

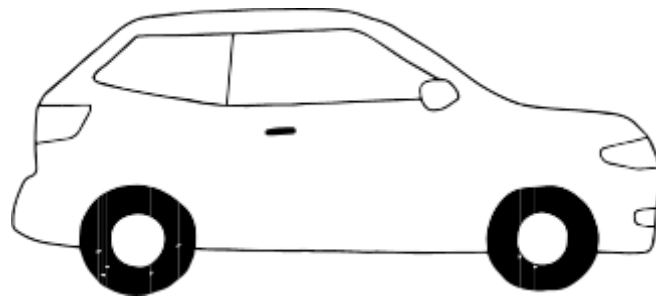
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Target Market Determination (TMD)

for ahm Car Insurance



This document is the Target Market Determination (**TMD**) for ahm Car Insurance (**Product**) issued by the insurer, The Hollard Insurance Company Pty Limited ABN 78 090 584 473, AFSL 241436 (**Hollard**). This TMD is effective from 2 December 2025 for policies purchased on or after this date. For historical versions of this document please click here www.ahm.com.au.

Open Insurance Pty Ltd, ABN 23 166 949 444, AFSL 451712 (**Open**) has binding authority from the insurer to issue, vary or dispose of this insurance. ahm health insurance, a business of Medibank Private Limited (ABN 47 080 890 259) (ahm), is the promoter of this insurance. ahm is an authorised representative (AR 286089) of Open. ahm and Open act as agents of Hollard and not on the customer's behalf.

Purpose of this document

As the insurer, Hollard wants to make sure that the Product is likely to be suitable for the customers who buy it. The purpose of this TMD is to set out how Hollard does this.

A product is suitable for customers if it would be reasonable for Hollard to conclude that the Product is likely to meet the likely objectives, financial situation and needs of those customers. This TMD describes the circumstances in which Hollard believes the Product is likely to be suitable. Customers who fit those circumstances are collectively referred to as Hollard's target market. The target market for this Product is set out in the text boxes throughout this TMD.

It is important to note that this TMD does not take anyone's personal circumstances into account. Even if a customer fits the description of Hollard's target market, and the Product is offered, that does not necessarily mean that the Product is appropriate for the customer's personal circumstances. No one knows a customer's situation better than themselves, so before making any decisions about the Product, the customer should read the Product Disclosure Statement (PDS) and any applicable Supplementary Product Disclosure Statement (SPDS) to understand the Product and decide if the Product is right for them.

Also, this TMD does not include all the factors that Hollard considers when deciding whether to issue a policy. For example, Hollard has a set of underwriting criteria that is used to assess whether a risk is of a type or level that Hollard wishes to insure. These factors may change over time or in different circumstances. These factors are applied when deciding whether to offer, issue, renew or agree to vary a policy.

What insurance does the Product provide?

This Product is designed to provide value and fulfill a well-founded need for insurance cover for a car the customer owns which is mainly used for private purposes. The Product offers two levels of cover to choose from:

- Comprehensive Cover (including Pay As You Drive Cover); and
- Third Party Property Cover (TPPC) (with the option to add Fire & Theft Cover).

What are the Objectives and Needs of the Target Market?

The table below provides a broad overview of the insurance and matches the Product Attributes to the Objectives and Needs of the Target Market for this Product. Hollard has assessed that the Product including its key Product Attributes are likely to be consistent with the Objectives and Needs of the Target Market.

Before making any decisions about the Product, the customer should read the PDS. It provides complete information about the insurance, including coverage, exclusions, excesses, limitations, terms and rights and obligations.

