

# Target Market Determination: Petmed Pet Insurance

**Product Name:** Petmed Pet Insurance – Basic plan, Standard plan, Ultimate plan, Basic Seniors plan, Standard Seniors plan and Ultimate Seniors plan Product Disclosure Statement (PDS) dated 24 August 2021.

## What is a Target Market Determination

This Target Market Determination (TMD) sets out the class of customers that each product has been designed for and is suitable for. It sets out the target market for each product, conditions and restrictions placed on its distribution, events and circumstances that would reasonably suggest that the TMD is no longer appropriate and review periods and reporting obligations for the TMD.

This TMD does not provide any financial product advice on the products and does not take into consideration the objectives, financial situation and needs of individual customers.

The terms and conditions of each product are set out in the PDS. This TMD does not form part of the insurance contract and is not a summary of the products' terms and conditions. Customers should review the PDS before making any decision in relation to the products.

Any terms used in this TMD that are defined in the Corporations Act 2001 (Cth) have the same meaning as in that Act.

This TMD is available to any person at <http://www.petmed.net.au/>

**Preparation date of this TMD:** 25 September 2023.

**Effective date of this TMD:** 01 December 2022.

## Issuer

This TMD is made by The Hollard Insurance Company Pty Ltd ABN 78 090 584 473 AFSL 241436 (Hollard). PetSure (Australia) Pty Ltd (ABN 95 075 949 923, AFSL 420183) (PetSure) acts for Hollard under a binding authority. In this document the terms, "we", "us" or "our" refer to Hollard in its own right or via PetSure.

## Product description and key attributes

The products have been designed for people who want different choices of cover towards eligible veterinary expenses incurred by the owners of cats or dogs. There are three products for pets under the age of nine years at the commencement date of the first policy period and three products for pets over the age of nine years at the commencement date of the first policy period. The key attributes of the products are briefly described below:

For pets under the age of nine years at the commencement date of the first policy period			
	Basic	Standard	Ultimate
<b>Cover type</b>	Cover for both specified accidental injuries and illnesses	Cover for both specified accidental injuries and illnesses	Cover for both specified accidental injuries and illnesses
<b>Benefit percentage</b>	Up to 65% of eligible veterinary bills	Up to 80% of eligible veterinary bills	Up to 80% of eligible veterinary bills
<b>Annual benefit limit</b>	Up to \$5,000 per year	Up to \$12,000 per year	Up to \$18,000 per year
<b>Sub-limits</b>	Some condition related sub-limits apply to conditions such as tick paralysis and cruciate ligament conditions	Some condition related sub-limits apply to conditions such as tick paralysis and cruciate ligament conditions	Some condition related sub-limits apply to conditions such as tick paralysis and cruciate ligament conditions
<b>Excesses</b>	\$0 or \$99	\$0 or \$99	\$0 or \$99

For pets over the age of nine years at the commencement date of the first policy period			
	Basic Seniors	Standard Seniors	Ultimate Seniors
<b>Cover type</b>	Cover for both specified accidental injuries and illnesses	Cover for both specified accidental injuries and illnesses	Cover for both specified accidental injuries and illnesses
<b>Benefit percentage</b>	Up to 65% of eligible veterinary bills	Up to 65% of eligible veterinary bills	Up to 65% of eligible veterinary bills
<b>Annual benefit limit</b>	Up to \$5,000 per year	Up to \$10,000 per year	Up to \$15,000 per year
<b>Sub-limits</b>	Some condition related sub-limits apply to conditions such as tick paralysis and cruciate ligament surgery	Some condition related sub-limits apply to conditions such as tick paralysis and cruciate ligament surgery	Some condition related sub-limits apply to conditions such as tick paralysis and cruciate ligament surgery
<b>Excesses</b>	\$199	\$99	\$99

Other key attributes of these products include:

- they do not provide comprehensive cover for preventative care costs and general pet maintenance costs like grooming and pet food; and
- cover is subject to annual limits, sub-limits (which can increase from time to time to help keep pace with the cost of veterinary care), terms, conditions and exclusions. Examples of key exclusions include waiting periods at the inception of a new policy and coverage exclusions for chronic pre-existing conditions.

