

Commercial Motor Insurance

This document is the Target Market Determination (TMD) for Blue Zebra's Commercial Motor Insurance Products issued by the insurer, QBE Insurance (Australia) Limited (QBE). Blue Zebra Insurance (BZI) arranges and administers the product and acts under a binding authority for QBE.

About this document

We want to make sure that our products are suitable for the customers who buy them. The purpose of this TMD is to set out how we do this. It seeks to offer customers, distributors, and employees an understanding of the class of customers for which this product has been designed, considering their needs, objectives and financial situation, how the product is distributed, when the TMD will be reviewed and what information is required to maintain the accuracy of this TMD.

This TMD is not intended to provide financial advice regarding coverage, nor does it form part of the terms of cover. It has been prepared without taking into account any individual person's particular objectives, financial situations or needs. In addition to the key eligibility requirements outlined in this document, the product is also subject to acceptance criteria, for example we have a set of underwriting rules we use to assess whether a risk is of a type or level we wish to insure. These factors may change over time or in different circumstances. We apply these factors when we decide whether to offer, issue, renew or agree to vary a policy.

More information about this product is contained in the Product Disclosure Statement (PDS), which contains full details of coverage, conditions, limitations and exclusions. Consider whether the product is appropriate for you before making any decisions about whether to buy or continue to hold a policy. If you have already purchased this product, you should review the information we have provided to you whenever your circumstances change.

PDS that this TMD applies to:

- Blue Zebra | Commercial Motor Insurance

Commercial Motor Insurance

Who this product is designed for:

Commercial Motor Insurance is designed for small and medium-sized businesses, with vehicles with a gross vehicle mass of no more than eight tonne for goods carrying vehicles. For the purposes of this product, vehicles include sedans, utilities, 4-wheel drives, vans, goods carrying vehicles, plant and machinery, and trailers. This insurance product aligns with the objectives, financial situations, and needs of consumers in the target market for the following reasons:

- Vehicle Ownership:** Small to medium-sized businesses that own or operate commercial motor vehicles encounter distinct risks associated with vehicle ownership. These businesses depend on their vehicles for various aspects of their operations, including transporting goods, providing services, and managing logistics. Consequently, any accidents or disruptions involving these vehicles can directly impact the business's ability to function smoothly and meet customer demands.
- Protection Against Liability:** Another risk for businesses with commercial motor vehicles is the potential for liability in case of accidents involving third parties, such as other vehicles or property. Such liability claims can result in substantial legal expenses and compensation payments. Commercial Motor Vehicle Insurance addresses this concern by including liability coverage, which protects businesses from financial consequences arising from third-party property damage.

This coverage aligns with the target market's objective of managing legal and financial risks associated with accidents.

The key attributes of commercial motor insurance are:

Coverage Options: Commercial Motor Vehicle Insurance policies offer a range of coverage options that can be customised to suit the needs of businesses:

1. Comprehensive Cover

Our comprehensive cover is specially designed to safeguard businesses from unexpected financial burdens that could arise due to accidents or damage to their vehicles. A Comprehensive policy covers the cost of repairs regardless of which party is responsible for the damage. It covers a wide range of events, including collisions, fires, theft, storms, floods, and more. Plus, it also includes expenses like towing and personal belongings lost during an incident. A Comprehensive policy also includes Legal liability protection, ensuring the business is covered if your vehicle causes damage to someone else's property or supplementary bodily injury to another person.

Comprehensive cover is the highest level of cover available within this product. The financial impact of any of these events could be significant for small businesses, potentially leading to operational disruptions or high replacement costs, so this cover is suitable for the intended target market.

2. Third Party, Fire and Theft Cover

Our third party, fire and theft cover is tailored to businesses who either don't anticipate their vehicles getting damaged or have the means to repair or replace them if an accident occurs. It provides protection against fire, explosion, lightning, theft, and attempted theft, along with legal liability for damage to other people's property. It also includes coverage for up to \$10,000 for damage to your vehicle caused by an uninsured vehicle, provided the accident is the other driver's fault and they can be identified.

This product is suitable for the target market because in addition to providing third party legal liability cover, it limits their financial loss if their vehicle is damaged by fire, explosion, lightning, and theft, including attempted theft.

