

# Target Market Determination

Product: Group Personal Accident & Sickness Insurance under the Vertex Policy Wording.

TMD effective date: 24 March 2025

This Target Market Determination (TMD) applies to the following Group Personal Accident & Sickness Insurance Product Disclosure Statement (PDS) parts, for the Vertex Policy Wording:

- PDS Part 1, with a preparation date of 24 March 2025; and
- PDS Part 2, with a preparation date of February 2025.

The above Group Personal Accident & Sickness Insurance is arranged by Accident & Health International Underwriting Pty Ltd (AHI), ABN 26 053 335 952, AFSL no. 238261 and issued by the Insurer, Tokio Marine & Nichido Fire Insurance Co., Ltd., ABN 80 000 438 291, AFSL no. 246548.

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## AHI Target Market Determination

This Target Market Determination (TMD) applies to the following Group Personal Accident & Sickness Insurance Product Disclosure Statement (PDS) parts, for the Vertex Policy Wording:

- PDS Part 1, with a preparation date of 24 March 2025; and
- PDS Part 2, with a preparation date of February 2025 (together, 'the Product').

This TMD is required under Section 994B of the Corporations Act 2001 (Cth). The purpose of this TMD is to provide the following information in respect of the Product:

- class of consumers that comprises the target market;
- conditions and restrictions on distribution;
- events and circumstances that will trigger TMD review and review period; and
- the Distributor's obligations relating to reporting.

This TMD:

- is not intended to be a consumer facing disclosure document;
- does not form part of the PDS or insurance policy terms for the Product; and
- does not provide any financial product advice and does not take into consideration the objectives, financial situation and needs of individual customers.

This TMD is designed to provide customers, insurance brokers, the Distributors and its staff with the appropriate information to understand who the Product has been designed for and the approach to determining that the Product is likely to be consistent with the objectives, financial situations and needs of the target market customer and the distribution conditions.

Accident & Health International Underwriting Pty Ltd, ABN 26 053 335 952, AFS Licence No. 238261 (AHI) has prepared this TMD and is an Australian underwriting agency that provides personal accident, overseas medical and travel insurance. AHI acts on behalf of Tokio Marine & Nichido Fire Insurance Co., Ltd., ABN 80 000 438 291, AFS Licence No. 246548 (Tokio Marine) who are the issuer and Insurer of the Product described in this TMD. AHI has full authority to quote, arrange and administer policies, collect premiums as well as handle and settle claims on Tokio Marine's behalf.

This TMD sets out the target market for the Product. This TMD uses certain words, including when shown capitalised, which are defined in the PDS or Schedule for this product. Refer to the relevant document to understand their specific meaning.

### **Class of consumers that comprise the target market**

Class of consumers that the Product is suitable for:

The Product is a general insurance product distributed to clients of Aon Risk Services Australia Limited (Aon), ABN 17 000 434 720, AFSL no. 241 141, an Australian based business and is designed to cover the employees, members, students or officeholders of the insured entity in respect of:

- lump sum payments, up to a specified amount, arising from accidental death, disability or loss of function of certain body parts, arising from bodily injury; and
- reimbursement of salary not paid due to an inability to work arising from a bodily injury or sickness;

subject to conditions, limitations and exclusions which apply to the cover provided under the policy.

AHI and Tokio Marine's assessment of the key terms and attributes of the insurance benefits available under the policy is that they are likely to be consistent with the likely needs, objectives and financial situation of customers in the target market for this Product.

Class of consumers that the Product is not suitable for:

- organisations that have less than five employees.
- organisations not registered in Australia.
- organisations seeking benefits offered under a life insurance policy, such as a guaranteed renewable policy, death or disability caused by sickness, or a death benefit under a policy with a period of insurance greater than 12 months.
- organisations whose employees routinely travel long distances as part of their employment (i.e. pilots or truck drivers).
- organisations or travellers' who are unable to pay any applicable excess or who are unable to pay costs incurred at the time of loss for benefits paid on a reimbursement basis.

This policy is not suitable for persons seeking coverage for losses arising from the policy exclusions listed within the PDS. This Product is not intended to be a replacement of, or alternative to, private health insurance or a workers' compensation scheme.

