

# RAC - Travel insurance cover Target Market Determination (TMD)

Effective Date: 29 May 2025

## About this document

This TMD applies to the travel insurance cover products described in the RAC Product Disclosure Statements (**PDS**) listed in the Appendix that have been issued by Tokio Marine & Nichido Fire Insurance Co., Ltd. ABN 80 000 438 291 AFSL: 246548 (**Tokio Marine**).

The main purpose of this TMD is to describe the class of customers that the travel insurance products have been designed and are suitable for, having regard to their likely needs, objectives and financial situation.

This TMD also sets out the conditions and restrictions that are placed on the distribution of the travel insurance products, the events and circumstances that will trigger a review of the appropriateness of this TMD, how often distributors are required to provide information about any complaints to Tokio Marine and when this TMD will be reviewed.

This TMD does not replace the full terms and conditions that are contained in the PDS. Customers should refer to these to understand the precise scope of the insurance cover and before making any decision about whether to acquire travel insurance.

This TMD does not provide any financial product advice on travel insurance products and it does not take into consideration the objectives, financial situation and needs of individual customers.

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# 1. Target Market

## Product description and key attributes

Main covers	<p>There are five available Plans and these are:</p> <ul style="list-style-type: none"> <li>• International Single Trip Plan - Comprehensive</li> <li>• International Single Trip Plan - Essentials</li> <li>• International Single Trip Plan - Medical Only</li> <li>• Annual Mutli-Trip Plan</li> <li>• Domestic Single Trip Plan</li> <li>• Domestic Cancellation Plan</li> <li>• Domestic Rental Vehicle Excess Plan</li> </ul> <p>The table below sets out the Insurance Benefits that are available under each of the seven Plans. Not all Insurance Benefits are available under each Plan. Only Cancellation Fees and Lost Deposits benefits are available under the Domestic Cancellation Plan and only Rental Vehicle Excess benefit is available under the Rental Vehicle Excess Plan</p> <p>The Insurance Benefits are subject to the limitations and exclusions described in the PDS.</p>					
Insurance benefits	Insurance Benefits	International Single Trip Plan - Comprehensive	International Single Trip Plan - Essentials	International Single Trip Plan - Medical Only	Annual Multi-Trip Plan	Domestic Single Trip Plan
	Cancellation fees, lost deposits	✓	✓	✗	✓	✓
	Overseas medical expenses	✓	✓	✓	✓	Not applicable
	Luggage and personal money	✓	✓	✓ (luggage only)	✓	✓
	Emergency expenses	✓	✓	✓	✓	✓
	Accidental death	✓	✓	✗	✓	✓
	Accidental disability	✓	✓	✗	✓	✓
	Legal liability	✓	✓	✓	✓	✓
	Rental vehicle excess	✓	✓	✗	✓	✓
	Loss of income	✓	✓	✗	✓	✓
	Financial default	✓	✓	✗	✓	✓
	Domestic pets	✓	✗	✗	✓	✗
	Domestic services	✓	✗	✗	✓	✗
	Travel delay	✓	✓	✗	✓	✓

