

# Target Market Determination (TMD) Medibank Pet Insurance

## Names of products:

Medibank Pet Insurance - Pet Protect Cover

Medibank Pet Insurance - Pet Plus Cover

Medibank Pet Insurance - Pet Max Cover

Product Disclosure Statement (PDS) dated 30 August 2023

## 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 their 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 product's 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 <https://www.medibank.com.au/pet-insurance/useful-documents/>

Effective date of this TMD: 20 December 2023

## Issuers

This Target Market Determination is made by the issuers of the respective products:

PetSure (Australia) Pty Ltd ABN 95 075 949 923, AFSL 420183 (PetSure) is the issuer of Medibank Pet Insurance policies first issued on or after 30 August 2023.

The Hollard Insurance Company Pty Ltd ABN 78 090 584 473, AFSL 241436 (Hollard) is the issuer of Medibank Pet Insurance policies first issued prior to 30 August 2023.

## Product description and key attributes

The products have been designed for people who want cover towards eligible veterinary expenses incurred by the owners of cats or dogs. The key attributes of the products are briefly described below:

	Pet Protect	Pet Plus	Pet Max
<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 with Extra care cover for specialised therapies and specified dental conditions, up to the Extra care limit of \$2,000
<b>Benefit percentage</b>	Up to 70% of eligible veterinary bills	Up to 80% of eligible veterinary bills	Up to 90% of eligible veterinary bills
<b>Annual benefit limit</b>	Up to \$10,000 per policy period	Up to \$25,000 per policy period	Up to \$30,000 per policy period
<b>Sub-limits</b>	Sub-limits apply to consultations, tick paralysis, hip joint surgery and cruciate ligament conditions	Sub-limits do not apply	Sub-limits do not apply
<b>Excesses</b>	Excess options, including \$0 excess, can be selected	Excess options, including \$0 excess, can be selected	Excess options, including \$0 excess, can be selected
<b>Option(s)</b>	Extra care cover for specialised therapies and specified dental conditions, up to the Extra care limit of \$2,000	Extra care cover for specialised therapies and specified dental conditions, up to the Extra care limit of \$2,000	N/A

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;
- where eligible, the ability to:
  - > reduce premiums by choosing a product with sub-limits, a higher excess and/or a lower benefit percentage, in return for higher out-of-pocket end costs following claims reimbursement (should you make a successful claim); or
  - > have lower out-of-pocket end costs following claims reimbursement (should you make a successful claim) by choosing a product with no sub-limits, a lower or no excess and/or a higher benefit percentage in return for higher premiums; and
- cover is subject to annual limits (which can increase from time to time to help keep pace with the costs 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 a 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 veterinary clinic 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 veterinary 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 70%, 80% or 90% of eligible veterinary expenses depending on the product chosen);
  - > costs above the applicable annual benefit limit (up to \$10,000 or, \$25,000, or \$30,000 per policy period depending on the product chosen); and
  - > costs above the applicable sub-limits and/or Extra care limit (where applicable).

## Target market for the products

The overall target market described applies to all the products set out below. Each product also has parameters which apply in addition to the overall target market.

Who these products may be suitable for	Who these products may not be suitable for
<p>A person is in the target market for the products if they:</p> <ul style="list-style-type: none"> <li>• are 18 years of age or over;</li> <li>• want cover for a pet over the age of 8 weeks old and younger than 9 years old at the time of the first policy commencement date;</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 and illnesses that their pet may experience; and</li> <li>• can afford to pay the applicable premium, upfront vet 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 the target market for the products if they:</p> <ul style="list-style-type: none"> <li>• are seeking cover for a pet that is not a dog or a cat;</li> <li>• are seeking cover for chronic pre-existing conditions;</li> <li>• are seeking total reimbursement of veterinary expenses for all accidents and/or illnesses that their pet may experience;</li> <li>• want cover towards preventative treatments and ownership costs that their pet may experience; and/or</li> <li>• cannot afford to pay the applicable premium, upfront vet 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 that applies to all the products, these additional parameters apply to each relevant product.

### Pet Protect (Specified accidental injury & illness)

Who these products may be suitable for	Who these products may not be suitable for
<p>A person is in the target market for this product if they:</p> <ul style="list-style-type: none"><li>• want up to 70% of their eligible veterinary expenses covered;</li><li>• want cover up to \$10,000 per policy period ; and</li><li>• want sub-limits to apply to consultations, tick paralysis, hip joint surgery and cruciate ligament conditions.</li></ul>	<p>A person will not be in the target market for this product if they:</p> <ul style="list-style-type: none"><li>• do not want sub-limits or want different sub-limits to apply to consultations, tick paralysis, hip joint surgery and/or cruciate ligament conditions.</li></ul>

### Pet Plus (Specified accidental injury & illness)

Who these products may be suitable for	Who these products may not be suitable for
<p>A person is in the target market for this product if they:</p> <ul style="list-style-type: none"><li>• want no sub-limits;</li><li>• want up to 80% of their eligible veterinary expenses covered; and</li><li>• want cover up to \$25,000 per policy period.</li></ul>	<p>A person will not be in the target market for this product if they:</p> <ul style="list-style-type: none"><li>• want sub-limits to apply to certain conditions or items.</li></ul>

