

COMMERCIAL PACKAGES TARGET MARKET DETERMINATION

1. ABOUT THIS DOCUMENT

This target market determination (**TMD**) relates to the Commercial Packages Insurance Policy issued by Allied World Assurance Company, Ltd ABN 54 163 304 907 AFSL 548668 (**AWAC**). References to “we”, “our” and “us” in this document means AWAC as the insurer of this policy.

This TMD has been designed to help our customers, representatives and our staff understand who Commercial Packages Insurance Policy is most suitable for the customers identified in paragraph 2 below (**target market**). It is intended to be distributed by our intermediary partners (insurance brokers). It is not intended to provide financial advice and does not form part of the terms of Commercial Packages Insurance Policy. In addition to the key eligibility requirements outlined in this TMD, the product is subject to acceptance criteria as determined by us from time to time.

This TMD also describes:

- Who our product is not suitable for;
- How the product can be distributed to our customers;
- How often we will review this TMD and when the next review will be;
- The events and circumstances that could mean we need to review whether this TMD is still appropriate;
- The information we would need in order to decide that this TMD is no longer appropriate; and
- How we record information related to the product and how this information is reported.

If you are considering whether to purchase Commercial Packages Insurance Policy, please refer to the Product Disclosure Statement (**PDS**) (and any Supplementary Product Disclosure Statement (**SPDS**) that may apply) to decide whether the product is right for you. Please use the PDS (and SPDS, if any) to understand the meaning of any capitalised terms used in this TMD which are not defined in this document. These documents can be obtained from your insurance broker.

This TMD is current as at 01/09/2025 and will continue to apply until it is replaced or withdrawn. We may review this TMD at any time.

2. WHO IS THE TARGET MARKET FOR THIS PRODUCT

2.1 The target market of the Commercial Package product is:

- Small to Medium commercial business owners that operate within the relevant industries and who are looking for insurance cover against exposure in those industries, including property losses and liability arising from third parties.
- Customer eligibility for this coverage is determined by Allied World and is contingent upon the payment of premiums and any applicable fees

2.2 This product is not suitable for:

- Large or corporate style of commercial business, or personal business without a registered ABN.
- Consumers seeking cover for personal property and belongings or for a property that is occupied fully as a residential dwelling.
- Customers who are seeking cover for types of losses that are excluded under the terms of the policy, including but not limited to:
 - Communicable disease
 - Radioactive and nuclear hazards
 - War

3. DESCRIPTION OF PRODUCT

The Commercial Packages Insurance Policy is a product made up of 11 sections that a customer can tailor to meet the requirements of their business. Once a policy section is selected it is reviewed and underwritten and quoted on an offer and acceptance basis in accordance with our underwriting rules. The underwriting governance of AWAC determines which policy sections are mandatory, and which are available depending on the Customer's circumstances.

The product has three policy sections that are the subject of this TMD:

Cover	This product provides:
Policy Section 1 – Property Damage	<ul style="list-style-type: none"> • cover for loss of, or damage to, property used in the Customer's business from specified Insured Events such as fire, lightning and explosion. It also provides several Extra Covers and Additional Benefits related to the Customer's business property. • Property that can be insured includes the buildings, contents and stock that the Customer use or are responsible for as part of the Customer's business. This policy section does not cover events such as theft or disease outbreak. Cover for money is available under a separate policy section. Cover for flood is available as an optional insurance.
Policy Section 2 – Glass	<ul style="list-style-type: none"> • cover for the breakage of fixed glass at the insured premises; and • an Additional Benefit to cover damage to plastic or Perspex signs at the premises.
Policy Section 3 – Theft	<ul style="list-style-type: none"> • cover for loss of, or damage to, the Customer's contents, stock and specified items due to theft. It also provides Extra Covers and Additional Benefits related to the theft of the Customer's property; • limited cover for the theft of parts of the building such as electrical equipment that may be attached to the outside walls or roof; and • cover for tangible property and does not insure property such as cryptocurrency or events such as the hacking of computer systems.

Additional benefits may be available to help tailor coverage to individual needs, such as;

- Business Interruption
- Money

- Goods in Transit
- General Property
- Machinery Breakdown
- Public & Product Liability
- Cyber

Refer to the PDS (and SPDS, if any) for this product for full details.

4. LIKELY OBJECTIVES, FINANCIAL SITUATION AND NEEDS

This product has been designed to meet the likely objectives, financial situation and needs of consumers as outlined below.

