



# Target Market Determination

## Product: 360 Mobile Plant and Machinery Insurance

Product Disclosure Statement: Prepared on 15 January 2025. Ref No: 360PEMPMPDSV325

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Issuer: AIG Australia Limited (AIG) ABN 93 004 727 753 AFSL No 381686

## What is a target market determination?

A Target Market Determination (TMD) is a determination that AIG has made that sets out:

- the class of customers that comprise AIG's target market for this Product, taking into consideration their likely needs, objectives and financial situation;
- any conditions and restrictions placed on retail product distribution conduct in relation to the Product;
- the events and circumstances that would reasonably suggest that the TMD is no longer appropriate;
- the review periods for the TMD; and
- the reporting obligations for the TMD.

This TMD does not provide any financial product advice on the Product and does not take into consideration the needs, objectives and financial situation of individual customers.

The terms and conditions of the Product are set out in the Product Disclosure Statement (PDS). Insurance products and services are provided by AIG Australia Limited ABN 93 004 727 753 AFSL 381686. This TMD does not form part of the insurance contract and is not a summary of the Product's terms and conditions.

Customers should review the PDS before making any decision on whether to purchase this Product. AIG will make this TMD available to any person, upon request, free of charge.

Terms used in this TMD, which are defined in the *Corporations Act*, have the same meaning as under that legislation.

## Application of this TMD

This TMD only applies to customers who acquire the Product as Retail Clients, namely when the customer is an individual or small business (a business which employs less than 100 people, if a manufacturing business, or otherwise 20 people) who own or provide a hiring service for mobile plant and equipment. This TMD does not apply to other customers (wholesale clients) who may purchase the Product.

## 1. Target Market

This section of the TMD describes the class of retail client customers who comprise the target market for the Product, taking into account their likely needs, objectives and financial situation.

Outlined below is a description of the Product, key eligibility criteria and key Product attributes that affect whether this Product is likely to meet the needs, objectives and financial situation of the target market.

The target market is retail client customers:

- who meet key eligibility criteria of the Product; and
- where the key Product attributes meet their likely needs, objectives and financial situation.

## Product Description & Key Attributes

The Product provides cover under three sections, Section One (Material Damage), Section Two (Registered Insured Items Liability) and Section Three (Broadform Liability) (subject to conditions which are outlined in the Product Disclosure Statement). The product is designed to cover financial loss for a range of circumstances as detailed in the policy wording including:

- Under Section 1, protections for plant or machinery or Motor Vehicles identified as insured items in the policy schedule including the cost of the repairs to, or replacement of, that plant and machinery or Motor Vehicles arising from accidental, sudden and unforeseen physical loss, theft, destruction or damage to that Mobile Plant occurring in the Commonwealth of Australia.
- Under Section 2, legal liability for compensation to a third party in respect of property damage and compulsory third party gap coverage occurring within the Commonwealth of Australia arising from Registered Insured items being driven as a Motor Vehicle.
- Under Section 3, legal liability for compensation to a third party in respect of personal injury or property damage in connection with your Business occurring anywhere in the world excluding the United States of America or Canada.

Please refer to the PDS for full details of Product coverage including benefits.

## Key Eligibility Criteria

The table below provides a summary of the key eligibility criteria of this Product. This outlines the types of persons and companies and types of plant and machinery and Motor Vehicles that this Product is available for. This Product is subject to underwriting criteria prior to acceptance.

### Section 1: Material Damage

This cover is suitable for:	This cover is NOT suitable for:
<p><b>A person(s) or business(es) that:</b></p> <ul style="list-style-type: none"> <li>- operate a business located in the Commonwealth of Australia;</li> <li>- owns or hires in plant and machinery or Motor Vehicles:               <ul style="list-style-type: none"> <li>• located within the Commonwealth of Australia;</li> <li>• used wholly or predominantly in connection with the Insured's business activities;</li> <li>• that are of a make and model acceptable to the Issuer;</li> <li>• that if driven, are (if applicable) roadworthy and otherwise safe to drive</li> </ul> </li> <li>- is seeking a product that can cover financial protection for physical damage to plant and machinery or Motor Vehicles;</li> <li>- have the ability to pay premiums up front and any excesses or co-payments in the event of a claim.</li> </ul>	<ul style="list-style-type: none"> <li>- A person(s) or a business(es) that:           <ul style="list-style-type: none"> <li>do not operate a business located in the Commonwealth of Australia;</li> <li>- do not own or hire in plant and machinery or Motor Vehicles</li> <li>- are unlicensed unless permitted by law;</li> <li>- are under the influence of drugs or alcohol;</li> <li>- using the plant and machinery or Motor Vehicles for a race, trial, test, contest, illegal purpose or any other purpose other than for which it was designed;</li> </ul> </li> <li>- Plant and machinery located outside the Commonwealth of Australia.</li> </ul>

