



Target Market Determination

Comprehensive
Motor Insurance



Sompo Comprehensive Motor Insurance Target Market Determination (TMD)

Product TMD applies to:	SOMPO COMPREHENSIVE MOTOR INSURANCE PRODUCT DISCLOSURE STATEMENT AND POLICY WORDING SJCM V3 10-21 (incorporating any applicable Supplementary Product Disclosure Statement) (PDS) in relation to cover provided to retail clients.
TMD made by the Issuer/Insurer	The PDS and this TMD is issued by Sompo Japan Insurance Inc. Australian Registered Business Number 31 000 837 801 incorporated in Japan (Sompo) as set out in the PDS (the insurer/issuer/we, us, our) through our underwriting agent SURA Pty Ltd (SURA) ABN 36 115 672 350 AFSL 294 313.
TMD date	05 / 10 / 2021
Important information about this TMD	<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 www.sompo.com.au. 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>

Who is our target market for the product?



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

- ✔ they are seeking to insure their private motor vehicle under a Comprehensive motor vehicle type of insurance policy which is primarily designed to provide cover in relation to accidental loss or damage to the insured vehicle and legal liability cover for damage to other people's property, subject to its terms;
- ✔ they are represented by an insurance broker;
- ✔ they wish to insure:
 - a vehicle primarily used for personal and domestic purposes;
 - a vehicle with a value no greater than \$250,000;
 - a vehicle with a carrying capacity of under two tonnes;
 - vehicle being driven and located only in Australia;
 - a vehicle with current registration with a relevant Australian government transport authority;
 - a vehicle that is used for private purposes only;
 - a vehicle that is roadworthy and maintained in line with the manufacturer's recommendation;
 - a vehicle of a kind we are able to insure under our eligibility criteria (e.g., we do not cover motorcycles or golf buggies);
 - a vehicle for a usage that is covered under our policy terms and not outside our eligibility criteria;
 - persons licenced to drive a vehicle in Australia;
- ✔ 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 to pay the premium for their insurance up front and not in instalments;
- ✔ 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:

- ✘ do not want accidental loss or damage cover for their vehicle of the type and level we can provide (e.g., they only want to purchase a limited fire or theft event loss or damage cover (commonly called Third party fire and theft cover) or only want a limited legal liability cover for damage to other people's property (commonly third-party property damage cover);
- ✘ are not represented by an insurance broker;
- ✘ want cover for agreed value where we are only prepared to offer market value cover;
- ✘ 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
- ✘ want cover for use of the vehicle of a type not covered by us. For example, we do not cover use of the vehicle:
 - in connection with the motor trade for experiments, tests, trials or demonstration purposes;
 - for any motor sport or time trial or was being tested in preparation for any motor sport or time trial;
 - (or any trailer or caravan attached to the vehicle) being used to carry passengers for hire, fare or reward (including rental) except under a private pooling arrangement or where the vehicle is noted as being used for ride share on the policy schedule.
- ✘ owners of a motor vehicle used for business purposes, (commercial motor);
- ✘ customers seeking to purchase Third Party or Third Party Fire and Theft cover;
- ✘ want cover for vehicles with a carrying capacity of over two tonnes, such as motorhomes and buses or cover for motorcycles or golf buggies;
- ✘ want cover for a vehicle for motor sport, motor trade, 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 (including for windscreen), Nominated Driver Excess, Age Excess, Undeclared Young Driver Excess and Inexperienced Driver 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:
 - loss of use of the vehicle or consequential loss, or
 - loss or damage caused by cyclone, flood or bush fires in the first 72 hours after the policy is first taken out, unless agreed otherwise by us in the Approved Eligibility Process; and
 - carrying passengers for hire, fare, or reward.
- ✘ 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, make first payment to any credit provider noted on the policy schedule, 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).

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.

Regulated Persons Reporting

In relation to reporting:

