



Target Market Determination

Product: AON Vertex Inpatient Medical Insurance (Product)

Product Disclosure Statement: Prepared on 9 September 2021, ref: PDS TC14092021

TMD Commencement Date: 5 October 2021

Issuer: AIG Australia Limited (AIG) ABN 93 004 727 753 AFSL No 381686

What is a target market determination?

A Target Market Determination (TMD) is a determination that AIG has made that sets out:

- the class of customers that comprise AIG's target market for this Product, taking into consideration their likely needs, objectives and financial situation;
- any conditions and restrictions placed on retail product distribution conduct in relation to the Product;
- the events and circumstances that would reasonably suggest that the TMD is no longer appropriate;
- the review periods for the TMD; and
- the reporting obligations for the TMD.

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

The terms and conditions of the Product are set out in the Product Disclosure Statement (PDS). Insurance products and services are provided by AIG Australia Limited ABN 93 004 727 753 AFSL 381686. This TMD does not form part of the insurance contract and is not a summary of the Product's terms and conditions. Customers should review the PDS before making any decision on whether to purchase this Product.

AIG will make this TMD available to any person, upon request, free of charge.

Terms used in this TMD, which are defined in the *Corporations Act*, have the same meaning as under that legislation.

Application of this TMD

This TMD applies to customers who acquire the Product as retail clients namely sole traders and small businesses (a business which employs less than 100 people, if a manufacturing business, or otherwise 20 people or less).

It does not apply to other customers (wholesale clients) who may purchase the Product.

1. Target market

This section of the TMD describes the class of retail client customers who comprise the target market for the Product, taking into account their likely needs, objectives and financial situation.

Outlined below is a description of the Product, key eligibility criteria and key Product attributes that affect whether this Product is likely to meet the needs, objectives and financial situation of the target market.

The target market is retail client customers:

- who meet key eligibility criteria of the Product; and
- where the key Product attributes meet their likely needs, objectives and financial situation.

Product Description & Key Attributes

This Product has been designed for organisations/businesses to provide cover for nominated employees and other eligible persons who are non-Australian residents who require cover for medical insurance whilst working and residing in Australia on a temporary basis.

Please refer to the PDS for full details of Product coverage including benefits.

Key Eligibility Criteria

The table below provides a summary of the key eligibility criteria of this Product. This outlines the types of customers that this Product is available for. This Product is subject to underwriting criteria prior to acceptance.

This cover is available to	This cover is NOT available to
<ul style="list-style-type: none"> organisations with an Australian Business Number (ABN) who have non-Australian residents who are employees and/or other eligible persons temporarily residing in Australia for the purposes of their employment. 	<ul style="list-style-type: none"> customers who operate as a family trust or self-managed superannuation fund, individual cover or an organisation wishing to insure less than 5 employees, professional sports people, professional entertainers, armed forces, police, fire fighters or ambulance service employees, or employees residing in Australia for less than 12 months, employees above 65 years of age.

Needs and Objectives

This Product is likely to meet the needs and objectives of organisations who have employees and other eligible persons who are non-Australian residents and who are temporarily residing in Australia for the purposes of their employment and who wish to provide medical insurance for nominated employees and other nominated eligible persons. Depending on the needs of the organisation cover can be tailored to vary sums insured and include additional benefits. A summary is provided below of the key Product features outlining what is covered and what is not covered.

Key Product Features

What is covered

- reimbursement of medical expenses incurred in Australia,
- spouse/partner and dependent children can be covered under the policy.

This Product contains other benefits that can be found in the PDS.

What is not covered

- pre-existing medical conditions,
- expenses for cosmetic surgery or plastic surgery (except and to the extent that it is necessary for the cure or alleviation of an injury to the person insured under the Product),
- persons who are over the age of 65 years,
- treatment or services covered under Medicare, Workers Compensation or other Australian statutory insurances.

Key Product Features - continued**What is not covered**

- claims incurred or paid to a person insured under the Product whose country of residence is Australia,
- intentional self-inflicted injury,
- being under the influence of drugs and alcohol whilst operating a motor vehicle.