### Section 2: Registered Insured Items Liability

This cover is suitable for:	This cover is NOT suitable for:
<p><b>A person(s) or business(es) that:</b></p> <p>Requires material damage cover (Section 1) and:</p> <ul style="list-style-type: none"> <li>- operates a business located in the Commonwealth of Australia;</li> <li>- owns or hires in plant and machinery or Motor Vehicles registered for road use and:               <ul style="list-style-type: none"> <li>• is located within the Commonwealth of Australia;</li> <li>• is used wholly or predominantly in connection with the Insured's business activities;</li> <li>• that are of a make and model acceptable to the Issuer;</li> <li>• that if driven, are (if applicable) roadworthy and otherwise safe to drive</li> </ul> </li> <li>• is registered with the relevant transport authority in the Commonwealth of Australia</li> </ul>	<ul style="list-style-type: none"> <li>- <b>A person(s) or business(es) that:</b> <ul style="list-style-type: none"> <li>• does not take out material damage cover (Section 1);</li> <li>• does not operate a business located in the Commonwealth of Australia;</li> <li>• does not own or hire in plant and machinery or Motor Vehicles registered for road use;</li> <li>• own or hire in unregistered or unroadworthy plant and machinery or Motor Vehicles;</li> <li>• own or hire in plant and machinery or Motor Vehicles located outside the Commonwealth of Australia;</li> <li>• own or hire in plant and machinery not used wholly or predominantly in connection with the Insured's business activities;</li> <li>• seek cover for compulsory third party insurance for bodily injury cover;</li> </ul> </li> </ul>

## Section 3: Broadform Liability

This cover is suitable for:	This cover is NOT suitable for:
<p><b>A person(s) or business(es) that:</b> Requires material damage cover (Section 1) and:</p> <ul style="list-style-type: none"> <li>- own and/or operate plant and machinery;</li> <li>- are seeking a product that covers damage to a third party's property and/or injury to a third party that arises out of their business activities;</li> <li>- are seeking a product that includes cover for cross liability, first aid expenses, property in insured's care, custody and control, vibration and removal of support;</li> <li>- may seek to have additional optional covers or increased sub limits to adequately cover their individual circumstances;</li> <li>- have the ability to pay the premiums up front and any excess in the event of a claim.</li> </ul>	<p><b>A person(s) or business(es) that:</b> Does not take out material damage cover (Section 1) and:</p> <ul style="list-style-type: none"> <li>- does not own and/or operate plant and machinery;</li> <li>- is predominantly involved in underground mining, underground tunnelling, machinery sales and servicing, cereal crop harvesting, logging and forestry and waste recycling;</li> <li>- require cover for dealing with asbestos or similar products.</li> </ul>

### Needs and Objectives

This Product is likely to meet the needs and objectives of:

#### **Material Damage Cover:**

A person or business that seeks protection for one or more Mobile Plant and ancillary Motor Vehicle(s) for the financial detriment or burden resulting from accidental loss of damage to or theft of their insured Mobile Plant or Motor Vehicle(s).

A person or business that is able to pay premiums in accordance with the chosen premium structure and any excess in the event of a claim in accordance with the chosen excess option.

#### **Registered Insured Item Liability Cover**

A person or business that seeks protection for one or more Registered Insured Items for legal liability for Personal Injury to another person and Property Damage to someone else's property arising from the use of their Registered Insured Items as Motor Vehicles.

#### **Broadform Liability Cover**

A person or business that seeks protection for Personal Injury or Property Damage for legal liability for Personal Injury to another person and Property Damage to someone else's property in connection with your Business.