## Key eligibility criteria for insurance coverage for Covered Persons:

Age limits apply to the policy and can vary depending on the requirements of the group or AHI's underwriting guidelines. No cover is provided for persons who have not attained the minimum age limit, or who have attained the maximum age limit of the policy at the time of an event claimed under the policy. The minimum age limit and the maximum age limit are stated in the Schedule. Certain coverage restrictions additionally apply to some pre-existing medical conditions.

Please refer to the PDS and Schedule, including any policy endorsements, for full details.

## Limitations

The Product provides certain insurance coverage benefits. An insured person is only covered for the benefits set out in the Schedule. If a benefit within the Schedule is stated to be \$0.00, no cover is provided under the policy for that benefit. This policy is not suitable for persons seeking coverage beyond that provided.

There is a maximum amount payable under each benefit of the policy with respect to each insured person, and with respect to all claims payable under the policy during each period of insurance. The limit of the insurer's liability is the sum insured against each benefit as shown in the Schedule and is subject to the overall maximum amount in any one period of insurance as also shown in the Schedule as the "Aggregate Limits of Liability".

## Excess and other Deductions

Claims are subject to the payment of any excess and excess period, as specified in the Schedule. Certain claims may also be subject to deduction of an amount covered by a regulated compensation scheme such a state or territory as workers' compensation scheme or motor vehicle accident compensation scheme.

## Key benefits and exclusions

### Key benefits\*

- Accidental Death and Bodily Injury – Lump Sum Benefits
- Weekly Benefits – Bodily Injury
- Bodily Injury Resulting in Surgery
- Weekly Benefits - Sickness
- Sickness Resulting in Surgery
- Fractured Bones – Lump Sum Benefits
- Loss of Teeth or Dental Procedures – Lump Sum Benefits

\* Some of these items are only insured if selected and shown on the Schedule for an insured amount. If the sum insured shown in the Schedule is \$0.00 for a benefit, no cover is provided under the policy for that benefit. The above list of key benefits is a summary only. All insurance coverage under the Product is subject to its terms. Read the policy in full to understand the benefits advertised or offered by the insurer.

### Key exclusions

The Product contains the general exclusions, which unless otherwise agreed in writing, apply to all benefits under the policy. Other specific exclusions may apply to individual benefits. The complete policy terms, including the PDS, should be checked to ensure that the Product is consistent with the likely objectives, financial situations and needs of the target market customer. Some of the key exclusions which apply to the Product include (utilising defined words within the policy):

- a loss that would result in AHI contravening the Health Insurance Act 1973 (Cth), the Private Health Insurance Act 2007 (Cth), the Private Health Insurance (Health Insurance Business) Rules as updated from time to time or the National Health Act 1953 (Cth) or any amendment to, or consolidation or re-enactment of, those Acts or any succeeding, replacement or equivalent legislation;
- any loss which results from a Covered Person engaging in or taking part in:
  - a) flying, or engaging in aerial activities other than as a passenger in an aircraft licensed to carry passengers, or which the Covered Person believes on reasonable grounds is licensed to carry passengers; or
  - b) a Covered person training for or participating in Professional Sport;
- any loss that results from the Covered Persons intentional self-injury, suicide or attempted suicide;
- any loss that is covered by Medicare, in whole or in part; or
- a loss that results from any Pre-Existing Condition, but not illness or disease resulting directly from medical or surgical treatment rendered necessary by any Bodily Injury.

## Distribution Conditions

This Product can only be distributed by Accident & Health International Underwriting Pty Ltd, ABN 26 053 335 952, AFSL no. 238261 (Distributor) to clients of AON Risk Services Australia Limited, ABN 17 000 434 720, AFSL no. 241 141 (Aon). This Product can only be distributed by AHI through an underwriting system approved by AHI and Tokio Marine, and in accordance with the insurer's eligibility and underwriting rules, and any applicable coverage restrictions relating to age and pre-existing medical

conditions. Any quoting outside of such system(s) must be referred to an authorised representative of AHI and Tokio Marine. This Product is not available online for customers to purchase directly.

Distribution conditions and restrictions include underwriting rules as amended from time to time by AHI and Tokio Marine, terms of AHI and Tokio Marine's distribution arrangements, together with applicable insurance industry codes and legal requirements.