	<table><tr><td>Hijack and kidnap</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>COVID-19 benefits</td><td></td><td></td><td></td><td></td><td></td></tr></table>	Hijack and kidnap						COVID-19 benefits					
Hijack and kidnap													
COVID-19 benefits													
Optional cover	<p>Not all activities are covered under the Plans. Cover for some other activities is only available if it is purchased as an optional extra. The optional covers are:</p> <ul style="list-style-type: none"><li>Ski and winter sports (not available as an option under the Medical Only Plan)</li><li>Ocean cruising</li></ul> <p>Additional premium is payable for these optional covers, and an additional excess may apply to claims made under these options. The benefits covered by the options and the limitations and exclusions that apply to them are described in the PDS.</p>												
Who is insured	<ul style="list-style-type: none"><li>Persons who meet the eligibility criteria and acquire a Plan. Up to two adults can be insured persons under a single policy.</li><li>An unlimited number of dependents of insured persons are also covered if the dependents meet the eligibility criteria.</li></ul>												
Medical conditions & pregnancy	<p><b>Medical conditions</b></p> <p>The Plans automatically cover some medical conditions. All other medical conditions need to be disclosed for assessment whether to provide cover.</p> <p>If your medical condition is not automatically covered you will need to complete a medical assessment. If we agree to cover your medical condition, then you will need to pay any additional premium and the condition will be shown on your certificate of insurance.</p> <p>There are some medical conditions that we cannot cover under any of the Plans.</p> <p><b>Pregnancy</b></p> <p>The plans provide automatic cover for a single, non-complicated pregnancy up to the 26<sup>th</sup> week. For all other pregnancies, a medical assessment must be completed.</p>												
Key eligibility criteria	<p><b>Insured persons must be:</b></p> <ul style="list-style-type: none"><li>At the time of purchasing the policy, not aged more than:<ul style="list-style-type: none"><li>110 years (for Single Trip cover),</li><li>75 years (for Annual Multi-Trip cover),</li><li>85 years (for optional Ski cover); and</li></ul></li><li>Australian citizens or permanent residents; or</li><li>Australian temporary residents that hold a visa (which is not a tourist, study or working holiday visa) that is valid beyond the return date of the trip.</li></ul> <p><b>A dependent must be:</b></p> <ul style="list-style-type: none"><li>a child, stepchild, foster child or grandchild of an insured person; and</li><li>aged 25 years or younger at the time the policy is bought; and</li><li>financially dependent on their parents or grandparents and not working full-time; and</li><li>travelling with an insured person for their entire trip; and</li><li>listed on the certificate of insurance as a dependent.</li></ul> <p><b>General</b></p> <ul style="list-style-type: none"><li>all international Plan trips must begin and end in Australia;</li><li>all domestic Plan trips must be wholly within Australia;</li><li>a Plan must be purchased before a trip is commenced;</li><li>in some cases a return ticket is required to be held.</li></ul>												
Key exclusions	<p>The Insurance Benefits under each Plan are subject to general as well as specific exclusions. Full details of these are contained in the PDS.</p> <p>The following key exclusions apply:</p> <ul style="list-style-type: none"><li>any medical conditions that are not automatically covered and which have not been disclosed and listed as covered in the certificate of insurance;</li><li>conditions or illnesses that are currently being treated or investigated or where surgery or treatment is currently being provided;</li><li>driving a vehicle or motorcycle while not holding a current Australian licence to do so, and even if the country of travel does not require a licence to be held;</li><li>being under the influence of alcohol where a person’s judgement is reasonably impaired or</li></ul>												

	<p>where a person drives a vehicle or motorcycle above the permitted blood alcohol concentration limit; and</p> <ul style="list-style-type: none"> <li>• where a 'Do Not Travel' warning has been issued by the Australian government for the country or region of travel.</li> </ul> <p>Please refer to the full description of the General Exclusions described in the PDS.</p>
<b>Limitations</b>	<p>Claims are subject to single item and aggregate limits and these are specified in the PDS and certificate of insurance. Under the Annual Multi-Trip Plan, claims limits will reset for each trip</p> <p>Claims may be fulfilled by an assistance service provider, or repair, replacement, reimbursement or by a cash settlement depending on the circumstances.</p>
<b>Excess</b>	<p>Claims are subject to the payment of an excess, as specified in the PDS and certificate of insurance. There are options under all of the Plans to pay additional premium to reduce the default excess.</p> <p>For International trips the default excess of \$250 to \$100 or nil excess except for International Single Trip - Medical Only, where the lowest available excess is \$100.</p> <p>The default excess for domestic trips is \$100 and can be reduced to nil for additional premium.</p> <p>There are options under the International Single Trip Plans to select a higher excess of up to \$1,000 and pay less premium. Please note that a higher excess may result in there being no, or minimal, recovery under some of the benefit limits.</p>