This Product contains other exclusions that can be found in the PDS.

These are the key attributes. Please refer to the PDS for full details of Product coverage including benefits. The benefits are subject to specified sums insured and the terms and conditions of the policy.

Financial Situation

This Product is likely to meet the financial situation of organisations who:

- require insurance coverage in line with the sums insured and policy limits available under the Product; and
- have the ability to pay premiums in accordance with the policy structure, chosen benefits, excess, fees and charges considering the organisation's financial circumstances.

Consistency between the Product and target market

This Product is likely to be consistent with the needs, objectives, and financial situation of the customers in the target market because the Product provides cover to those customers who meet key eligibility criteria and require cover for the types of loss or damage that customers in the target market are seeking to insure against.

2. Distribution conditions

This section of the TMD describes the conditions and restrictions on retail product distribution conduct that apply to customers who are retail clients. It does not apply to other customers (wholesale clients) who may purchase the Product.

The Product is distributed (purchased) by AON Risk Services Australia Limited ABN 17000 434 720 AFSL No 241141 (the Distributor).

The Distributor is an Insurance Broker, operating in Australia acting under its own Australian Financial Services Licence.

The distribution conditions that apply to the sale of this Product do not apply to the extent that AON Risk Services Australia Limited is arranging for a customer to acquire the Product for the purpose of implementing personal advice given to the customer.

AON Risk Services Australia Limited will distribute the Product to retail client customers that meet AIG's eligibility criteria, which aligns with the target market set out in section 1 above. AON Risk Services Australia Limited apply a consistent application process in relation to the Product, which supports the sale of the Product and any additional extensions to customers in the target market. AON Risk Services Australia Limited distributing the Product are required to submit customer applications using that process.

AON Risk Services Australia Limited ensures that all authorised representatives it deals with in relation to the Product:

- specialise in providing insurance to the industry;
- have a general understanding of the likely needs, objectives, and financial situation of the class of customers that fall within the target market; and
- have been trained in the relevant acceptance criteria for the Product.

3. Review period and triggers

AIG will review this TMD during the following periods to ensure that it remains appropriate:

First review period	Within one year from the TMD's commencement date.
Ongoing review periods	At least every two years after the completion of the first review period.

AIG 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:

Trigger

- a material change to the cover provided by the Product,
- the discovery of a relevant and material deficiency in the Product's disclosure documentation,
- a change in AIG's risk acceptance criteria or underwriting guidelines that may impact the suitability of the Product for the target market,
- a material change to the distribution of the Product,
- complaints or other feedback indicative of the Product no longer being suitable for the target market,
- claims denials or other issues indicative of the Product no longer being suitable for the target market,
- material decreases in sales and Product performance metrics including but not limited to Product acceptance rates, cancellation rates, Product value and affordability, benefits to customers, and the like,
- a material change to the legislation,
- issues arising from compliance monitoring, breaches or internal audit findings, or
- concerns raised by a regulator, the Code Governance Committee or the Australian Financial Complaints Authority.

4. Reporting obligations

AON Risk Services Australia Limited and AIG staff are required to report the following information to AIG:

Event or circumstance	Person required to report	Reporting period
Any issue arising from the sale of the Product to retail client customers in breach of the distribution conditions or outside the target market.	AIG staff, the insured's appointed broker or its authorised representative.	As soon as practicable after becoming aware of the matter, and within 10 business days.
Any significant dealings that are not consistent with this TMD.	AIG staff, the insured's appointed broker or its authorised representative.	As soon as practicable after becoming aware of the matter and within 10 business days.
The number and detail of complaints received about the Product.	AIG staff, the insured's appointed broker or its authorised representative.	Referral of Product related complaints within 24 hours. Periodic reporting within 10 business days after the end of each calendar quarter (31 March, 30 June, 30 September and 31 December).
Any actual or likely compliance breach relating to sale of the Product or to distribution requirements under the PDDO.	AIG staff, the insured's appointed broker or its authorised representative.	As soon as practicable after becoming aware of the matter, and in any event within 10 business days of the compliance breach being identified.