Target Market Determination

Asset Protection Insurance - No Limit ("API - No Limit")

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What's Inside?

What is a Target Market Determination (TMD)?

A Target Market Determination is a document prepared by Assetinsure Pty Ltd ("Assetinsure"), an Australian general insurance company, that describes the circumstances and needs of consumers for whom our product is intended, as well as those for whom the product is not intended. A TMD is a new legal requirement that applies to certain retail products sold from 5 October 2021.

This TMD is for our product *Asset Protection Insurance - No Limit* ("API - No Limit") distributed through Authorised Representatives of Australian Warranty Network Pty Ltd, trading as AWN Insurance ("AWN"). AWN is acting as Assetinsure's distribution agent.

There are a number of sections to this TMD, each of which is designed to help you understand:

- the legal and regulatory environment in which our products are sold;
- why the product could be relevant to helping you manage financial risk;
- whether you are likely to be inside or outside of our target market;
- some of the questions we need to ask, to help both us and you discern whether our products are right for you;
- our need to continually re-evaluate whether our TMD is appropriate by analysing the data we collect from you; and
- the specific employees of Assetinsure that are responsible for ensuring the TMD remains appropriate for the products we issue.

Not all "Asset Protection" products are created equal

There are a range of asset protection-style products available in the Australian automotive insurance market.

Many of these products have

- capped (i.e., maximum) shortfall benefits - meaning you may not be able to clear your debt
- shortfall and other benefits that are not necessarily appropriately matched to the value of your vehicle and/or the amount of any vehicle finance you may have. These benefits may either be excessive (and you are charged a high premium for more cover than you need) or inadequate (which means the asset protection policy will not respond in the manner you might reasonably expect - and you may end up with a debt you thought you had insured away)
- "community-rated" premiums - meaning you and other consumers pay the same or similar premiums regardless of the risk profile associated with your vehicle and your finance arrangements

By contrast, Assetinsure's "API - No Limit" product

- Does not cap any shortfall payments - you always get paid a sufficient amount to clear any outstanding finance (and possibly more) and so you will never have an unexpected debt to your auto financier
- Has been designed to ensure you always buy the right amount of cover for your vehicle and any finance arrangements
- Has risk-rated premiums - meaning the premium you are charged is proportional to the claim risk of just your vehicle and any finance arrangements you have (not anybody else's)

In other words, Assetinsure's "API - No Limit" product means you get a "Goldilocks" premium and "Goldilocks" coverage - not too much, not too little, just the right amount.

Regulatory and Legal Information

This Target Market Determination (TMD) document has been prepared for the purpose of compliance with the Treasury Laws Amendment (Design and Distribution Obligations and Product Intervention Powers) Act 2019.

This TMD document is also intended to comply with the requirements of ASIC[1]'s Regulatory Guide 274, issued on 11 December 2020.

A TMD must be prepared for every product being issued.

Who are we?

Assetinsure Pty Ltd (Assetinsure) is an APRA-authorised general insurance product issuer and holds Australian Financial Services Licence (AFSL) number 488403 with authorisation to issue general insurance products to retail consumers.

Assetinsure provides automotive insurance products for retail consumers purchasing motor vehicles through approved selling agents (i.e., vehicle dealerships and finance brokerages).

[1] ASIC = Australian Securities and Investments Commission, a financial regulator

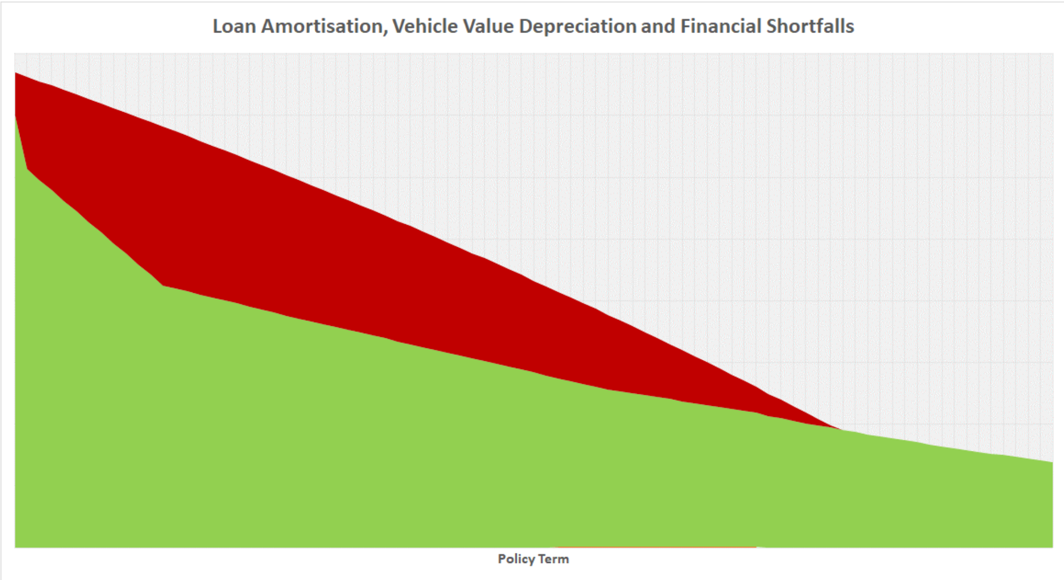
1. What is Asset Protection Insurance (API)?

