



Target Market Determination

Petsy Puppy Protection Plus

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The document code for this product is PUP.0524

This Target Market Determination (this "TMD") is effective from 15 May 2024 and relates to Petsy Puppy Protection Plus within the Petsy Puppy Protection Plus Product Disclosure Statement and Policy Wording (PUP.0524).

This product is underwritten by Pacific International Insurance Pty Ltd (ABN 83 169 311 193) (Pacific).

Petsy Pty Ltd (ABN 54 633 343 058, AR 1277359) ('Petsy') distributes Petsy Puppy Protection Plus as an authorised representative of Knose Financial Services Pty Ltd (ABN 38 620 795 735, AFSL 536651) (ThePetInsuranceCompany.com.au).

ThePetInsuranceCompany.com.au acts under a binding authority as agent for the insurer, Pacific.

This TMD provides Pacific's distributors and customers information about:

- Consumer value and key Product attributes
- the customers for whom this product is appropriate (being the target market)
- the customers for whom this product is NOT appropriate;
- any distribution restrictions and conditions attaching to the product;
- the reporting obligations of the distributors;
- the review period(s) and events which may trigger a review.

This TMD identifies the customers within the target market for Petsy Puppy Protection Plus. This TMD does NOT consider a customer's personal needs, objectives, and financial situation. This TMD is not a Product Disclosure Statement and does not form part of the terms of cover.

Customers should always refer to the Petsy Puppy Protection Plus Product Disclosure Statement and Policy Wording (PUP.0524), and any Supplementary Product Disclosure Statement (SPDS) that may apply, to ensure the product is suitable for their needs.

Any advice contained in this TMD is general advice only and has been prepared without taking into account individual objectives, financial situation or needs and you should consider the appropriateness of any such advice and the PDS available via www.petsy.com.au or by calling 1300 952 790 before making a decision to acquire, or to continue to hold, the product.

Customer value proposition and product key attributes

There are known costs of owning a pet that can be incorporated into a household budget, food, bedding, vaccinations, and other preventative care such as parasite protection. There are also unknown costs associated with the risk of the pet being injured or becoming sick. Over the lifetime of a pet, for those that are lucky, these costs may be minimal while, for the unlucky, may be in the tens of thousands.

Petsy Puppy Protection Plus is designed to reduce the risk of incurring unexpected veterinary expenses by a chosen percentage and up to a chosen limit annually. Thus, reducing consumer's need to utilise savings, access mortgage offset accounts, borrow, or in the most difficult of circumstance, say goodbye to their pet when there are financial constraints.

The product is designed for owners of companion dogs that wish to take out Pet Insurance initially before the pet has had their first birthday. To recognise the benefits of good pet ownership and that holding pet insurance from a young age is beneficial to help pay for unexpected Vet Costs over the lifetime of a pet and minimize the likelihood of exclusions because of Pre-existing Conditions. This product incorporates a bonus annual limit for some levels of cover at no extra cost and remains in place while continuous cover is maintained.

For owners of dogs that are one year old or older and wish to take out pet insurance please see the Petsy Pet Protection Plus product.

Target Market Determination

This product has 5 sections of cover as set out below and an additional 3 sections of optional cover has been designed for consumers in the target market to provide financial protection as follows:

Section 1 Vet Costs if Your Pet is Injured

Section 2 Vet Costs if Your Pet suffers an Illness

Section 3 Vet Costs for essential euthanasia

Section 4 Vets Costs – Overseas (while in New Zealand or Norfolk Island on a trip of not more than sixty (60) days)

Section 5 Emergency Pet Boarding

Optional Extra Benefits

Section 6 Vet Costs – Dental Illness

Section 7 Vet Costs – Behavioural Conditions

Section 8 Vet Costs – Specialised Therapies

The likelihood of a pet having Pre-existing Conditions increases the later an owner waits to purchase pet insurance. Petsy Puppy Protection Plus is designed for pets with a low likelihood of Pre-existing Conditions and entry is limited to a maximum age of 364 days. There is no age limit on renewing cover.