## 2. Likely needs, objectives and financial situation

### International Single Trip - Comprehensive

<p>This product is designed for persons:</p>	<ul style="list-style-type: none"> <li>• taking a single trip international trip for leisure purposes and which includes river cruising, departing from Australia and returning to Australia within 365 days, who want to protect themselves and their dependents against unexpected costs, expenses and personal liability that they may incur on their trip for all of the benefits within the RAC International Single Trip product and at the highest available dollar value benefit level.</li> <li>• who have the ability to pay the premium for the most comprehensive scope and value of benefits available under the RAC International Single Trip product, and to cover any excess in the event of a claim in accordance with the excess option selected.</li> <li>• who can afford to pay the full cost of any costs incurred in advance of seeking claims reimbursement, unless where otherwise stated in the PDS.</li> <li>• who can afford to incur travel or medical expenses that exceed the applicable benefit limit (as specified in the PDS)</li> <li>• Our assessment of the key terms, features and attributes of the insurance benefits available under the International Plan - Comprehensive is that they are likely to be consistent with the needs, objectives and financial situation of customers in the target market for this product.</li> </ul>
<p>This product is <u>not</u> designed for persons:</p>	<ul style="list-style-type: none"> <li>• travelling domestically.</li> <li>• taking more than one international return trip to Australia.</li> <li>• not departing from and returning to Australia within 365 days.</li> <li>• whose trip includes ocean cruising unless this is selected as an option</li> <li>• whose trip involves taking part in skiing or winter sports unless this is selected as an optional add-on.</li> <li>• whose trip involves taking part in certain sporting and other activities that are not covered.</li> <li>• who are seeking cover for medical conditions that are not automatically covered or which are disclosed and not accepted for cover by the product issuer.</li> <li>• who do not have a known travel itinerary, such as prebooked accommodation.</li> <li>• who require cover for pregnancy related costs from 26 weeks onwards.</li> <li>• who cannot afford the excess and any applicable upfront costs and expenses incurred while on</li> </ul>

	<p>their trip.</p> <ul style="list-style-type: none"> <li>• who require cover for benefits falling under their nominated excess.</li> </ul>
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### International Single Trip - Essentials

<p>This product is designed for persons:</p>	<ul style="list-style-type: none"> <li>• taking a single trip international trip for leisure purposes and which includes river cruising, departing from Australia and returning to Australia within 365 days, who want to protect themselves and their dependents against unexpected costs, expenses and personal liability that they may incur on their trip for the essential benefits within the RAC International Single Trip product and at a generally reduced available dollar value benefit level compared to the Plan.</li> <li>• who are able to pay the premium for the scope and value of benefits available under the RAC International Single Trip product, and to cover any excess in the event of a claim in accordance with the excess option selected.</li> <li>• who can afford to pay the full amount before seeking claims reimbursement unless where otherwise stated in the PDS.</li> <li>• who can afford to incur travel or medical expenses that exceed the applicable benefit limit (as specified in the PDS).</li> <li>• Our assessment of the key terms, features and attributes of the insurance benefits available under the International Plan - Essentials is that they are likely to be consistent with the needs, objectives and financial situation of customers in the target market for this product.</li> </ul>
<p>This product is <u>not</u> designed for persons:</p>	<ul style="list-style-type: none"> <li>• travelling domestically.</li> <li>• taking more than one international return trip to Australia.</li> <li>• not departing from and returning to Australia within 365 days.</li> <li>• whose trip includes ocean cruising unless this is selected as an option</li> <li>• whose trip involves taking part in skiing or winter sports unless this is selected as an optional add-on.</li> <li>• whose trip involves taking part in certain sporting and other activities that are not covered.</li> <li>• who are seeking cover for medical conditions that are not automatically covered or which are disclosed and not accepted for cover by the product issuer.</li> <li>• who do not have a known travel itinerary, such as prebooked accommodation.</li> <li>• who require cover for their domestic pets while they are on their trip.</li> <li>• who require cover for the provision of domestic services if they are injured on their trip and become disabled.</li> <li>• who require cover for COVID-19 losses or expenses.</li> <li>• who require cover for pregnancy related costs from 26 weeks onwards.</li> <li>• who cannot afford the excess and any applicable upfront costs and expenses incurred while on their trip.</li> <li>• who require cover for benefits falling under their nominated excess</li> </ul>

### International Single Trip - Medical Only

<p>This product is designed for persons:</p>	<ul style="list-style-type: none"> <li>• taking a single trip international trip for leisure purposes and which includes river cruising, departing from Australia and returning to Australia within 365 days, who want to protect themselves and their dependents for the following basic range of insurance benefits for costs, expenses and personal liability that they may incur on their trip within the RAC International Single Trip product: <ul style="list-style-type: none"> <li>○ overseas medical, dental and hospital expenses</li> <li>○ funeral expenses</li> <li>○ loss, theft or damage to luggage</li> <li>○ emergency expenses</li> <li>○ legal liability</li> </ul> </li> </ul>
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	<ul style="list-style-type: none"> <li>• who are able to pay the premium for the most basic scope and value of benefits available under the RAC International Single Trip product, and to cover any excess in the event of a claim in accordance with the excess option selected.</li> <li>• who can afford to pay the full amount before seeking claims reimbursement unless where otherwise stated in the PDS.</li> <li>• who can afford to incur travel or medical expenses that exceed the applicable benefit limit (as specified in the PDS).</li> <li>• Our assessment of the key terms, features and attributes of the insurance benefits available under the International Plan - Medical Only is that they are likely to be consistent with the needs, objectives and financial situation of customers in the target market for this product.</li> </ul>
This product is <b>not</b> designed for persons:	<ul style="list-style-type: none"> <li>• travelling domestically.</li> <li>• taking more than one international return trip to Australia.</li> <li>• not departing from and returning to Australia within 365 days.</li> <li>• whose trip includes ocean cruising unless this is selected as an option.</li> <li>• whose trip involves taking part in skiing or winter sports.</li> <li>• whose trip involves taking part in certain sporting and other activities that are not covered.</li> <li>• who are seeking cover for medical conditions that are not automatically covered or which are disclosed and not accepted for cover by the product issuer.</li> <li>• who do not have a known travel itinerary, such as prebooked accommodation.</li> <li>• who require cover for their domestic pets while they are on their trip.</li> <li>• who require cover for the provision of domestic services if they are injured on their trip and become disabled.</li> <li>• who require cover for COVID-19 losses or expenses.</li> </ul>

