

## **TARGET MARKET DETERMINATION – PRORISK COMMERCIAL FLEET**

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| <b>Product Disclosure Statement (PDS)</b> | <b>ProRisk Commercial Fleet Insurance Policy V7– 30 June 2025</b>   |
| <b>Effective Date</b>                     | 30 June 2025<br><br>This Target Market Determination (TMD) is effective from the date shown above (Effective Date). This TMD will apply to policies that are purchased or renewed on or after the Effective Date. For historical versions of this document, you can contact ProRisk, or refer to ProRisk’s website at <a href="https://www.prorisk.com.au/products/target-market-determinations/">https://www.prorisk.com.au/products/target-market-determinations/</a> |
| <b>Product Insurer:</b>                   | Virginia Surety Company, Inc ARBN 080 339 957 AFSL 245579 (“Insurer”, “We”, “Our”, “Us”).<br><br>Claims are handled by Innovation Group (Australia) Pty Ltd ABN 99 060 156 890 AFS Licence No. 530823.  |
| <b>Product Issuer:</b>                    | Professional Risk Underwriting Pty Ltd (ProRisk) ABN 80 103 953 073 AFS Licence No. 308076 under a binding authority issued to ProRisk by the Insurer.  |
| <b>Product Distributor</b>                | Armada Underwriting Pty Ltd (Armada) ABN 84 000 989 131 AFS Licence 237402 as agent for ProRisk.  |

### **ABOUT THIS DOCUMENT**

This Target Market Determination (TMD) applies to the Commercial Motor Fleet described in ProRisk Commercial Fleet Insurance V7 Product Disclosure Statement and Policy Wording Document dated 29 January 2025 and any applicable Supplementary Product Disclosure Statement (together the PDS). The TMD seeks to offer customers, distributors and employees an understanding of the class of customers for which this product has been designed, considering their likely needs, objectives and financial situation. This TMD describes the circumstances in which we believe the product is likely to be suitable. Customers who fit those circumstances are collectively called our target market.

This TMD does not take anyone’s personal circumstances into account, nor does it form a part of the terms of cover. In addition to the key eligibility requirements outlined in this TMD, it is also subject to acceptance criteria and the TMD does not include all the factors we consider when we decide whether to issue insurance.

Customers must refer to the PDS and any supplementary document(s), which outline the relevant terms, conditions, exclusions, excesses, your rights and obligations and insurance cover being provided under the

product, when making a decision about this product. We recommend that customers contact their broker or distribution partner and read the relevant PDS for full details on cover to determine whether the product is appropriate for their objectives, financial situation and needs.

## WHAT PRODUCT DOES THIS TARGET MARKET DETERMINATION APPLY TO?

This product has three (3) sections of cover as set out below and has been designed for customers in the target market to provide financial protections as follows:

- damage or loss to customers' vehicle caused by or arising from an accident or theft as per Section 1;
- Customers' legal liability to third parties arising from use of customers' registered vehicle as per Section 2;
- additional benefits as detailed in the PDS for losses a customer may suffer consequent upon the loss or damage to their registered vehicle as per Section 3.

The product offers options to enable a customer to tailor the product to suit their individual needs.

ProRisk policy on its approach to the distribution and development of products for appropriate target market distribution is available at

<https://www.prorisk.com.au/globalassets/documents/prorisk-product-design--distribution-policy-2021.pdf>

## WHAT IS THE TARGET MARKET FOR THE PRODUCT?

The overall target market for this product is customers who have businesses that own and operate commercial fleet vehicles and require financial protection for:

- loss or damage to their vehicle and/or,
- legal liability for damage to other people's property

The key eligibility requirements to purchase this insurance product include:

| <b>Customers <u>WITHIN</u> the Target Market</b><br><b>(Customers are within the target market if all the following conditions apply)</b> |   |
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| ✓   | Own and operate commercial motor fleets with a minimum of 10 vehicles;  |
| ✓   | The vehicles may be <ul style="list-style-type: none"><li>• Sedan type;</li><li>• Light goods carrying vehicles up to 10 tonne carrying capacity;</li><li>• Mixed fleets with sedans, vans, utes, light goods carrying vehicles and some light mobile plant</li></ul> |
| ✓   | Owners and operators of some types of transports fleets – being short haul – carriage of non-time sensitive goods such as sand & soil;  |
| ✓   | Owners and operators of commercial motor fleets with good proven claims experience and/or risk management; and  |

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| ✓ | <p>Owners and operators of commercial motor fleets in the following business segments:</p> <ul style="list-style-type: none"> <li>- Manufacturing</li> <li>- Traffic management</li> <li>- Transport – certain sectors only and subject to approval</li> <li>- Construction – light vehicles only</li> <li>- Wholesale Trade</li> <li>- Healthcare</li> <li>- Retail</li> </ul> |
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#### Customers NOT within the Target Market

(Customers are NOT within the target market if any of the following conditions applies)

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| x | Owners and operators of commercial motor fleet with less than 15 vehicles;   |
| x | Owners and operators of Hired vehicles & dry hire;   |
| x | Owners and operators of courier vehicles;  |
| x | Owners and operators of vehicles used in underground mining;   |
| x | Owners and operators of Taxi fleets / chauffeur driven vehicles/ride-share vehicles such as Uber;  |
| x | Commercial Transport operators including carriage of produce, refrigerated and other time-sensitive goods, stock carriers and long haul operators;   |
| x | Owners and operators of Dangerous goods carrying fleets;   |
| x | Owners and operators of motor vehicle fleets that consist of predominantly prestige (high priced vehicles) and/or high-performance type vehicles; or |
| x | Owners and operators of Heavy plant & equipment – Civil works.   |

## YOUR EXCESS

When we pay a claim, you normally pay an excess. The product includes a number of different excesses that apply in various circumstances. If more than one excess applies to a claim, we add them together to work out the total excess payable by you.

