

Target Market Determination for ProRisk Financial Gap Assist

This Target Market Determination is designed to provide consumers, ProRisk staff and our authorised distributors with appropriate information to understand who this product has been designed for and our approach to determining that the product is likely to be consistent with the objectives, financial situations and needs of the consumer and the distribution conditions.

In this document the terms “we”, “us” or “our” refer to Professional Risk Underwriting Pty Ltd (“ProRisk”) ABN 80 103 953 073 AFS Licence No. 308076.

PRORISK FINANCIAL GAP ASSIST

This Financial Gap Assist Insurance (product) is designed to meet the financial loss you incur as a result of your vehicle being declared a Total Loss by your comprehensive motor vehicle insurer and your total loss payout is not sufficient to discharge your finance contract.

This Financial Gap Assist Insurance product provides a minimum benefit of \$5,000 in the event the vehicle is declared a total loss.

You can also apply for additional benefits for costs associated with replacing your vehicle.

This Target Market Determination (TMD) sets out the target market for:

- ProRisk – Financial Gap Assist Insurance Policy detailed in the Combined Product Disclosure Statement (PDS), Policy Wording and Financial Services Guide (FSG).

DISTRIBUTION OF THIS PRODUCT

This product is issued by Professional Risk Underwriting Pty Ltd (“ProRisk”) ABN 80 103 953 073 AFS Licence No. 308076 on behalf of the insurer Virginia Surety Company, Inc (VSC) ARBN 080 339 957 AFSL 245579 and distributed via:

- Authorised Insurance Brokers; or
- Authorised Representatives of Authorised Insurance Brokers.

Only our authorised insurance brokers and their authorised representatives are authorised to distribute this product as they understand the market this product has been designed for, have been trained in the relevant acceptance criteria and have the appropriate levels of authority.

This product can only be issued to consumers that are eligible for cover in accordance with the application criteria that has been approved in writing by the issuer and which complies with relevant laws.

The application process has been tailored to identify the target market described in this TMD as part of the eligibility criteria for the product covered by this TMD, and the use of the application process would make it more likely that the product covered by this TMD will be acquired by consumers in the target market.

This TMD is applicable for ProRisk Financial Gap Assist Insurance – 1 January 2024 issued by ProRisk. Conditions may apply. **This TMD contains general advice only and does not take into account your personal objectives, financial situation or needs and may not be right for you.** Always read the PDS, the policy wording and the applicable documents that accompanying the policy before selecting a policy. Prepared on: 1 January 2024. Effective from 1 January 2024

This product may not be suitable for you under the following circumstance:

- If the comprehensive insurance policy includes a new for old or replacement vehicle option in the event of a total loss.
- If the consumer has equity of 20% or more based upon the value of your vehicle i.e., the consumer has paid a \$2,000 deposit on a \$10,000 vehicle.

THIS PRODUCT IS SUITABLE FOR

- Consumers who take out a finance contract on a motor vehicle
- Consumers over 18 years of age at the commencement of cover
- Consumers whose motor vehicle is under 10 years old with a minimum purchased price of \$10,000 and a maximum purchase price of \$150,000

THIS PRODUCT IS NOT SUITABLE FOR

- Consumers whose vehicles are not financed via a finance contract.
- Consumers under 18 years of age at commencement of cover
- Consumers who use the motor vehicle for
 - Hire;
 - Carriage of passengers for fare/reward (but not including car-pooling arrangements);
 - Courier purposes;
 - Driver instruction (other than immediate family); or
 - Consumers who use the motor vehicle in motor sport of any kind including testing.

The ProRisk Financial Gap Assist Insurance is subject to the acceptance criteria.

The Product Disclosure Statement contains the detailed policy cover, terms, conditions and exclusions.

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

KEY BENEFITS

In the event the motor vehicle is declared a total loss, we will pay to the difference between the finance contract balance and the total loss payout and additional benefits for costs associated with replacing the vehicle.