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

The likely objectives, financial situation and needs of customers in the target market is contribution towards eligible veterinary expenses that they incur, to help ensure their pet can receive appropriate treatment and to reduce (and not cover in full) the cost to the customer of that treatment.

Customers in the target market will be able to afford to pay:

- premiums for the product, which will increase from year to year;
- the full amount for treatment upfront to the vet before seeking claims reimbursement for the eligible expenses, unless using the GapOnly® claims payment platform (in which case, customers need to be able to pay upfront the 'gap' payment - the 'gap' means the difference between the vet's invoice for eligible expenses and the claim benefit calculated under the policy terms and conditions, if any); and
- any veterinary expenses above the accepted claim amount, including:
  - the excess (where applicable);
  - costs above the applicable benefit percentage (up to 65% or 80% of eligible veterinary expenses depending on the selection chosen);
  - costs above the applicable annual benefit limit (up to \$5,000, \$10,000, \$12,000, \$15,000 or \$18,000 per year depending on the selection chosen); and
  - costs above the applicable sub-limits.

## Target market for the products

The overall target market described below applies to each product. Each product also has its own parameters which apply in addition to the overall target market.

### Overall target market

Who these products may be suitable for	Who these products may not be suitable for
<p>A person is in our target market and the products may be suitable for them if they:</p> <ul style="list-style-type: none"><li>• are eighteen years of age or over;</li><li>• have a domestic dog or cat that is legally available in Australia;</li><li>• want cover towards the costs associated with a range of specified accidental injuries that their pet may experience;</li><li>• want cover towards the costs associated with treating a range of illnesses, such as cancer treatments and other temporary and chronic conditions; and</li><li>• can afford to pay the applicable premium, upfront veterinary expenses before submitting a claim (unless GapOnly® is used), and veterinary expenses that are above the accepted claim amount.</li></ul>	<p>A person will not be in our target market and the products may not be suitable for them if they:</p> <ul style="list-style-type: none"><li>• are seeking cover for chronic pre-existing conditions;</li><li>• are seeking total reimbursement of veterinary expenses for all illnesses or accidents, and preventative treatments and ownership costs that their pet may experience;</li><li>• do not want sub-limits or want different sub-limits to apply for treatment for tick paralysis or cruciate ligament conditions; and/or</li><li>• cannot afford to pay the applicable premium, upfront veterinary expenses before submitting a claim (unless GapOnly® is used), and/or veterinary expenses that are above the accepted claim amount.</li></ul>

### Target market for each product

In addition to the overall target market parameters that apply to the products, these additional parameters apply to each relevant product.

#### Basic (Specified accidental injury and illness)

A person is in our target market and this product may be suitable for them if they:	A person will not be in our target market and this product may not be suitable for them if they:
<ul style="list-style-type: none"><li>• want up to 65% of their eligible veterinary expenses covered up to \$5,000 per policy period; and</li><li>• want cover for a pet over the age of eight weeks and younger than nine years old at the commencement date of the first policy period.</li></ul>	<ul style="list-style-type: none"><li>• have a pet aged nine years or over at the commencement date of the first policy period.</li></ul>

#### Standard (Specified accidental injury and illness)

A person is in our target market and this product may be suitable for them if they:	A person will not be in our target market and this product may not be suitable for them if they:
<ul style="list-style-type: none"><li>• want up to 80% of their eligible veterinary expenses covered up to \$12,000 per policy period; and</li><li>• want cover for a pet over the age of eight weeks and younger than nine years old at the commencement date of the first policy period.</li></ul>	<ul style="list-style-type: none"><li>• have a pet aged nine years or over at the commencement date of the first policy period.</li></ul>

#### Ultimate (Specified accidental injury and illness)

A person is in our target market and this product may be suitable for them if they:	A person will not be in our target market and this product may not be suitable for them if they:
<ul style="list-style-type: none"><li>• want up to 80% of their eligible veterinary expenses covered up to \$18,000 per policy period; and</li><li>• want cover for a pet over the age of eight weeks and younger than nine years old at the commencement date of the first policy period.</li></ul>	<ul style="list-style-type: none"><li>• have a pet aged nine years or over at the commencement date of the first policy period.</li></ul>

