

# Target Market Determination

## Home Cover



QBE Insurance (Australia) Limited ABN 78 003 191 035 AFSL 239 545

This Target Market Determination (TMD) is effective from 05.10.2021 and relates to the Home Cover Product Disclosure Statement (QM2731).

This TMD provides QBE's distributors and customers information regarding:

- which class of customers this product is suitable for (the target market) and which class of customers this product is likely to be unsuitable for;
- optional benefits that have been designed for customers within this product's target market;
- any distribution conditions for this product;
- reporting obligations and restrictions on distribution of our distributors; and
- the review period and events or circumstances that may trigger a review.

This TMD describes the customers within our target market. This TMD doesn't consider a customer's personal needs, objectives and financial situation.

A customer should always refer to the Home Cover Product Disclosure Statement (PDS), and any Supplementary Product Disclosure Statements (SPDS) that may apply, to ensure the product is right for them.

### Home (Building)

This product has been designed for customers in the target market to provide financial protection for:

- loss or damage occurring to a residential home caused by a defined list of insured events, such as fire, storm and flood; and
- legal liability for injury to or death of a person not residing in the home or damage to their property occurring at the insured address.

### Who is within the Target Market for Home (Building)?

<b>Customers within the Target Market</b> (Customers are within the target market if all the following conditions apply)	
✓	Customers who own a home in Australia used for residential purposes.
✓	Customers who want financial protection for: <ul style="list-style-type: none"><li>• loss or damage to their residential home; and</li><li>• legal liability for:<ul style="list-style-type: none"><li>○ injury to or death of another person; and</li><li>○ loss or damage to another person's property occurring at the insured address.</li></ul></li></ul>

**Customers NOT within the Target Market**

(Customers are not within the target market if any of the following conditions apply)

X	Customers who rent out either the whole home or part of their home for casual or short-term rental (for example via Airbnb or a similar platform) and want insurance for things such as loss of rent or rent default.
X	Customers who rent out their home to a tenant.
X	Customers whose land or building(s) is used to earn an income or where a business of any kind is being operated. Except for example doing office work in a home office, including working from home for their employer.
X	Customers whose home is under construction or undergoing renovations, alterations, additions, or repairs that: <ul style="list-style-type: none"><li>• involve removal of any part of the roof or an external wall; or</li><li>• impact the structure of a building such as removing or changing supporting walls, underpinning, foundations or piers.</li></ul>
X	Customers whose home is awaiting demolition or in the course of being demolished.
X	Customers whose home is unoccupied and will continue to be for more than 60 consecutive days.
X	Customers who own a unit(s) within a strata type building, which is required to be insured by a body corporate or similar (if they own a strata building, they should check with the strata legislation in their State or Territory for insurance requirements).
X	Customers whose property is a block of flats.
X	Customers who do not own the home they live in (for example a tenant who rents their home from a landlord).
X	Customers whose property is not a standard residential home (for example a shipping container, houseboat, hostel).
X	Customers who live by the sea or coastline and want insurance for action of the sea events such as erosion and rising of sea levels, including high and king tide.
X	Customers whose home has damage, defects or maintenance needs which makes damage to the property more likely, for example termite damage or a leaking roof.
X	Customers who want cover for wear and tear or costs associated with home maintenance.

## Home (Contents)

This product has been designed for customers in the target market to provide financial protection for:

- loss or damage occurring to residential home contents caused by a defined list of insured events, such as fire, storm and flood; and
- legal liability for injury to or death of another person and loss of or damage to another person's property:
  - occurring anywhere in the world, other than at the insured address if they own and live in their home; or
  - occurring anywhere in the world if they're a tenant or owner of a strata type property.

It offers optional cover to choose from to enable customers to tailor the product to suit their individual needs.

### Who is within the Target Market for Home (Contents)?

<b>Customers within the Target Market</b> (Customers are within the target market if the following conditions apply)	
✓	Customers whose household contents are in the residence that they own in Australia, that is used for residential purposes.
✓	Customers whose household contents are in their residence in Australia, that they rent from a landlord, that is used for residential purposes.
✓	Customers who want financial protection for: <ul style="list-style-type: none"> <li>• loss or damage to their household contents; and</li> <li>• legal liability for injury to or death of another person and loss of or damage to another person's property:               <ul style="list-style-type: none"> <li>○ occurring anywhere in the world, other than at the insured address if they own and live in their home; or</li> <li>○ occurring anywhere in the world if they're a tenant or owner of a strata type property.</li> </ul> </li> </ul>