Within this Product, consumers can choose from a range of cover levels adjustable over time depending on their individual needs and circumstances as shown in the following table:

	Options Pets less than 6 months older	Options Pets Between 6 months and 1 year old
Annual Limit	\$6,000*, \$12,000* or \$30,000*	\$5,500^, \$11,000^ or \$27,500^
	*Includes 20% bonus over Petsy Pet Protection Plus	^Includes 10% bonus over Petsy Pet Protection Plus
Benefit Percentage	80% or 90%	80% or 90%
Annual Excess	\$500, \$150 or \$0	\$500, \$150 or \$0
Vet Consultations	Yes / No	Yes / No

Cover is subject to terms conditions and exclusions including Exclusion Periods at policy commencement and exclusion of pre-existing symptoms and conditions unless an exemption is provided.

Who is within the Target Market for Petsy Puppy Protection Plus?

Customers within the Target Market (Customers are within the target market if all the following conditions apply):

The Product has been designed for consumers whose likely objectives and needs are to reduce the financial impact of unexpected veterinarian expenses. The Product is designed for those consumers who:

Target Market Determination

- ✓ are at least 18 years old;
- ✓ have an acceptable breed of a domestic dog that resides with them in Australia;
- ✓ who want to be covered against financial loss caused by an injury, illness or other unexpected medical problem as listed in the 8 sections of cover, to their domestic dog;
- ✓ commensurate with the appropriate type of cover relevant to their personal circumstances.

This Product is only suitable for those consumers who are in the financial situation to:

- ✓ to pay for the costs of veterinary treatment for their domestic dog, then seek reimbursement later; and
- ✓ to budget and pay for the premiums including future premium increases expected due to multiple factors but primarily pets aging and veterinary inflation;
- ✓ to pay for veterinary costs equal to the Annual Excess before beginning to receive benefits equal to the chosen Benefit Percentage;
- ✓ to pay for veterinary costs above the Benefit Percentage chosen from 80% or 90%
- ✓ to pay for veterinary costs above the Annual Limit chosen which may range from \$5,500 to \$30,000

There are certain consumers that fall outside of the target market (please refer to "Customers NOT within the Target Market")

Customers NOT within the Target Market (Customers are not within the target market if any of the following conditions apply):

- ✗ Customers who are seeking cover for a companion animal which is not a dog.
- ✗ Customers who are seeking cover for a breed considered dangerous or are banned in Australia.
- ✗ Customers who own cats and dogs participating in commercial or sporting activity such as breeding or obstetrics, working, fighting, racing, personal protection, gun sports, law enforcement or guarding.
- ✗ Customers who own a working or sporting cat or dog. Note this does not include pets who participate in or are show dogs, search and rescue dogs, guide dogs, assistance dogs or customs sniffer dogs.
- ✗ Customers seeking specific cover for a Pre-existing Symptom, Condition or Behavioural Condition of their pet unless acceptable proof of full recovery is accepted.
- ✗ Consumers who do NOT have the financial means to pay for the costs of veterinary treatment for their domestic dog, then seek reimbursement later.
- ✗ Consumers seeking payment from the distributor for treatment costs incurred directly to a service provider (for example, a vet)
- ✗ Consumers seeking to have cover for all costs related to the treatment of an accidental injury or illness.
- ✗ Consumers seeking to have cover for costs related reasonably expected costs such as annual health checks, vaccinations, parasite protection, food and pet merchandise.

The above criteria are tailored to align with consumers' primary objectives, financial situations, and needs. Consumers primarily seeking to safeguard their pet's health while mitigating the risk of unforeseen veterinary expenses that may impact funds allocated for other essential purposes. Such purposes include maintaining general savings, safeguarding mortgage offset accounts, preserving home purchase deposits, or avoiding the need to acquire loans. In extreme cases, this also involves making difficult decisions regarding their pet's care in the face of prohibitively expensive treatment options. By minimising this financial risk, consumers can more effectively allocate their resources to meet various needs.