#### Annual Multi-Trip Plan

This product is designed for persons:	<ul style="list-style-type: none"> <li>• taking multiple trips for leisure purposes that may include river cruising of no more than 60 days per trip, taken internationally or domestically, over a 12-month period, and who want to protect themselves and their dependents against unexpected costs, expenses and personal liability that they may incur on their trips for all of the benefits within the RAC travel insurance product and at the highest available dollar value benefit level.</li> <li>• who are able to pay the premium, and to cover any excess in the event of a claim in accordance with the excess option selected.</li> <li>• who can afford to pay the full amount before seeking claims reimbursement unless where otherwise stated in the PDS.</li> <li>• who can afford to incur travel or medical expenses that exceed the applicable benefit limit per policy (as specified in the PDS).</li> <li>• Our assessment of the key terms, features and attributes of the insurance benefits available under the Annual Mutli-Trip Plan is that they are likely to be consistent with the needs, objectives and financial situation of customers in the target market for this product.</li> </ul>
This product is <b>not</b> designed for persons:	<ul style="list-style-type: none"> <li>• who take domestic trips within 250km of where they live.</li> <li>• who take individual trips lasting longer than 60 days.</li> <li>• who are listed as second insured on the certificate of insurance and intend to travel without the first named insured.</li> <li>• who require benefit limits per adult.</li> <li>• whose trip includes ocean cruising unless this is selected as an option.</li> </ul>

	<ul style="list-style-type: none"> <li>• whose trip involves taking part in skiing or winter sports unless this is selected as an optional add-on.</li> <li>• whose trip involves taking part in certain sporting and other activities that are not covered.</li> <li>• who are seeking cover for medical conditions that are not automatically covered or which are disclosed and not accepted for cover by the product issuer.</li> <li>• who do not have a known travel itinerary, such as prebooked accommodation.</li> <li>• who require cover for pregnancy related costs from 26 weeks onwards.</li> <li>• who cannot afford the excess and any applicable upfront costs and expenses incurred while on their trip.</li> </ul>
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### Domestic Single Trip Plan

This product is designed for persons:	<ul style="list-style-type: none"> <li>• taking a single trip for leisure purposes domestically which may include river cruising and who want to protect themselves and their dependents against unexpected costs, expenses and personal liability that they may incur on their trip within the RAC travel insurance product.</li> <li>• who are able to pay the premium, and to cover any excess in the event of a claim in accordance with the excess option selected.</li> <li>• who can afford to pay the full amount before seeking claims reimbursement unless where otherwise stated in the PDS.</li> <li>• who can afford to incur travel expenses that exceed the applicable benefit limit (as specified in the PDS).</li> <li>• Our assessment of the key terms, features and attributes of the insurance benefits available under the Domestic Plan is that they are likely to be consistent with the needs, objectives and financial situation of customers in the target market for this product.</li> </ul>
This product is <u>not</u> designed for persons:	<ul style="list-style-type: none"> <li>• who take a single trip lasting longer than 365 days</li> <li>• whose trip involves travel outside of Australia</li> <li>• whose trip includes ocean cruising</li> <li>• whose trip includes river cruising where medical or evacuation cover is required</li> <li>• whose trip involves taking part in skiing or winter sports unless this is selected as an optional add-on.</li> <li>• whose trip involves taking part in certain sporting and other activities that are not covered.</li> <li>• who are seeking cover for anything other than Cancellation Fees and Lost Deposits benefits for medical conditions that are not automatically covered or which are disclosed and not accepted for cover by the product issuer.</li> <li>• who do not have a known travel itinerary, such as prebooked accommodation.</li> <li>• who requires cover for their domestic pets while they are on their trip.</li> <li>• who requires cover for the provision of domestic services if they are injured on their trip and become disabled.</li> <li>• who require cover for medical related expenses</li> </ul>