Cover	Objectives	Needs
Property Damage	To provide financial protection by covering the cost of repairing or replacing physical property that is damaged, destroyed, or lost due to insured events, such as fire, vandalism, natural disasters or accidents.	Helps the policyholder recover financially after their property is damaged, allowing businesses to resume operations quickly after a loss and have piece of mind that unforeseen events will be covered.
Glass	To provide coverage for the repair or replacement of fixed glass, including windows and doors, that are damaged or broken due to various risks like accidents, vandalism or severe weather.	Helps the policyholder avoid out-of-pocket expenses for often expensive glass repairs or replacements and ensures disruptions caused by broken glass are minimised.
Theft	To provide financial protection for the policyholder in the event of a theft or burglary, covering the loss or damage to the property caused by the unauthorised taking or breaking into of the property and its contents.	Ensures that vital operations or assets are replaced or repaired quickly, minimising business downtime.

Each customer will need to consider whether Commercial Packages meets their own objectives, financial situation and needs.

5. HOW THIS PRODUCT IS TO BE DISTRIBUTED

We have designed this product, so it is distributed by intermediary partners (brokers) which are appropriately licensed in Australia, who have an agreement with AWAC and who are authorised to distribute our Commercial Packages product.

We have conditions in place to help ensure that the Commercial Packages Insurance Policy is only sold to people in the target market. These conditions include:

- It is only available for purchase from Insurance Brokers.
- Our representatives involved in offering the product to customers are appropriately trained, understand the market this product is designed for and how to identify people within and outside of the target market; and
- Internal processes and systems are in place to support the distribution to people in the target market.
- All submissions received are reviewed and tailored to customer requirements. Prior to binding any policy, the intermediary partners (brokers) will confirm all policy details are correct.

6. REVIEWING OF THIS TMD

It is important that we review this TMD to make sure it is appropriate for the needs of potential and existing customers. When we review this TMD, we will consider information collected by insurance brokers or authorised representatives who sell the policy on behalf of Allied World.

This information includes:

- Eligibility for cover;
- Sales information;
- Customer information;
- Claims information;
- Feedback and complaints; and
- Renewals and cancellations.

Allied World agree that:

- We will review this TMD no later than 1 year from the publication date to ensure it is still appropriate
- We will then review this TMD at least every two years to ensure it remains appropriate.
- This TMD will also be reviewed earlier if a review trigger occurs.

7. REVIEW TRIGGERS

Certain events and circumstances taking place could mean that a review should take place earlier than the prescribed review. This is because the TMD could no longer be appropriate, or this product is no longer consistent with the needs of customers in the target market. These events and circumstances are called review triggers. Below is a list of **review triggers** for this TMD:

- We make a significant change to the eligibility criteria for the insurance;
- We make a significant change to the insurance including the benefits or exclusions;
- We make a significant change to the way the insurance can be distributed by the insurance brokers or underwriting agencies that Allied World has partnered with;
- We receive a significant number of complaints or feedback relating to the appropriateness of this product for the target market;
- We receive a significant number of claims, which may suggest the product is not performing appropriately for the target market;
- We note significant changes in other metrics relating to the suitability of the product for the target market, including but not limited to claims ratios, number of policies sold, policy lapse and cancellation rates, average claims duration, claims denied and withdrawn and the nature and number of complaints;
- We become aware of a material defect in the PDS for the product which reasonably suggests that the TMD is no longer appropriate;
- We identify that the sale of the insurance has been made to someone outside of the target market or in a way that does not meet the distribution conditions for the TMD;
- There is a change in law or regulatory guidance or industry code which may materially affect the terms of the insurance or distribution;
- Feedback, orders or directions from a regulator or external dispute resolution body like AFCA that suggests this TMD is no longer appropriate.

Our distributors also consider whether a review trigger has taken place. If they think an event or occurrence is a review trigger, they must tell us within 10 business days.

If we decide we have enough information to identify that a review trigger has occurred, we will review this TMD within 10 business days of our decision and notify the regulator as soon as practicable.

8. RECORDS

We will keep records (for up to 7 years) of any actions we take to make sure this product is distributed only to customers who fit this TMD. We will also keep records of any decisions and reasons for:

- Any changes to the TMD for the insurance;
- How we set review triggers;
- How we decide if a review trigger has taken place;
- How often we review this TMD;
- The general information in this TMD.

9. REPORTING

We record all complaints that we receive about Commercial Packages Insurance Policy. Our representatives must also record any complaints related to the insurance. They must report these complaints to us on a quarterly basis.

If our distributors believe that the insurance has been sold to person who does not fit with this TMD, they must report this to us within 10 business days.