatic additions and deletions

Principally designed to cover any similar replacement or additional registered vehicles acquired by the insured during the period of insurance. We must be notified within 30 days of the purchase or lease of any such vehicle and additional premium may apply. Maximum \$300,000 any one vehicle.

Protection for replacement or additional vehicles of a similar kind to those insured for 30 days from the time of purchase or lease.

<b>Automatic Trailer Cover</b>	Principally designed to cover any two wheeled or box trailer owned by the insured and which weighs less than 2 tonne while it is attached to the vehicle at the time of such loss or damage. Maximum \$5,000 or the market value of the trailer (whichever is lesser) any one accident.	Protection for loss or damage to vehicle extended to any two wheeled or box trailer which weighs less than 2 tonne attached to vehicle at the time of loss or damage.
<b>Chains, gates, ropes, winches and tarpaulins</b>	Principally designed to cover theft of any chains, gates, ropes, winches or tarpaulins which are attached to or within the vehicle and are lost as a result of theft of the vehicle. Maximum \$10,000 any one event.	Protection for theft of chains, gates, ropes, winches or tarpaulins that are stolen with the vehicle.
<b>Emergency car hire</b>	Principally designed to cover costs for a hire vehicle when a vehicle which is a sedan, station wagon, four wheel drive, panel van or utility is damaged in an accident or by an attempted theft and cannot be driven. Maximum cover for 2 consecutive days.	Protection following a covered event for costs of a hire vehicle during a 2 day period while the insured reports a covered accident to us.
<b>Emergency repairs</b>	Principally designed to reimburse the cost of emergency repairs necessary to enable a person to drive the vehicle to the point of departure after an accident, or if it suffers malicious damage, or is stolen and recovered in a damaged condition. Maximum \$2,500 any one accident.	Protection for cost of emergency repairs to allow vehicle to be driven to its point of departure after a covered event.
<b>Employees Vehicle</b>	Principally designed to extend cover to an employee owned vehicle whilst being used in connection with the insured person's business with their consent. Maximum of \$50,000 any one accident.	Protection for loss or damage to an employee's vehicle that is used in relation to the insured person's business.
<b>Financial payout – Total Loss</b>	Principally designed to cover the difference between the market value of the vehicle and the residual value of any lease, hire or financial agreement if the vehicles is a total loss. Maximum 25% of the market value of the vehicle.	Protection for the cost of a finance gap up to 25% of the market value of the vehicle in the event of a covered total loss.
<b>Fire Brigade and Emergency Services Cover</b>	Principally designed to cover liability for charges imposed by the fire brigade, police, or any other authority following a covered accident. Maximum \$50,000.	Protection for the liability to pay charges associated with emergency services following a covered accident.
<b>Funeral expenses</b>	Principally designed to provide a benefit burial or cremation expenses of the driver and travel costs of their immediate family members following the death of a driver of the vehicle as a direct result of an accident. Maximum \$10,000 any one loss.	Protection for the cost of funeral related expenses following the death of a driver as a direct result of an accident.



<b>Hire costs following fire and theft</b>	Principally designed to cover costs for a for a hire vehicle when a vehicle which is a sedan, station wagon, four wheel drive, panel van or utility vehicle is damaged by fire or theft. Maximum \$5,000 any one vehicle for all events in the period of insurance.	Protection following fire or theft of an insured vehicle by provision of a hire vehicle while an insured vehicle is being repaired, replaced or recovered.
<b>Hired Vehicles</b>	Principally designed to cover any excess that exceeds the excess payable under the policy and which the insured person is required to pay to a hiring company where they hire a sedan, station wagon, four wheel drive, panel van or utility under two (2) tonne gross vehicle mass and insure the hired vehicle.	Protection for the cost of the excess payable in relation to a hire vehicle used by the insured person.
<b>Marine average</b>	Principally designed to cover costs for contribution for general average and salvage charges where such maritime conditions apply and incurred when the vehicle is being transported by sea between places in Australia or New Zealand. Maximum sum insured or market value, whichever is the lesser.	Protection for general average and salvage charges where such maritime conditions apply if the vehicle is being transported by sea between places in Australia or New Zealand.
<b>Modification to Vehicle</b>	Principally designed to cover costs to modify the vehicle if its driver is permanently disabled as a direct result of injuries in a covered accident. Maximum \$10,000 any one event.	Protection for the costs of vehicle modifications is permanently disabled in a covered accident.
<b>Personal Property</b>	Principally designed to pay for repair or replacement of personal property belonging to the custodian of the vehicle which is damaged in a collision involving the vehicle, stolen from the vehicle when locked or stolen at the same time as the vehicle. Maximum \$2,500 any one event.	Protection for cost of repair or replacement of personal property belonging to the custodian of the vehicle damaged in a collision involving the vehicle or when stolen from or with the vehicle.
<b>Recovery cost – No Damage</b>	Principally designed to cover costs of recovery of removal of the vehicle where it is unintentionally immobilised whilst on a work site or being used as part of the insured's normal business operations. Maximum \$5,000 any one period of insurance.	Protection for recovery or removal costs where an insured vehicle is unintentionally immobilised in specified circumstances.
<b>Re-keying and re-coding</b>	Principally designed to pay for the replacement of vehicle's keys and the necessary recoding of vehicle's locks where a vehicle's keys are stolen or there are reasonable grounds to believe the keys have been illegally duplicated. Maximum \$5,000 per vehicle; \$25,000 any one event.	Protection for costs of replacing a vehicle's keys or recoding of vehicle locks if keys are stolen or reasonably believed to have been duplicated.