1.1 What happens when you finance the purchase of a motor vehicle?

When a consumer uses finance to purchase a motor vehicle, the financier will generally insist on the consumer taking out a comprehensive Motor Vehicle Insurance (MVI) policy against the vehicle and have the financier named as an interested party on the MVI contract. The financier insists that consumers do this so that the financier has some level of security for the loan or lease. The financier will also require the consumer to maintain an active comprehensive MVI policy throughout the term of the finance contract, noting that most comprehensive MVI policies must be renewed every 12 months whereas finance terms are more typically 36 to 84 months' duration.

In the event the vehicle is declared a total loss, the financier, noted as an interested party on the comprehensive MVI policy, will receive the payout from the comprehensive MVI insurer, apply the MVI payout to the finance balance, and distribute any surplus back to the consumer. However, if a vehicle purchase is significantly financed, a total loss event could lead to a situation where the comprehensive motor insurer's total loss payout figure is insufficient to clear the amount still owed to the financier.

The following chart illustrates what can happen when a vehicle is purchased using significant finance:



In this example, the consumer has borrowed 110% of the Vehicle Purchase Price (VPP). That is, the Loan to Value Ratio (LVR) is 110% in this example. Borrowing more than the VPP is common if the consumer trades in an existing vehicle that is in negative equity. Most financiers allow this practice provided the consumer can demonstrably afford the new finance repayments.

The top of the **red** area shows how the outstanding finance balance reduces over time; slower at first (when interest costs are greatest) and gradually speeding up later in the finance term.

The top of the **green** area illustrates how the vehicle value might depreciate. There is one-off depreciation of the vehicle value as the vehicle is driven off the dealer lot (i.e. unwind of dealer margin) followed by ordinary time and mileage-based depreciation thereafter; faster at first, before slowing down as the car continues to age steadily, and gradually becomes less valuable.

The height of the **red** area represents the financial shortfall (i.e. the negative equity position) at each point in the life of the finance contract.

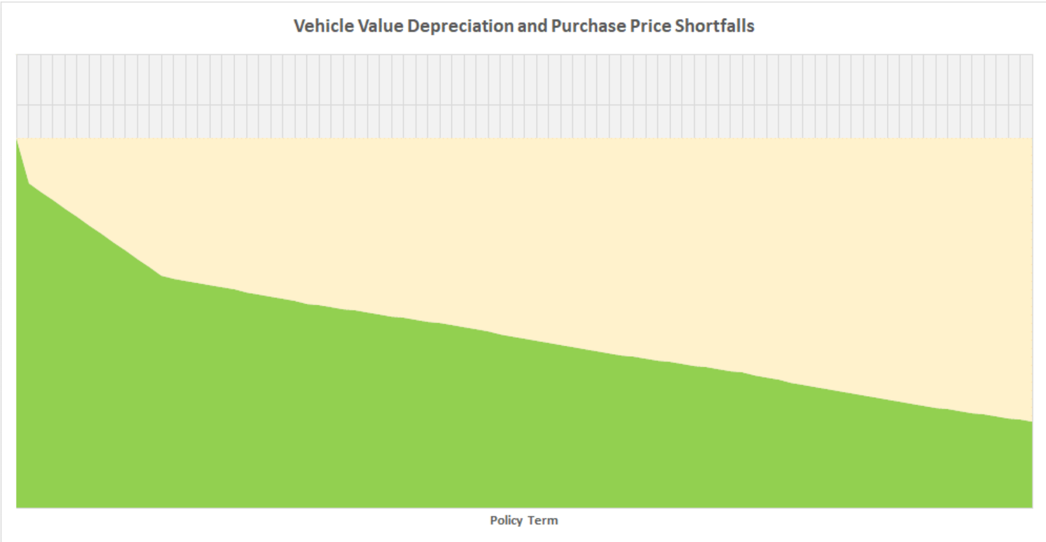
The size of the shortfall widens out at first before contracting again later in the contract.