One type of excess is called the basic excess. When you buy a policy, you can choose your basic excess from a range of options to suit your needs. A lower basic excess may save you money if you claim on the policy but would normally increase the premium you pay to buy the policy. A higher basic excess may reduce your premium but could cost you more if you have a claim. You will need to consider whether you can pay the higher excess at the time of the claim.

## FINANCIAL SITUATION

Our target market is a person who is able to pay premiums in accordance with the chosen premium structure, excess, fees and government charges, having regard to personal circumstances and vulnerability or hardship considerations.

## CONSISTENCY WITH THE TARGET MARKET

The insurance product including its key attributes is likely to be consistent with the likely objectives, financial situation and needs of the class of customers in the target market, as we consider that it provides the required type of cover for that class of customers. This has been determined based on an assessment of the insurance product including its key attributes. Individual customers will need to consider whether this product meets their specific objectives, financial situation and needs.

## WHAT DISTRIBUTION CONDITIONS APPLY TO THIS PRODUCT?

The product application process has been designed to guide customers directly to the product most likely to meet their needs and objectives based on their responses to the questions in our product application.

ProRisk's staff have been adequately trained in the product, the customer(s) it is intended for and the underwriting criteria applicable to the product.

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| <b>Distribution Restrictions</b> | <p>This product can only be distributed if the following conditions are met:</p> <ul style="list-style-type: none"><li>■ It can only be sold via an insurance broker and cannot be sold directly to the public.</li><li>■ The agreement between the insurance broker and ProRisk sets out the obligations on the broker and ProRisk to distribute products only to customers within the TMD, and the ramification if the product is distributed to customers outside of the TMD.</li><li>■ The insurance product distributor must;<ul style="list-style-type: none"><li>– be authorised to distribute the product and those arrangements must not have been cancelled or suspended;</li><li>– agree to comply with all underwriting criteria and levels of authority (as applicable);</li><li>– agree to not distribute the product where they receive notice from Us that this TMD is not up to date and no new TMD has been provided; and</li><li>– where a new TMD has been provided, agree to distribute in accordance with the new TMD.</li></ul></li><li>■ The TMD is currently not subject to any ASIC action that might suggest that the TMD is no longer appropriate.</li></ul> <p>Where an insurance broker provides personal advice in relation to the product it is that broker's responsibility to ensure that acquiring the product is in the best interests of the customer having regard to the customer's objective, financial</p> |
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|                                | situation and needs. Accordingly, when personal advice has been provided in relation to the product the obligation under this TMD do not apply to the insurance broker or ProRisk.   |
| <b>Distribution Conditions</b> | <ul style="list-style-type: none"> <li>– This product can only be sold via an offer of cover and acceptance of cover.</li> <li>– This product can be sold to customers within the target market without the customer being provided with any financial product advice or, general or personal advice.</li> </ul> |
| <b>Distribution Method</b>     | <ul style="list-style-type: none"> <li>– This product can only be distributed by an insurance broker through manual quoting under the agreement between the broker and ProRisk. Distribution through brokers via offer and acceptance basis following submissions to ProRisk</li> </ul>                          |

## WHEN WILL WE REVIEW THIS DOCUMENT?

We will review this TMD in accordance with the below.

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| Initial review             | Within twelve (12) months of the effective date of the first TMD for this product  |
| Periodic reviews           | At least every twenty-four (24) months of the completion of the previous review  |
| Review triggers and events | <p>Any event or circumstances arise that would suggest the TMD is no longer appropriate. This may include (but not limited to):</p> <ul style="list-style-type: none"> <li>■ an event or circumstance that would materially impact on or change a factor taken into account when making the TMD that would suggest to Us that the TMD is no longer appropriate, such as a change in underwriting requirements;</li> <li>■ the product has not been materially distributed and purchased in a way that is significantly inconsistent with this TMD;</li> <li>■ a material change to the product including Product Disclosure Statement, Policy Wording information or assumptions upon which the TMD was formulated like the Application Process, pricing requirements, underwriting guidelines;</li> <li>■ feedback, such as significant or systemic complaints or claims issues, received from insurance brokers, distributors or customers who purchased the product, which are of a nature that suggest to us that the TMD is no longer appropriate;</li> <li>■ change of relevant law, regulatory guidance, industry code or feedback from regulators such as ASIC, APRA or other interested parties which has a material effect on the terms or distribution of the product.</li> </ul> <p>Where a review trigger has been identified, this Target Market Determination will be reviewed within ten (10) business days.</p> |

## REPORTING AND MONITORING THIS TARGET MARKET DETERMINATION

The Insurer will collect and may require ProRisk to report on the following information in relation to this TMD:

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| Complaints   | All complaints in relation to this product are reported to the Insurer on a monthly basis and not later than ten (10) business days after the agreed complaints reporting date. This will include written details of the complaints. The Insurer is notified of all complaints within 2 business days.  |
| Sales data   | Relevant sales and customer data in relation to this product on a monthly basis. If ProRisk become aware that the cover is issued to a customer that was ineligible for cover in accordance with the application process, ProRisk will notify the Insurer as soon as practicable after becoming aware of the matter, and within 10 business days.         |
| Claims data  | Where relevant, claims data in relation to this product on a monthly basis  |
| Significant dealings   | ProRisk will notify the Insurer if ProRisk or ProRisk's distributors become aware of a significant dealing in relation to the product that is inconsistent with the TMD within two (2) business days. This includes but is not limited to a consideration of the nature and degree of harm resulting from the issue of this product to a retail customer. |
| Communication from a regulator in relation to the product or TMD | ProRisk to report to the Insurer on same day  |