

trupanionTM

A better kind of pet insurance.

Target Market Determination (TMD)



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TRUPANION - TARGET MARKET DETERMINATION AUPB_04102023_SR



What is a Target Market Determination?

A Target Market Determination (TMD) sets out the class of customers this product has been **designed for and is suitable for**.

This TMD is required by law and provides information on:

- who the target market is for this product,
- what is covered by this product and key points,
- what is excluded – any conditions or restrictions that a customer would look for,
- product distribution conditions and restrictions,
- events and circumstances that would reasonably suggest that this TMD is no longer appropriate (such as complaints and declined claims) and review periods, and
- reporting obligations and periods.

This TMD does not form part of the insurance contract and is not a summary of the product's terms and conditions.

This TMD is available to any person at <https://trupanion.com.au>

This Target Market Determination (TMD) is made by The Hollard Insurance Company Pty Ltd ABN 78 090 584 473 AFSL 241436 (Hollard). Trupanion Australia Pty Ltd ABN 33626393628 (Trupanion) acts for Hollard under a binding authority. In this document the terms, "we", "us" or "our" refer to Hollard in its own right or via Trupanion.

Trupanion Insurance is issued by:

The Hollard Insurance Company Pty Ltd (Hollard)
ABN 78 090 58 4 473, AFSL 241436
Locked Bag 2010,
St Leonards, NSW 1590
Ph: 02 9253 6600

Trupanion Insurance is distributed and promoted by:

Trupanion Australia Pty Ltd ABN 33 626 393 628,
Hollard's Authorised Representative No. 1268213
P.O. Box 5469
Port Macquarie, NSW 2444
Ph: 1300 328 042

Specific Details related to this TMD

PRODUCT NAME

Trupanion Pet Insurance - dated post 20th March 2021 - TRU_AU (E) 00001 (V01.202103).

TMD ISSUE DATE - 1st August 2023

PDS EFFECTIVE DATE - 20th March 2021.

PRODUCT DESIGN AND DISTRIBUTION POLICY

You can obtain the policy on Hollard's approach to the development and distribution of products for appropriate target markets here:

<https://www.hollard.com.au/media/1934/hollard-development-distribution-policy.pdf>

DISCLAIMER

Any advice provided in this TMD is general only. This TMD has not considered your objectives, financial situation or needs. For more information in deciding whether this product is suitable for you, please refer to the applicable Product Disclosure Statement at <https://trupanion.com.au/policy>

Who is the target market for Trupanion Insurance?

This TMD applies to:

- A. New customers** 18 years of age or older with a domestic cat or dog that ordinarily resides with them and is owned for companionship or as a service dog (not owned for commercial reasons) who is younger than 14 years of age.
- B. Renewing customers** who wish to renew their insurance policy for their domestic cat or dog that ordinarily resides with them and is owned for companionship or as a service dog (not owned for commercial reasons).
- C. Existing customers** that wish to upgrade their insurance policy to include the Pet Owner Assistance optional benefit and/or Recovery and Complementary Care optional benefit, for their domestic cat or dog that ordinarily resides with them and is owned for companionship or as a service dog (not owned for commercial reasons).
- D. New, Renewing or Existing Customers** wanting cover towards the costs associated with veterinary treatment for covered conditions such as illnesses and injuries; 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.

The likely objectives, financial situation and needs of customers in the target market is a contribution towards eligible veterinary expenses, to ensure their pet can receive appropriate treatment and to reduce the cost to the customer of that treatment.

Trupanion pet insurance is a comprehensive pet insurance product that covers domestic cats and dogs, including service dogs, for illnesses and injuries as set out in the PDS.

Trupanion pet insurance does not cover any pre-existing conditions as defined in the PDS. This product does not cover costs, fees or expenses associated with veterinary examinations and preventative care, such as vaccinations. It is important for customers to read the PDS for the full list of exclusions.