When the red area disappears later in the finance term, at that point, the owner has equity in the vehicle for the first time (in this example).

1.2 Restoring your financial position to what it was when the vehicle was purchased

The circumstances outlined in 2.1 above describe the shortfall benefit under a typical GAP insurance policy. GAP insurance deals solely with shortfalls that arise in relation to a finance contract. However, while a GAP policy should clear any debts you may have to a financier (following a total loss) it will not necessarily restore you back to the financial position you were in when you originally purchased the vehicle. This outcome is achieved by purchasing a Return To Invoice (RTI) policy, sometimes also known as Purchase Price GAP.

The following chart illustrates how a shortfall between the comprehensive MVI insurer payout following a total loss and the original Purchase Price can arise:



The top of the green area is as per 2.1 above; the top of the green area represents the depreciation of the vehicle value as time passes (and therefore a proxy for the payout from a comprehensive MVI insurer following a total loss event).

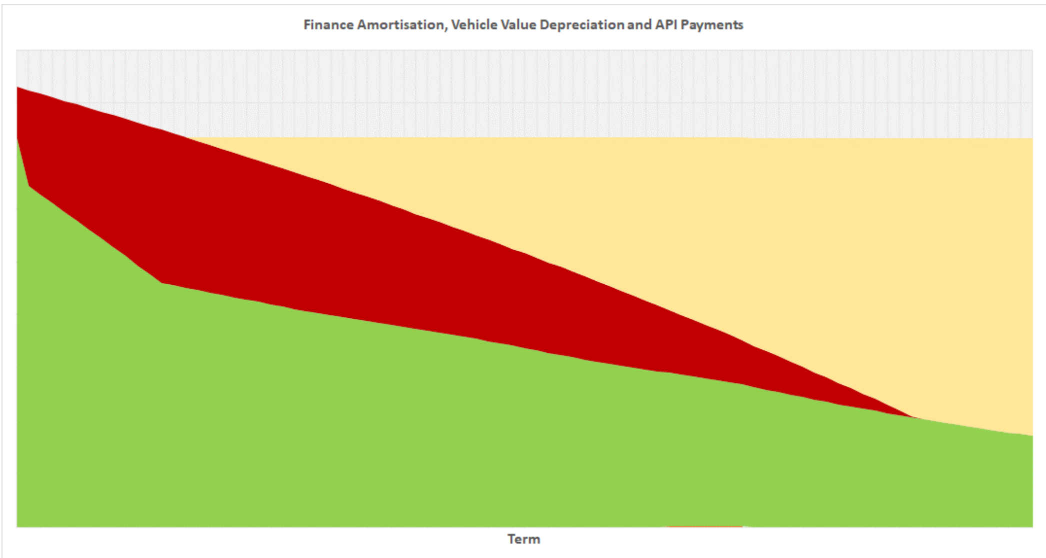
The height of the cream-coloured area represents the shortfall between what was originally paid for the vehicle and the total loss payout. Clearly, this shortfall increases with time because the vehicle value continues to depreciate as time passes.

A pure RTI policy is independent of any finance contract and ensures you are restored to the same financial position you were in when you purchased the vehicle.

1.3 Assetinsure's API - No Limit product gives you the "best of both worlds"

Assetinsure's API - No Limit product combines the features of a pure GAP policy and a pure RTI policy and pays you the <u>greater</u> of the shortfall benefits you would have otherwise received under individual GAP and RTI policies.

