

# Target Market Determination (TMD)

## Equity Protection Insurance – Motorcycle

Effective Date: December 6th, 2021

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### Understanding the TMD

This Target Market Determination (TMD) applies to the Equity Protection Insurance product, issued by Eric Insurance Limited (eric) ABN 18 009 129 793, AFS Licence No. 238 279.

The intention of the TMD is to provide an understanding to customers, distributors, and employees of the class of customers for which this product has been designed, considering a customer's likely needs, objectives and financial situation.

The TMD does not provide any financial advice, nor does it take into consideration any individual's personal needs, objectives, or financial situation. The TMD does not form part of the terms of cover of the Product Disclosure Statement (PDS). Customers must consult the PDS and supplementary documents, which outline the relevant terms, conditions and exclusions that may apply under the product before making any decision about a product.

A customer may fall within the relevant target market, though they may not meet the underwriting acceptance criteria of the issuer.

*The TMD will apply to all policies that are purchased or renewed on or after October 5th, 2021.*

### PDS to which this Target Market Determination applies.

This TMD applies to the following PDS's;

- Equity Protection Insurance – Motorcycle – Dealer (VDBEPIMCI150221)
- Harley Davidson Equity Protection Insurance – Dealer (VHDEPIMCI030821)
- Indian Equity Protection Insurance – Dealer (VINDEPIMCI280421)
- Polaris Equity Protection Insurance – Dealer (VPOLEPIMCI280421)

## Key Attributes of Equity Protection Insurance

eric Equity Protection Insurance provides cover for a shortfall in the event the customer's Motorcycle is declared a total loss by their Comprehensive Insurer, the product provides cover for:

Total loss occurs in the first 36 months of the period of insurance

eric will pay the greater of:

- The difference between the replacement vehicle value (amount determined and set at point of purchase) and the total loss payout; or
- The difference between the balance owed on the finance contract as at the date of the total loss and the total loss payout.
- Cover for out of pocket expenses.

Total loss occurs after the first 36 months of the period of insurance

- The difference between the balance owed on the finance contract as at the date of the total loss and the total loss payout.
- Cover for out of pocket expenses.

Equity Protection Insurance can provide cover for customers who finance their Motorcycle for a term of up to 84 months depending on the term of their loan and for customers who do not finance their Motorcycle, a maximum term of 36 months.

## Equity Protection Insurance is designed for

The eric Equity Protection Insurance product has been designed for customers who seek to protect themselves against financial burden that may occur as a result of a total loss to their Motorcycle, where a customer wishes to protect the value of the Motorcycle or where there is finance owned on the Motorcycle.

This product is suitable for customers who:

- Are the registered owner of the Motorcycle;
- Meet the eric underwriting acceptance criteria;
- Use their Motorcycle in a manner accepted under the eric underwriting acceptance criteria;
- Motorcycle is insured by comprehensive insurance;
- Have purchased a Motorcycle;
- Have liability under the finance contract.

For full details of coverage in this product, including conditions and exclusions applicable, customers, staff and distributors should read the PDS, which can be found at [ericinsurance.com.au](http://ericinsurance.com.au).

## Customer's likely needs, objections and financial situation

eric Equity Protection Insurance is designed to be consistent with the likely objectives, needs and financial situation of customers who:

- Wish to protect themselves against financial loss or burden when the Motorcycle is deemed a total loss by a comprehensive insurer and the Motorcycle is financed;
- Wish to protect the value of the Motorcycle for a limited period;
- A customer who is able to pay premiums in accordance with their chosen premium structure, fees, and government charges.

## **Equity Protection Insurance is not designed for**

There are also circumstances for which eric's Equity Protection Insurance product is not designed for.

This product is not suitable for customers who:

- Do not meet the eric underwriting acceptance criteria;
- Are not the registered owner of the Motorcycle;
- Use their Motorcycle in a manner that has not been accepted by eric;
- Motorcycle is not comprehensively insured.

## **Distribution of Equity Protection Insurance**

This product may be distributed by any of the following channels:

Through third-party distributors or authorised representatives

This product can only be issued to customers who are eligible for the product in accordance with application, acceptance and/or renewal criteria as outlined by eric.

All of these channels are monitored by eric, and the product can only be distributed by eric or distributors who have received training, received accreditation (if required), and have met compliance reviews.

The conditions set by the application and renewal processes make it likely that products are distributed to customers that are within the target market. These are supported by appropriate platform and system controls, training and scripting which have been designed to ensure that the product is distributed to those within the target market.

## Reviewing the TMD

We will review this TMD in accordance with the following:

<b>First review</b>	Within two (2) years of the effective date of this TMD.
<b>Subsequent reviews</b>	At least two (2) years after the end of the previous review.
<b>Review triggers</b>	<p>We will also review this TMD if any event or circumstance (review trigger) that is identified or notified to us, that would suggest that the TMD is no longer appropriate. This may include (but not limited to):</p> <ul style="list-style-type: none"> <li>• Any material changes to the design or distribution of the product, including material changes and changes to documentation;</li> <li>• A change to the underwriting acceptance criteria and/or application process that impacts the suitability of this product for the target market;</li> <li>• Any material changes to the distribution of the product;</li> <li>• Identification of systemic issues across the product or distribution;</li> <li>• Significant changes in metrics, including but not limited to policy cancellations, lapses in renewals, claims, complaints, and loss ratios;</li> <li>• Where applicable, feedback from distributors and customers or events such as adverse media coverage or regulatory feedback; and</li> <li>• Where we have determined that a significant dealing has occurred</li> </ul>

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

## Reporting and monitoring of this TMD

We will collect and may require our distributors to report on the following information regarding to this TMD:

<b>Complaints</b>	All complaints in relation to this product on a quarterly basis. This may include written details of the complaint.
<b>Sales data</b>	Relevant sales and customer data in relation to this product on a quarterly basis.
<b>Claims data</b>	Where relevant, claims data in relation to this product on a quarterly basis.
<b>Significant dealings</b>	Report if we or they become aware of significant dealings in relation to the product that is inconsistent with the TMD within 10 business days.