<b>Customers <u>NOT</u> within the Target Market</b> (Customers are not within the target market if any of the following conditions apply)	
✗	Customers who rent out either the whole home or part of their home for casual or short-term rental (for example via Airbnb or a similar platform) and want insurance for things such as loss of rent or rent default.
✗	Customers whose contents are within a home they rent out to a tenant.
✗	Customers whose land or building(s) is used to earn an income or where a business of any kind is being operated. Except for example doing office work in a home office, including working from home for their employer.
✗	Customers whose home is unoccupied and will continue to be for more than 60 consecutive days.
✗	Customers whose contents are stored away from the insured address in a non-commercial storage facility, such as a shed or shipping container at an unoccupied property.
✗	Customers who live by the sea or coastline and want insurance for action of the sea events such as erosion and rising of sea levels, including high and king tide.
✗	Customers whose contents are contained within a property that is not a standard residential home (for example a shipping container, houseboat, hostel).
✗	Customers who want cover for wear and tear or costs associated with maintenance.

## Target Market for Optional Benefits

Customers within the target market for this product may want to purchase the following optional covers:

### Optional benefit – Domestic Workers Compensation

Customers within the Target Market for the Domestic Workers Compensation optional benefit	
✓	Customers who employ domestic workers at their residential home located in either WA, TAS, ACT or NT.

Customers <u>NOT</u> within the Target Market for the Domestic Workers Compensation optional benefit	
X	<ul style="list-style-type: none"> <li>Customers who do not employ domestic workers at their home;</li> <li>Customers whose home is located in NSW, VIC, QLD or SA; or</li> <li>Landlords who rent their home to a tenant.</li> </ul>

## Distribution Conditions

This product has been appropriately designed to be distributed through an authorised intermediary. The product and the systems it is distributed through have been designed for a customer seeking insurance through an authorised intermediary. The authorised intermediary has taken reasonable steps to understand the key product attributes and align distribution to customers in the target market.

<b>Distribution Restrictions</b>	<p>This product can only be sold via the following Distribution Channel/s</p> <ul style="list-style-type: none"> <li>QBE's network of approved General Insurance intermediaries who hold an AFS licence;</li> <li>Authorised Representative of QBE who operate under our AFS licence.</li> </ul>
<b>Distribution Conditions</b>	<p>This product can only be sold via a QBE approved application system within the eligibility and underwriting rules.</p> <p>Any quoting outside the system must always be referred to a QBE authorised representative.</p> <p>It can be sold to customers within the target market without the customer being provided with any financial product advice or, with either general or personal advice.</p> <p>Make the TMD available to customers who wish to refer to it.</p>
<b>Distribution Method</b>	<p>The distribution method of selling this product may comprise of:</p> <ul style="list-style-type: none"> <li>Online via a quote portal approved by QBE;</li> <li>Direct contact between the customer and the financial institution.</li> </ul>

## Reporting Obligations for Distributors

Distributors of this product are required to provide QBE with complaints information about this product through the agreed complaints submission process including:

- The number of complaints the distributor has received about this product during the reporting period;
- A brief summary about the nature of the complaint raised and any steps taken to address the complaint; and
- Any general feedback our distributor may have received on this product.

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

**Reporting Period:** 6 monthly or as otherwise agreed with the Distributor and no later than 10 business days after the agreed complaints reporting date.

## Dealings outside the target market

Distributors of this product need to report to QBE when they become aware a dealing outside the target market that has not been approved by QBE. Their report to QBE must include information such as the date (or date range) the dealing occurred, details about the dealing(s) and any steps or actions taken to mitigate.

**Reporting Period:** As soon as practicable and, subject to our distribution agreement, no later than 10 business days of the date on which the Distributor became aware of the dealing.

## TMD Reviews

<b>Review Period</b>	The initial review of this TMD will occur no later than 2 years from the date this TMD is first published and every 2 years thereafter.
<b>What may trigger a review prior to periodic review</b>	<p>The events or circumstances that may suggest the product is no longer suitable to the target class of customers and would trigger a review (prior to the scheduled periodic review date) include, but are not limited to, QBE becoming aware of:</p> <ul style="list-style-type: none"><li>• a significant increase in the number of complaints relating to the product received by QBE or reported by distributors;</li><li>• a material change to the product including Product Disclosure Statement, information or assumptions upon which the target market was formulated;</li><li>• a change of relevant law, regulatory guidance or industry code which has a material effect on the terms or distribution of the product;</li><li>• the product being distributed and purchased in a way that is significantly inconsistent with this TMD;</li><li>• adverse trends in policy and claims data indicating the product is not performing as expected by the customer.</li></ul>