## Domestic Rental Vehicle Excess Plan

<p>This product is designed for persons:</p>	<ul style="list-style-type: none"> <li>who have rented a vehicle from a registered motor vehicle rental company and have a binding legal agreement and who want to protect themselves against the rental vehicle insurance excess or the cost of repairs which would have been covered within the excess.</li> <li>who are able to pay the premium, and to cover any excess in the event of a claim or costs incurred in advance where required as per the PDS.</li> <li>Our assessment of the key terms, features and attributes of the insurance benefits available under the Domestic Plan is that they are likely to be consistent with the needs, objectives and financial situation of customers in the target market for this product.</li> </ul>
<p>This product is <b>not</b> designed for persons:</p>	<ul style="list-style-type: none"> <li>who has a Rental Vehicle agreement that does not include comprehensive insurance with an applicable excess.</li> <li>who cannot afford to pay the required rental vehicle excess up front.</li> </ul>

## Domestic Cancellation Plan

<p>This product is designed for persons:</p>	<ul style="list-style-type: none"> <li>taking a single trip for leisure purposes domestically which may include river cruising and who want to protect themselves against unexpected loss of deposits or cancellation fees for prepaid travel and accommodation arrangements that they may incur on or prior to their trip within the RAC travel insurance product.</li> <li>who are able to pay the premium, and to cover any excess in the event of a claim or costs incurred in advance where required as per the PDS.</li> <li>Our assessment of the key terms, features and attributes of the insurance benefits available under the Domestic Plan is that they are likely to be consistent with the needs, objectives and financial situation of customers in the target market for this product.</li> </ul>
<p>This product is <b>not</b> designed for persons:</p>	<ul style="list-style-type: none"> <li>who take a single trip lasting longer than 365 days.</li> <li>whose trip involves travel outside of Australia.</li> <li>whose trip includes ocean cruising.</li> <li>who do not have a known travel itinerary, such as prebooked accommodation.</li> <li>who require cover for medical related expenses.</li> </ul>

## 3. Distribution

### Distribution channels

Products under this TMD may be distributed through any of the following means:

- online through relevant websites
- by calling RAC's call centres

RAC's network of representatives (including authorised representatives). **Distribution conditions and restrictions**

Products under this TMD can only be sold to persons that are eligible for cover in accordance with the application criteria that has been approved in writing by Tokio Marine and which complies with the law (**Application Process**).

The Application Process has been tailored to identify the target market described in this TMD as part of the eligibility criteria. The use of this Application Process will make it more likely that the product will be acquired by persons within the target market.

### Distribution reporting

Distributors are required to report the following information in relation to the distribution of products covered by this TMD:



- the number and nature of complaints in relation to the products in this TMD on a quarterly basis
- any significant dealings of the product outside of the target market that they become aware of within 10 business days.

## 4. TMD reviews

This TMD shall be reviewed within 12 months of the effective date of this TMD and then a further review once every two years.

This TMD shall also be reviewed if any of the following events or circumstances occur that suggest that the TMD is no longer appropriate:

- there is a material change to the terms and conditions of the product or to the underwriting criteria or Application Process;
- there is a material change to how the product is distributed;
- changes in the law or regulatory guidance or industry code that materially affect the terms of cover, or the receipt of feedback from distributors, regulators, the General Insurance Code Governance Committee or the Australian Financial Complaints Authority that suggests that the TMD is no longer appropriate;
- the occurrence of a significant dealing of the product outside of the target market;
- there are significant changes in customer metrics that track sales, policy cancellations, claims, complaints, customer feedback and loss ratios;
- the identification of any systemic issues produced from internal quality assurance and product governance processes;
- relevant external events such as relevant court proceedings, political and global events or adverse media coverage.

# Appendix

This TMD applies to the products described in the PDS listed below and any related Supplementary Product Disclosure Statements (SPDS) when made available to customers on or after the applicable Scheduled Commencement Date:

Scheduled Commencement Date	Product Disclosure Statements
15 December 2023	RAC Travel Insurance
23 August 2024	RAC Travel Insurance
29 May 2025	RAC Travel Insurance