

1. About this document

This Target Market Determination (TMD) applies to the Achmea Australia *All-in-One Farm Pack* ('AIOFP').

The TMD seeks to offer consumers, distributors and employees with an understanding of the class of consumers (clients) for which this product has been designed having regard to the objectives, financial situation and needs of the target market as required under Part 7.8A of Division 7 of the *Corporations Act 2001* (Cth). The TMD also outlines how the product is distributed, review periods and review triggers.

This document is not to be treated as a full summary of the product's terms and conditions and is not intended to provide financial product advice. Consumers must refer to the Product Disclosure Statement (PDS), Key Facts Sheets and any supplementary documents which outline the relevant terms and conditions under the product when making a decision about this product.

The PDS and Key Facts Sheets are available from www.achmea.com.au/downloads.

PDS to which this Target Market Determination applies

This TMD applies to building, inventory and vehicle insurance covers referred to in the following PDS:

PDS reference: All-in-One Farm Pack PDS

The AIOFP is an all-in-one insurance product designed to provide individuals that have a farm and/or farm business with the convenience of various types of insurance covers under the one policy. Clients can customise the product based on their needs and objectives.

Date from which this Target Market Determination is effective

5 October 2021

2. Product description and key attributes*

The AIOFP includes the following retail covers that form part of this TMD:

- Building insurance - the key attribute of this insurance is that it covers accidental loss or damage to a client's private home buildings located on a farm and/or to other buildings on the farm;
- Inventory insurance - the key attribute of this insurance is that it covers accidental loss or damage to a client's household effects and/or to other inventory that serves their farming activities; and
- Vehicle insurance - the key attribute of this insurance is that it covers accidental loss or damage to a client's vehicle or damage to property caused by a client's vehicle.

The AIOFP retail covers provide cover for accidental loss and damage as a result of insurable events such as:

- Fire;
- Theft or attempted theft;
- Hail;
- Flood; and
- Storm or tropical cyclone.

Cover for these insurable events will depend on how the client customises their insurances (see below).

The AIOFP also provides additional covers that are wholesale insurance covers. These covers are designed for the same class of clients. However, they are not required to have a TMD under the Corporations Act. The wholesale covers are:

- Business interruption insurance which covers financial losses that are a direct consequence of an interruption to the business; and
- Liability insurance which covers the legal liability for a claim for compensation for personal injury or property loss made against the customer during the period of insurance.

The AIOFP product is customisable at the point of sale by allowing customers to:

- **Choose the level of cover for each type of insurance cover they require** - the level of cover available under the AIOFP product ranges from One Star to Three Star level of cover. Each level of cover provides cover for different insurable events. Generally, the higher the star level, the greater the number of insurable events that will be covered. Customers can choose varying levels of cover.
- **Determine what level of excess is appropriate** - customers may choose the level of excess for their insured assets and risk appetite. Generally, higher excess levels will reduce the amount of premiums that are payable.
- **Choose their sum insured and settlement** - for building and inventory covers, customers can choose how their claims can be paid out. Options available include, but are not limited to:
 - *Guarantee against Underinsurance* - this covers the cost to repair or replace an insured item to the same condition as when it was new, regardless of the sum insured.
 - *Reinstatement value* - this covers the cost to repair or replace an insured item to the same condition as when it was new but is limited by the sum insured amount that has been chosen by the customer.
 - *Indemnity value* - this covers the cost to repair or replace an insured item to the same condition it was in immediately prior to the loss or damage and is limited by the sum insured amount that has been chosen by the customer.

* Refer to the relevant PDS for specific terms and limitations.

3. Target market

The AIOFP product is designed for clients with the following likely objectives, financial situation and needs:

- They are primarily engaged in farming activities. These include, but are not limited to, broadacre, horticulture, dairy, sheep, beef cattle, poultry and cotton farming;
- They derive their primary income from farming activities; and
- They have risks connected with those farming activities that they need to guard against, as set out in the below table.

	Needs and objectives
Building insurance	<ul style="list-style-type: none"> • Guard against a financial burden resulting from accidental loss or damage to their private home buildings and/or to other buildings located on their farm.
Inventory insurance	<ul style="list-style-type: none"> • Guard against a financial burden resulting from accidental loss or damage to their household effects and/or to other inventory that serves the function of their farming activities while at their farm or during transit in Australia.
Vehicle insurance	<ul style="list-style-type: none"> • Guard against a financial burden resulting from accidental loss or damage to their vehicle. • Guard against a financial burden resulting from legal liability arising because of loss or damage caused by their vehicle to a third party's property or, if they have an unregistered vehicle, arising because of personal injury to a third party caused by the unregistered vehicle.

However, this product has not been designed for clients who:

- Engage in aquacultural activities, including but not limited to fish farms and fish farming;
- Do not engage in farming activities;
- Do not derive their primary income from farming activities;
- Seek to insure farming property located outside of Australia; and
- Seek to insure their abattoir(s).

