

Target Market Determination

CommInsure Car Insurance Third Party
Property Damage Cover

Start date: 3 JUNE 2022

Next review due: 3 JUNE 2025

Review period: At least every 36 months from the start date of this Target Market Determination

What is a Target Market Determination?

A Target Market Determination (TMD) describes the cohort of customers that the product is targeted at (the Target Market) and any conditions around how the product is distributed to customers (the Distribution Conditions).

It also describes the events or circumstances where we are required to review the Target Market Determination for a financial product (the Review Triggers).

Why does CommBank need to have Target Market Determinations?

We're required to have Target Market Determinations under law. The purpose of the law is to make sure customers are at the centre of our approach when designing and distributing our financial products. This document is not a substitute for the product's terms and conditions or other disclosure documents.

When making a decision about this product, customers must refer to the relevant Product Disclosure Statement (PDS), Terms and Conditions or other disclosure documents.

Target Market

The table below matches the Product Attributes to the Objectives and Needs of the Target Market for this product. CommInsure has assessed that the product including its Key Attributes are likely to be consistent with the Objectives and Needs of the Target Market.

| Objectives and Needs | Product Attributes |
|--|--|
| Require insurance against loss of or damage to a car in Australia | <p>Provides cover for owners of private cars in Australia if an Insured Event occurs that results in loss or damage.</p> <p>The Insured Events covered by the product are:</p> <ul style="list-style-type: none"> • Damage from an identified uninsured driver; and • Legal liability for damage to other people’s property up to \$20 million. |
| Access to Additional Benefits if a claim is accepted | <p>Additional Benefits if a claim is accepted for loss of or damage to a private car caused by an Insured Event (subject to the Insured Event, policy limits and exclusions):</p> <ul style="list-style-type: none"> • Substitute vehicle: Cover for liability for damage to other people’s property caused by a substitute vehicle; and • Temporary cover for replacement vehicle: If you purchase another vehicle, we will provide you with temporary cover for the new vehicle. |
| Ability to pay premium by instalments | Option to pay premiums on a monthly or annual basis. |
| Ability to select amount of excess payable in the event of a claim | <p>Option to increase or decrease basic excess in exchange for a higher or lower premium.</p> <p>Total excess payable may vary based on factors including:</p> <ul style="list-style-type: none"> • age • claims history; • driving experience; • driving history; • type of car; • type of claim; and • whether the driver is declared on the policy. |



Financial Situation

The Financial Situation of the Target Market are customers that:

- want protection against unexpected loss as a result of loss or damage if an Insured Event occurs to a car they own.

Commlnsure views that its processes in place will mean that the Product will likely be consistent with the Financial Situation of the Target Market.

Customers outside of the Target Market

This product is not targeted at customers whose car:

- is used for hire, fare or reward including where the vehicle is being used as a ride sharing service, delivery service, driver instruction or similar;
- is used for participation in any motor sport, time trial or any other form of street or motor racing;
- is driven outside Australia;
- is unsafe or un-roadworthy;
- does not meet the registration requirements of the relevant State or Territory where it is ordinarily kept; or
- is used while on consignment.

The product is not available to insure certain types of cars (due to age, make, model and condition).

Eligibility criteria for the Product

To hold this product, customers will need to satisfy certain eligibility criteria, including that customers must:

- be individuals aged 15 years and above (unless by exception), or a company;
- have an address in Australia where the car is ordinarily parked overnight;
- meet Commlnsure's underwriting guidelines, which outline specific policy acceptance criteria. Some factors that increase the risk and may be unacceptable will be reviewed at the time of application or renewal, and may include:
 - modifications and accessories (such as turbo/supercharge);
 - driving history (such as loss of license or history of accidents);
 - criminal history (such as fraud or dishonesty); and
 - insurance history (such as previous insurance refused).



Distribution Conditions

CommInsure will have oversight over how the product is promoted and issued. The below table identifies the distribution channels which the product can be sold through and sets out the conditions that apply to each channel. CommInsure views that the conditions specified are appropriate and are of a nature that it will be likely that the product will be distributed to the target market.