Key Points of Cover for this product

Trupanion pet insurance is a simple, very broad cover with no payout limits or sub limits. **Trupanion designed its product and services with the treatment of injuries and illnesses at the veterinary hospital front of mind.**

Key Attributes of the product

Feature	Value
Benefit Percentage (The % reimbursement you will receive for covered Conditions.)	90% of eligible vet bills (customers are required to contribute the remaining 10% of the cost of covered treatments)
Waiting periods (Coverage includes all new injuries or illnesses that develop after waiting periods.)	5 day waiting period for injuries 30 day waiting period for illnesses
Per condition lifetime excess (the amount that you pay for each covered illness or injury. Once you pay your excess for a covered Condition, you do not have to pay it again.)	Excess options can be selected between \$0 and \$1000 per covered Condition.
Options (available for selection to enhance coverage. Some maximum benefit limits may apply.)	Recovery and complementary care can be selected to support pets with complementary, non-clinical procedures such as: acupuncture, naturopathy, behaviour modification, physical therapy, chiropractic treatment, rehabilitative therapy, and hydrotherapy. Pet Owners Assistance Package can be selected to help "fill in" gaps for costs that don't directly relate to pet health such as: third-party property damage liability cover (maximum benefit \$25,000), holiday cancellation fees (maximum benefit \$1,000), advertising and reward for lost pets (maximum benefit \$500), cremation or burial (maximum benefit \$100), and boarding fees (maximum benefit \$500).



Premiums

The premiums can vary depending on certain factors about you and your pet.

Premiums are expected to vary due to the changes in cost of veterinary care for pets within the same pricing category as yours. These factors can affect the premium amount up or down depending upon whether we believe it increases or decreases the risk to us, and includes the following:

A. New policies

- Where you and your pet permanently live.
- Species, breed and gender of your pet.
- The age of your pet when first insured with us;
- and other factors related to our cost of doing business.

B. Renewing policies

- Changes as to where you and your pet permanently live.
- The age you first insured your pet (no change at renewal).
- Changes in costs of veterinary care across the insured base;
- and other factors related to our cost of doing business.

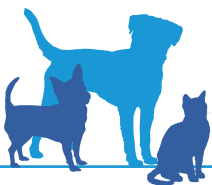
Factors that **do not** affect premium changes (pricing) upon renewal

- Your individual pet claims history,
- Your age, and
- Your pet's age at renewal.

Due to the above factors, your premium may increase or decrease from year to year.

Our pricing process can be found on our website - <https://trupanion.com.au>

Trupanion Insurance offers the convenience of monthly premium payments and choice of excess in \$5 increments. This is designed to allow a responsible pet loving person the ability to budget for their pet's illness and injury treatments. These truly broad and unlimited features allows a pet owner to make decisions for their pet's care at primary and referral veterinary hospitals with less concern about cost.



What customer is this product targeted to and not targeted to?

This product will likely meet the likely objectives, financial situation and needs of the target market because it addresses the needs of customers in the target market to reduce (and not cover in full) the costs of eligible veterinary expenses.

This product is designed to provide financial protection for domestic cat and dog owners (including service dog owners) by reimbursing 90% of eligible veterinary expenses following the payment of any applicable excess, for accidents and illnesses that are not pre-existing conditions.

Reimbursement in this context means that the dog or cat owner needs in some or all cases to pay for veterinary treatment out of their own pocket prior to being paid on their eligible claim.

Customers in the target market will be able to afford to pay:

- annual dental check-ups for their pet and preventative care, such as vaccinations, for their pet
- premiums for the product, which will increase from year to year;
- the full amount for treatment upfront to the veterinary 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 vet's invoice for eligible expenses and the claim benefit calculated under the policy terms and conditions, if any);
- any veterinary expenses above the accepted claim amount, including:
 - o the excess (where applicable); and
 - o costs above the applicable benefit percentage (up to 90% of eligible veterinary expenses).

