

# TARGET MARKET DETERMINATION

## Novate Motor Insurance

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### About This Document

This Target Market Determination (TMD) applies to the Novated Lease Motor Insurance products distributed by Mercurien on behalf of Assetinsure. This document provides information about key product attributes, the class of customers for which the products have been designed and conditions applied in distributing the products, which together ensure that the products are likely to be consistent with the likely objectives, financial situation and needs of those customers.

This document is not intended to provide any financial product advice and does not form a part of the terms of cover. In addition to the key eligibility requirements outlined in this document, the products are also subject to acceptance criteria. Customers should refer to the Product Disclosure Statement (PDS) and any supplementary document(s), which outline the relevant terms, conditions, exclusions and insurance cover being provided under the product, when making a decision about a product.

Product	This TMD applies to the following PDS: <ul style="list-style-type: none"><li>Novate Plus Motor Insurance</li><li>Novate Motor Insurance</li></ul>
Issuer	Assetinsure Pty Ltd ABN 65 066 463 803, AFSL 488403
Distributor	Mercurien Insurance Pty Ltd ABN 68 150 845 177, AFSL 480284 acting under a binding authority from Assetinsure
Effective Date	This Target Market Determination applies from 30 June 2025

### Product Description and Key Attributes and Eligibility Criteria

The products are designed to provide cover to customers for vehicles which are subject to a novated lease, requiring financial protection

- for loss or damage to the vehicle;
- for legal liability for damage to other people's property caused by the use of their vehicle and/or
- or death or bodily injury to other people (falling outside Compulsory Third Party (CTP) cover) caused by the use of their vehicle.

The products contain different cover benefits and have a range of specified covers as well as optional covers that may be available to customers at a varied cost.

The following key eligibility criteria are relevant in determining the class of customer these products are targeted to:

- The customer has an insurable interest in the vehicle;
- The customers' vehicle is subject to a novated lease agreement with a leasing company;
- The customer is represented by a licensed insurance broker or advisor;
- There are restrictions on who can be insured under these policies, including but not limited to, persons with criminal offence charges or convictions, bankruptcy and/or having had an insurance claim denied due to fraud or dishonesty;
- There are limitations on vehicles that can be covered, including but not limited to, exclusions for vehicles that are outside Australia, unregistered, unroadworthy, or valued over \$250,000;

- There are use limitations for vehicles that can be covered, including but not limited to, exclusions for vehicles used as taxis, for ride share, and/or at any airfield or airside;
- An excess may be applied when making a claim. There is both a standard excess and additional excesses that may be applied to specific policies.

The products recommend the use of the Mercurien Drive App whilst driving the vehicles insured under these policies.

Underwriting criteria are applied such that only those customers that meet the issuer’s risk appetite are accepted for policy issuance.

The PDS’s contain the full details regarding the terms and conditions of the policies.

## Class Of Customers That Fall Within This Target Market

Customers in the target market can reasonably be described as follows:

- **Objectives** - The likely objectives for customers in this target market are to have financial protection for loss or damage to their novated leased vehicle and/or for legal liability for damage or harm caused to third parties by their vehicle.
- **Financial situation** - The likely financial situation of customers in this target market is broad, however they may experience a financial burden should the use of their vehicle result in loss or damage to their vehicle and/or damage or harm to third parties resulting in legal liability. Customers should be able to afford the premium and any applicable excesses applied.
- **Needs** - The likely needs of customers in this target market are those whose novated leased vehicle is not covered by another insurance policy and so needs to purchase a separate insurance policy to have financial protection for their vehicle.

A customer may fall within the target market described in this TMD but may not meet the underwriting criteria on application.

Where a customer falls outside the target market for the product, Assetinsure recommends the customer speaks to their broker or advisor to assist them with determining whether the product meet their objectives, financial situation and needs.

