# RACT Comprehensive Car and Third Party Insurance Target Market Determination

This Target Market Determination (**TMD**) relates to:

- RACT Comprehensive Car and Third Party Insurance Product Disclosure Statement (**PDS**) dated 2 April 2026 and any Supplementary PDSs relating to that product (**Product**).

It has been prepared by RACT Insurance Pty Ltd ABN 96 068 167 804 AFS Licence No 229076 (RACT Insurance) and applies to the Product effective from 18 June 2026.

The purpose of this TMD is to set out the class of customers the Product has been designed for, taking into consideration the likely objectives, financial situation and needs of that class of customers. It also sets out the distribution conditions that apply to the Product and the review periods and triggers, and reporting requirements for the TMD.

Where a person falls within the target market for the Product, that does not mean that the Product is necessarily right for their individual needs, objectives, and financial situation. We do not consider this, and a person needs to consider the PDS and other information provided by us (and/or seek professional advice) before deciding to apply for this Product.

## Target Market

## Product Description and Key Attributes

This Product provides three types of cover for cars and other motor vehicles:

- Comprehensive cover, which provides cover for loss or damage to the customer's car caused by accidental damage, malicious damage, natural events, fire or theft, cover for legal liability for accidental damage to another person's property arising from the use of the customer's car and cover for associated costs and expenses.
- Third Party Property Damage cover, which provides cover for the customer's legal liability for accidental damage to another person's property arising from the use of their car and cover for damage to their own car in certain situations where the other driver was uninsured and at fault up to a maximum of $5,000.
- Third Party Fire and Theft cover (optional add-on to Third Party Property Damage cover), which provides the cover available under the Third Party Property Damage cover, plus cover for loss or damage to the customer's car caused by fire, theft or attempted theft up to a maximum of $5,000.

The Product also offers the following optional covers to eligible customers who purchase Comprehensive cover:

- 30 day hire car
- No excess windscreen and glass
- Increased campervan or motorhome contents

Customers can choose from these cover types to meet their individual needs.

## Likely objectives, financial situation and needs of customers in the target market

Customers in the target market for the Product will likely have a need to manage their financial exposure for:

- Loss or damage to their car, caused by accidental damage, malicious damage, natural events, fire or theft, as well as associated costs and expenses; and/or
- Legal liability for accidental damage to another person's property arising from the use of their car.

Customers in the target market will therefore have the likely objective of transferring a material portion of that financial exposure through insurance protection of the types covered by this Product.

The likely financial situation of customers in the target market will be that they can afford to pay the premiums for the Product, bear the excess/es 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 Description

The target market for this Product is as follows:

### Overall target market

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|---|---|
| **This Product is suitable, subject to the target market criteria for specific covers below, for:** | • Customers who own a car, campervan or motorhome and use it primarily in Tasmania. |
| **This Product is not suitable for:** | • Customers whose vehicle:<br>  ○ is a bus, truck or has a carrying capacity of more than 2 tonnes;<br>  ○ is a campervan or motorhome with a Gross Vehicle Mass (GVM) over 5 tonnes; or<br>  ○ was individually imported to Australia from another country.<br>• Customers whose car:<br>  ○ is not in good and roadworthy condition; or<br>  ○ is subject to modifications and accessories which RACT Insurance does not agree to insure.<br>• Customers whose car is used for business purposes, which RACT Insurance does not agree to insure.<br>• Customers who cannot afford to pay the premium, all applicable excesses (including any age and additional excesses) before finalisation of a claim and financially contribute to any amounts relating to loss or damage caused to or by their car that are outside of or excluded from cover, or that exceed the sum insured or relevant limits. |

### Comprehensive cover

| | |
|---|---|
| **This cover is suitable for:** | • Customers who are in the overall target market for this Product and need cover for:<br>  ○ loss or damage to their car, caused by accidental damage, malicious damage, natural events, fire or theft, up to an agreed value; and<br>  ○ Legal liability for accidental damage to another person's property arising from the use of their car, up to $20 million. |

### Third Party Property Damage cover

| | |
|---|---|
| **This cover is suitable for:** | • Customers who are in the overall target market for this Product and need cover for:<br>  ○ legal liability for accidental damage to another person's property arising from the us of their car, up to $20 million; and<br>  ○ loss or damage to their car by an uninsured driver, up to a maximum of $5,000. |

| | |
|---|---|
| **This cover is not suitable for:** | • Customers who also need cover for loss or damage to their car, caused by accidental damage, malicious damage, natural events, fire or theft. |

### Third Party Fire and Theft cover (optional add-on to Third Party Property Damage cover)

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|---|---|
| **This cover is suitable for:** | • Customers who are in the overall target market for this Product and who, in addition to Third Party Property cover, need cover for loss or damage to their car, caused by fire, theft or attempted theft, up to a maximum of $5,000. |
| **This cover is not suitable for:** | • Customers who also need cover for:<br>  ○ accidental loss or damage to their car from causes other than fire, theft and attempted theft; or<br>  ○ accidental loss or damage to their car from fire, theft or attempted theft above $5,000. |

## Suitability

The Product is likely to be consistent with the likely needs, objectives and financial situation of customers in the target market because:

- It provides cover that customers need for loss or damage to their car and/or for their liability for accidental damage to another person's property;
- Customers in the target market are eligible for cover under the Product; and
- Customers can choose the options that best suit their individual needs.