Criteria	Customers considered to be within the target market and/or eligible for cover include:	Examples of persons not eligible for cover and/or outside the target market include:
Eligibility	<ul style="list-style-type: none"> • New customers, with a domestic cat or dog aged younger than 14 years of age. • Renewing customers who wish to renew their insurance policy for their domestic cat or dog. • The insured pet is a domestic cat or dog (including service dogs). • The pet is ordinarily residing with the owner and living in Australia. 	<ul style="list-style-type: none"> • New customers, the pet is older than 14 years of age. • Renewing customers who no longer meet the terms and conditions of the renewal policy. • The pet is not a domestic cat or dog. • The pet is living in another country outside of Australia.
Out of Pocket costs	<p>Customers who:</p> <ul style="list-style-type: none"> • 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. • Want to choose their own, with an ability to increase their excess during their policy period to reduce the premium costs should their financial needs change. 	<p>Customers who:</p> <ul style="list-style-type: none"> • Want cover for veterinary consultation fees at a local veterinary hospital or referral hospital; 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.
Pre-existing Conditions (PEC)	<p>New Customers who are insuring their Pet for the first time, understand that any Condition that arises:</p> <ul style="list-style-type: none"> • before the Policy begins, or • at the end of the designed Waiting Period • is a Pre-existing Condition and is not covered. <p>Please see the PDS for Pre-existing Condition definition.</p> <p>Customers who want cover of all new injuries and illnesses when treated by a registered veterinary practitioner that have occurred post the commencement for their first policy term.</p>	<p>Customers who want cover for pre-existing conditions (see the PDS for the definition on Pre-existing Condition) and their associated veterinary treatment costs.</p> <p>New customers who wish to transfer or switch from another pet insurance policy to a Trupanion pet insurance policy but their pet has a pre-existing condition that the customer wants cover for.</p>

Scope of Cover and Product Features	<p>Customers who are looking for a more comprehensive cover for accidents and illnesses (that are not pre-existing conditions).</p> <p>Customers who do not want cover only for specified Accidental Injuries.</p> <p>Customers who understand that they will need to pay 10% of the cost of covered Conditions as well as any excess that may apply once for each covered Condition for the life of the pet.</p> <p>Customers who do not want cover for vet examination or consultation fees.</p> <p>Customers who are looking for dental illness and injury coverage that also : <ul style="list-style-type: none"> • have their pet's teeth examined by a vet every 12 months ; and follow ongoing dental care treatment advice from a vet such as recommendations to use dental chews, toothbrushes or to undergo dental prophylaxis (scale and polish) within 90 days of the date of initial vet recommendation. </p> <p>Customers who act prudently in the care and protection of their pets to prevent exacerbation and/or recurrence of any injury and/or illness after its initial occurrence and provide proper maintenance/preventative care; and</p> <p>Customers who provide preventative care to their pet for illnesses that can be prevented by vaccinations, preventative medication or veterinary treatment and understand that illnesses that can be prevented by vaccinations, preventative medication or veterinary treatment will not be covered if preventative care for the illness has not been provided.</p> <p>Customers who prefer to pay any applicable excess for each covered condition once. Examples of how the per condition excess works is available on Trupanion's website at https://trupanion.com.au/pet-insurance/excess.</p>	<p>Customers who are looking for a more limited cover (i.e. policies that only cover certain specified Conditions, have annual limits and/or condition sub-limits or only provide cover for accidental injury).</p> <p>Customers who prefer that more than 90% of eligible vet expenses are reimbursed (i.e. they do not want to pay 10% of the cost of covered Conditions).</p> <p>Customers who want to cover the costs of treatment for illnesses or accidents not covered by this policy, or other maintenance costs associated with pet ownership.</p> <p>Customers who require cover for vet examination or consultation fees.</p> <p>Customers who do not require dental illness and injury coverage or do not: <ul style="list-style-type: none"> • have their pet's teeth examined by a vet every 12 months; and • follow ongoing dental care treatment advice from a vet such as recommendations to use dental chews, toothbrushes or to undergo dental prophylaxis (scale and polish) within 90 days of the date of initial vet recommendation. </p> <p>Customers who do not require herbal and dietary supplements and prescription food coverage or that do not want: <ul style="list-style-type: none"> • reimbursement for 50% of the cost of vet recommended prescription foods for up to 2 months from the date of onset condition or for routine preventative care; • reimbursement of herbal supplements recommended by a veterinarian; and • reimbursement of supplements recommended by a vet for the treatment of covered illnesses and/or injuries, but not for routine or preventative care. </p> <p>Customers who do not act prudently in the care and protection of their pets to prevent exacerbation and/or recurrence of any injury and/or illness after its initial occurrence and provide proper maintenance/preventative care.</p> <p>Customers who want cover for illnesses that can be prevented by vaccination, preventative medication, or veterinary treatment but not provide this preventative care.</p> <p>Customer who want to cover the costs of preventative care costs such as vaccination, desexing, parasite control and other maintenance costs associated with pet ownership; or</p> <p>Customers who prefer to pay an annual excess on any eligible claims.</p>
Option: Recovery and Complementary Care	<p>A new or renewing customer is in the target market for this option if they want: Reimbursement for limited complementary, non-clinical procedure costs such as: acupuncture, naturopathy, behaviour modification, physical therapy, chiropractic treatment, rehabilitative therapy, and hydrotherapy.</p>	<p>A new or renewing customer will not be in the target market for this option if they: Do not want reimbursement for limited complementary, non-clinical procedure costs such as: acupuncture, naturopathy, behaviour modification, physical therapy, chiropractic treatment, rehabilitative therapy, and hydrotherapy.</p>
Option: Pet Owners Assistance	<p>A new or renewing customer is in the target market for this option if they want: Reimbursement for limited costs that don't directly relate to pet health such as: third-party property damage liability cover, holiday cancellation fees, advertising and reward for lost pets, cremation or burial, and boarding fees.</p>	<p>A new or renewing customer will not be in the target market for this option if they: Do not want reimbursement for limited costs that don't directly relate to pet health such as: third-party property damage liability cover, holiday cancellation fees, advertising and reward for lost pets, cremation or burial, and boarding fees.</p>
Terms & Conditions	<p>Customers who agree to the terms, conditions and exclusions listed in the PDS.</p>	<p>Customer who want coverage for any conditions or treatments listed in the general exclusions of the PDS.</p>