The following chart illustrates the overlaying of the pure GAP (red) and pure RTI (cream) benefits for terms of <u>up to 60 months</u>:

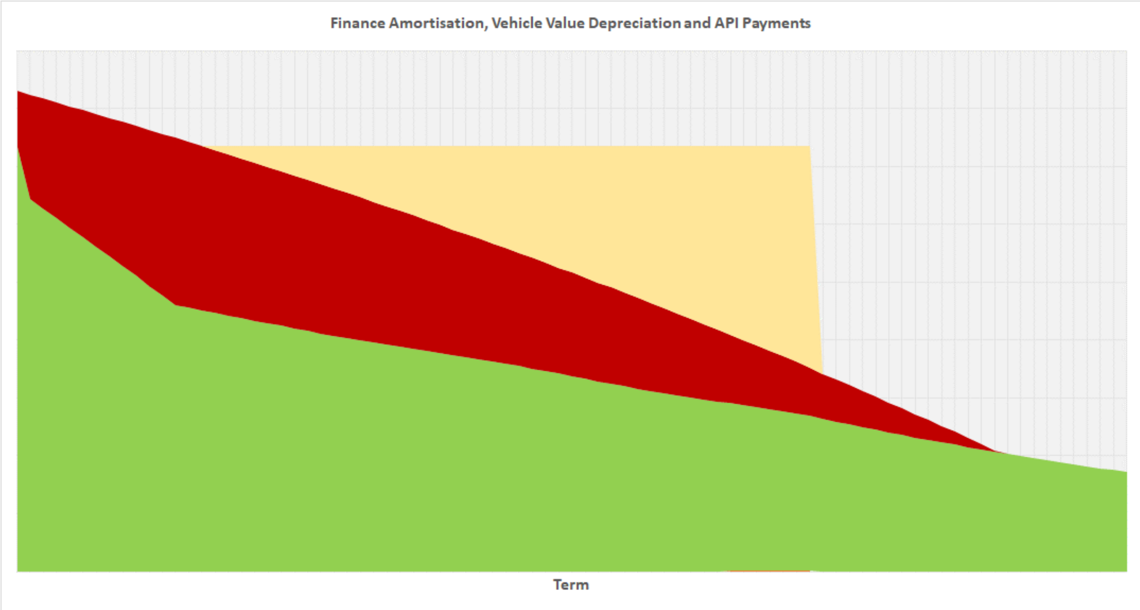


If you do not have finance, Assetinsure's API product operates exactly like a pure RTI policy, as illustrated in 2.2 above.

However, if you do have finance, after the comprehensive MVI insurer has paid the total loss benefit (represented by the height of the green area in the chart just above), under Assetinsure's API policy, you would also receive a payment equal to the total height of the red and cream areas (at that point in time), provided the total loss event occurred in the first 60 months following purchase of the vehicle.

If you have finance over a term longer than 60 months, for any total loss occurring more than 60 months after the vehicle purchase date, we only pay the finance shortfall (i.e. only the height of the red area after 60 months).

The following chart illustrates the overlaying of the pure GAP (red) and pure RTI (cream) benefits for terms over 60 months:



The reason we do not pay the purchase price shortfall (i.e. "RTI" shortfall) after 60 months is that the purchase price shortfall after 60 months is expected to be substantial and to provide the coverage would make the API premium too expensive.

To keep API premiums affordable, we limit the coverage after 60 months to the finance shortfall (i.e. "GAP" shortfall) only.

1.4 Protection against total loss events - shortfall benefit

In summary, Assetinsure's API product applies when your vehicle is involved in a total loss event.

The most common causes of total loss events for motor vehicles are

- Severe collision damage that is uneconomic to repair, considering the value of the vehicle (i.e. the vehicle is declared a write-off) - this is by far the most common cause of total losses
- Severe hail damage (and the vehicle is declared a write-off)
- Severe water damage (e.g. during a flood)
- Theft (unrecovered)
- Fire

As we saw in 1.1, 1.2 and 1.3 above, if a total loss event occurs

- The shortfall for a financed consumer could be significant and cause financial stress (and potentially a bad debt)
- Even a non-financed consumer could realise a substantial shortfall between what they originally paid for the vehicle and what the comprehensive MVI insurer pays out for the total loss

This is where Assetinsure's API product helps, with a shortfall benefit that matches your needs.

1.5 Protection against total loss events - additional benefits

Not only is the full amount of any shortfall paid to the financier, so there is no bad debt, but the consumer also gets additional benefits to help with costs like the comprehensive MVI policy excess, purchase of the next vehicle (stamp duty, insurances, etc.) as well as indemnity for any other items stored in (e.g. golf clubs, CDs etc.) or on the vehicle (e.g. roof racks) that were damaged or lost as a result of the total loss event.

If the total loss event happened a long way from home, accommodation costs may also have been incurred.

Assetinsure's API policy is therefore designed for borrowing consumers who wish to eliminate the risk of being in the situation where, following a total loss event, they must fund any shortfall payment to the financier out of their own pocket as well as other consequential losses.

