

1. About this document

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

The TMD sets out the class of consumers (clients) for which this product has been designed having regard to the likely objectives, financial situation and needs of the target market, as required by the Corporations Act 2001 (Cth). The TMD also outlines how the product is distributed, and the review periods, review triggers and reporting requirements for the TMD.

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. If a client comes within the target market described in this TMD, that does not mean that the product is right for their individual objectives, financial situation and needs. Clients 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 the building, inventory and vehicle insurance covers referred to in the following PDS:

PDS reference: All-in-One Farm Pack PDS preparation date 15/05/2024 and any Supplementary PDS relating to that product.

Date from which this Target Market Determination is effective

15 May 2024

2. Product description and key attributes*

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

The AIOFP includes the following insurance covers that can be provided to consumers as retail clients (retail covers) and, so are, the subject of this TMD:

- Building insurance - the key attributes of this insurance is that it covers loss or damage to a client's private home buildings and/or to other buildings on the farm;
- Inventory insurance - the key attribute of this insurance is that it covers loss or damage to a client's household effects and/or to other inventory that serves their farming activities;
- Vehicle insurance - the key attribute of this insurance is that it covers loss or damage to a client's vehicle and the client's liability for damage to the property of others caused by a client's vehicle and, if they have an unregistered vehicle, for personal injury to a third party caused by the unregistered vehicle.

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

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

Some clients may be offered an option to remove flood cover from their building and inventory cover. The retail covers also provide an option to have cover apply on an accidental loss or damage basis. The basis of cover will depend on how the client customises their insurance.

The retail covers also offer optional benefits, which can be chosen by clients as required. The benefits that can be provided to consumers as retail clients are as follows:

- Inventory insurance:
 - Working dogs cover; and
- Vehicle insurance:
 - Mechanical breakdown;
 - Overloading or improper use;
 - Reduced excess for vehicle glass; and
 - Hire Car following accident or theft.

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

3. Target market

Objectives, financial situation and needs

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

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.
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.
Financial situation	<p>Clients who can afford to pay the premiums for the product, bear the excess (or multiple excesses) that apply to a claim and financially contribute to any amounts for loss, damage or liability that are not covered by the product.</p>

Target Market

Having regard to these likely objectives, financial situation and needs, the overall target market for the AIOFP product are clients who:

- are primarily engaged in farming activities, including but not limited to broadacre, horticulture, dairy, sheep, beef cattle, poultry and cotton farming;
- derive their primary income from farming activities or from the leasing of land and/or associated assets for the purposes of farming activities; and
- have risks connected with those farming or leasing activities that they need to guard against.

The overall target market for the AIOFP product does not include clients who:

- do not engage in farming activities;
- do not derive their primary income from farming or farm leasing activities;
- need to insure farming property located outside of Australia;
- need to insure aquacultural activities, including but not limited to fish farms and fish farming; or
- cannot afford to pay the premiums for the product, bear the excess (or multiple excesses) that apply to a claim or financially contribute to any amounts for loss, damage or liability that are not covered by the product.

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 reference 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"> • Clients that own private home buildings and/ or other buildings located on a farm. They may be owner-occupiers or landlords. • One Star Cover is suitable for clients who need cover for buildings arising from specified perils only. • Two Star Cover is suitable for clients who need cover for buildings arising from a broader range of specified perils and for greenhouses and glasshouses. • Three Star Cover is suitable for clients who need cover for buildings arising from a broader range of specified perils and includes cover on an accidental loss basis and for machinery breakdown and broader cover for greenhouses and glasshouses. 	<ul style="list-style-type: none"> • Buildings outside Australia. • Buildings under construction or renovation. • Clients that need cover for houses that will be unoccupied for more than sixty (60) consecutive days.
Inventory insurance	<ul style="list-style-type: none"> • Clients that own household effects and/ or other inventory that serves the function of their farming or farm leasing activities. • One Star Cover is suitable for clients who need cover for inventory arising from specified perils, inventory transit, livestock transit and student household effects only. • Two Star Cover is suitable for clients who need cover for inventory arising from a broader range of specified perils, theft of money, money in transit and for greenhouses and glasshouses. • Three Star Cover is suitable for clients who need cover for inventory other than livestock arising from a broader range of specified perils and includes cover on an accidental loss basis and for machinery breakdown and broader cover for greenhouses and glasshouses. 	<ul style="list-style-type: none"> • Inventory kept outside Australia. • Clients that need cover for household effects that will be kept in a house that is or will be unoccupied for more than sixty (60) consecutive days. • Clients that need cover for inventory that may be lost or damaged due to drought.

