

# Qikio Car Insurance Target Market Determination

Effective Date: 15 December 2023

This target market determination (**TMD**) is designed to help you understand the intended target market for the Qikio Car Insurance product (**Qikio Car Insurance**). This TMD sets out the types of people Qikio Car Insurance might suit, information about distribution conditions and how we review this TMD to ensure it remains appropriate.

Qikio Car Insurance is issued and underwritten by Aoi Nissay Dowa Insurance Company Australia Pty Ltd ABN 11 132 524 282, AFSL Number 443540 (Adica) (referred to in this document as **we, us** or **our**). This TMD is not a Product Disclosure Statement (**PDS**) and is not a summary of the product terms and conditions. Please read the PDS for full details of the product cover, benefits and conditions.

Any advice in this document is general in nature and does not take into account your objectives, financial situation or needs. Before making a decision about Qikio Car Insurance, you should consider the appropriateness of the advice taking into account your own objectives, financial situation and needs and refer to the current PDS available by visiting [car.qikio.com.au](http://car.qikio.com.au) or calling **1300 459 346**.

## About Qikio Car Insurance

The following are the key attributes of Qikio Car Insurance:

- Agreed value cover for accidental loss or damage to the insured vehicle (including fire and theft).
- Cover for legal liability to a maximum of \$20 million for accidental loss or damage to other people's property caused by the insured vehicle (or a substitute vehicle) or a boat, caravan or trailer attached to, or accidentally detached from, the insured vehicle (or substitute vehicle).
- New vehicle replacement cover where the policy was purchased within 12 months of the original registration of the insured vehicle, if the vehicle becomes a total loss in the first 24 months of its first registration date.
- A lifetime guarantee on all repairs we have authorised to the insured vehicle.
- Cover for accessories and alterations added to the insured vehicle up to \$20,000.
- Cover for rental car hire up to 21 days if the insured vehicle is stolen.
- Optional benefit cover for rental car following accidental damage, and/or excess-free glass cover, which may be added to the policy for an additional premium.

- A requirement for you to pay an excess if a claim occurs which does not allow us any opportunity to recover costs from another party. The standard excess amount may also be increased by you to reduce premium.

## **Target market**

Qikio Car Insurance is designed for vehicle owners who:

- intend to protect themselves against a financial burden or loss should their vehicle be stolen or accidentally damaged;
- intend to protect themselves and drivers of their vehicle should legal liability arise because of loss or damage to someone else's property caused by their vehicle;
- have the financial means to pay an excess amount in the event of a claim where costs cannot be recovered from another party; and
- want to know how much cover they are receiving for the premium they are required to pay.

Qikio Car Insurance is likely to be consistent with the likely objectives, financial situation and needs because:

- it covers the key events related to the vehicle that are likely to result in consumer loss (being accidental damage to or theft of the insured vehicle, or legal liability to pay compensation for loss or damage to someone else's property arising out of an accident involving the insured vehicle);
- it provides consumers with certainty as to the amount their vehicle is covered for during the period of cover (being the agreed value);
- it provides additional benefits for circumstances that are likely to arise from an insured event (for example, towing and storage fees, loss of personal items inside the vehicle, and use of a rental car following theft); and
- it requires an excess to be paid for non-recoverable claims, with the option of increasing the standard excess to reduce the required premium.

The below table describes the types of consumers who form the target market for Qikio Car Insurance, as well as the consumers who fall outside the target market. Because Qikio Car Insurance is designed for vehicle owners, this description includes references to the types of vehicles for which Qikio Car Insurance is suitable.

<b>Suitable for:</b>	<b>Unsuitable for:</b>
<ul style="list-style-type: none"> <li>• People who want the certainty of knowing the amount that their vehicle will be covered for.</li> <li>• Vehicles registered in Australia that are in a safe and roadworthy condition.</li> <li>• Vehicles that are used for private use, goods carrying use, courier use or business use (other than for the types of excluded uses listed as unsuitable for consumers).</li> <li>• Vehicles that are made available for limited rideshare use (up to a maximum of 35 hours per week).</li> <li>• People who will be able to pay the applicable excess in the event of a claim.</li> </ul>	<ul style="list-style-type: none"> <li>• People who want their vehicle insured for market value.</li> <li>• People who are not licensed to drive on Australian roads.</li> <li>• Heavy vehicles such as trucks (with a gross vehicle mass of more than 5 tonnes), buses and prime movers.</li> <li>• Vehicles that are not imported by the manufacturer/Australian distributor, or are homemade or construction kit vehicles.</li> <li>• Vehicles worth more than \$300,000.</li> <li>• Vehicles that are registered in another country or are in an unsafe or unroadworthy condition.</li> <li>• Vehicles used in connection with emergency, law enforcement or security services.</li> <li>• Vehicles with more than \$20,000 worth of added accessories and alterations.</li> <li>• Vehicles which have been altered by performance modification(s).</li> <li>• People who carry hazardous or inflammable goods in excess of government regulations.</li> <li>• People who hire out or use their vehicle for fare or reward (other than limited rideshare we agree to cover), including purposes such as fast food delivery and paid driving lessons.</li> <li>• People who require cover when using their vehicle for motor sports or contests.</li> </ul>

## Distribution conditions

This product is designed to be distributed by us via digital platforms and relevant websites including [qikio.com.au/car](http://qikio.com.au/car).

Online content presented through our digital sales channel(s) will include questions to confirm that any potential policyholders meet the key eligibility criteria of Qikio Car Insurance. This makes it likely that Qikio Car Insurance will only be distributed to consumers that fall within the target market described earlier in this TMD because eligibility criteria presented during the online sales processes are specifically designed to identify consumers outside the target market and prevent Qikio Car Insurance being sold to those customers.

## Reviewing this TMD

We will review this TMD at least every two years, starting from the effective date of this TMD.

We will also review this TMD if any of the following occur (each being a 'review trigger'):

- we make any material changes or updates to Qikio Car Insurance;
- we make any material changes to how we distribute Qikio Car Insurance;
- we make any material changes or updates to our acceptance criteria for Qikio Car Insurance;
- we identify systemic complaints from customers, or a pattern of feedback from our employees or representatives, about a particular issue relating to the design or distribution of Qikio Car Insurance;
- the claims frequency for Qikio Car Insurance falls below 10% over a 12-month period, the claims loss ratio falls below 50% over a 12-month period, or the claims denial rate rises above 2% over a 12-month period;
- a significant increase in policy sales or cancellation rates over two consecutive quarters indicates that Qikio Car Insurance may no longer be consistent with this TMD;
- we become aware that a significant dealing in Qikio Car Insurance that is not consistent with this TMD has occurred; or
- we become aware of a system control error where the acceptance criteria has not been met adequately.

We will review this TMD within 10 business days of the occurrence of a review trigger.

## Reporting

We collect information and prepare our own quarterly reports examining certain key metrics related to the review triggers described in this TMD, including data regarding the number and type of complaints received. These reports will be produced within 10 business days of the end of the most recent reporting period.