A summary is provided below of the key product features outlining what is covered and what is not covered.

## Definition of Motor Vehicle

The definition of Motor Vehicle differs for Section 1 and Sections 2 and 3 as follows:

Section 1: Motor Vehicle means any mechanically propelled passenger motor vehicle, utility, 4WD and unmodified goods carrying vehicles requiring registration for use on public thoroughfares specified in the policy schedule and including any accessories, tools, spare parts.

Sections 2 and 3: Motor Vehicle means any type of machine on wheels or on self-laid tracks made or intended to be propelled other than by manual or animal power and any trailer made or intended to be drawn by, or attached to, any such machine.

## Key Product Features

### What is covered:

#### Section 1: Material Damage

This cover provides protection in respect of one or more items of plant and machinery or Motor Vehicles that is owned by the Insured for the cost of the repairs to, or replacement of, that plant and machinery or Motor Vehicles arising from accidental, sudden and unforeseen physical loss, theft, destruction or damage to that plant and machinery and Motor Vehicles occurring in the Commonwealth of Australia.

Key Section 1 Additional Optional Extensions include:

- **Agreed Value** – this replaces the standard limitation on claims to an Agreed Value;
- **Automatic Additions Increased Sum Insured** – increases the sublimit that applies to the additional benefit for Automatic Additions
- **Breakdown** – cover for the cost of repair or replacement of a faulty or defective part of an Insured Item that caused or resulted in a Breakdown
- **Consequential Additional Costs** – cover for Substitute Hire Costs, Ongoing Hire Costs or Finance Payment Protection
- **Damage Waiver Protection** – cover whilst Insured Items is under Dry Hire is extended to you and the hirer
- **Goods Lifted Increased Sublimit** – increases the sublimit that applies to the additional benefit for Damage to Goods Lifted
- **Hired In Items (Blanket Cover)** – cover for hired in items that suffer accidental, sudden and unforeseen physical loss or damage within Australia

### What is not covered:

The PDS for this cover has specific coverage and exclusions where cover will not apply, including in respect of:

#### Section 1: Material Damage

The Insured Item(s) was at the time of the loss, damage or accident:

- in an unsafe or unroadworthy condition unless it could not reasonably be detected by the Insured;
- if required to be registered by law, the insured plant and machinery or Motor Vehicle was not registered with the relevant transport authority in the Commonwealth of Australia;
- not located in the Commonwealth of Australia;
- driven by a driver that was not authorised, licensed or trained to operate the Insured Item, unless Insured Item had been stolen at the time of the loss, damage or accident;
- driven by a driver under the influence of, or exceeded the legal limit for, drugs or alcohol, or refuses a request for a test for drugs or alcohol;
- was being used as a crane or lifting device and was not operated in accordance with statutory requirements, the manufacturer's specifications or relevant standards, or was not operated by appropriately trained and qualified operators;
- undergoing a test or used in a manner for which it was not designed and this contributed to the Insured Damage;
- used as a prototype, undergoing development or not fully commissioned as operational;

For loss or damage was in connection with, or related to:

- pre-existing faults or defects known to the customer;
- indirect loss or damage unless expressly stated as covered in the PDS;

- **Increased Cost of Working** – cover for Increased Cost of Working resulting from the interruption and interference to the Insured's Business as a consequence of Insured Damage
- **Loss of Revenue** – cover for Loss of Revenue resulting from the interruption and interference to the Insured's Business as a consequence of Insured Damage

- wear and tear;
- corrosion, oxidation or deterioration due to lack of use or being left in the open air;
- provisional repairs unless part of the final repairs and do not increase the total repair cost;
- alterations, additions or improvements not agreed by the Issuer;
- faulty or defective part that has caused or resulted in a Breakdown or loss or damage was a result of that fault or defective part;
- the lack of, or defectiveness in, burning or freezing of any coolant, lubricant or any other dry or liquid substance required for the working of a part;
- explosion of an internal combustion engine or bursting of a boiler or other pressure vessel from internal pressure;
- replaceable parts of an Insured Item unless damaged as a result of Insured Damage;
- ropes other than complete severance of wire ropes within an Insured Item used as a crane or lifting device;
- tyres caused by braking, road punctures, cuts or bursts not arising from Insured Damage;
- theft or other criminal act by the Insured or its partners or directors;
- immersion in water due to tidal movement unless caused by Flood; or
- the hardening/setting of concrete in any concrete agitator, barrel, bowl or pump.