	Suitable for:	Unsuitable for:
Vehicle insurance	<ul style="list-style-type: none"> • Clients that own and use a vehicle for farming, farm leasing and/or private purposes, including: <ul style="list-style-type: none"> - Sedans, vans, utility or passenger vehicles; - Trailers; - Motorbikes, ATVs and quad bikes; and - Farming equipment (self-propelled, trailed or mounted farm implements used for agricultural activities). • One Star Cover is suitable for clients who need legal liability cover and cover for loss or damage to their vehicle arising from specified perils only. • Two Star Cover is suitable for clients who need legal liability cover and cover for loss or damage to their vehicle arising from a broader range of specified perils. • Three Star Cover is suitable for clients who need legal liability cover and cover for loss or damage to their vehicle arising from a broader range of specified perils and includes cover on an accidental loss basis. 	<ul style="list-style-type: none"> • Clients that do not own and use a vehicle for farming and/or private purposes. • Vehicles kept outside of Australia. • Vehicles that are hired to someone else. • Vehicles that are used for the transportation of people for payment or reward. • Vehicles that are 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. • Vintage, veteran or classic vehicles that are built before 1930 or have a relevant historic or classic vehicle club registration.

The below table describes further characteristics of the target market for optional covers which can be provided to consumers as retail clients under the AIOFP product. Other than in these respects, the optional covers available for retail clients are likely to be consistent with the likely objectives, financial situation and needs of clients in the target market.

	Suitable for:	Unsuitable for:
Working Dogs cover (Inventory insurance)	<ul style="list-style-type: none"> • Clients that own a working dog between the ages of 1 and 10 years and need cover for their theft or death. 	<ul style="list-style-type: none"> • Working dogs under the age of 1 year old or over the age of 10 years old.
Hire Car following an accident and theft (Vehicles insurance)	<ul style="list-style-type: none"> • Clients that will need a hire car or paying for alternative travel expenses paid if their vehicle is damaged. 	<ul style="list-style-type: none"> • Clients that wish to have a hire car or travel expenses for more than 21 days or for amounts over which we can offer.
Reduced Glass Excess (Vehicles insurance)	<ul style="list-style-type: none"> • Clients that wish to reduce the excess payable for damage that only affects glass (eg. windscreens). 	<ul style="list-style-type: none"> • Clients that wish to pay higher excesses for damage that only affects glass.
Mechanical breakdown (Vehicles insurance)	<ul style="list-style-type: none"> • Clients that own farming equipment and need cover for its mechanical breakdown or mechanical defect. 	<ul style="list-style-type: none"> • Farming equipment older than 5 years, other than centre pivots and lateral moving irrigators that have had their switches replaced every 5 years.
Overloading or improper use (Vehicles insurance)	<ul style="list-style-type: none"> • Clients that own farming equipment and need cover for loss or damage arising from unintentional overloading or improper use. 	<ul style="list-style-type: none"> • Farming equipment older than 5 years. • Farming equipment that has not been maintained in accordance with the manufacturer’s specifications and requirements.

Consistency between target market and the product

The AIOFP insurance product including its key attributes is likely to be consistent with the objectives, financial situation, and needs of clients in the target market, as we consider that it provides cover for the types of events and assets that are likely to result in loss for these clients in connection with their farm and/or farm business and those clients can choose the types, levels and options of cover, sum insured and excesses that suit their individual needs. This conclusion has been reached based on an assessment of the insurance product, including its key attributes, and the likely objectives, financial situation and needs of clients in the target market.

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 staff;
- Achmea Australia’s staff can only sell the AIOFP if they have received adequate training from us and follow any guidance we provide;
- Suitability and eligibility questions are asked of clients on new business applications, using sales scripts, proposal forms or automated systems, which must be fully completed prior to policy issue, to determine whether the client is inside the target market for the product;
- Client responses to suitability and eligibility questions are reconsidered prior to renewal offers being made to client, for the purpose of confirming that they remain inside the target market for the product; and
- The AIOFP product is issued to or renewed with clients whose responses to suitability and eligibility questions show that they are within the target market.

Adequacy of distribution conditions

The distribution conditions will make it likely that clients who acquire the insurance product are in the target market, as Achmea Australia’s staff 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. 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 conclusion has been reached 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.

Periodic reviews	At least every two years.
Review triggers or events	<p>If we identify any event or circumstances that would reasonably suggest the TMD is no longer appropriate. These may include:</p> <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, claim denials, complaints, loss ratios, policy cancellations and lapses in renewals; or • 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 and review the following information in relation to this TMD.

Complaints	Receive and record all complaints in relation to the insurance covers covered by this TMD. It receives reports from relevant service providers regarding the number and nature of complaints received by them, and considers that information, on a quarterly basis. This includes written details of the complaints.
Significant dealings	Will report if it becomes aware of a significant dealing in relation to this TMD as soon as practicable but within 10 business days.
Sales data	Sales, sales practices and client data in relation to the insurance covers covered by this TMD on a quarterly basis.
Claims data	Claims related data in relation to the insurance covers covered by this TMD on a quarterly basis.