Objectives and Needs	Product Attributes
Require Comprehensive Cover in Australia against loss of or damage to a car the customer owns.	The events covered by the Comprehensive Product are: <ul style="list-style-type: none"> • accidents; • collisions; • theft or attempted theft; • malicious damage; • fire (including bushfire); and • natural events.
Require TPPC against loss or damage to other people's property in Australia and if the car has been damaged in a collision caused by another person who is uninsured.	The TPPC Product covers: <ul style="list-style-type: none"> • damage to other people's property (legal liability, see below); and • the lesser of up to \$3,000 or the market value of the car if damaged in an accident caused by another person who is uninsured.
Require financial protection from legal liability for compensation for damage to other people's property.	The Product provides insurance up to \$20 million for damage that arises from an at fault accident by person(s) as defined as 'you, your' in the PDS caused by the insured car, a substitute car, or the customer's

Objectives and Needs	Product Attributes
	trailer or caravan attached to the car at the time of the accident.
<p>Require access to the following benefits if the car suffers loss or damage to one of the events covered by the Product. Limits, terms and conditions apply to all benefits as defined within the PDS and any applicable SPDS.</p>	<p>Benefits below are covered under Comprehensive Cover only:</p> <p><i>New for old car replacement for a defined time period:</i> Replacement of a car following a total loss and the customer was the first registered owner, or the car was a dealer demonstrator model when the customer bought it.</p> <p><i>Trailer and caravan cover:</i> For any accidental loss or damage to a trailer or caravan while it is attached to the car.</p> <p><i>Transit cover:</i> Cover for loss or damage to the car whilst it is being transported between any places in Australia.</p> <p><i>Child safety seats and prams:</i> For the cost of replacing child seats, baby capsules and prams that were in the car and were damaged or stolen.</p> <p>Benefits below are covered under both Comprehensive Cover and the optional Fire & Theft Cover under TPPC:</p> <p><i>Hire car after theft-up to \$70 per day for up to 14 days:</i> For a hire car if the claim is made as a result of theft.</p> <p><i>Essential repairs:</i> If essential temporary repairs are necessary to restore the car to a roadworthy and safe condition to drive to the intended destination.</p> <p><i>Personal property:</i> For accidental loss, theft or damage to personal items designed to be worn or carried that are in the car at the time of an event.</p> <p><i>Emergency travel and accommodation:</i> If the car cannot be driven and is located further from home than the distance specified in the PDS or any applicable SPDS.</p> <p><i>Locks and keys:</i> To replace or recode the car's locks and keys if the car keys are stolen. The basic excess will apply.</p>

Objectives and Needs	Product Attributes
	Towing costs: For towing a damaged car to the nearest safe and secure place and to an approved repairer.

When a claim is payable, a number of different excesses may apply in various circumstances. If more than one excess applies to a claim, they are added together to work out the total excess payable.

One type of excess is called the basic excess. When purchasing or renewing a policy, the basic excess can be chosen from a range of options to suit the customer's needs. A lower basic excess may save money at time of a claim but would normally increase the premium. A higher basic excess may reduce the premium but could cost more at time of a claim.

What is the target market for the Product?

The overall target market for the Product is customers who require insurance and/or legal liability cover for a car they own, meaning a car they:

- drive; and/or
- are financially responsible for.

In addition, each cover and option has its own target market.

Some factors that may place customers outside of the target market:

The following types of customers will fall outside the target market for this Product if the insured car:

- is mostly used for business purposes;
- was not legally registered when purchasing the policy;
- is mainly used to earn a fee or reward by hiring out, carrying passengers, delivering goods, or giving driving lessons;
- is driven by people who fall under any age restriction shown on the Certificate of Insurance;
- requires insurance outside of Australia; and
- is not kept in good repair.

What is the target market for each level of cover for the Product?

Comprehensive

Comprehensive Cover is designed to cover accidental loss or damage to the insured car regardless of who is at fault, and/or accidental loss or damage caused by the insured car to other people's property if the driver of the insured car is at fault.

An insured who had chosen TPPC instead of Comprehensive Cover would have no cover for the insured car in the event of an accident where the insured is at fault, writes off the insured car and/or causes damage to other car/s. In purchasing Comprehensive Cover, an insured in such an accident would only have to pay the excess on the claim – they would be better off by an amount equal to the value of the car.