Distribution conditions and requirements

Trupanion pet insurance policy can be distributed to retail customers through the following channels:

- By a customer phoning the insurer's administrator, Trupanion
- By a customer visiting the Trupanion website

These distribution channels have been reviewed as an appropriate means to reach the target market.

All enquiries made online use a quotation tool which ask 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 our eligibility criteria, which align with our description of the target market set out above. A sale will not progress if these eligibility criteria are not met.

All call centre representatives are provided with adequate training and their sales are routinely monitored by us to ensure that they sell the product only to customers who are in our target market.

Trupanion Insurance is promoted and distributed by Trupanion with appropriate terms for ensuring that it only distributes the product to customers that fall within the target market.

Trupanion pet insurance policy is issued to retail customers by The Hollard Insurance Company Pty Ltd ABN 78 090 584 473 AFSL 241436. Trupanion pet Insurance is promoted and distributed by Trupanion Australia Pty Ltd ABN 33 626 393 628 AR No. 1268213. Trupanion is an authorised representative of Hollard. We have arrangements in place with Trupanion with appropriate terms for ensuring that it only distributes the product to customers that fall within the target market.

Review of the TMD

To ensure that the product is suitable for the class of customers it has been designed for, the following data will be reviewed in accordance with;

Number and nature of complaints

Spikes in complaints received that identify issues with the way the product was sold; the scope of the cover or a claims experience (declined or partially denied claims) that may indicate an issue with the product and its suitability for the TMD.

Claims experience

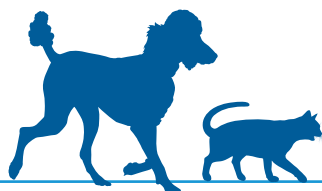
Spikes in claims declined; withdrawn or average claim times that may indicate an issue with the product or it's suitability for the TMD.

Loss ratios (also known as claims ratios)

Significant downward changes in the loss ratio that may indicate an issue with the product or its suitability for the TMD.

Policy lapse/cancellation rates

Any spikes or increases in policy lapse rates and cancellation rates that may indicate an issue with selling practices and/or an issue with the product and its suitability for the TMD.



Reporting obligations and review periods

TMD COMMENCEMENT DATE - 1st August 2023

Initial TMD Review Date - 29th June 2023

TIMING OF REVIEW - We will review this TMD within 24 months from its commencement date and subsequently every 24 months thereafter.

Review Trigger

Review triggers include the following examples of events and circumstances that would reasonably suggest that the TMD is no longer suitable for the class of customers this product has been designed for:

- Data metrics changes as set out in the above section.
- Feedback from the Code Governance Committee, AFCA or a regulator such as ASIC or APRA to suggest the TMD is no longer appropriate.
- If there is a material pricing or product change.
- The product is distributed in a manner that is inconsistent with this TMD.
- There is a material change to our underwriting rules or process.
- There is a material change in our claims' assessment process.

Reporting

Distributors of this product are required to report the following information to us 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 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 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 days of the end of each month.



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