



# MICROSOFT COMPLETE FOR STUDENTS TARGET MARKET DETERMINATION

## About this document

This Target Market Determination (TMD) applies to Microsoft Complete for Students (**Microsoft Complete**).

The TMD helps our customers, distributors and staff understand the class of customers for which the Microsoft Complete has been designed, considering their likely needs, objectives and financial situation.

The TMD is not intended to provide financial advice and does not form part of the terms of cover. In addition to the key eligibility requirements outlined in the TMD, the product is subject to acceptance criteria. When making a decision about Microsoft Complete, customers should review the Terms and Conditions for Microsoft Complete for Students and the Product Disclosure Statement (PDS) for the accidental damage insurance benefit as these describe outline the relevant terms, conditions, and exclusions. The Terms and Conditions can be found here [Warranty and Protection Plan Terms & Conditions \(microsoft.com\)](#).

## 1. Issuer and important relationships

Microsoft Complete for Students has two separate benefits: mechanical breakdown and accidental damage.

The mechanical breakdown component is provided by Microsoft Pty Ltd ACN 002 589 460, trading as Microsoft Australia (**Microsoft Australia**). This part of the product is not insurance, it is an extended warranty provided by Microsoft Australia. Microsoft Australia is not required to hold an Australian financial services licence to offer the extended warranty.

The accidental damage component of the product is insurance and it is provided by an overseas insurer, Technology Insurance Company, Inc. (**Insurer**). The Insurer provides the insurance globally to Microsoft customers including Australian customers. In Australia, the insurance is facilitated through A.I.S. Insurance Brokers Pty Ltd, ACN 065 797 597 (**A.I.S.**). A.I.S. holds an Australian financial services licence (AFSL no. 255304). The insurance is provided through a group policy issued to Microsoft by the Insurer.

Microsoft Complete is distributed by educational institutions in Australia who have been authorised by Microsoft to supply an eligible Microsoft device to their students and offer Microsoft Complete on these devices (**Educational Institution**). References to we, us or our means Microsoft Australia and AIS, as the entities responsible for the offer of Microsoft Complete in Australia.

## 2. Effective date and operation of TMD

The effective date of this TMD is 1 December, 2022. This TMD replaces the TMD effective 1 September, 2022 in its entirety. This TMD will apply to Microsoft Complete for Student plans sold to Australian customers on or after the Effective Date. The TMD applies until it is replaced or withdrawn.

## 3. Who is the target market for this product

Microsoft Complete is designed for a class of customers whose likely objectives, financial situation and needs as outlined below, are aligned with the key attributes and eligibility criteria of Microsoft Complete.

### Key attributes

Microsoft Complete provides cover for replacement or repair costs for accidental damage from handling the product and mechanical breakdown for products purchased by Australian Microsoft customers. Microsoft Complete covers costs for damage caused by an accident which is any involuntary, external, forcible and violent event that was unforeseen to the customer and was not deliberate, intentional, reckless or premeditated. Microsoft Complete also covers costs for mechanical

breakdown where the product is no longer able to perform its intended function and that occurs during normal use of the product, this includes breakdown caused by defects in materials or workmanship.

<b>Key eligibility criteria</b>	<b>This product is suitable for</b>	<b>This product is not suitable for</b>
Type of Microsoft product	Customers who have purchased an eligible Microsoft Surface Series or Studio device. A list of Eligible Microsoft Devices can be found at <a href="http://www.microsoft.com/en-au/surface/business/warranty-protection-plans-and-support">www.microsoft.com/en-au/surface/business/warranty-protection-plans-and-support</a>	Customers who have not purchased an Eligible Microsoft Device and/or have not registered the product with Microsoft Australia.
Customer attributes	Customers who are students or parents and guardians of students where they: <ul style="list-style-type: none"> <li>• are over the age of 18 years;</li> <li>• ordinarily reside in Australia; and</li> <li>• the student has enrolled at an authorised Educational Institution (primary school, high school, TAFE or university).</li> </ul>	Business customers of Microsoft or any other person who is not a student or is not the parent of student that has purchased an Eligible Microsoft Device.  Anyone who ordinarily lives outside Australia.
Existing cover	Customers who require protection for accidental damage because they do not have other insurance (i.e., home and contents or other insurance) or require breakdown protection which exceeds their consumer guarantee rights under the Australian Consumer Law.	Customers who do not require accidental damage protection or have that protection under another policy and are comfortable to rely on the consumer guarantee rights under the Australian Consumer Law for breakdown/warranty claims.
Use of Eligible Microsoft Device	Products intended for normal residential/personal use; including for use by students for study in primary school, high school or undertaking tertiary education (such as TAFE or university).	Products intended entirely or primarily for commercial use such as rental or business.
Condition of Eligible Microsoft Device	<ul style="list-style-type: none"> <li>✓ Good state of repair.</li> <li>✓ Use of the device in accordance with manufacturer's guidelines/requirements.</li> </ul>	<ul style="list-style-type: none"> <li>× Existing damage or defects;</li> <li>× Wear and tear;</li> <li>× Cosmetic damage, such as scratches;</li> <li>× Screen or monitor imperfections, such as cracked screens</li> </ul>

<b>Customer's likely objectives, financial situation, and needs</b>	
<b>Objectives</b>	To financially protect an Eligible Microsoft Device from breakdown and accidental damage, which is not otherwise covered under a separate home and contents insurance policy or by the customer's consumer guarantees under Australian Consumer Law.
<b>Financial situation</b>	Customers that own an Eligible Microsoft Device, and who are likely to experience a financial burden should a mechanical breakdown or accidental damage occur, and who can afford the applicable price for the protection and any excess (where applicable) if a claim is made.
<b>Needs</b>	Customers in the target market will require insurance protection from loss or damage to their Eligible Microsoft Device where they can't

	access coverage or protection under an alternative contents policy, where they do not hold contents insurance or they require protection for events that occur outside the educational or household premises.
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Microsoft Complete is likely to be suitable for a customer with the objectives, financial situation and needs described above because:

- It provides cover for the types of accidental damage events that customers in the target market are seeking to be protected against; and
- It is designed for customers who require protection with the key attributes described above.

