

TARGET MARKET DETERMINATION

HCF PET INSURANCE

NAME OF PRODUCTS:

HCF Pet Insurance – Pet Premium

HCF Pet Insurance – Pet Premium plus Routine Care

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 Product Disclosure Statement (PDS). This TMD does not form part of the insurance contract and is not a summary of each 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 hcf.com.au/insurance/pet

Effective date of this TMD: 16 December 2024.

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 PREMIUM	PET PREMIUM PLUS ROUTINE CARE
Cover type	Cover for both specified accidental injuries and illnesses	Cover for both specified accidental injuries and illnesses and routine care (non-insurance benefit)
Benefit percentage	Up to 80% of eligible veterinary bills	Up to 80% of eligible veterinary bills
Annual benefit limit	Up to \$12,000 per policy period	Up to \$12,145 per policy period
Sub-limits	Sub-limits apply to consultations, tick paralysis, emergency boarding and cruciate ligament conditions	Sub-limits apply to consultations, tick paralysis, emergency boarding and cruciate ligament conditions
Excess	Excess options, including \$0 excess, can be selected	Excess options, including \$0 excess, can be selected
Option(s)	Up to the \$2,000 dental illness limit for the dental illness benefit per policy period	Up to the \$2,000 dental illness limit for the dental illness benefit per policy period

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 lower sub-limits, and/or a higher excess 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 higher sub-limits and/or a lower or no excess 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 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 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 veterinary 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 80% of eligible veterinary expenses);
 - costs above the applicable annual benefit limit (up to \$12,000 or \$12,145 per policy period depending on the product chosen);
 - costs above the applicable sub-limits; and
 - costs above the dental illness 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.

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"> • are 18 years of age or over; • have a domestic dog or cat that is legally available in Australia; • want cover for a pet over the age of 8 weeks old and younger than 9 years at the time of the first policy commencement date; • want cover towards the costs associated with a range of specified accidental injuries and illnesses that their pet may experience; and • 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. 	<p>A person will not be in the target market for the products if they:</p> <ul style="list-style-type: none"> • are seeking cover for a pet that is not a dog or cat; • are seeking cover for chronic pre-existing conditions; • are seeking cover for any accidents and/or illnesses other than the specified accidental injuries and illnesses that are covered; • are seeking total reimbursement of veterinary expenses for all accidents and/or illnesses; and/or • 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.

TARGET MARKET FOR EACH PRODUCT

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

PET PREMIUM (SPECIFIED ACCIDENTAL INJURY AND ILLNESS)

WHO THIS PRODUCT MAY BE SUITABLE FOR	WHO THIS PRODUCT 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"> • want cover up to \$12,000 per policy period; • want up to 80% of their eligible veterinary expenses covered; and • want sub-limits to apply to consultations, tick paralysis, emergency boarding and cruciate ligament conditions. 	<p>A person will not be in the target market for this product if they:</p> <ul style="list-style-type: none"> • are seeking cover and/or total reimbursement of veterinary expenses for preventative treatments and ownership costs that their pet may experience; and/or • do not want sub-limits or want different sub-limits to apply to consultations, tick paralysis, emergency boarding and/or cruciate ligament conditions.

PET PREMIUM PLUS ROUTINE CARE (SPECIFIED ACCIDENTAL INJURY AND ILLNESS)

WHO THIS PRODUCT MAY BE SUITABLE FOR	WHO THIS PRODUCT 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"> • want cover up to \$12,145 per policy period; • want up to 80% of their eligible veterinary expenses covered; • want sub-limits to apply to consultations, tick paralysis, emergency boarding and cruciate ligament conditions; and • want a limited contribution towards specified preventative treatments and ownership costs like: desexing, microchipping or heartworm control per policy period. 	<p>A person will not be in the target market for this product if they:</p> <ul style="list-style-type: none"> • do not want sub-limits or want different sub-limits to apply to consultations, tick paralysis, emergency boarding and/or cruciate ligament conditions; and/or • are seeking total reimbursement of veterinary expenses for preventative treatments and ownership costs that their pet may experience.

TARGET MARKET FOR DENTAL ILLNESS BENEFIT (OPTIONAL BENEFIT FOR PET PREMIUM AND PET PREMIUM PLUS ROUTINE CARE)

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"> want cover, up to 80% of the eligible veterinary expenses, subject to the dental illness limit of \$2,000 per policy period and subject to a 2 year waiting period for 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 fractured teeth. 	<p>A person will not be in the target market for this optional benefit if they:</p> <ul style="list-style-type: none"> do not want reimbursement for these specified dental condition treatment costs; and/or do not want a dental illness limit and/or a 2 year waiting period to apply or want a different dental illness limit and/or waiting period to apply to the treatment of specified dental conditions.

CONSISTENCY BETWEEN THE PRODUCTS AND THE 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 HCF Pet Insurance - Pet Premium and HCF Pet Insurance - Pet Premium plus Routine Care products are only available to customers whose policies were first issued to them on or after 21 March 2024. These products are distributed through:

- online channels including the HCF Pet Insurance website at hcf.com.au/insurance/pet; or
- the PetSure comparison tool accessible via PetSure's website domains at www.petsure.com.au and www.gaponly.com.au; or
- calling the contact centre of PetSure.

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 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 operators are provided with adequate training and their sales are routinely monitored by us to ensure that they only sell the products to customers who are in the target market.

HCF Pet Insurance – Pet Premium and HCF Pet Insurance – Pet Premium plus Routine Care products are promoted and distributed by The Hospitals Contribution Fund of Australia Ltd (ABN 68 000 026 746; AFSL 241414) (HCF). PetSure has arrangements in place with HCF with appropriate terms to ensure the products are distributed to 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 HCF Pet Insurance - Pet Premium and HCF Pet Insurance – Pet Premium plus Routine Care products are only available to renewing customers whose policies were first purchased prior to 21 March 2024.

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

Each issuer will review this TMD within 24 months from its effective 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 and 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 the issuer does not hold and is requested by the issuer in writing that allows monitoring of customer value metrics as described in "Reviewing this document".	Within 10 business days of the end of each month.