3. Third Party Only Cover

Our third party property damage cover is intended for businesses that don't anticipate theft or damage to their vehicles or have the means to repair or replace them if an accident occurs. This coverage primarily focuses on legal liability for damage to others' property, such as in a collision. It also includes coverage for up to \$10,000 for damage to your vehicle caused by an uninsured vehicle, provided the accident is the other driver's fault and they can be identified.



Furthermore, third party only cover is a practical choice for older vehicles where the excess (the amount you pay out of pocket before your insurance kicks in) could potentially exceed the vehicle's current value. In such cases, comprehensive coverage may not be financially viable, making third party only cover a sensible and cost-effective solution. It ensures the business is protected from potential legal and financial consequences resulting from accidents involving third parties, without the need for disproportionate premiums.

This product is suitable for the target market as it is the most affordable option among the three levels of cover, it provides the minimal coverage to protect against legal liability for damage to another person's property resulting from the use of their vehicle. While it doesn't generally provide coverage for their own vehicle's damages, it protects them from potential legal and financial consequences resulting from a third-party accident.

Furthermore, the target market for Commercial Motor Insurance encompasses a variety of businesses operating with different types of vehicles, including single vehicles and multiple vehicles. Commercial Motor Insurance addresses the diverse needs of these businesses, ensuring they have appropriate protection against the specific risks inherent to their operations and vehicle usage.

Given the financial circumstances of businesses in this market, Commercial Motor Insurance provides a cost-effective solution for safeguarding their crucial assets—their vehicles.

The key eligibility criteria of commercial motor insurance are:

Key Eligibility Criteria	This product is suitable for	This product is not suitable for
		
The type of Vehicle you own	Vehicles including but not limited to: <ul style="list-style-type: none"> ▪ sedans; ▪ utilities; ▪ 4-wheel drives; ▪ vans; ▪ goods carrying vehicles of no more than 8 tonnes; and ▪ trailers. 	Including but not limited to vehicles: <ul style="list-style-type: none"> ▪ goods carrying vehicles with a gross vehicle mass greater than eight tonnes; ▪ that are not registered for use on a public road, unless it is a towed vehicle for which registration is not required or is being used on a public road or on public property and carrying a legal permit for such use; ▪ that are in an unsafe or unroadworthy condition; ▪ that are valued individually at more than \$250,000.
	<ul style="list-style-type: none"> ▪ mobile plant and machinery. 	Including but not limited to mobile plant and machinery: <ul style="list-style-type: none"> ▪ with a gross vehicle mass greater than eight tonnes; ▪ that are in an unsafe or unroadworthy condition; ▪ that are valued individually at more than \$250,000.
How you use your Vehicle	The vehicle is used for business use.	Businesses whose vehicles: <ul style="list-style-type: none"> ▪ will be driven by someone who does not have a valid licence to drive in Australia; ▪ are used for taxi or limousine services; ▪ are used for hire, fare or reward (for example ridesharing such as Uber, DiDi etc); ▪ are used for towing and recovery; ▪ are used in racing or sporting events; ▪ are single "personal use" vehicles that do not form part of a business fleet; ▪ are used in the non-incidentual bulk transport of explosives, or inflammable, toxic or corrosive liquid or gases; ▪ will carry a number of passengers or carry or tow a load outside legal allowances or manufacturers specifications.
The condition of your Vehicle	<ul style="list-style-type: none"> ▪ Good repair and condition; ▪ Meet the registration requirements in your state or territory. 	<ul style="list-style-type: none"> ▪ Not in good repair and condition; ▪ Does not meet registration requirements in your state or territory.

Meeting the needs and objectives of our target market

Whether you are seeking basic protection, a mid-level cover, or comprehensive high-level coverage, we have tailored our product to accommodate your specific financial circumstances. This flexibility empowers you to choose the level of coverage that aligns with your budget and provides the peace of mind you deserve.