The below table describes further characteristics of the target market for each of the building, inventory and vehicle covers, as well as clients who fall outside the target market (including by references to the types of assets for which each cover is or is not suitable):

	Suitable for:	Unsuitable for:
Building insurance	<ul style="list-style-type: none"> • Customers that own private home buildings and/or other buildings located on a farm. They may be owner-occupiers or landlords. 	<ul style="list-style-type: none"> • Buildings outside Australia. • Buildings under construction. • Houses unoccupied for more than sixty (60) consecutive days.
Inventory insurance	<ul style="list-style-type: none"> • Customers that own household effects and/or other inventory that serves the function of their farming activities and that is ordinarily kept on their farm. 	<ul style="list-style-type: none"> • Inventory kept outside Australia. • Household effects that will be kept away from the farm for more than three (3) consecutive months. • Household effects that will be kept in a house that is or will be unoccupied for more than sixty (60) consecutive days.

	Suitable for:	Unsuitable for:
Vehicle insurance	<ul style="list-style-type: none"> • Customers that own and use a vehicle for farming and/or private purposes, including: <ul style="list-style-type: none"> – Sedans, vans, utility or passenger vehicles; – Trailers; – Motor-bikes, ATVs and quad bikes; and – Farming equipment (self-propelled, trailed or mounted farm implement used for agricultural activities). 	<ul style="list-style-type: none"> • Customers that do not own and use a vehicle for farming and/or private purposes, including: <ul style="list-style-type: none"> – Vehicles kept outside of Australia; – Vehicles being hired to someone else; – Vehicles being used for the transportation of people for payment or reward; – Vehicles being used for any experiment, test or trial, other than for resale purposes on public roads; – Vehicles prepared for or involved in racing, speed testing, speed trial, pace making, reliability trial, stunt, rallying or motor sport activities; and – Vintage, veteran or classic vehicles that are built before 1930 or have a relevant club registration. <p>Additionally:</p> <ul style="list-style-type: none"> • One Star Cover is not suitable for customers that will need to repair or replace their vehicle if it is stolen or accidentally damaged as a result of anything other than fire, storm or flood. • Two Star Cover is not suitable for customers that will need to repair or replace their vehicle if it is accidentally damaged as a result of anything other than fire, storm or flood.

Consistency between target market and the product

The insurance product including its key attributes is likely to be consistent with the likely objectives, financial situation, and needs of the clients in the target market, as we consider that it provides cover for the types of events that are likely to result in loss to these clients in connection with their farm and/or farm business. This has been determined based on an assessment of the insurance product including its key attributes. Clients will need to consider whether this insurance product meets their specific objectives, financial situation and needs.

4. How this product is to be distributed

Distribution conditions

This product should only be distributed under the following circumstances:

- Through face-to-face direct sales or via phone by Achmea Australia’s Farm Insurance Specialists;
- Achmea Australia’s Farm Insurance Specialists can only sell the AIOFP if they have received adequate training from us and must follow any guidance we give them (including, for example, sales scripting and application processes);
- Suitability and eligibility questions are asked on application to determine whether the customer is inside the target market for the product; and
- Acceptance or renewal criteria are based on the key attributes of the product.

Adequacy of distribution conditions

The distribution conditions will make it likely that customers who acquire the insurance product are in the target market, as Achmea Australia’s Farm Insurance Specialists have knowledge of the policy covers, benefits and conditions of the AIOFP and the application and sales processes are designed to identify clients outside the target market and prevent the AIOFP being sold to those clients. We therefore consider that the distribution conditions are appropriate and will enable us to direct the insurance product to clients who fall within the target market set out above. This has been determined based on an assessment of the distribution conditions and the target market.

5. Reviewing this Target Market Determination

We will review this Target Market Determination in accordance with the below.

Initial review	By 5 October 2022
Periodic reviews	At least every two years. The subsequent review will be conducted by 5 October 2024 or earlier if required.
Review triggers or events	Any event or circumstances arising that would suggest the TMD is no longer appropriate. This includes: <ul style="list-style-type: none"> • A material change to the design or distribution of the product, including related documentation; • An occurrence of a significant dealing; • Distribution conditions found to be inadequate; • External events such as adverse media coverage or regulatory attention; • Significant changes in metrics, including, but not limited to, complaints, loss ratios, policy cancellations and lapses in renewals; and • Systemic issues across the product lifecycle.

Where a review trigger has occurred, this Target Market Determination will be reviewed within 10 business days.

6. Reporting and monitoring this Target Market Determination

As the issuer and distributor of the AIOFP, we will collect the following information in relation to this TMD.

Complaints	Achmea Australia will report on all complaints in relation to the insurance covers covered by this TMD on a monthly basis. This will include written details of the complaints.
Significant dealings	Achmea Australia will report if it becomes aware of a significant dealing in relation to this TMD within 10 business days.
Sales data	Achmea Australia will report on sales, sales practices and customer data in relation to the insurance covers covered by this TMD on a monthly basis.
Claims data	Achmea Australia will report on claims related data in relation to the insurance covers covered by this TMD on a quarterly basis.