



MICROSOFT COMPLETE FOR CONSUMERS TARGET MARKET DETERMINATION

About this document

This Target Market Determination (TMD) applies to Microsoft Complete for Consumers (**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 Consumers and the Product Disclosure Statement (**PDS**) for the accidental damage insurance benefit as these describe outline the relevant terms, conditions, and exclusions. The PDS can be found [here](#).

1. Issuer and important relationships

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

The mechanical breakdown component is provided by Microsoft Australia Holdings Pty Limited ACN 077 753 390, 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 Co 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 Microsoft's approved resellers and retailers and sales representatives throughout Australia when they sell an eligible Microsoft device, such as Xbox, Microsoft Surface. 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 5 October 2021 (**Effective Date**). The TMD will apply to Microsoft Complete 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 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.

Key eligibility criteria	This product is suitable for	This product is not suitable for
Type of Microsoft product	Customers who have purchased an eligible Microsoft Surface, Studio or Xbox series device (eligible Microsoft device).	Customers who have not purchased an eligible Microsoft device.
Customer attributes	<ul style="list-style-type: none"> ✓ 18 years old or older; ✓ Ordinarily resident in Australia. 	<ul style="list-style-type: none"> × Under the age of 18 years old; × Ordinarily resident outside Australia.
Retailer of the product	Customers who have purchased the eligible Microsoft device from an approved retailer or Microsoft store in Australia.	Customers who have purchased the eligible Microsoft device from outside Australia or from someone who is not an approved retailer.
Existing cover	Customers who require protection for accidental damage because they do not have other insurance (ie household contents or other insurance) or require additional protection outside of their householder 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 personal or residential use.	Products intended for commercial use, such as rental, business, educational or institutional use.
Condition of eligible Microsoft device	<ul style="list-style-type: none"> ✓ Good state of repair. ✓ Use of the device in accordance with manufacturer's guidelines/ requirements. 	<ul style="list-style-type: none"> × Existing damage or defects; × Wear and tear; × Cosmetic damage, such as scratches; × Screen or monitor imperfections, such as cracked screens

Customer's likely objectives, financial situation, and needs	
Objectives	To financially protect an eligible Microsoft device from breakdown and accidental loss or damage, which is not otherwise covered under a separate household contents insurance policy or by the customer's consumer guarantees under Australian Consumer Law.
Financial situation	Individuals who own an eligible Microsoft device, and who are likely to experience a financial burden should a mechanical breakdown or accidental damage event cause loss or damage to their device, and who can afford the applicable price for the protection and any excess (where applicable) if a claim is made.
Needs	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 their household contents policy, where they do not hold household contents insurance or they require protection for events that occur outside the home.

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 loss or 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.

4. Distributing this product

Microsoft Complete is distributed by its chosen representatives – these are sales representatives of Microsoft Australia who can offer the plan in-store, through digital sales over the internet and by telephone. Australian resellers and retailers of eligible Microsoft devices authorised by Microsoft Australia (**Approved Retailers**) can also offer the plan for purchase by Microsoft’s Australian customers on devices which are eligible for the plan. All of the distributors are authorised by AIS to provide those services under AIS’ financial services licence. Our representatives are trained in relation to the product features and key point of sale disclosures. We have chosen these representatives to distribute Microsoft Complete because of their knowledge and experience in relation to Microsoft’s products including Microsoft Complete.

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 relevant channels where the person offering the plan is a Microsoft sales representatives or Approved Retailer or through a digital purchase transaction on Microsoft’s website;
- Approved Retailers and sales representatives offering Microsoft Complete to customers must have a valid financial services authorisation from AIS and have completed their point of sale training;
- 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. Distributors 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.

Information	Persons Required to Report	Reporting Period
Complaints feedback including: <ul style="list-style-type: none"> • nature of complaints • number of complaints 	Distributors / Issuer	Half Yearly
Claims data for the accidental damage benefit including: <ul style="list-style-type: none"> • average claims costs • claims acceptance rates • claims frequency • loss ratios 	Issuer	Quarterly
Product review outcomes	Issuer	Annually
Sales information including: <ul style="list-style-type: none"> • renewal rates • cancellation rates 	Issuer	Quarterly
Dealings of product outside TMD	Distributors / 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	Distributors / Issuer	As soon as practicable but within 10 business days