AHI and Tokio Marine will make risk-based decisions to determine acceptance criteria for the Product and its cost. Some of the key acceptance criteria relating to the Product may include the:

- age of insured persons;
- occupation of insured persons;
- activities undertaken during the cover period;
- any previous claims experience for the same or similar type of risk;
- risk location(s);
- benefits and sums insured offered; and
- excess amount and/or excess period offered.

The cost of the policy is made up of premium, administration fees and government taxes, such as Goods & Services Tax (GST) and stamp duty, where applicable.

### Reviewing this TMD

AHI and Tokio Marine will review this TMD within two years from the effective date of this TMD to ensure it remains appropriate.

AHI and Tokio Marine will also review this TMD if any event or circumstances (called 'review triggers') occur that would reasonably suggest that this TMD is no longer appropriate, such as:

- a material change to the Product;
- a change in product governance framework;
- a change in underwriting rules and guidelines, pricing or reinsurance arrangements, such as a change in the acceptance criteria that impacts on the suitability of the Product for the target market;
- a material change to the distribution of the Product, or a change to how AHI and Tokio Marine conduct business with Aon;
- a change in the law or regulatory guidance or industry code that materially affects the terms of cover or the receipt of feedback from the Distributor, insurance brokers, regulators or the General Insurance Code Governance Committee that suggests the TMD is no longer appropriate;
- systemic complaints or claims issues, which indicate that the Product is no longer suitable for the described target market;
- material and relevant changes in the key product suitability metrics such as:
  - customer feedback;
  - Product acceptance;
  - sales to loss ratios; or
  - cancellations;
- an external event such as relevant court proceedings or political or global events; or
- significant dealing/s in the Product outside the target market as defined in this TMD.

AHI and Tokio Marine will review this TMD within 10 business days of the occurrence of any review trigger. Other than when review is triggered as set out in this TMD, this TMD is to be reviewed within 2 years from the date it was first determined for this Product. Thereafter, the TMD is reviewed at least every 24 months on an ongoing basis.

### Reporting

AHI and Tokio Marine will record all complaints received about this Product as received and collate to review monthly. All staff and representatives are required to provide regular and incident-based reporting on key metrics (see the heading "Reviewing this TMD") to allow AHI and Tokio Marine to review this TMD.

The Distributor, AHI, is required to report to Tokio Marine, as set out in the table below:

Information required to be reported	Who is required to report	Reporting period
Breach of distribution condition or distribution outside of target market.	Distributor	As soon as practicable after becoming aware of the matter and within 10 business days.
Significant dealings that are not consistent with this TMD.	Distributor	As soon as practicable after becoming aware of the matter and within 10 business days.

Complaints - details of new complaints which the Distributor receives in relation to this Product.	Distributor	As soon as practicable and within 2 business days of the receipt of the complaint.
Complaints - the number of complaints received by the Distributor about the Product during the reporting period.	Distributor	10 business days after the completion of the reporting period.
Information indicating that the Product may not be appropriate for its target market.	Distributor	As soon as practicable after becoming aware of the matter and within 10 business days.

Distributor's reporting includes details that would allow AHI and Tokio Marine to determine whether this TMD remains appropriate for the Product. The Significant Dealings report must at least include the relevant date(s), details of the dealing occurred, and any steps or actions the Distributor has taken to mitigate. AHI and Tokio Marine also review sales data including number of policies issued, renewed, and cancelled monthly.

### Record keeping

AHI and Tokio Marine maintain records of the reasonable steps they have taken to ensure that the Product is sold by AHI in a manner consistent with this TMD.

AHI and Tokio Marine prepare and maintain complete and accurate records of all decisions, and the reasons for those decisions, in relation to:

- all target market determinations for this Product;
- identifying and tracking review triggers;
- setting review periods; and
- the matters documented in this TMD.

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This TMD does not form part of the policy wording for the insurance product to which it relates.

The above stated insurance product is arranged by Accident & Health International Underwriting Pty Ltd, ABN 26 053 335 952, AFS Licence No. 238261 (AHI), on behalf of the insurer and product issuer, Tokio Marine & Nichido Fire Insurance Co., Ltd., ABN 80 000 438 291, AFS Licence No. 246548 (Tokio Marine). For clients of Aon Risk Services Australia Ltd only. © 2025