For customers who have a loan or finance attached to the insured car:

- loan or finance terms often require Comprehensive insurance cover for the insured car; and/or
- without Comprehensive Cover for the car if the car is damaged or written off in a claimed event, the car owner may suffer a partial or total loss of the car, which they would have to pay for and may also be required to pay off the balance of the loan or finance (sometimes immediately and in full).

The target market for **Comprehensive Cover** is customers:

- requiring insurance for the events listed above for a car they own; and
- want insurance to cover liability for loss or damage to other people's cars or property when the driver of their car is at fault.

Third Party Property Cover (TPPC)

TPPC will cover repairs or payment to the owner of another person (a third party)'s car or property that is involved in an accident caused by a driver of the insured car. It does not cover repair or damage to the insured car.

The target market for **TPPC** is customers who:

- want insurance to cover their liability for any loss or damage to other people's cars or property when the driver of their car is at fault;
- do not want, may not get value from, or is ineligible for, Comprehensive Cover (for example, due to the age or value of the car or the additional premium); and/or
- does not have a loan or other form of finance over the insured car.

What is the target market for the relevant cover options?

Market Value vs Agreed Value

For Comprehensive Cover, at the time of purchase or at time of renewal, the customer can select either from Market Value or Agreed Value, which is the maximum amount that will be paid in the event that the insured car is determined as a total loss.

Market Value

Market Value is the reasonable market-related value that the market would pay for the insured car immediately before its loss or damage, taking into account the age, make, model, conditions and kilometres travelled by the car and having regard to relevant industry publications and data sources to help determine the amount. The amount does not include any registration costs, stamp duty or transfer fees or allowance for dealer delivery. The Market Value may be subject to a limit, which if applicable will be shown on the Certificate of Insurance.

Agreed Value

If Agreed Value is chosen, this is an amount the customer has requested that the insured car be insured for and is agreed by Hollard. The Agreed Value for the car is shown on the current Certificate of Insurance, where applicable. This amount may change with each subsequent renewal.

The target market for **Market Value** is customers who want to insure their car for its market value, as reasonably determined by the insurer at the time of the claim.

The target market for **Agreed Value** is customers who want to insure their car for a specified value agreed with the insurer at the time the Product is purchased or renewed.

Age restriction

Each cover can be excluded where the driver is under 25 years old. This will generally reduce the cost of the Product.

The target market for the **driver age exclusion** option is customers who expect that the car will not be driven by someone who is under 25.

Pay As You Drive Cover

Pay As You Drive Cover is an option designed to provide Comprehensive Cover at a lower premium for cars that are expected to be driven no more than 15,000 kms per year.

The target market for **Pay As You Drive Cover** is customers in the target market for Comprehensive Cover who expect to drive no more than 15,000kms per year.

Hire Car Cover

Hire Car Cover is an optional cover available for an additional premium with Comprehensive Cover. Hire Car Cover is an optional extra which helps pay for a hire car after other claimed events such as fire, natural events and car accidents, and extends the hire car period covered for theft. It contributes to the cost of hiring a substitute car for use while the insured car is being repaired or replaced after a claimed event. The cover pays up to \$70 a day for up to the maximum period specified in the Certificate of Insurance.

Hire Car Cover does not necessarily cover the full daily cost of hiring a similar car to the insured car (for example, if the insured car is a large car, a luxury car or a specialist vehicle), and may not cover the full period that a hire car is needed if it is longer than the maximum number of days covered.

Hire Car After Theft Cover is automatically included with Comprehensive Cover. This cover applies if the insured car is stolen. It contributes to the cost of hiring a replacement car until the insured car is recovered and repaired or replaced or the claim is paid for the theft. The cover pays up to \$70 per day for up to the maximum hire period of 14 days.