Proprietary:

| Distribution Channels | Conditions that make product distribution through the channel appropriate |
|--|--|
| Staff assisted channels (e.g. customer service specialists, small business bankers, private bankers and relationship managers) | <p>CBA and CommInsure staff that distribute this product:</p> <ul style="list-style-type: none"> • are appropriately trained to understand and discuss the terms and conditions of the product and the key difference between insurance products; • must follow procedures that outline application eligibility and processes, including sales guidelines and scripting; and • are monitored through controls such as sample call monitoring or sales conduct incidents to ensure proprietary distribution adheres to procedures. |
| Online channels (e.g. CommBank website, NetBank and the CommBank app) | <p>CBA's online channels provide our customers:</p> <ul style="list-style-type: none"> • information about the products with a summary of Insured Events, Additional Benefits and Optional Covers; • the ability to customise quotes; • information that assists our customers to decide if they wish to insure their vehicle for market value or agreed value; and • availability of live web-chat. |

Third Party:

| Distribution Channels | Conditions that make product distribution through the channel appropriate |
|--|---|
| This product cannot be distributed through third parties | N/A |



Review Triggers

If any of the below review triggers occur, or if an event or circumstance has occurred that would reasonably suggest that the TMD may no longer be appropriate, CommInsure will undertake a review of this TMD:

| Information Type | Description |
|-------------------------------|---|
| Customer Outcomes | <p>Unexpected trends in customer outcomes which are inconsistent with the intended product performance, including the following:</p> <ul style="list-style-type: none"> • increased or decreased numbers of declined claims which show the TMD may no longer be appropriate for the product; • increased or decreased numbers of policy cancellations; and • increased numbers of policyholders aged under 15 years old. |
| Complaints | <p>Unexpected trends in complaints received from customers who acquired the product, for example:</p> <ul style="list-style-type: none"> • distribution (e.g. misrepresentation or miss-selling from staff); • product suitability (e.g. sale of a Car insurance policy to a customer who requires coverage for a commercial delivery vehicle); and • product attributes (e.g. claims for Insured Events, Additional Benefits or Optional Covers). |
| Incident Data | <p>A material incident or increased number of incidents identifying potential breaches of our legal or regulatory obligations in relation to the product design or its distribution.</p> |
| Changes to the Product | <p>The material alteration of the product or product terms and conditions (e.g. adding to, removing or changing a key product attribute; significant change to distribution channel and distribution strategy).</p> |
| Significant Dealings | <p>Any significant dealing of the product to customers who are outside of the Target Market.</p> |
| Notification from ASIC | <p>The receipt of a product intervention power order from ASIC requiring CBA or CommInsure to immediately cease retail product distribution conduct in respect of the product.</p> |
| Other Events or Circumstances | <p>Any other event or circumstance that CBA or CommInsure views would materially change a factor taken into account in making the TMD.</p> |



Review Trigger Information Reporting Requirements

The following information must be provided to CBA or Commlnsure by all third parties responsible for the retail product distribution conduct of this product in accordance with this TMD, within the required time frames:

| Information Type | Description | Time Frame for Reporting |
|-------------------------|--|---|
| Product Complaints Data | Information relating to complaints received including number of complaints, third party distributor identifier information, product name and complaint verbatim. | Monthly, and in any case no later than 10 business days from the end of the month. |
| Significant Dealings | Any significant dealing of the product to customers who are outside of the Target Market. | As soon as practical, and in any case, no later than 10 business days after becoming aware. |

Product Issuer: Commonwealth Insurance Limited ABN 96 067 524 216, AFSL 235030 (CIL). Commlnsure is a registered business name of CIL. CIL is a wholly owned non-guaranteed subsidiary of Commonwealth Bank of Australia ABN 48 123 123 124 (Commonwealth Bank) and is the insurer for this product. The Commonwealth Bank and its related entities are jointly referred to in this document as the Commonwealth Bank Group.