#### Section 2: Registered Insured Items Liability

This cover provides protection in respect of one or more items of plant and machinery or Motor Vehicles that are registered for use on public roads and used primarily as a Motor Vehicle (each a **Registered Insured Item**) for the insured and persons that use, operate or tow any such Registered Insured Items, or are passengers in those Registered Insured Item, to cover their liability for:

- Personal Injury (as defined in the PDS); and/or
- Property Damage (as defined in the PDS)

arising out of the use, operation or towing of a Registered Insured Item in the Commonwealth of Australia;

An insured may choose whether all or only some of its Registered Insured Items have protection under Registered Insured Item Liability Cover in addition to the Material Damage Cover.

The type of cover that applies to each Mobile Plant (including Registered Insured Items) will be set out in the Policy Schedule.

#### Section 2: Registered Insured Items Liability

At the time the liability was incurred, the Registered Insured Item was:

- carrying or towing a load, or a number of passengers, in excess of that for which it was designed unless not deliberate nor intentional;
- used or operated in unsafe or unroadworthy condition unless it could not reasonably be detected by the Insured;
- not operated in accordance with the manufacturer's guidelines;
- used in an experiment, test or in racing, trials or demonstrations;
- used for the conveyance of passengers for hire, fair or reward;
- running on rails or not on solid ground;
- used as a Working Tool;
- used in any Airside Area of an airport that handles commercial flights;
- driven by a driver that was not authorised, licensed or trained to operate the Insured Item; or
- driven by a driver under the influence of, or exceeded the legal limit for, drugs or alcohol, or refuses a request for a test for drugs or alcohol.

Key Section 2 Optional Extension:

- Dangerous Goods Increased Sub Limit – increases the liability limit that applies to the additional benefit for Dangerous Goods

This cover is subject to the monetary limitations and exclusions set out in the PDS.

Section 3: Broadform Liability

This cover provides protection for an insured for legal liability to third parties in respect of personal injury and/or property damage occurring anywhere in the world with exception of the United States of America or Canada.

Key Section 3 automatic Additional Benefits include:

- **Cross Liability** – each legal entity comprising the insured is treated as separate and distinct so cover would apply as though each has a separate policy (subject to policy limits)
- **First Aid Expenses** – cover extends to reasonable costs incurred for first aid in event of a third party personal injury claim
- **Property in Insured's Care, Custody and Control** – cover is provided for damage to a third party's property whilst in the insured's care, custody and control.
- **Vibration and Removal of Support** – cover is provided for any third party property damage in connection with vibration or removal or weakening, or interference with support to land, buildings or other property.
- **Watercraft** – cover is provided for watercraft less than eight metres in length whilst in insured's possession or control.

Section 3: Broadform Liability

Liability caused by or arising from:

- Aircraft Products;
- Assault or battery;
- Cranes whilst operating in an unsafe condition or in breach of laws, bylaws, or regulation;
- Publication or utterance of defamatory or disparaging material or statements;
- Discrimination or harassment;
- Exports to the United States of America or Canada;
- Foreign non-admitted cover;
- Personal injury which is insured under any compulsory statutory insurance or scheme (CTP);
- Rendering or failure to render professional advice or service for a fee.
- Inherent defects in insured's products;
- any property being lifted, lowered or suspended, any other property belonging to the insured or operator, any property in the insured's care custody and control other than where covered under the policy elsewhere;
- any hired in items
- watercraft in excess of eight metres in length, except whilst stored on land;
- any aircraft or watercraft;
- asbestos or similar products;
- dangerous goods being transported or carried by the insured or on their behalf;
- personal injury to workers or employees under workers' compensation laws
- faulty workmanship
- any fines or penalties, compensatory or liquidated damages
- loss of use to property not physically damaged, lost or destroyed or arising from delay in, or lack of performance of any contract or agreement;
- failure of insured's products to meet any warranties or representations as to performance, fitness, quality or durability;
- pollution other than sudden, identifiable, accidental, unexpected and unintended occurrence outside USA or Canada which takes place at a specific time and place.
- underground services;



- Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS)
- Cyber

These are the key attributes. Please refer to the PDS for full details of Product coverage including age limitations and benefits. The benefits are subject to specified sums insured, policy limits and the terms and conditions of the policy.