Additionally, it is crucial for consumers to possess the financial capability to sustain insurance cover throughout their pet's lifetime. They should also have access to short-term funding solutions to bridge the gap until reimbursement claims are settled.

Distribution Restrictions and Conditions

Petsy distributes Petsy Puppy Protection Plus as an authorised representative of ThePetInsuranceCompany.com.au.

The application process, online or via phone, requires each applicant to answer a series of questions and provide attestations aligned to the description of the target market above. Only customers matching the target market are deemed to have met the eligibility criteria and may be sold the Product.

Target Market Determination

For phone based sales the customer care team must receive adequate training and follow approved call scripts that ensure that all disclosures are made and all questions and attestations are asked or received to determine that the applicant is within the target market. Regular staff monitoring is also in place including a minimum quarterly audit of phone sales.

In addition:

- a new policy cannot commence until the pet is at least 6 weeks old. This is to ensure the pet allocated is unlikely to have Pre-existing Conditions such as a congenital defect, as most dog breeders obtain a vet check for each pet on or around 6 weeks of age;
- a new policy cannot commence if the pet is older than 364 days, this restriction does not apply to renewing policies; and
- an option including Dental Illness added to an existing policy after the pet is 2 years and 364 days old. Many dogs develop some level of dental disease by age 3. This restriction is to reduce the likelihood this feature is added to a policy when the pet that may have pre-existing dental disease for which cover is not provided.

These conditions make it likely that this Product will only be distributed to customers within the target market for this Product because distributor and Issuer representatives have knowledge of the policy terms and conditions, and distributor processes are designed to identify instances where a policy is not suitable for the applicant.

Reporting Obligations

Distributors of this product are required to provide Pacific with complaints information via the agreed complaints submission process including:

- the number of complaints the distributor has received about this product during the reporting period;
- a short summary of the nature of the complaint raised and any steps taken to address the complaint; and
- any general feedback on this product

Distributors should include sufficient details about the complaint that would allow Pacific to identify whether the TMD may no longer be appropriate to the class of customers.

Reporting Period: 3 monthly and no later than 10 business days after the agreed complaints reporting date.

Significant Dealings

If an actual or possible significant dealing outside of the target market is identified, Pacific requires information such as the date (or date range) the dealing occurred, details about the dealing(s) and any steps or actions taken to mitigate.

Distributors should have regard to current ASIC guidelines when determining what may constitute a significant dealing.

Petsy will notify Pacific of any significant dealing in the Product that is not consistent with the TMD as soon as practicable (within 10 business days). This includes but is not limited to a consideration of the nature and degree of harm resulting from the issue of this Product to a retail customer.

TMD Reviews

Review Period

The initial review of this TMD will occur no later than 12 months from the date this TMD is first published or within 10 business days if an event or circumstance (Review Trigger) occurs which would reasonably suggest that the TMD is no longer appropriate. This TMD will then be reviewed at least every 24 months unless agreed otherwise with Pacific.

Review Triggers

Review triggers are to be monitored by the distributor and included in quarterly reporting to the insurer.

We will review the TMD if:

- we identify that there has been a significant dealing in the Product that is not consistent with the TMD;
- a material change to the product including Product Disclosure Statement, information or assumptions upon which the target market was formulated such as the government introducing the equivalent of medicare for pets;
- change of relevant law, regulatory guidance or industry code which has a material effect on the terms or distribution of the product;
- the distributor becomes aware of a number of customers suffering from emotional, physical, financial or other vulnerabilities relevant to issuing the product;

Target Market Determination

- Market changes or the introduction of government initiatives that change the likely objectives, financial situation and needs of consumers in the target market;
- Multiple systemic compliance incidents and/or breaches that may indicate an issue the product or appropriateness of the TMD.
- A material deterioration in customer value measures that indicate the Product may no longer be achieving the objecting to reduce the financial impact of unexpected veterinarian expenses:
 - Purchase, cancellation and lapse rates that indicate the product will become unsustainable as the volume of scale is negatively impacted;
 - Claims outcomes as measured by denial rates and claims ratio;
 - Customer feedback and complaints as a proportion of policies and proportion of denied claims;