The target market for the optional **Hire Car Cover** is customers who are in the target market for Comprehensive Cover and who are likely to want a hire car if they have a claim for damage or wish to extend the additional benefit Hire car after theft.

Excess-free Windscreen Cover

Excess-free Windscreen Cover is an optional cover available for an additional premium with Comprehensive Cover.

If the front windscreen is damaged and it is the only damage claimed, there is no excess applicable when claiming for that damage to the first front windscreen claim made in any one period of insurance. One excess-free claim is permitted per period of insurance (usually one year).

The target market for **Excess-free Windscreen Cover** is customers who are in the target market for Comprehensive Cover and want the added peace of mind in relation to their excess in case their windscreen is damaged.

Excess-free Kangaroo Damage Cover

Excess-free Kangaroo Damage Cover is an optional cover available for an additional premium with Comprehensive Cover.

If the insured car is accidentally damaged due to a collision with a kangaroo or other animal, there is no excess applicable when claiming for that damage to the first animal collision claim made in any one period of insurance. One excess-free claim is permitted per period of insurance (usually one year).

The target market for **Excess-free Kangaroo Damage Cover** is customers who are in the target market for Comprehensive Cover and want the added peace of mind in relation to their excess in case the insured car collides with a kangaroo or other animal.

Sports Gear Cover

Sports Gear Cover is an optional cover available for an additional premium with Comprehensive Cover.

If any of the sports gear as defined in the PDS is accidentally lost or damaged as a result of the claimed events as set out in the PDS, it will be covered up to \$3,000 of cover for any one claim and in any one period of insurance.

The target market for **Sports Gear Cover** is customers who are in the target market for Comprehensive Cover who want to have additional cover for sports gear (as defined in the PDS) up to a value of \$3,000.

Fire & Theft Cover

Fire & Theft Cover is an optional cover available for an additional premium with TPPC.

Fire & Theft Cover provides cover for damage caused to the insured car from fire (including bushfire), theft or attempted theft up to the market value of the car or \$10,000 (whichever is lower).

The target market for **Fire & Theft Cover** is TPPC customers who require cover for loss or damage to the insured car caused by fire, theft or attempted theft and have a car that is valued at or under \$10,000 at the time of purchasing or renewing the policy.

Eligibility criteria

To purchase the Product, customers will need to satisfy certain eligibility criteria, including that customers must:

- have an address in Australia where the car is ordinarily parked overnight;
 - for the optional Fire & Theft Cover, have a car that is valued at or under \$10,000 at time of purchasing or renewing the policy;
 - have the ability to receive policy documents electronically and want to service their product through an online portal or webchat function; and
 - meet Hollard's underwriting guidelines, which outline specific policy acceptance criteria.
- Some factors which may mean a customer or their car does not meet Hollard's underwriting

guidelines will be reviewed at the time of application or renewal, and may include the customer's:

- modifications and accessories;
- type of car (due to age, make, model and condition);
- driving history (such as loss of license or history of accidents);
- criminal history (such as fraud or dishonesty);
- claims history (claims made prior to and during the period of insurance); and
- insurance history (such as previous history of declined insurance).

If a customer does not satisfy the eligibility criteria then they are outside of the target market.

Financial Situation

The target market for the Product is intended for customers who have all of the following financial criteria:

- want protection against unexpected financial costs that occur as a result of loss or damage from a claimable event to a car they own and/or to another person's car;
- (for TPPC) have considered the potential financial loss of the car;
- (for the optional Fire and Theft Cover) have considered the potential financial loss to them if the car increases in market value to be more than the fixed maximum limit of \$10,000;
- have considered the potential financial loss outside of the fixed limits and maximum claim limits provided by the Product, and for any damage that may be excluded from cover;
- understand that the finalisation of claims payments are not immediate; and
- have the ability to pay (having regard to personal circumstances and vulnerability or hardship considerations):
 - the applicable excess at the time of a claim;
 - premiums, fees and government charges in advance at the time of policy inception, at renewal or by monthly payments;
 - if applicable, the Policy Arrangement Fee at the time of policy inception and renewal; and
 - for emergency accommodation costs, essential repairs, hire car or transportation costs upfront if this is required.