There are two additional benefits available to API - No Limit policyholders

- API Plus Benefit of $2,000 - automatically paid whenever a shortfall benefit is paid. No receipts are required
- API Optional Benefit – after your total loss, and at your option, if you purchase your replacement vehicle from the same Selling Agent as you bought your vehicle from originally, we will pay you the API Optional Benefit of 5% of the original purchase price of the vehicle.

However, API is also designed for

- borrowing consumers who wish to go further than just clear their debt to the financier, and to restore their financial position back to what it was when they purchased the vehicle

- non-borrowing customers who, following a total loss event, wish to restore their financial position back to what it was when they purchased the vehicle

1.6 LVR below 75% on finance terms of more than 60 months

If you finance your vehicle purchase over a term greater than 60 months, but you borrow less than 75% of the Purchase Price of the vehicle, you will pay the same (lower) premium that is paid by someone who has no finance and your API policy term will be 60 months.

The reason for this is that, when you borrow less than 75% of the Purchase Price of the vehicle, you are highly unlikely to owe more on your finance than your vehicle is worth after 60 months.

1.7 Very Important Conditions

We pay the API benefits under the API policy if and only if the comprehensive motor insurer pays your total loss claim (or replaces your vehicle under the "New For Old" option of your comprehensive motor insurance policy[2]).

If your comprehensive motor insurance policy does not pay out a total loss then your API policy does not pay the API benefits.

In other words, we base our decision to accept or reject an API claim solely on the decision made by your comprehensive motor insurer to declare your vehicle a total loss (or not).

To be eligible for API cover, you must therefore maintain a comprehensive motor insurance policy throughout the term of the API policy.

[2] If your vehicle is replaced under the "New For Old" option we only pay the additional benefit(s) as you have no shortfall.

2. What is a Target Market Determination?

2.1 In general

A Target Market Determination (TMD) is a document that describes clearly (and in some detail)

- The class of retail customer the retail product is intended for, and the "negative market"; that is, who the product is not intended for
- Any conditions or restrictions on distribution of the retail product
- Any events or other triggers that would suggest the TMD is no longer appropriate
- The various types of information needed to enable the person who made the TMD to identify promptly whether a review of the TMD is required
- The maximum period that can elapse between a TMD and any subsequent review of the TMD to ensure it remains appropriate
- A specified reporting period (e.g. quarterly) that reports on the numbers of complaints about the product in the reporting period
- The positions within the product issuer (i.e. insurer) that are responsible for reporting TMD related information to the person(s) who made the TMD

A product issuer must also make its TMD available to the public free of charge and keep records of the decisions made in relation to its Design and Distribution Obligations (e.g. changes to the TMD document).

In general, a TMD should focus on the following aspects

- customer type and characteristics
- customer needs and objectives
- customer risk profile

Under the new legislation, a TMD must be made available by the product issuer for every product they issue. If there is no TMD for a product then it must not be issued.

2.2 Assetinsure "API - No Limit" product specifically

2.2.1 Intended Market

The intended market for Assetinsure's API product are those Australian consumers purchasing a new or used vehicle from an Authorised Selling Agent that satisfy <u>all</u> of the following criteria

- The Vehicle Purchase Price (VPP) is at least $10,000 but does not exceed $160,000.
- The vehicle is not more than 15 years old.
- The vehicle was first registered new in Australia (i.e., is not a "grey import")
- The consumer is prepared to maintain an in-force comprehensive MVI policy throughout the term of the API policy
- The vehicle is to be used solely for private purposes (i.e., not for commercial gain or business use, including taxi, ridesharing, tool of trade and courier)
- The consumer does not already have comparable and/or materially overlapping coverage from another active insurance policy (or open applications for the same)
- The API policy can only be sold through an Authorised Selling Agent acting as Corporate Authorised Representative of Assetinsure and whose authorisation is limited to the provision of information, general product advice and arranging conduct
- The vehicle is not branded under marques listed in **Appendix A** to this TMD (i.e., exotic, discontinued, low volume)

If the consumer is <u>not</u> financing the vehicle purchase, they have the choice of API policy terms of 36, 48, or 60 months only. If the consumer is financing the vehicle purchase, the API policy must commence at the same time as the underlying finance contract and conclude after a further 36, 48, 60, 72 or 84 months (matching the finance term[3] chosen by the consumer).