### Financial Situation

This Product is likely to meet the financial situation of retail consumers who:

- require insurance coverage in line with the sums insured and policy limits available under the Product; and
- have the ability to pay premiums in accordance with the policy structure, chosen benefits, excess, fees and charges, considering their financial circumstances and any vulnerabilities.

### Consistency between the Product and Target Market

This Product is likely to be consistent with the needs, objectives, financial situation of the consumers in the target market because the Product provides cover to those consumers who meet key eligibility criteria and require cover for the types of loss or damage that consumers in the target market are seeking to insure against.

## 2. Distribution conditions

This section of the TMD describes the conditions and restrictions on retail product distribution conduct that apply to customers who are retail clients. It does not apply to other customers (wholesale clients) who may purchase the Product.

The Product is distributed through 360 Plant & Equipment Pty Ltd as agent of the Issuer via a licensed



insurance broker (that holds an Australian Financial Services Licence for dealing services in relation to general insurance and meet acceptability criteria set by the Issuer) who act on behalf of their customers.

The Product is not to be distributed in any other way.

360 Plant and Equipment Pty Ltd will only issue the Product to Customers that meet its eligibility criteria, which align with the target market set out in section 1 above.

Distribution conditions are set out in contractual arrangements between AIG and 360 Plant and Equipment Pty Ltd.

360 Plant and Equipment Pty Ltd ensures that all representatives involved in the distribution of the Product:

- have a general understanding of the likely needs, objectives and financial situation of the class of Customers that fall within the target market; and
- have been trained in the relevant acceptance criteria for the Product

### 3. Review period and triggers

AIG will review this TMD during the following periods to ensure that it remains appropriate:

<b>First review period</b>	Within two years from the TMD's commencement date.
<b>Ongoing review periods</b>	At least every two years after the completion of the first review period.

AIG will also review this TMD if there are events or circumstances that reasonably suggest that the TMD is no longer appropriate. The triggers for this review may arise from:

## Trigger

- a material change to the cover provided by the Product;
  - the discovery of a relevant and material deficiency in the Product's disclosure documentation;
  - a change in AIG's risk acceptance criteria or underwriting guidelines that may impact the suitability of the Product for the target market;
  - a material change to the distribution of the Product;
  - complaints or other feedback indicative of the Product no longer being suitable for the target market;
  - claims' denials or other issues indicative of the Product no longer being suitable for the target market;
  - material changes in Product performance metrics;
  - material change to legislation;
- issues arising from compliance monitoring, breaches or internal audit findings; or
- concerns raised by a regulator, the Code Governance Committee or the Australian Financial Complaints Authority

## 4. Reporting obligations

The Distributors are required to report the following information to AIG:

Event or circumstance	Person required to report	Reporting period
Any issue arising from the sale of the Product to a customer in breach of the distribution conditions or outside the target market.	AIG staff, 360 Plant & Equipment Pty Ltd or the insured's appointed broker or an authorised agent	As soon as practicable after becoming aware of the matter, and within 10 business days.
Any significant dealings that are not consistent with this TMD.	AIG staff, 360 Plant & Equipment Pty Ltd or the insured's appointed broker or an authorised agent	As soon as practicable after becoming aware of the matter, and within 10 business days.
The number and detail of complaints received about the Product.	AIG staff, 360 Plant & Equipment Pty Ltd or the insured's appointed broker or an authorised agent	All insurance related complaints are notified to the AIG Complaints team immediately.
Any actual or likely compliance breach relating to sale of the Product or to distribution requirements under the Product Design and Distribution Obligations	AIG staff, 360 Plant & Equipment Pty Ltd or the insured's appointed broker or an authorised agent	As soon as practicable after becoming aware of the matter, and within 10 business days