

TARGET MARKET DETERMINATION

Product Disclosure Statement (PDS)	Commercial Motor Insurance PDS and Policy Wording vHDI0124
Effective Date	1 January 2024 This Target Market Determination (TMD) is effective from the date shown above (Effective Date). This TMD will apply to insurance policies that are purchased or renewed on or after the Effective Date. For historical versions of this TMD, you can contact us, or refer to Pen Underwriting's website.
Product Issuer	HDI Global Specialty SE – Australia, ABN 58 129 395 544, AFS Licence No 458776 (HDI Global Specialty, we, us, our).
Product Distributor	Pen Underwriting Pty Ltd ABN 89 113 929 516 AFS Licence No 290518 (Pen Underwriting) under a binding authority issued to Pen Underwriting by HDI Global Specialty.

About this TMD

This TMD applies to the Commercial Motor Insurance product described in the **Commercial Motor Insurance PDS and Policy Wording vHDI0124** dated 1 January 2024 and any applicable Supplementary Product Disclosure Statement(s) (together the PDS). The TMD offers customers, distributors, and employees an understanding of the class of customers for which this Commercial Motor Insurance product has been designed, considering their objectives, financial situation or needs. This TMD describes the circumstances in which the Commercial Motor Insurance product is suitable. Customers who fit those circumstances are collectively called our target market.

This TMD does not take the customer's personal circumstances into account, nor does it form part of the terms of the PDS and Policy Wording. In addition to the key eligibility requirements outlined in this TMD, cover is also subject to acceptance criteria and the TMD does not include all the factors we consider when we decide whether to issue the Commercial Motor Insurance product.

Customers must refer to the PDS and any supplementary document(s), which outline the relevant terms, conditions, exclusions, excesses, customer rights and obligations and insurance cover being provided under the Commercial Motor Insurance product, when making a decision about this product. We recommend that customers contact their broker and read the relevant PDS and Policy Wording for full details on the Commercial Motor Insurance product to determine whether the product is appropriate for their objectives, financial situation or needs.

Some words used in this TMD have the same meaning as defined in the PDS. Please refer to the PDS for the definitions of those words.

What product does this Target Market Determination apply to?

This Commercial Motor Insurance product has two sections of cover as set out below and has been designed for customers in the target market to provide financial protections, including:

- Section 1: Your Vehicle Cover
Provides cover for loss or damage to Your Vehicle due to:
 - Accident;
 - fire, hail, flood, storm or earthquake;
 - theft or attempted theft; or
 - malicious damage,
- Section 2: Third Party Cover
Provides cover for Your Legal Liability to pay to third parties,

subject to the circumstances, terms and conditions, limits and exclusions as set out in the PDS.

In some circumstances, the Commercial Motor Insurance product offers options to enable a customer to tailor the product to suit their individual needs. Subject to the vehicles to be insured, the customer can elect to take out both Section 1 Your Vehicle Cover and Section 2 Third Party Cover or Section 1 Your Vehicle Cover only.

Pen Underwriting's policy on its approach to the distribution and development of insurance products for appropriate target market distribution is available at <https://www.penunderwriting.com.au/policies>.

What is the target market for the product?

The overall target market for this Commercial Motor Insurance product is Commercial Motor businesses. The key eligibility requirements to purchase this product include:

Customers WITHIN the Target Market (Customers will be within the target market if all of the following apply)	
✓	Vehicle fleet owner drivers and operators
✓	Light commercial businesses
✓	Heavy haulage operators
✓	Customers domiciled in and operating within Australia
✓	Vehicles in good repair and condition that meet the registration requirements within the applicable state or territory of registration
✓	Unregistered and conditionally registered plant, provided that there are other vehicles to be insured under the Policy (Section 1 Your Vehicle Cover only)
✓	Customers with prestige vehicles with a Sum Insured value of less than \$200,000

Customers NOT within the Target Market (Customers are NOT within the target market if any of the following apply)	
✗	Customers who have no insurable interest in the vehicle
✗	Customers who transport livestock, meat, bulk milk, long haul refrigeration or fuel
✗	Customers with long haul fuel or refrigerated vehicles
✗	Customers who transport bulk dangerous goods class 2, 6 and 7
✗	Unroadworthy or uninsured vehicles
✗	Customers with adverse driving and / or claims histories and or their drivers
✗	Customers with inexperienced drivers
✗	Vehicles for Ride sharing, Uber/ Taxis/ Limousines

Your Excess

When we pay a claim, you normally pay an excess. The Commercial Motor Insurance product includes a number of different excesses that apply in various circumstances. If more than one excess applies to a claim, depending upon the circumstances, we may add them together to work out the total excess payable by you and we will let you know the details.

One type of excess is called the standard excess. When you buy an insurance policy, you can choose your standard excess from a range of options to suit your needs. A lower standard excess may save you money if you claim on the insurance policy but would normally increase the premium you pay to buy the policy. A higher standard excess may reduce your premium but could cost you more if you have a claim. You will need to consider whether you can pay the higher excess at the time of making the claim.

Financial Situation

Our target market is a customer who is able to pay premiums annually in accordance with the chosen premium structure, chosen excess, fees, government charges and the Pen Underwriting Administration Fee as set out in the insurance Quotation and Tax Invoice, having regard to personal circumstances and vulnerability or hardship considerations.

