

Optus Device Protect Insurance

Target Market Determination (TMD)

5 October 2021

Introduction

Optus Insurance Services Pty Limited ABN 12 005 711 928 AFSL 247379 (**OIS**) is the issuer of Optus Device Protect Insurance (**Device Protect**).

The purpose of this TMD is to describe the type of customers that Device Protect has been designed for, the conditions applicable to its distribution, as well as relevant review and reporting requirements.

This TMD does not form part of the Product Disclosure Document (**PDS**) or Financial Services Guide (**FSG**) for Device Protect or any contract of insurance. It is not intended to provide financial product advice and does not consider any individual customer's personal financial situation, objective or needs. Customer should read the PDS before making a decision in relation to Device Protect, available at <https://www.optus.com.au/customer-extras/insurance-options>.

Target market

Key attributes of Device Protect

Device Protect is an insurance product that covers mobile devices and tablets sold by Optus Mobile Pty Limited ABN 65 054 365 696 (**Optus Mobile**). The key attributes of Device Protect are:

Device type	Standard Device		Premium Device
Risks covered	Theft, loss, accidental damage and electronic breakdown/failure		
Geographic coverage	National and international		
Limit of liability	\$2,000		\$3,000
Unauthorised usage	Up to \$600 (inclusive of the limits of liability)		
Policy term	Month-to-month		
Cover for accessories	Accessories provided with the device. Wearable devices such as smart watches, fitness activity trackers and cellular connected wearables are not covered.		
Premium	\$14		\$19
Excess (accidental damage or electronic breakdown/failures)	\$100		\$175
Excess (lost/stolen)	\$200		\$350
Key exclusions	- fire - mechanical or electronic breakdown/failure that is covered by the manufacturer's warranty or consumer guarantee under the Australian Consumer Law		- fraudulent claims - wear and tear - failure to take reasonable precautions to prevent loss or damage - device was left unattended, unaccompanied, unsupervised or outside the customer's view

Customers Device Protect is designed for

Device Protect is designed for customers who meet all of the following eligibility criteria:

- have purchased an eligible mobile device from Optus Mobile on a payment over time plan – a 'Standard Device' (that is not an 'Excluded Device') or an included 'Premium Device' as specified at: www.optus.com.au/insurance¹;

¹ List of 'Excluded Devices' and included 'Premium Devices' may be amended from time-to-time.

- have entered into an Optus Mobile post-paid service in respect of the device or entered into the post-paid service within the previous 30 days of applying for cover²;
- have satisfied the identification and credit check requirements of the Optus Postpaid & Subscription ID & Activation Policy³;
- are permanent Australian residents or have satisfied the visa requirements of the Optus Temporary Residents – Plan Eligibility Policy³; and
- are at least 18 years old.

Customers Device Protect is not designed for

Device Protect is not designed for customers who:

- have purchased a device from a party other than Optus Mobile or have purchased a used device previously purchased from Optus Mobile;
- have purchased an ineligible 'Excluded Device' as described at: www.optus.com.au/insurance¹;
- have not entered into an Optus Mobile post-paid service including outright purchases that are not on a payment over time plan;
- entered into the post-paid service more than 30 days before applying for cover;
- have not satisfied the identification and credit check requirements of the Optus Postpaid & Subscription ID & Activation Policy³;
- are less than 18 years old; or
- are not permanent Australian residents and do not meet the visa requirements of the Optus Temporary Residents – Plan Eligibility Policy³.

Financial situation, objectives and needs

Device Protect is designed for customers with the following objectives, financial situation and needs:

Device type	Standard Device	Premium Device
Financial situation	The financial capacity to afford the contractual commitments in respect of Optus Mobile post-paid service in respect of the insured device which also demonstrates the capacity to pay the standard device monthly premium and excesses.	The financial capacity to afford the contractual commitments in respect of Optus Mobile post-paid service in respect of the insured device which also demonstrates the capacity to pay the premium device monthly premium and excesses.
Objectives	Manage the financial risk of: • theft, loss or damage to the standard device; and • unauthorised call usage	Manage the financial risk of: • theft, loss or damage to the premium device; and • unauthorised call usage
Needs	Protection from exposure to the financial consequences of the risks referred to above.	Protection from exposure to the financial consequences of the risks referred to above.