<b>Removal of basic Excess for windscreen claims</b>	Principally designed to remove basic excess where the windscreen or window glass in a vehicle which is a sedan, station wagon, four wheel drive, panel van, utility or goods carrying vehicle under 2 tonne gross vehicle mass is accidentally broken and is the only damage to the vehicle.	Protection for excess cost if windscreen or window glass in a specified vehicle type is accidentally broken.
<b>Removal of debris</b>	Principally designed to pay for costs to clean up and remove of debris resulting from goods falling or leaking from the vehicle. Maximum \$50,000 any one event (or such other amount as specified in the Schedule).	Protection for the costs of removal of debris resulting from goods falling or leaking from a vehicle.
<b>Replacement Vehicle</b>	Principally designed to provide a new replacement vehicle where the insured vehicle is a sedan, station wagon, four wheel drive, panel van, utility or goods carrying vehicle under 2 tonne gross vehicle mass and is declared a total loss within two years of its first registration.	Protection by replacement of a specified type of insured vehicle with a new vehicle of the same kind if the insured vehicle is written off/total loss in first 2 years of time it was registered.
<b>Sign writing</b>	Principally designed to cover the costs to reinstate any loss of or damage to fixed advertising or material forming a permanent part of the vehicle. Maximum \$25,000 any one event (or such other amount as specified in the Schedule).	Protection for the costs of reinstating sign writing on a vehicle following any loss or damage.
<b>Towing</b>	Principally designed to cover reasonable costs incurred for the protection, removal and towing of a vehicle to the nearest repairer, place of safety or other place we agree to following an accident or theft of the vehicle. Maximum \$10,000 per accident.	Protection following an accident or theft of insured vehicle by covering reasonable costs for the protection, removal and towing of a vehicle to the nearest repairer, place of safety or other place we agree to.
<b>Vehicle being transported</b>	Principally designed to cover loss or damage to the vehicle while being transported by road, rail, sea, or air between any places in Australia and New Zealand.	Protection for loss or damage while a vehicle is being transported between places in Australia or New Zealand.
<b>Vehicle return</b>	Principally designed to cover costs of removing and relocating a vehicle, which is a sedan, station wagon, four wheel drive, panel van or utility which is damaged in an accident is unable to be driven, to the nearest repairer approved by us or delivering a vehicle to its usual place of garaging after repair or recovery. Maximum \$5,000 any one event.	Protection for the costs of removing, relocation or delivery of a vehicle following damage in an accident.

**Optional Benefit To Above Main Benefit (Section A cover only)**

**Hire costs following an accident** This optional benefit is only covered where we agree to this and it is shown as insured in the Schedule.

Principally designed to cover costs for a hire vehicle when a vehicle which is a sedan, station wagon, four wheel drive, panel van or utility vehicle is damaged by an accident. Maximum \$5,000 any one vehicle per claim.

**Main Benefit  
(Automatic Where Cover Is Taken Out Under Section A, Otherwise Optional)**
**Main Protection Event****Section B – Third Party Property Damage**
**Cover for Damage to  
other people's property  
(legal liability)**

Principally designed to cover the insured's and other specified person's legal liability to pay compensation for loss of or damage to someone else's property caused by a motor vehicle accident for which they are at fault which occurs during the period of insurance and arises out of the use of an insured vehicle which is registered or licensed as required by law for use on public roads.

Protection for legal liability of the insured and certain other persons to pay compensation for loss of or damage to someone else's property caused by a motor vehicle accident for which they are at fault.

**Additional Benefits To Above Main Benefit****Additional Protection Events****Bodily injury (CTP gap liability)**

Principally designed to cover the insured and other specified persons for legal liability for death or bodily injury caused by or arising out of the use of an insured vehicle which is registered for use on a public road, in specified circumstances (e.g. where not covered by any statutory or compulsory insurance policy or any statutory or compulsory insurance, or compensation scheme or fund).

Protection for legal liability of the insured and certain other persons for death or bodily injury caused by or arising out of the use of the vehicle, in certain circumstances.

**Falling goods**

Principally designed to extend the cover provided under Section B for accidental damage to someone else's property caused by goods falling from the insured vehicle.

Protection for legal liability of the insured and certain other persons for damage caused to someone else's property by goods falling from an insured vehicle.

**Legal costs**

Principally designed to cover the legal costs and expenses in defending an insured person's legal liability covered under Section B in respect of any vehicle not owned or supplied by the insured person while that vehicle is being used in connection with the insured person's business.

Protection for legal costs and expenses in defending a legal liability claim in respect of any vehicle not owned or supplied by the insured person while that vehicle is being used in connection with the insured person's business.

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**Non owned Vehicle liability**

Principally designed to cover an insured person's legal liability in respect of a vehicle that is a registered sedan, station wagon, four wheel drive, panel van or utility, and not owned or supplied by the insured person while that vehicle is being used or driven in connection with the insured person's business.

Protection for legal liability in respect of any vehicle not owned or supplied by the insured person while that vehicle is being used in connection with the insured person's business.

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**Substitute Vehicle**

Principally designed to extend the cover provided under Section B for accidental damage to someone else's property caused by an insured person driving a substitute vehicle while their vehicle cannot be used because it is undergoing repairs or services.

Protection for accidental damage to someone else's property caused by driving a substitute vehicle while their vehicle is being repaired or serviced.

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**Uninsured motorist**

Principally designed to cover the insured for damage to the vehicle caused in an accident with an uninsured driver who was at fault. Maximum up to \$5,000.

Protection for damage to the vehicle caused by an accident with another vehicle where the other driver is at fault and is uninsured.

Not applicable where cover is provided under Section A – Loss of or Damage to Your Vehicle of the policy.

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Sompo Japan Insurance Inc.  
(Incorporated in Japan)  
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Thank you for receiving this  
document electronically.

Sompo Japan Insurance  
supports positive initiatives  
for our environment.

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