## Distribution Obligations

The distributor is required to take reasonable steps to make it likely that customers who acquire the products are in the target market. Those reasonable steps include implementation of the following distribution conditions as part of the distribution process for the product:

Distribution Condition	How Does This Make The Distribution Appropriate?
<b>Distribution Channels</b> - The product can only be distributed by the distributor, or a licensed insurance broker.	Limited channels are used to ensure that the product is distributed in a controlled manner with appropriate conditions, controls and monitoring, by parties that have agreed to comply with all underwriting criteria.
<b>Written Agreements</b> - The agreements in place between the distributor and approved partners and insurance brokers shall set out the obligation to distribute the product only to customers within the target market.	The use of written agreements seeks to ensure that all parties are clear on expectations regarding this TMD and the ramifications if the product is distributed to customers outside of the target market.
<b>Distribution System</b> - The product shall be distributed through distributors’s online platforms made available to approved insurance brokers or via an underwriter.	Limiting the systems that can be applied seeks to ensure that the application process is applied consistently.
<b>Trained Staff</b> - The distributor shall coordinate for only appropriately trained staff to be involved in distribution of the product.	<p>This condition seeks to ensure that those distributing the product:</p> <ul style="list-style-type: none"> <li>• are authorised to engage in distribution activities;</li> <li>• are appropriately trained and accredited to relevant standards; and</li> <li>• understand the distribution process they are required to follow, as well as the legislative framework relevant to their activities.</li> </ul>

<b>Application process</b> - The application process shall provide clear and sufficient information, and collect relevant information, to make it reasonable that it can be identified that a customer falls within the target market and will be able to extract value from the product.	The use of a standardised application process seeks to ensure that the process adequately addresses the risk of selling the product to a customer outside of the target market.
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Where an insurance broker provides personal advice in relation to the product it is the responsibility of that partner or broker to ensure that acquiring the product is in the best interests of the customer having regard to the customer's objectives, financial situation and needs. Accordingly, when personal advice has been provided in relation to the product, the obligations under this TMD do not apply to the distributor or the insurance broker.

## Reporting And Monitoring Under This Target Market Determination

Distributors are required to report the following information in relation to this TMD which we will monitor to ensure the TMD remains appropriate:

<b>Complaints</b>	All complaints on a quarterly basis, within ten (10) business days of quarter end. This will include written details of the complaints.
<b>Sales Data</b>	Relevant sales and customer data on a monthly basis.
<b>Claims Data</b>	Relevant claims data on a monthly basis.
<b>Significant Dealings</b>	Report within one (1) business day if they become aware of a significant dealing that is inconsistent with the TMD. A significant dealing being a retail product distribution to customers outside of the TMD which is considered significant based on the particular circumstances. In determining what is a significant dealing, a distributor shall have regard to current ASIC guidance.

We will report the following information in relation to this TMD:

<b>Significant Dealings</b>	We will report to ASIC within ten (10) business days if we become aware of, or if it is reported to us, that there has been a significant dealing that is inconsistent with the TMD.
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## Reviewing This Target Market Determination

This TMD shall be reviewed within each 2 year period from the effective date shown herein to ensure it remains appropriate and also in accordance with the below:

<b>Review Triggers</b>	<p>This TMD will be reviewed within ten (10) business days of the identification of a review trigger, which is any event or circumstances that arise that would suggest the TMD is no longer appropriate. The review triggers are listed below:</p> <ul style="list-style-type: none"> <li>• A material change to the design or distribution of the product, including related documentation;</li> <li>• A material alteration in acceptance criteria or underwriting criteria;</li> <li>• A material change in the application process which incorporates distribution conditions;</li> <li>• Identified systemic issues across the product lifecycle;</li> <li>• Significant changes in metrics beyond ranges considered reasonable including policy cancellations, claims, complaints and loss ratios;</li> <li>• Distribution conditions are no longer appropriate;</li> <li>• It is determined that a significant dealing has occurred;</li> <li>• Feedback from distributors and customers, including via complaints;</li> <li>• Relevant material external events such as change of relevant law, regulatory attention or adverse media coverage.</li> </ul>
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