Customers who are eligible for Device Protect and within its target market are likely to be able to afford the product and it is likely to manage the financial risks associated with their Optus Mobile device on an ongoing basis. The product is therefore likely to be consistent with the likely objectives, financial situation and needs of the customers within its target market.

Distribution

Distribution channels

Device Protect may only be distributed by Optus Mobile via:

- online sales through Optus Mobile's website;
- telephone sales conducted by Optus Mobile employees who are OIS authorised representatives;
- the personnel of Optus retail stores which are either owned by Optus Mobile or its franchisees who are OIS authorised representatives.

² Subject to correction of administrative errors where Device Protect was requested but not attached.

³ This policy may be amended or replaced from time-to-time.

No other parties are permitted to distribute Device Protect.

Distribution conditions and restrictions

All telephone and retail store sales must be conducted through the Optus Customer Relationship Management (**Optus CRM**) electronic sales platform. Online sales may only be conducted through Optus Mobile's online sales portal. OIS must provide its prior written approval in relation to the structure and operation of the Optus CRM and Optus Mobile's online sales portal to the extent they relate to Device Protect. The Optus CRM and Optus Mobile's online sales portal are designed so that the product can only be sold to eligible customers.

The rationale for limiting the distribution of Device Protect to these methods and the distribution channels described above is ensuring that only customers who meet the eligibility criteria are able to purchase the product and are therefore likely to be within its target market.

Optus Mobile personnel must not provide any financial product advice in relation to Device Protect. General financial product advice may only be provided by Optus Mobile on behalf of OIS in relation to advertising and website content in relation to Device Protect. OIS must provide its prior written approval in relation to any advertising and website content regarding Device Protect.

New business

Until further notice, Device Protect insurance is not currently available for new customers to purchase and may only be renewed by customers who first purchased the product before 5 October 2021.

Renewal

Device Protect provides cover for a period of one month and Optus Mobile is permitted to offer renewal for insured customers who first purchased the product before 5 October 2021 via the customer's Optus Mobile post-paid service invoice for each successive month while the customer continues the service related to the insured device, subject to termination, cancellation or OIS electing not to renew.

OIS will continue to monitor a range of factors in respect of renewing customers and devices to ensure that:

- renewing customers remain likely to be within the target market; and
- Device Protect continues to be likely to be consistent with the likely objectives, financial situation and needs of renewing customers within the target market.

In the event OIS elects not to renew Device Protect in respect of one or more customers having regard to these factors, Optus Mobile will be advised to decline to renew the product and provide reasonable notice to affected customers including information regarding any applicable alternatives.

Review

Initial and periodic review

This TMD will be reviewed within 12 months of its date and within at least 12 months following each previous review thereafter.

Review triggers

In addition to the periodic review described above, this TMD will be reviewed within 10 business days of the following events or circumstances to the extent they suggest this TMD is no longer appropriate, including (but not limited to):

- a material change to the design or distribution of Device Protect, including the product's benefits, exclusions, premiums or excesses or other material changes to the PDS;
- an event or circumstances that materially changes a factor taken into account in making the TMD;
- a significant change to the product's eligibility criteria;
- systemic issues across the product's lifecycle;
- the distribution conditions or restrictions are no longer appropriate;
- OIS determines that a significant dealing in the product that is outside of the target market has occurred;

- feedback from Optus Mobile, customers, ASIC, APRA, AFCA and other interested parties;
- material external events, such as media coverage, litigation, regulatory scrutiny or reform, and
- significant changes in the product's metrics including claims, complaints and loss ratios.

Reporting

We will collect and will require Optus Mobile⁴ to report on the following information in relation to this TMD:

Type	Description	Reporting period
Complaints	Any expression of dissatisfaction or feedback made to or about OIS, related to its products, services, staff or the handling of a complaint, where a response or resolution is explicitly or implicitly expected or legally required.	Monthly
Sales data	Number of products issued (including new business and renewals).	Weekly
Claims data	Number of claims made, accepted, withdrawn, enquired and not lodged, and denied.	Monthly
Significant dealings	Awareness of a significant dealing in relation to the product that is inconsistent with this TMD.	Within 10 business days of becoming aware

⁴ Optus Mobile will report on its own behalf as an authorised representative and on behalf of all franchisee and individual authorised representatives.