achmea

Farm Insurance

Target Market Determination

for Farm Fleet Insurance issued by Achmea Farm Insurance, the Australian branch of Achmea Schadeverzekeringen N.V., ABN 86 158 237 702, AFSL 433984.

1. About this document

This Target Market Determination (TMD) applies to Achmea Farm Insurance's Farm Fleet Insurance product 2024.

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) and any supplementary documents, which outline the relevant terms and conditions of the product, when making a decision about this product.

The PDS is available from www.achmea.com.au/downloads.

PDS to which this Target Market Determination applies

This TMD applies to the following PDS:

Farm Fleet Insurance PDS (preparation date 29 October 2024) and any related Supplementary PDS.

Date from which this Target Market Determination is effective

29 October 2026

2. Product description and key attributes*

Farm Fleet Insurance is an insurance product designed to provide clients that have a farm and/or a farm business with the convenience of insuring multiple vehicles under one policy. Clients can customise the product based on their individual needs and objectives.

The key attributes of the Farm Fleet Insurance product are:

- loss or damage to a client's vehicle;
- the client's liability for damage to the property of others caused by a client's vehicle; and
- if they have an unregistered vehicle, the client's liability for personal injury to a third party caused by the unregistered vehicle.

Cover is provided for all vehicles noted as an insured vehicle on the Certificate of Insurance and automatically for newly purchased vehicles which are under $500,000 in value during the policy period.

The Farm Fleet Insurance product provides cover for loss and damage to a client's vehicle as a result of the following insurable events (One Star Cover):

- Fire, explosion, self-combustion, short-circuit and lightning strike;
- Storm, tropical cyclone and hail;
- Flood, falling rocks, collapse, landslide, volcanic eruption, earthquake, tsunami and similar natural disasters; and
- External events during the vehicle's transit by vehicle, ship, train and aircraft.

The Farm Fleet Insurance product also provides options to extend the cover for loss and damage to a client's vehicle to:

- include theft and attempted theft, and contamination (Two Star Cover); and
- have cover apply on an accidental loss or damage basis (Three Star Cover).

The basis of cover will depend on how the client customises their insurance.

The Farm Fleet Insurance product provides a range of additional covers for loss, damage and liability which may arise in connection with the client's vehicle, which apply to all levels of cover.

The Farm Fleet Insurance product also offers the following optional benefits, which can be chosen by clients as required:

- Claims Experience Discount (CED);
- Hired-in Vehicles;
- Reduced Excess for vehicle glass; and
- Hire Car following accident.

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

3. Target market

Objectives, financial situation and needs

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

Needs and objectives	• Guard against a financial burden resulting from accidental loss or damage to their vehicles. • Guard against a financial burden resulting from legal liability arising because of loss or damage caused by their vehicles to a third party's property or, if they have unregistered vehicles, arising because of personal injury to a third party caused by an unregistered vehicle.
Financial situation	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.

Target Market

Having regard to these likely objectives, financial situation and needs, the overall target market for the Farm Fleet Insurance 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
- use more than sixty registered and/or unregistered vehicles in connection with those farming activities that they need to cover for loss and damage, and for third party liability.

The overall target market for the Farm Fleet Insurance product does not include clients who:

- do not engage in farming activities;
- 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.

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The below table describes further characteristics of the target market for Farm Fleet Insurance, 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:
• Clients that own and use more than one vehicle for farming, farm leasing and/or private purposes, including: - Sedans, vans, utility or passenger vehicles; - Trucks and prime movers; - Trailers; - Motorbikes, ATVs and quad bikes; and - Farming equipment (self-propelled, trailered 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 range of specified perils, including theft, attempted theft and contamination. • Three Star Cover is suitable for clients who need legal liability cover and cover for loss or damage to their vehicle on an accidental loss basis, as well as a range of specified perils.	• Clients that do not own and use at least sixty vehicles 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 Farm Fleet Insurance 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:
Claims Experience Discount (CED)	• Clients that expect low claims costs during the policy period	• Clients that expect higher claims costs during the policy period
Hired in Vehicles	• Clients that hire in vehicles up to 2 tonne gross vehicle mass (GVM) and a market value of $200,000.	• Clients that do not expect to hire in vehicles • Clients that hire in vehicles over 2 tonne GVM or a market value of $200,000
Reduced Glass Excess	• Clients that want to reduce the excess payable for damage that only affects glass (eg. windscreens).	• Clients that do not want to pay to reduce the excess for damage that only affects glass.
Hire Car following an accident	• Clients that want cover for a hire car or alternative travel expenses paid if their vehicle is damaged.	• Clients that do not want cover for a hire car or alternative travel expenses if their vehicle is damaged.

Consistency between target market and the product

The Farm Fleet 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, damage or liability in relation to these clients' vehicles, in connection with their farm and/or farm business and those clients can choose the 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 Farm Insurance's employees;
- Achmea Farm Insurance's employees can only sell the Farm Fleet Insurance 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;
- Clients are required to complete an annual vehicle declaration prior to renewal which, with previous responses to suitability and eligibility questions, is considered prior to renewal offers being made to the client, for the purpose of confirming that they remain inside the target market for the product; and
- The Farm Fleet Insurance 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 Farm Insurance's staff have knowledge of the policy covers, benefits and conditions of the Farm Fleet insurance 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.
Next scheduled review date	29 October 2028
Review triggers or events	If we identify any event or circumstances that would reasonably suggest the TMD is no longer appropriate. These may include: • 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 Farm Fleet Insurance, 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 Farm Fleet Insurance product on a quarterly basis.
Claims data	Claims related data in relation to the Farm Fleet Insurance product on a quarterly basis.