There is a minimum claim payment of \$5,000 (irrespective of the loan balance outstanding) plus additional benefits. See table below.

Level of cover is based on the purchase price of vehicle.

Level	Vehicle Purchase Price	Maximum Outstanding Loan Balance Payment	Minimum Payment	Maximum Additional Benefits Payment
1	\$10,000 - \$25,000	\$10,000	\$5,000	\$4,000
2	\$25,001 - \$35,000	\$15,000	\$5,000	\$4,000
3	\$35,001 - \$50,000	\$20,000	\$5,000	\$4,000
4	\$50,001 - \$65,000	\$25,000	\$5,000	\$6,000
5	\$65,001 - \$80,000	\$30,000	\$5,000	\$6,000
6	\$80,001 - \$150,000	\$35,000	\$5,000	\$8,000

This TMD is applicable for ProRisk Financial Gap Assist Insurance – 1 January 2024 issued by ProRisk. Conditions may apply. **This TMD contains general advice only and does not take into account your personal objectives, financial situation or needs and may not be right for you.** Always read the PDS, the policy wording and the applicable documents that accompanying the policy before selecting a policy. Prepared on: 1 January 2024. Effective from 1 January 2024

KEY EXCLUSIONS

- When the comprehensive motor vehicle insurer has not made a total loss payment in full;
- When the comprehensive motor insurer offers to repair the vehicle, but the policy holder has instead requested the claim to be dealt with on a total loss basis;
- Any arrears on the repayments of the finance contract;
- Additional costs which the policyholder incurs as a result of there being amounts due under the finance contract which are not directly linked to the purchase or lease of the motor vehicle;
- Any negative equity;
- Driving whilst under the influence of alcohol or drugs;
- Engaging in a criminal act.

REVIEWING THIS DOCUMENT

We will review this TMD **within two years** from the effective date to ensure it remains appropriate and in compliance with the objectives, financial situations and needs of the consumer.

Furthermore, we will also review this TMD if any event or circumstances (called 'review triggers') occur that would reasonably suggest that the determination is no longer appropriate, such as:

- We make a material change to the cover provided by the product,
- A change in our acceptance criteria that impacts on the suitability of the product for the target market,
- A material change to the distribution of the product,
- The discovery of a relevant and material deficiency in the product's disclosure documentation,
- Systemic complaints and claims issues which indicate that the product is no longer suitable for the described target market,
- Material and relevant reductions in our key product suitability metrics such as:
 - Product acceptance, including feedback from our authorised insurance brokers and their authorised representatives and consumers;
 - Financial performance including significant changes in metrics including claims and loss ratios;
 - Product value and affordability; and
 - Systemic issues across the product life cycle.

We will review this TMD **within 10 business days** of the occurrence of any review trigger.

REPORTING

ProRisk must record all complaints received about this product on a quarterly basis (Complaints Reporting Period). Our authorised insurance brokers and their authorised representatives are also required to report to us if they become aware of significant dealing in this product which is not consistent with this TMD within 10 business days of becoming aware of such dealing. If the complaints are systemic and indicate that this product is no longer suitable for the described target market, we will review and update the TMD within the timeframe indicated above.

RECORD KEEPING

ProRisk will maintain records of the reasonable steps it has taken to ensure that this product is sold in a manner consistent with this TMD.

We will also prepare and maintain complete and accurate records of our decisions, and the reasons for those decisions, in relation to:

- All target market determinations for this product,
- Identifying and tracking review triggers,
- Setting review periods, and
- Any other matters documented in this TMD.

This TMD is applicable for ProRisk Financial Gap Assist Insurance – 1 January 2024 issued by ProRisk. Conditions may apply. **This TMD contains general advice only and does not take into account your personal objectives, financial situation or needs and may not be right for you.** Always read the PDS, the policy wording and the applicable documents that accompanying the policy before selecting a policy. Prepared on: 1 January 2024. Effective from 1 January 2024