	CHOICE OF COVER		
	Comprehensive	Third Party Fire & Theft	Third Party Only
Level of cover	★★★	★★☆	★☆☆
Loss or damage of your vehicle	✓	✗	✗
Loss or damage of your vehicle limited to fire, explosion, lightning or theft	✓	✓	✗
Legal liability – third party property damage	✓	✓	✓
Legal liability – supplementary bodily injury	✓	✓	✓
Optional covers			
Hire vehicle following at fault accident	✓	✗	✗
Roadside assistance	✓	✗	✗
Windscreen excess waiver	✓	✗	✗

Please refer to the PDS for full details and applicable terms and conditions, limits and exclusions.

Understanding your financial flexibility

We want to make insurance decisions easy for you, by allowing you to take into account your unique circumstances and financial needs. Your financial situation is an essential factor in determining the most suitable coverage options, premium payments, applicable excesses and your ability to pay amounts that may exceed any policy limits in the event of a loss. Here are some key considerations:

Tailored Premiums: We offer the flexibility to customise your premiums based on different levels of cover and options. This way, you can find the perfect balance between protection and affordability. Whether you're looking for comprehensive coverage or a more budget-friendly option, we have choices that cater to your needs.

Excess Choices: We offer a range of excesses - the amount you pay towards a claim before your coverage kicks in - giving you greater control over your insurance costs. For example, selecting a higher excess will reduce your premium, however you will have to pay the higher excess in the event of a claim.

Payment Options: To make things even more convenient, you can choose to pay your premiums annually or in some cases in manageable instalments (to which a small loading may apply), allowing you to find a payment schedule that suits your financial planning.

Distribution conditions

Blue Zebra's Commercial Motor Insurance product can only be purchased through an intermediary authorised by BZI. BZI has contractual arrangements with brokers (including their Authorised Representatives) who are appropriately licensed to sell their products, and as part of their licensing these brokers have adequate training to provide this product to their customers. BZI has a range of supervision and monitoring procedures and provides training and support regarding the process to follow for getting quotes for this product and administering the policies once purchased.

When completing a quote, the BZI processes include a number of questions that enable the collection of information that help to determine if the applicant is within the target market for this product, if we will insure them and their vehicles, and for what

premium and excess. The customer should always answer these questions accurately and check with their intermediary if they are not sure what a question means.

These conditions make it likely that our Commercial Motor Insurance products will only be distributed to consumers within the target market for this product because the brokers have knowledge of the policy terms and conditions, and processes are designed to identify instances where a policy is not suitable for the applicant.

Reporting

BZI (as distributor of this product and QBE's agent) collects information and prepares reports regarding sales activity, product performance, claims data and complaints on a quarterly basis (at least) and provides this to QBE.

All brokers who have been authorised by BZI to sell and administer this product must report the following information to BZI, who will incorporate it within their reporting requirements to QBE:

Reportable information	Reported by	Frequency
Complaints data including the number and nature of any complaints (where these have not already been raised with BZI)	BZI Brokers	Quarterly (within 10 business days of the end of quarter)
Any occasions where this product has been sold contrary to the TMD	BZI Brokers	As soon as practicable after becoming aware of the matter, and no later than 10 business days
Any feedback, regulatory orders or directions regarding the product or its distribution that are received from: <ul style="list-style-type: none"> a regulator; The General Insurance Code Governance Committee; or AFCA 	BZI Brokers	As soon as practicable after becoming aware of the matter, and no later than 10 business days

Where necessary, BZI may request additional information from brokers to determine if this product has been sold contrary to the TMD.

Reviewing this document

We will review this TMD if:

- there are amendments to our PDS that change the cover provided;
- material changes are made to our underwriting guidelines;
- we introduce other ways in which this product can be sold;
- we receive a significant number of complaints regarding the design or distribution of this product;
- the business performance and value provided by this product indicate the TMD is no longer appropriate, having regard to appropriate data such as claims ratios, claims denied or withdrawn, policy sales, lapse and cancellation rates; or
- we identify that there has been a significant dealing in the product that is not consistent with the TMD.

Our review will occur within 10 business days of any of the above events occurring.

In any event, a review of this TMD will be completed no later than two years from the publication date of this TMD and subsequently at two-yearly intervals.

Questions?

If you have any questions about our products or this TMD, please contact your broker, or BZI:

Phone: 1300 171 535

Email: info@bzi.com.au

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