However, Assetinsure will <u>not</u> provide API coverage to any consumer who is borrowing more than 125% of the vehicle purchase price[4].

Who would see value in Assetinsure's API product?

The target consumer for the Assetinsure retail API product is someone who requires

[3] If the finance term is less than 36 months, then the consumer can only purchase API with a 36-month term
[4] i.e. no API policy will be sold where the LVR exceeds 125%

- Guaranteed full coverage for financial shortfalls where the payout figure from a comprehensive motor insurer, following a total loss event, falls significantly short of the greater of
  - the outstanding finance balance; or
  - the original vehicle purchase price;
- Additional benefits to help with consequential economic losses arising with the total loss of the vehicle (e.g. accommodation costs, stamp duty and insurances for the new vehicle, damage to any personal effects stored in or on the vehicle, etc.)

The example provided in section 1.3 above illustrates how Assetinsure's API product helps ensure target consumers do not end up out of pocket and/or in debt as a result of a total loss event.

Limited or unlimited shortfall coverage?

Many retail asset protection products (or similar) available in the Australian market provide shortfall protection up to a maximum dollar limit (e.g. $15k) and are not risk-rated (i.e. the same or similar premium is charged regardless of the underlying risk characteristics of the vehicle and any finance arrangements). That is, coverage provided by many Australian retail asset protection products is capped (at the Maximum Shortfall Benefit).

The use of Maximum Shortfall Benefit caps can cause problems if

- The issuer and/or distributor (deliberately or inadvertently) under-insures the consumer (i.e. the consumer buys a GAP policy with inadequate coverage, meaning the Maximum Shortfall Benefit is not guaranteed to clear the shortfall and in many likely scenarios will not do so)
- The issuer and/or distributor (deliberately or inadvertently) over-insures the consumer (i.e. the consumer buys a GAP policy with excessive coverage, meaning the Maximum Shortfall Benefit is far in excess of any likely shortfall, with a premium that reflects the maximum benefit, not the likely coverage requirements)

Community-rated premiums or risk-rated premiums?

While Assetinsure's API - No Limit product provides unlimited shortfall coverage, API has also been risk-rated so that the premium charged is proportionate to, and appropriate for, any given set of purchasing and/or finance arrangements within Assetinsure's wide permissible range (i.e. vehicle purchase prices from $10k to $160k with LVRs up to 125%).

By comparison, many similar products sold in Australia are community-rated (i.e. the same or similar premium is charged, regardless of risk profile).

There is no lower limit to the LVR to be able to buy API as API provides significant cover, even in the complete absence of finance.

Consequently, Assetinsure's API product is for consumers who also require that

- the shortfall is always covered in full
- they have not had to pay any more than necessary to get this unlimited shortfall cover

2.2.2 The "Negative" Market

This product is not available and/or not suitable for, and is not intended for

Vehicle-related

- any vehicle with a purchase price of less than $10k or more than $160k
- any vehicle not first registered as new in Australia (i.e., a "grey import")
- any vehicle sold by any party other than an Authorised Selling Agent approved by Assetinsure for distribution of the API product
- any vehicle branded under marques listed in **Appendix A** to this TMD (i.e., exotic, discontinued, low volume, etc.)

Consumer-related

- a consumer who is unconcerned about the risk of being in a shortfall scenario following a total loss event; perhaps as a result of being in a strong financial position
- a consumer who has already arranged any other form of comparable coverage (e.g. GAP, RTI, etc.) for the vehicle or has a New For Old (NFO) feature on their comprehensive MVI policy which they intend to renew throughout the entire finance term
- a consumer that is not prepared to maintain a comprehensive MVI policy throughout the term of the finance
- a consumer that intends to use the vehicle for any non-private (i.e. business) reasons (including, but not limited to, taxi services, ride sharing, vehicle for hire and tool of trade)
- a consumer borrowing more than 125% of the vehicle purchase price

3. Conditions and restrictions on distribution of the API product

3.1 API policy must be sold through an authorised Selling Agent

A key condition of the distribution is that any Assetinsure API policy can only be sold through an authorised Selling Agent that is acting as a Corporate Authorised Representative of our distribution partner. The authorised Selling Agent must comply with all terms and conditions of the Corporate Authorised Representative (CAR) Agreement with Assetinsure (which in turn meets the requirements of the DDO legislation). Assetinsure's API product must be sold under the General Advice Model provisions of the Corporations Act (2001) with the accompanying General Advice Warning to consumers. The General Advice Warning simply means the advice given by the CAR is not tailored to the consumer's specific circumstances; it is general in nature only.