## Distribution conditions of this Product

The following distribution conditions apply to this Product:

- Distribution of the Product is only conducted through:
  - Royal Automobile Club of Tasmania (**RACT**) call centres;
  - RACT's website; and
  - RACT's store network.
- The Product will only be issued to and renewed with customers who comply with all RACT Insurance underwriting guidelines, which contain the acceptance criteria for the Product and include all factors relevant to the target market described in this TMD.
- The acceptance criteria are applied through:
  - an online sales process for new business sales online;
  - systems and processes that support customer suitability and eligibility assessments, and the delivery of other information to customers which is relevant to their understanding of the market for the Product;
  - scripts for new business sales made through call centres and stores; and
  - analysis of customer suitability data in the formation of renewal decisions.
- RACT conducts Quality Assurance reviews on sales made to customers, to confirm compliance with acceptance criteria, on a regular basis and communicates the outcome of those reviews with RACT Insurance.
- All staff involved in sales of the Product receive appropriate training, including with regard to compliance with this TMD.

These distribution conditions make it likely that individuals who are issued a Product are within the target market because they are supported by reasonably appropriate platform controls, training and scripting designed to ensure that the Product is distributed to persons within the target market.

## Periodic reviews of this document

RACT Insurance will carry out a review of this TMD within 2 years of its effective date, and every 2 years thereafter.

## Other circumstances which will trigger a TMD review

RACT Insurance will also review the TMD if it identifies or becomes aware of any event or circumstance that would reasonably suggest that the TMD is no longer appropriate. These events and circumstances may include:

- A material change is made to the terms of cover provided by the Product.
- A material change is made to the acceptance criteria for the Product.
- A material change is made to the way the Product is distributed.
- The discovery of a material defect in the PDS for the Product.
- Poor or significantly deteriorating key Product suitability metrics, including:
    - feedback, such as systemic complaints or claims issues, that reasonably suggests that the TMD is no longer appropriate.
    - Product value metrics (including claims acceptance rates, and loss ratios) that reasonably suggests the TMD is no longer appropriate.
- Feedback from a regulator, the Code Governance Committee (**CGC**) or Australian Financial Complaints Authority (**AFCA**) which reasonably suggests the TMD is no longer appropriate.
- A change in law, regulation, or regulatory guidance that materially affects the Product, the design or distribution of the Product (or class of product that includes this Product), where that reasonably suggests the TMD is no longer appropriate.
- Where a significant dealing occurs outside of the target market, that reasonably suggests the TMD is no longer appropriate.

## Complaints Reporting

RACT Insurance handles all complaints received by it and its service providers in accordance with RACT Insurance Complaints Handling Guide, which aligns with requirements in the General Insurance Code of Practice and relevant law. The number and nature of complaints are reported to RACT Insurance by service providers and reviewed by RACT Insurance, with respect to the Product, on a monthly basis.

## Information to assess TMD, review triggers and reporting periods

The table below sets out the kinds of information RACT Insurance uses to assess this TMD, or those that service providers need to provide to us, to enable us to promptly identify whether a review of the TMD is needed.

| Information | Source | Reporting/Review Period |
|---|---|---|
| Complaints feedback including:<br>• Nature of complaints<br>• Number of complaints<br>• Product category | RACT Insurance, RACT, service providers | Monthly |
| Claims data including:<br>• Average claims costs<br>• Claims acceptance rates<br>• Claims frequency<br>• Loss ratios | RACT Insurance, service providers | Half-yearly |
| Product review outcomes | RACT Insurance | Half-yearly |
| Sales information including:<br>• Strike rates<br>• Cancellation rates | RACT Insurance, RACT | Monthly |
| Significant Dealings in the Product outside of the target market | RACT Insurance, RACT | As soon as practicable but within 10 business days |
| Any feedback, regulatory orders or directions received from a regulator, CGC or AFCA in respect of the Product or its distribution. | RACT Insurance, RACT, service providers | As soon as practicable but within 10 business days |

## Record keeping

RACT Insurance will maintain records of the reasonable steps taken to ensure that this Product is sold in a manner consistent with this TMD.

RACT Insurance will also maintain records of its decisions, and the reasons for those decisions, in relation to:

- The creation and alteration of this TMD.
- The identification and monitoring of review triggers.
- The outcomes of periodic reviews.
- The matters documented in this TMD.