### Basic Seniors (Specified accidental injury and illness)

A person is in our target market and this product may be suitable for them if they:	A person will not be in our target market and this product may not be suitable for them if they:
<ul style="list-style-type: none"><li>want up to 65% of their eligible veterinary expenses covered up to \$5,000 per policy period;</li><li>want an excess of \$199 that applies per condition, per policy period; and</li><li>want cover for a pet aged nine years or older at the commencement date of the first policy period.</li></ul>	<ul style="list-style-type: none"><li>have a pet under the age of nine years at the commencement date of the first policy period; and</li><li>do not want an excess to apply per condition, per policy period.</li></ul>

### Standard Seniors (Specified accidental injury and illness)

A person is in our target market and this product may be suitable for them if they:	A person will not be in our target market and this product may not be suitable for them if they:
<ul style="list-style-type: none"><li>want up to 65% of their eligible veterinary expenses covered up to \$10,000 per policy period;</li><li>want an excess of \$99 that applies per condition, per policy period; and</li><li>want cover for a pet aged nine years or older at the commencement date of the first policy period.</li></ul>	<ul style="list-style-type: none"><li>have a pet under the age of nine years at the commencement date of the first policy period; and</li><li>do not want an excess to apply per condition, per policy period.</li></ul>

### Ultimate Seniors (Specified accidental injury and illness)

A person is in our target market and this product may be suitable for them if they:	A person will not be in our target market and this product may not be suitable for them if they:
<ul style="list-style-type: none"><li>want up to 65% of their eligible veterinary expenses covered up to \$15,000 per policy period;</li><li>want an excess of \$99 that applies per condition, per policy period; and</li><li>want cover for a pet aged nine years or older at the commencement date of the first policy period.</li></ul>	<ul style="list-style-type: none"><li>have a pet under the age of nine years at the commencement date of the first policy period; and</li><li>do not want an excess to apply per condition, per policy period.</li></ul>

### Consistency between the products and target market

These products will likely meet the likely objectives, financial situation and needs of the target market because they address the needs of customers in the target market to reduce the costs of eligible veterinary expenses.

### Distribution Conditions

Petmed Pet Insurance – Basic plan, Standard plan, Ultimate plan, Basic Seniors plan, Standard Seniors plan and Ultimate Seniors plan is only available to renewing customers who first purchased their policy prior to 1 December 2022.

Hollard has arrangements in place with PetSure with appropriate terms to ensure the products are distributed to the customers that fall within the target market. Hollard will monitor whether customers are in the target market, pursuant to the criteria in this TMD.

If Hollard identifies the customer is no longer in the target market, PetSure, under its arrangement with Hollard will contact the customer.

## Reviewing this document

### Periodic review

We will review this TMD within 24 months from its commencement date and subsequently every 24 months thereafter.

### Review triggers

We will also review this TMD, if there are events or circumstances that reasonably suggest that the TMD is no longer appropriate.

The triggers for this review may arise from:

- any material changes being made to the product coverage, pricing methodology, underwriting or eligibility criteria or its method of claims assessment and settlement;
- any material changes to methods of distribution;
- changes in law or regulatory guidance or industry code which may materially affect the terms of cover or distribution or regulatory feedback or concerns raised to suggest the TMD may no longer be appropriate;
- identification of systemic issues and findings, produced from quality assurance or governance processes, that may indicate an issue with the product or the appropriateness of the TMD;
- any occurrence of a significant dealing outside of the target market;
- compliance incidents and breaches that may indicate an issue with the product and the appropriateness of the TMD; or
- material deviations developing in the customer value metrics that track:
  - financial performance of the product;
  - product desirability;
  - benefit attained from the product by customers;
  - overall claims experience;
  - number and type of complaints received; and
  - customer feedback received.

## Reporting

Distributors of these products are required to report the following information to us within the time specified below:

Information	Reporting period
Actual or potential significant dealings of the product outside of the target market	As soon as practicable and in any event within 10 business days of first becoming aware
Actual or potential issue of the product in breach of distribution conditions or outside of the target market	As soon as practicable and in any event within 10 business days of first becoming aware
Number and details of all complaints received	Within 10 business days of the end of each quarter
Sales and marketing data including but not limited to quotes and sales made, promotions applied, cancellation of cover information	Within 10 business days of the end of each quarter
Any data that we do not hold and is requested by us in writing that allows us to monitor customer value metrics as described in "Reviewing this document"	Within 10 business days of the end of each month