## Pet Max (Specified accidental injury & illness with Extra care)

Who these products may be suitable for	Who these products may not be suitable for
<p>A person is in the target market for this product if they:</p> <ul style="list-style-type: none"> <li>• want up to 90% of their eligible veterinary expenses covered;</li> <li>• want up to \$30,000 cover per policy period, which could be reached in significant and/or more complex treatments or circumstances;</li> <li>• want cover up to the selected benefit percentage and subject to the Extra care limit of \$2,000 per policy period for both:               <ul style="list-style-type: none"> <li>› specialised therapy for: acupuncture, hydrotherapy, physiotherapy and chiropractic manipulation and behavioural conditions; and</li> <li>› treatment of the following specified dental conditions only: gingivitis, abscesses and removal of teeth where medically necessary due to: dental disease arising from infection; retained deciduous teeth; cavities; or tooth fracture.</li> </ul> </li> </ul>	<p>A person will not be in the target market for this product if they:</p> <ul style="list-style-type: none"> <li>• want sub-limits to apply to certain conditions or items;</li> <li>• do not want reimbursement for specialised therapy and/or treatment of specified dental conditions; and/or</li> <li>• do not want an Extra care limit or want different Extra care limit to apply to treatment of specialised therapy items and/or specified dental conditions.</li> </ul>

## Target market for Extra care (optional benefit for Pet Protect and Pet Plus)

Who this optional benefit may be suitable for	Who this optional benefit may not be suitable for
<p>A person is in the target market for this optional benefit if they:</p> <ul style="list-style-type: none"> <li>• want cover up to the selected benefit percentage (being 70% for Pet Protect and 80% for Pet Plus) and subject to the Extra care limit of \$2,000 per policy period for both:               <ul style="list-style-type: none"> <li>› specialised therapy for: acupuncture, hydrotherapy, physiotherapy, chiropractic manipulation and behavioural conditions; and</li> <li>› treatment of the following specified dental conditions: gingivitis, abscesses and removal of teeth where medically necessary due to: dental disease arising from infection; retained deciduous teeth; cavities; or tooth fracture.</li> </ul> </li> </ul>	<p>A person will not be in the target market for this optional benefit if they:</p> <ul style="list-style-type: none"> <li>• do not want reimbursement for specialised therapy and/or treatment of specified dental condition costs; and/or</li> <li>• do not want an Extra care limit or want different Extra care limit to apply to specialised therapy items and/or treatment of specified dental conditions.</li> </ul>

## Consistency between the product 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

### PetSure issued policies

The PetSure issued Medibank Pet insurance – Pet Protect, Medibank Pet insurance – Pet Plus, Medibank Pet insurance – Pet Max products are only available to customers whose policies were first issued to them on or after 30 August 2023. These products are distributed through:

- online channels including Medibank Pet Insurance website at [www.medibank.com.au/pet-insurance/](http://www.medibank.com.au/pet-insurance/) or and authorised distribution partner; or
- the PetSure comparison tool accessible via PetSure’s website domains at [www.petsure.com.au](http://www.petsure.com.au) and [www.gaponly.com.au](http://www.gaponly.com.au); or
- calling the contact centre of PetSure or Medibank; or
- visiting a retail store of Medibank.

All quotes made online use a quotation tool which asks the customer to answer a series of questions before finalising a quote. Customers seeking a quote via the phone or in person at a retail store will be asked a series of questions from a system-based script by a trained operator. The response to these questions will determine if the customer meets the eligibility criteria, which align with the description of the target market set out above. A sale will not progress if these eligibility criteria are not met. All call centre and retail store operators are provided with adequate training and their sales are routinely monitored by us to ensure that they sell the products only to customers who are in the target market.

Medibank Pet Insurance policies are promoted and distributed by Medibank Private Limited (ABN 47 080 890 259, AR no 286089). Medibank Private Limited is an authorised representative of PetSure. PetSure has arrangements in place with Medibank Private Limited with appropriate terms to ensure the products are distributed to the customers that fall within the target market.

PetSure and/or Medibank Private Limited also have arrangements with other approved distribution partners in relation to distribution of the product, with appropriate terms to ensure the products are distributed to the customers that fall within the target market

PetSure will monitor whether customers are in the target market, pursuant to the criteria in this TMD. If PetSure identifies the customer is no longer in the target market, PetSure will contact them.

PetSure’s comparison tool provides general advice about the products and can direct the customer to the quotation tool. PetSure will monitor the comparison tool routinely.

## Hollard issued policies

The Hollard issued Medibank Pet insurance – Pet Protect, Medibank Pet insurance – Pet Plus, Medibank Pet insurance – Pet Max are only available to renewing customers whose policies were first purchased prior to 30 August 2023.

For Hollard issued policies, 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

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

### Review triggers

Each issuer will also review this TMD, insofar as it relates to the products issued by them, 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
- trends or material changes that are inconsistent with the intended product performance based on metrics that track:
  - > financial performance of the product (including but not limited to the loss ratio);
  - > product desirability (including but not limited to the number and types of cancellations);
  - > benefit attained from the product by customers (including but not limited to the claims frequency and average benefit paid);
  - > overall claims experience (including but not limited to the claims approval rates, claims processing speed and claims submission methods);
  - > complaints (including but not limited to the number and type of complaints received); and
  - > customer feedback received (including but not limited to the number of hardship requests).

## Reporting

Distributors of these products are required to report the following information they hold to the relevant issuer or both issuers 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.