The vehicle and the consumer must satisfy all the TMD criteria set out in section 2.2.1 above and must <u>not</u> satisfy <u>any</u> of the criteria in section 2.2.2 above.

3.2 API product specific conditions

3.2.1 Refunds

The consumer must be told of the need to advise our distribution partner (or Assetinsure) if they repay their finance early if they wish to also cancel their API policy and receive a partial API premium refund for any unused policy exposure. The consumer must sign a declaration prior to API policy commencement stating they have been made aware of the need to advise the insurer of early term payout of their finance if they wish to receive a partial premium refund at this (or any other) time.

However, Assetinsure's API product pays significant benefits to a policyholder, even after any finance is paid out. That is, if the API policy is not explicitly cancelled by the consumer following early finance payout, the policy will continue to offer any remaining purchase price shortfall cover and 100% of the available Additional Benefits (following a total loss event) to the consumer until the expiry date of the original API policy. The premium refund at any time will be based on the number of complete months remaining in the original policy term, using the "Rule of 78". Examples of premium refund calculations and the refund formula are shown in the Product Disclosure Statement.

3.2.2 Overlapping coverage exclusion

The consumer must also be asked whether they currently have any other active insurance policies, or any open applications for other comparable insurance policies, of any of the following types

- A GAP or RTI policy (or similar) with any other insurer
- A comprehensive MVI policy with a New For Old (NFO) benefit feature which they firmly intend to renew and maintain throughout the term of the finance contract

If the consumer answers "yes" to any of the above, then they must be advised that they cannot be offered an Assetinsure API product because they already have cover that could potentially overlap with cover provided by Assetinsure's API product.

The consumer will also be asked to sign off on the accuracy of any amount financed used in the quotation process and to confirm that the term of their finance contract aligns as closely as possible with the term of the API policy (noting that finance terms less than 36 months should be matched to the 36-month API policy term).

3.3 Why our distribution conditions are expected to reach the target market

The most important distribution conditions described in this TMD document that drive consumers either into, or away from, our target market are as follows:

- the eligible and ineligible vehicles (and finance arrangements) are clearly defined and controlled by the automated underwriting process; it will not be possible to purchase API for an ineligible vehicle (i.e., one outside of the target market) or for excessive finance (i.e., LVR over 125%) if accurate data is provided
- The API product is sold through an Authorised Representative (AR) who must meet certain standards and conditions related to the sale of our API products (including their conduct and being up to date in all training requirements related to the sale of our products). Our ARs are trained and able to answer consumers' questions which will assist consumers in identifying whether our API product meets their needs.
- Further to the previous bullet, our sales process will ask consumers particular, but general, questions that enable us (via automated algorithms) to identify key consumer and vehicle attributes that, in turn, help determine whether the consumer and vehicle are likely to be in the target market or not

- the consumer is required to sign-off their understanding and acceptance of certain aspects related to the policy (see also 3.2.2 above) as a condition of policy acceptance and these aspects are discussed and explained throughout this TMD document as well as by the AR during the sales process (which includes the 4-day deferral period)

We have clearly articulated the areas of exclusion in terms of vehicle purchase prices, marques, vehicle age, vehicle usage, "grey import" status, comparable existing or proposed insurance cover and any finance LVR.

In addition to those aspects of assessing whether a given consumer (and their vehicle) is in the target market that can be automated within an eligibility and pricing algorithm, we will ask, and then obtain and electronically record responses to, specific questions

- Confirmation that the consumer does not already have any other similar form of shortfall coverage (e.g., GAP, RTI) or an equivalent level of coverage under their comprehensive motor insurance policy (i.e., New For Old cover that they fully intend to maintain for as long as the comprehensive motor insurer allows them to maintain it)
- Confirmation of the consumer's understanding of the requirement to maintain a comprehensive motor insurance policy on the same vehicle throughout the duration of the API policy term and that failure to do so effectively nullifies the API policy
- Confirmation that the vehicle will not be used for business purposes (i.e., private usage only)

Recording of responses to these questions/attestations will be critical in responding to (and nullifying) any future complaints from consumers about matters related to

- duplication of coverage
- ineligibility to claim API benefits because of no active comprehensive motor insurance policy on the same vehicle
- usage (private vs. business)

4. Triggers that indicate inappropriateness of current TMD

The most likely triggers of a review of the TMD for Assetinsure's API product are currently viewed as (in no particular order of priority)