Each customer will need to consider whether Microsoft Complete meets their own objectives, financial situation and needs prior to acquiring the product.

**4. Distributing this product**

Microsoft Complete is distributed by its chosen representatives – these are the Educational Institutions in Australia who will offer the plan to their students on Eligible Microsoft Devices as part of their tuition or separately for purchased by students on the Educational Institution’s online student portal or on-site in its bookstore. All of the Educational Institutions are authorised by AIS to provide those services under AIS’ financial services licence. The Educational Institutions are trained in relation to the product features and key point of sale disclosures.

Distribution of the Microsoft Complete is subject to all of the following conditions:

- Microsoft Complete can only be sold to Australian customers who are in the target market in accordance with this TMD;
- Distribution is only permitted through authorised channels where the person offering the plan is an Educational Institution or through a digital purchase transaction on Microsoft’s website;
- Educational Institutions offering Microsoft Complete to their students must not provide any financial product advice in relation to Microsoft Complete, must be appointed as general insurance distributor of AIS;
- Microsoft Complete cannot be distributed where the TMD is not up to date and no new TMD has been published; and
- The TMD must be current and not subject to any ASIC action that might suggest that the TMD is no longer appropriate.

The distribution conditions make it likely that customers who acquires Microsoft Complete are in the target market because they are supported by reasonably appropriate controls, training and scripting provided to the distributors and the distributors have knowledge of the product, terms and conditions and accepted sales process, designed to ensure that Microsoft Complete is distributed to the class of customer who fall within the target market set out above.

**5. Reviewing this Target Market Determination**

We will complete a review of this TMD by no later than the following periods:

Initial review	One (1) year after the Effective Date of the TMD
Ongoing review	At least every two (2) years from the initial review

We may undertake a review more frequently where we believe there is a review trigger. For more information, refer to the following section.

**6. Other circumstances which will trigger a TMD review**

Events or circumstances may arise that suggest the TMD is no longer appropriate. These events and circumstances are called **review triggers**. Below is a list of review triggers for this TMD:

- We make a significant change to the eligibility criteria for Microsoft Complete;
- We make a significant change to Microsoft Complete, including the benefits provided;
- We make a significant change to the way Microsoft Complete can be distributed;

- We receive a significant number of complaints or claims, or there is a significant change in loss ratios;
- We identify that we or our representatives have been selling Microsoft Complete to people outside the target market;
- We discover a material defect in the PDS which reasonably suggests that the TMD is no longer appropriate;
- We become aware of external events such as a change in law, regulation or regulatory guidance, or media attention, that materially affects the design or distribution of the product;
- We become aware of systemic issues across the product lifecycle (such as sales, claims and complaints) through a distributor or customer who purchased Microsoft Complete, and we consider that this reasonably suggests to us the TMD is no longer appropriate;
- We receive feedback, orders or directions from a regulator or the Australian Financial Complaints Authority (**AFCA**) that suggests this TMD is no longer appropriate; or
- We become reasonably aware that the distribution conditions are no longer appropriate.

Our representatives also consider whether a review trigger has taken place. If they think an event or occurrence is a review trigger, they must tell us within 10 business days.

If we decide we have enough information to identify a review trigger, we will review this TMD within 10 business days of our decision.

## 7. Information to assess the TMD and reporting periods

We record complaints that we receive about Microsoft Complete. The Educational Institutions who distribute Microsoft Complete are required to provide us with information about complaints they receive for this product every 6 months.

The table below sets out the type of information we will collect, or those that distributors who distribute Microsoft Complete need to provide to us, to enable us to ensure that the TMD continues to be appropriate.

<b>Information</b>	<b>Persons Required to Report</b>	<b>Reporting Period</b>
Complaints feedback including: <ul style="list-style-type: none"> <li>• nature of complaints</li> <li>• number of complaints</li> </ul>	Educational Institutions / Issuer	Half Yearly
Claims data for the accidental damage benefit including: <ul style="list-style-type: none"> <li>• average claims costs</li> <li>• claims acceptance rates</li> <li>• claims frequency</li> <li>• loss ratios</li> </ul>	Issuer	Quarterly
Product review outcomes	Issuer	Annually
Sales information including: <ul style="list-style-type: none"> <li>• renewal rates</li> <li>• cancellation rates</li> </ul>	Issuer	Quarterly
Dealings of product outside TMD	Educational Institutions / Issuer	As soon as practicable but within 10 business days
Any feedback, regulatory orders or directions received from a regulator or AFCA for Microsoft Complete or its distribution	Educational Institutions / Issuer	As soon as practicable but within 10 business days