If a customer does not meet the financial criteria then they are outside the target market. Hollard considers that the processes it has in place before the Product is purchased and at renewal means that the Product will likely be consistent with the financial situation of the target market.

Distribution conditions

Hollard has a range of supervision and monitoring procedures and contractual arrangements with Open (and where necessary, appropriate remediation action is taken) to help ensure that customers purchasing and renewing the Product are only offered Products if they are likely to be in the target market for the relevant levels of cover and options.

New policies

The Product is sold through Open via an online quote-line.

Before purchasing the Product, a series of questions will be asked to help Open decide:

- if the customer is in the target market for the Product and the relevant levels of cover and options;
- if the customer meets Hollard's underwriting guidelines; and
- what premium should be charged.

Renewals

Before a policy expires, Open will consider:

- the information previously provided to Open;
- how long it has been since that information was provided or updated;
- likely changes in the market value or agreed value of the Car; and
- other potential changes.

Based on this information, Open will consider whether it is likely that the customer is in the target market for the current level of cover, whether renewal will be offered, and if so whether an offer to renew at the same level of cover or a different level of cover is made. In making this determination, regard to the likely impact on customers of offering cover to customers who are not in the target market and of other various alternatives will be given.

Open will then contact the customer to confirm the information held that is relevant to assessing whether they are in the target market, offer to renew the policy (or notify that renewal will not be offered), and ask to contact Open if there are any changes or questions. If Open determines that the customer is not likely to be in the target market for the current level of cover, or if Open offers a different level of cover on renewal, or if Open declines to renew, this will be explained clearly and prominently.

If, having been sent the renewal communication, the customer contacts Open with any changes or instructions, accepts the renewal offer and/or allows a renewal to proceed on the terms offered, this will be taken into account in determining whether the customer is likely to be in the target market.

TMD Reviews

Hollard will review this TMD within 24 months of the effective date or if there is a change in distribution conditions; or immediately following a significant dealing; or when a review trigger occurs to make sure it remains appropriate.

Effective date: 2 December 2025

Next review date: 2 December 2027

Additional reviews may be triggered if Hollard determines that there has been an event or circumstance that reasonably suggests that this TMD needs to change. This would be the case if it is no longer reasonable to conclude that:

- if the Product is issued to a customer in accordance with the distribution conditions, it would be likely that the customer is in the target market; or
- the Product is likely to be suitable for customers in the target market.

Review triggers could be identified from:

- changes to the Product terms;
- incidents, audit findings or significant dealings;
- information received from and/or in relation to distributors that fall outside of an established range (see below);
- changes to Hollard's underwriting guidelines; and
- feedback and policy from ASIC, AFCA, Code Governance Committee and/or other relevant bodies.

Hollard takes reasonable steps to monitor relevant information (including the information referenced above) and other metrics to assess if our TMD needs to be reviewed and reassessed.

Reporting obligations

Open is required to report the following information to Hollard at the following times:

Reportable matter	When
The number of policies sold or renewed that are not within the target market.	As soon as practicable after becoming aware of the matter, and no later than 10 business days.
The number of policies sold.	On a monthly basis.
Lapse rates and cancellation rates.	On a monthly basis.
Product claim ratios including the numbers of claims lodged and the claim outcome.	On a monthly basis.
The Product is issued to a customer in breach of the distribution conditions or outside of the target market.	As soon as practicable after becoming aware of the matter, and no later than 10 business days.
The nature and number of complaints received about the Product in the reporting period.	On a monthly basis.
If there are any significant dealings that are inconsistent with the TMD.	As soon as practicable after becoming aware of the matter, and no later than 10 business days.
Any incident relating to the Product or its distribution.	As soon as practicable after becoming aware of the matter, and no later than 10 business days.