- Any exercising of ASIC's Product Intervention Powers (PIP) in relation to a competitor's GAP (or related) products
- Excessive API claim declinature rates
- Excessive consumer complaints relating to claims and/or policies
- High early term policy cancellation rates (including during the cooling off period)
- Low and/or declining claim rates which suggest consumers are not benefitting as intended
- Consistently high API sales volumes relative to dealer/broker vehicle sales volumes (or indeed a rapid increase in API sales)
- High incidence of lengthy delays between the total loss event date and the API claim lodgement date

5. Information and data required for TMD assessments

As noted in section 4 above, there are a range of events that may indicate that the TMD is becoming, or has become, inappropriate.

The types of information that need to be collected and analysed to determine whether the TMD continues to be appropriate (or otherwise) fall into two major categories per the following table

Internal Data	External Data
Copies of any time-stamped and signed dialogue between the sales representative and the consumer recorded during the sales process.	Media Releases, Consultation Papers and other documents released by ASIC, the ACCC, APRA, AFCA, the ICA etc. relating to Add On Insurance
Claims Incurred versus Premium Earned (i.e. emerging earned loss ratio)	Rulings or Findings by the above regulators in relation to Assetinsure or Assetinsure's Add On Insurance competitors
Earlier term cancellation rates (including during the 21-day cooling off period)	
Claim declinature rates (and reasons)	
Excessive durations between date of event and date claim reported, and date claim reported and date claim finalised	
Complaints, Internal Dispute Resolution (IDR) cases and External Dispute Resolution (EDR) cases	

Ongoing routine monitoring of claims experience (including claim frequency, average claim size, loss ratios and any delays in claims processing), cancellation rates, claim declinature rates, complaint rates and penetration rates would be carried out at least quarterly (but more likely monthly initially).

Data that enables enumeration of the above metrics must be provided by the distributor in the monthly claims and policies bordereaux.

Data in relation to complaints that are escalated to IDR (and EDR) must enable Assetinsure to meet the requirements of ASIC's RG 271 (specifically section 271.182).

In relation to complaints and regulatory breach data, the distributor must provide an adequate description of the complaint or breach to enable an assessment of the broad category of complaint/breach (to check on any common themes emerging) and an estimation of the severity/seriousness of the complaint/breach, as well as key date and status data to enable enumeration and/or analysis of the delays between notification, acknowledgement, and resolution/outcome (per RG 271 as noted above).

6. TMD Review Frequency

Initially, the TMD should be reviewed quarterly, considering the information collection and analysis carried out under 5. above.

Over time, and as all parties gain comfort with our TMDs, this is expected to ease out gradually to an annual review (at a minimum), notwithstanding that any incidental and/or unexpected event that could reasonably be expected to impact on the Add On Insurance sector could also trigger a review of the TMD.

7. Responsible Persons

The Head of Automotive Business is responsible for collecting data and information (per 4. and 5. above) and providing timely analysis and reporting thereon (per 6. above) to the Chief Executive Officer.

Appendix A Ineligible vehicles (API - No Limit)

The following table sets out the current listing of ineligible manufacturers.

ALPINA	KENWORTH
ALPINE	KOENIGSEGG
ASTON MARTIN	KTM
BENTLEY	LAMBORGHINI
BLADE	MACK
CATERHAM	MAHINDRA
CATERPILLAR	MAN
CHERY	MASERATI
CHEVROLET	MAYBACH
DENNIS EAGLE	MCLAREN
DODGE	MERCEDES-BENZ TRUCKS
ELFIN	MORGAN
FERRARI	OPEL
FOTON HEAVY	PROTON
FOTON	ROLLS-ROYCE
FUSO	SAAB
HDT	SCANIA
HUMMER	SMART
HYUNDAI COMMERCIAL VEHICLES	TATA
INTERNATIONAL	TESLA
IVECO	UD TRUCKS
IVECO BUS	VOLVO COMMERCIAL
IVECO TRUCKS	WESTERN STAR
JMC	ZX AUTO

If the vehicle marque is in the list above it is not eligible for “API No - Limit”.

The above list shows extremely high-performance exotic brands, brands that have ceased to exist or brands with very low historical sales volumes.

Even if a vehicle is not sold under the brands listed above it can still be excluded (per section 2.2 above) because of:

- Age (more than 15 years since first registration).
- Purchase Price (Minimum allowed is $10k, Maximum allowed is $160k).