Consistency with the Target Market

The Commercial Motor Insurance product including its key attributes is to be consistent with the likely objectives, financial situation or needs of the class of customers in the target market, as we consider that it provides the required type of insurance cover for that class of customers. This has been determined based on an assessment of the Commercial Motor Insurance product including its key attributes. Individual customers will need to consider whether this Commercial Motor Insurance product meets their specific objectives, financial situation or needs.

What distribution conditions apply to this product?

The product application process has been designed to guide customers directly to the insurance product most likely to meet their objectives, financial situation or needs based on their responses to the questions in our Commercial Motor Insurance product application.

Pen Underwriting's staff have been trained in the Commercial Motor Insurance product, the customer(s) it is intended for and the underwriting criteria applicable to the product.

<p>Distribution Restrictions</p>	<p>This Commercial Motor Insurance product can only be distributed if the following conditions are met:</p> <ul style="list-style-type: none"> • It can only be sold via an insurance broker and cannot be sold directly to the customer. • The agreement between the insurance broker and Pen Underwriting sets out the obligations of the insurance broker and Pen Underwriting to distribute products only to customers within the TMD, and the ramification if the product is distributed to customers outside of the TMD. • The insurance product distributor must: <ul style="list-style-type: none"> ○ be authorised to distribute the product and those arrangements must not have been cancelled or suspended; ○ agree to comply with all underwriting criteria and levels of authority (as applicable); ○ agree to not distribute the product where they receive notice from us that this TMD is not up to date and no new TMD has been provided; and ○ where a new TMD has been provided, agree to distribute in accordance with the new TMD. • The TMD is currently not subject to any ASIC action that might suggest that the TMD is no longer appropriate. <p>Where an insurance broker provides personal advice in relation to the product it is that broker's responsibility to ensure that acquiring the product is in the best interests of the customer having regard to the customer's objectives, financial situation or needs. This means that, when personal advice has been provided in relation to the insurance product, the obligations under this TMD apply to the insurance broker and not to Pen Underwriting or us.</p>
<p>Distribution Conditions</p>	<ul style="list-style-type: none"> • This insurance product can only be sold to customers where they are eligible for that cover in accordance with the application and/or acceptance / renewal criteria that has been approved in writing by the issuer and which complies with relevant laws. • This insurance product can only be distributed by us or distributors where we or our distributors have received training and relevant accreditation (as required) and have met annual compliance reviews. <p>The distribution conditions will make it likely that customers who acquire the insurance product are in the target market, as we consider that the distribution conditions are appropriate and will enable us and our distributors to direct the insurance product to the class of customers 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.</p>
<p>Distribution Method</p>	<p>This insurance product can only be distributed by an insurance broker after receiving a quotation from Pen Underwriting under the agreement between the insurance broker and Pen Underwriting.</p>

When will we review this document?

We will review this TMD in accordance with the below.

Initial review	Within twelve (12) months of the effective date of the first TMD for this insurance product
Periodic reviews	At least every twenty-four (24) months of the completion of the previous review
Review triggers and events	<p>Any event or circumstances which arises that would suggest the TMD is no longer appropriate. This may include (but is not limited to):</p> <ul style="list-style-type: none"> • an event or circumstance that would materially impact or change a factor taken into account when making the TMD that would suggest to us that the TMD is no longer appropriate, such as a change in underwriting requirements; • the insurance product has not been materially distributed and purchased in a way that is significantly inconsistent with this TMD; • a material change to the insurance product including Product Disclosure Statement, Policy Wording information or assumptions upon which the TMD was formulated, such as the application process, pricing requirements, or underwriting guidelines; • feedback, such as significant or systemic complaints or claims issues, received from insurance brokers or customers who purchased the insurance product, which are of a nature that suggest to us that the TMD is no longer appropriate; • change of relevant law, regulatory guidance, industry code or feedback from regulators such as ASIC, APRA, AFCA, or other interested parties which has a material effect on the terms or distribution of the insurance product.

Where a review trigger has been identified, this Target Market Determination will be reviewed within ten (10) business days.

Reporting and monitoring this Target Market Determination

We will collect and may require Pen Underwriting to report on the following information in relation to this TMD to HDI Global Specialty:

Complaints	All complaints in relation to this Commercial Motor Insurance product are reported to HDI Global Specialty on a monthly basis and not later than ten (10) business days after the agreed complaints reporting date. This will include written details of the complaints. HDI Global Specialty is notified of all complaints within two (2) business days.
Sales data	Relevant sales and customer data in relation to this insurance product on a monthly basis. If Pen Underwriting becomes aware that the insurance cover is issued to a customer that was ineligible for cover in accordance with the application process, Pen Underwriting will notify HDI Global Specialty as soon as practicable after becoming aware of the matter, and within ten (10) business days.
Claims data	Where relevant, claims data in relation to this insurance product will be provided on a monthly basis.
Significant dealings	Pen Underwriting will notify HDI Global Specialty if Pen Underwriting becomes aware of a significant dealing in relation to the insurance product that is inconsistent with the TMD within two (2) business days. This includes but is not limited to a consideration of the nature and degree of harm resulting from the issue of this insurance product to a retail customer.
Communication from a regulator in relation to the product or TMD	Pen Underwriting will report to HDI Global Specialty on same day.