

# Target Market Determination

CommInsure Car Insurance  
Comprehensive 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

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## 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).

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## 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. Commlnsure 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"> <li>• Collision or impact damage;</li> <li>• Fire Damage;</li> <li>• Legal Liability for damage to other people’s property up to \$20 million;</li> <li>• Storm, hail, or flood damage;</li> <li>• Theft or attempted theft;</li> <li>• Theft of keys; and</li> <li>• Vandalism or malicious act.</li> </ul>
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"> <li>• <b>Accidental death:</b> If the driver dies as a direct result of an Insured Event, payment is made to the estate of the deceased driver;</li> <li>• <b>Baby Capsules and child seats:</b> If the baby capsule/s or child seat/s fitted to the vehicle are damaged or stolen, payment is made towards the replacement of the baby capsule/s or child seat/s;</li> <li>• <b>Domestic pets:</b> If domestic pet/s are injured, payment towards veterinary expenses is made;</li> <li>• <b>Emergency accommodation costs:</b> If the incident occurs more than 200 kilometres from home and the vehicle cannot be safely driven, payment is made towards the cost of emergency accommodation;</li> <li>• <b>Emergency repairs:</b> If emergency repairs are necessary to enable you to drive the vehicle home or to a repairer, payment is made towards emergency repair costs;</li> <li>• <b>Hire car following theft:</b> If the claim is made as a result of ‘Theft or attempted theft’, we will arrange a hire car;</li> </ul>



Objectives and Needs	Product Attributes
Access to Additional Benefits if a claim is accepted	<ul style="list-style-type: none"> <li>• <b>Personal items other than mobile phones, computers, business tools and cash:</b> Payment towards replacement costs of mobility device/s and disability aid/s, and other personal items if they are damaged or stolen;</li> <li>• <b>Replacement of new vehicle after a total loss (new for old):</b> Replacement of a new vehicle following a total loss in its first 24 months of registration and you are the first registered owner (excludes demonstrator models);</li> <li>• <b>Substitute vehicle:</b> Cover for liability for damage to other people's property caused by a substitute vehicle;</li> <li>• <b>Temporary cover for replacement vehicle:</b> If you purchase another vehicle, we will provide you with temporary cover for the new vehicle;</li> <li>• <b>Towing and storage costs:</b> Cover for removal, towing and storage of the vehicle if it is un-roadworthy or unsafe to drive;</li> <li>• <b>Trailers and caravans:</b> Cover for loss or damage to a trailer or caravan that is attached to the vehicle; and</li> <li>• <b>Transportation costs:</b> Cover for transportation costs if the vehicle is un-roadworthy or unsafe to drive.</li> </ul>
Access to additional insurance options	<p>Option to add one or more of the following Optional Covers for an additional premium:</p> <ul style="list-style-type: none"> <li>• <b>Hire car following incident:</b> If there is a loss or damage to the vehicle from an Insured Event, we will arrange a hire car;</li> <li>• <b>Protected no claim discount:</b> If there is a claim which would normally reduce your No Claim Discount (NCD) or Rating on the next renewal, NCD or Rating will not be affected by that claim; and/or</li> <li>• <b>Removal of excess for glass damage:</b> Where only your windscreen or window glass is damaged as a result of an Insured Event, excess is waived for that claim. This option applies to one claim in a Period of Insurance.</li> </ul>
Ability to reduce premium by restricting use by young drivers	<p>Option to add a <i>driver age restriction</i> for a reduced premium: No coverage for any loss, damage or liability whilst the vehicle is being driven by a person who is under 30 years of age.</p>
Ability to pay premium by instalments	<p>Option to pay premiums on a monthly or annual basis.</p>



Objectives and Needs	Product Attributes
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"> <li>• age;</li> <li>• claims history;</li> <li>• driving experience;</li> <li>• driving history;</li> <li>• type of car;</li> <li>• type of claim; and</li> <li>• whether the driver is declared on the policy.</li> </ul>

## 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.

CommInsure 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

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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

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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; and
- have an address in Australia where the car is ordinarily parked overnight;
- meet CommInsure'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 history 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"> <li>• are appropriately trained to understand and discuss the terms and conditions of the product and the key difference between insurance products;</li> <li>• must follow procedures that outline application eligibility and processes, including sales guidelines and scripting; and</li> <li>• are monitored through controls such as sample call monitoring or sales conduct incidents to ensure proprietary distribution adheres to procedures.</li> </ul>
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"> <li>• information about the products with a summary of Insured Events, Additional Benefits and Optional Covers;</li> <li>• the ability to customise quotes;</li> <li>• information that assists our customers to decide if they wish to insure their vehicle for market value or agreed value; and</li> <li>• availability of live web-chat.</li> </ul>



### Third Party:

<b>Distribution Channels</b>	<b>Conditions that make product distribution through the channel appropriate</b>
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:

<b>Information Type</b>	<b>Description</b>
Customer Outcomes	Unexpected trends in customer outcomes which are inconsistent with the intended product performance, including the following: <ul style="list-style-type: none"><li>• increased or decreased numbers of declined claims which show the TMD may no longer be appropriate for the product;</li><li>• increased or decreased numbers of policy cancellations; and</li><li>• increased numbers of policyholders aged under 15 years old.</li></ul>
Complaints	Unexpected trends in complaints received from customers who acquired the product, for example: <ul style="list-style-type: none"><li>• distribution (e.g. misrepresentation or miss-selling from staff);</li><li>• product suitability (e.g. sale of a Car insurance policy to a customer who requires coverage for a commercial delivery vehicle); and</li><li>• product attributes (e.g. claims for Insured Events, Additional Benefits or Optional Covers;).</li></ul>
Incident Data	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.
Changes to the Product	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).
Significant Dealings	Any significant dealing of the product to customers who are outside of the Target Market.



Information Type	Description
Notification from ASIC	The receipt of a product intervention power order from ASIC requiring CBA or Commlnsure to immediately cease retail product distribution conduct in respect of the product.
Other Events or Circumstances	Any other event or circumstance that CBA or Commlnsure views would materially change a factor taken into account in making the TMD.

## 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.