- SURA must report to us; and
 - Regulated Persons other than us or SURA 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	Key likely needs, objectives and financial situation of target market
	<p>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.</p>	<p>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.</p> <p>Key likely Financial Situation of target market</p> <p>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.</p>
Main Benefit (Automatic)	Main Protection Event	
<p>Cover for Accidental Loss or Damage to Your Vehicle</p> <p>New for Old Replacement After a Total Loss</p>	<p>Principally designed to provide cover for certain accidental loss (including theft) or any other type of accidental damage which happens to the insured vehicle during the period of insurance of the Policy.</p>	<p>Protection for the vehicle owner and agreed third parties with an interest in vehicle for accidental loss of or damage for loss (including theft) or any other type of accidental damage which happens to the vehicle during the period of insurance.</p> <p>Protection by replacement of new vehicle with new vehicle of same kind if written off/total loss in first 2 years of time it was registered.</p>
Additional Benefits To Above Main Benefit	Additional Protection Events	
Automatic:		
<p>Rental car following theft</p>	<p>Principally designed to provide rental car or if not available daily travel allowance if vehicle is stolen, for maximum 14 day period.</p>	<p>Protection following theft of insured vehicle by provision of rental car or amount to get rental car following theft so can continue to use a vehicle while insured vehicle is being repaired or replaced.</p>
<p>Towing</p>	<p>Principally designed to cover reasonable costs incurred for single tow to nearest or repairer we agree to or location we nominate or agree to.</p>	<p>Protection following theft of insured vehicle by covering reasonable costs of towing vehicle to repairer or other location.</p>
<p>Vehicle being transported by ship</p>	<p>Principally designed to pay contribution for any general average and salvage charges where such maritime conditions apply if the vehicle is being transported by ship within Australian.</p>	<p>Protection for general average and salvage charges where such maritime conditions apply if the vehicle is being transported by ship within Australian waters.</p>
<p>Trailer and caravan cover</p>	<p>Principally designed to pay for accidental loss of or damage to any trailer or caravan which was attached to the covered vehicle at the time of covered theft or damage. No cover for property being carried in or on the trailer or caravan.</p>	<p>Protection for loss or damage to vehicle extended to any trailer or caravan attached to vehicle at the time of loss or damage.</p>

Emergency repairs	Principally designed to reimburse the cost of emergency repairs necessary to enable a person to drive vehicle home after a covered accident.	Protection for cost of emergency repairs to allow vehicle to be driven home after accident.
Personal effects and clothing	Principally designed to pay for repair or replacement of personal effects and clothing belonging to the insured and other specified persons, which were damaged in a covered collision, stolen from the vehicle when locked or stolen at the same time as the vehicle.	Protection for cost of repair or replacement of personal effects and clothing belonging to the insured and other persons damaged in an accident or when stolen from or with the vehicle.
Transportation costs	Principally designed to the insured and other specified persons to the insured's home, and/or transportation to collect the vehicle when repaired.	Protection for cost of return travel home after an accident or to collect vehicle once repaired.
Re-keying and re-coding of locks	Principally designed pay for the replacement of vehicle's keys and the necessary recoding of vehicle's locks where vehicle's keys are stolen by a person that is not a family member, invitee or person who resides with the insured.	Protection for costs of replacing of vehicles keys or recoding of vehicle locks if keys stolen by non-family member, invitee or person who resides with person.
Baby capsules seats and/or child seats	Principally designed to cover the reasonable cost of replacing the baby capsules and/or child seats stolen or damaged in a covered vehicle accident.	Protection for costs of replacing baby capsules and/or child seats stolen from the vehicle or damaged in a vehicle accident.
Optional:		
Rental or loan car following an accident	Principally designed to provide rental car or if not available daily travel allowance if vehicle is damaged in a covered accident, for maximum 14 day period.	Protection by provision of rental car or amount to get rental car following vehicle accident so can continue to use a vehicle while insured vehicle is being repaired or replaced.
Removal of basic excess for windscreen claims	Principally designed to remove basic excess for one claim where the windscreen or window glass in the vehicle is accidentally broken or damaged and is the only damage to your vehicle.	Protection for excess cost if windscreen or window glass in the vehicle is accidentally broken or damaged.
Protected no claim bonus	Principally designed to not reduce insured's current no claim bonus entitlement for the first claim in any one period of insurance which is an at-fault claim; or that is not an at-fault claim in specified circumstances.	Protection for reduction in no claim bonus entitlement under policy when accident occurs.
Restricted drivers	Principally designed to not cover any accidental loss, damage or liability, which results in a claim, when the driver of the vehicle was a person under 25 years of age subject to certain qualifications.	Protection for increased premium cost arising from obtaining cover for drivers under 25 yrs of age.

Nominated driver	Principally designed to apply an unnamed driver excess, if vehicle being driven by any driver not listed in policy schedule as a nominated driver.	Protection for increased premium cost arising from not nominating covered drivers.
Tools of trade	Principally designed to cover accidental loss of or damage to tools of trade, trade stock and materials arising from a vehicle accident or theft in specified circumstances.	Protection for costs of repair or replacement of tools of trade, trade stock and materials stolen or damaged in a vehicle accident or theft.
Main Benefit (Automatic)		Main Protection Event
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: <ul style="list-style-type: none"> • the vehicle; • a substitute vehicle used by them while their vehicle is being serviced or repaired; and/or • a caravan or trailer towed by the vehicle. 	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 Cover for Supplementary Bodily Injury (Legal 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 the vehicle, 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.
Additional Benefits to Above Main Benefit		Additional Protection Events
Legal costs	Principally designed to cover the legal costs and expenses in defending any court proceedings which may arise from a claim under the Legal liability cover for liability covered by the policy. Not for any legal costs and expenses relating to any criminal or traffic enforcement related proceedings.	Protection for legal costs and expenses in defending any court proceedings which may arise from a legal liability claim.



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document electronically.

Sompo Japan Insurance
supports positive initiatives
for our environment.

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