

Target Market Determination (TMD)

Australia Post Home Insurance

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

Product Disclosure Statement (PDS) this TMD relates to	Australia Post Home Insurance QM8725
TMD applies to policies commencing or renewing effective from	17.01.2025
First publication date of this TMD	05.10.2021

Information included in this TMD

This TMD describes:

- the product and its key attributes
- who this product is suitable for (the target market) and who it is unsuitable for (outside the target market)
- how this product must be distributed, including any conditions and restrictions
- reporting obligations for distributors
- when this TMD will be reviewed.

The TMD doesn't consider a customer's personal needs, objectives, and financial situation. Customers should refer to the Australia Post Home Insurance PDS, and any Supplementary PDS to ensure the product is right for them.

Product Description

This product has been designed to provide insured events cover for residential home and contents.

It offers:

- Buildings cover
- Contents cover
- Legal liability cover.

Before making a decision about the product, customers should read the PDS. It provides complete information about the insurance coverage, exclusions, excesses, restrictions and conditions, claims processes and the rights and obligations of the customer.

Cover: Buildings

Target Market

This cover is suitable for customers who:

✓	own a home in Australia used for residential purposes.
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This cover is only suitable for customers where **all** the above apply.

This cover is **NOT** suitable for 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.
✗	rent out their home to a tenant.
✗	use their land or building(s) to earn an income or where a business of any kind is being operated, where that customer wants cover for: <ul style="list-style-type: none">• their business; or• any claim, loss, damage, injury or liability that arises out of their income-earning activities. Doing only office work in a home office, including working from home for their employer, is not considered to be a business or income earning activity.
✗	want cover for their home that is under construction or undergoing renovations, alterations, additions or repairs that: <ul style="list-style-type: none">• involve removal of any part of the roof or an external wall; or• impact the structure of a building such as removing or changing supporting walls, underpinning, foundations or piers.
✗	want cover for their home that is awaiting demolition or in the course of being demolished.
✗	want cover for their home that is unoccupied and will continue to be for more than 90 consecutive days.
✗	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).
✗	want cover for a property that is a block of flats.
✗	do not own the home they live in (for example a tenant who rents their home from a landlord).
✗	want cover for a property that is not a standard residential home (for example a shipping container, houseboat, hostel).
✗	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.
✗	want cover for a home that has damage, defects or maintenance needs which makes damage to the property more likely, for example, termite damage or a leaking roof.
✗	want cover for wear and tear or costs associated with home maintenance.

This cover is not suitable for customers where **any** of the above apply.

Likely Needs, Objectives and Financial Situation and Needs of Customers in the Target Market and consistency with the product's key attributes

Likely need and objectives of customers in the target market	Key Product Attributes consistent with likely needs and objectives of the target market
To reduce the unexpected financial costs to repair or replace the residential property or parts of the residential property when it is maliciously damaged, or damaged by fire, or a weather event such as storm, bushfire, or flood.	The product provides cover for costs to repair or replace a residential property if lost or damaged by specific events covered by the product including: <ul style="list-style-type: none"> weather events such as storm, flood, lightning; fire, escape of water or other liquids, accidental breakage of glass or sanitary fixtures, vandalism or malicious acts.
To reduce the unexpected financial cost they are legally responsible to pay for: <ul style="list-style-type: none"> damage to another person's property; or injury to another person, resulting from the residential home at the property address.	The product provides cover for legal liability arising from an occurrence during the period of insurance at the residential property address which results in personal injury and/or damage to property.
Optional cover to tailor the product to suit their individual needs.	The following optional cover is available to purchase: <ul style="list-style-type: none"> Accidental Damage option.

Likely financial situation of customers in the target market	Key Product Attributes consistent with the likely financial situation of the target market
<ul style="list-style-type: none"> Pay the premiums which may increase from year to year; or Meet monthly payment commitments if electing to pay premium in instalments. 	Customers have the choice of: <ul style="list-style-type: none"> paying the total premium in one annual payment; or paying the premium in monthly instalments.
Pay the basic excess selected and any additional or imposed excesses.	<p>A basic excess applies to most claims.</p> <p>Customers can choose to:</p> <ul style="list-style-type: none"> pay more premium, to pay less excess at the time of a claim; or pay less premium, to pay more excess at the time of a claim. <p>Additional Excesses which may apply:</p> <ul style="list-style-type: none"> Unoccupied Property Excess Unoccupied Property Excess for Agreed period Renovation, Alteration, Addition or Repair Excess
Bear any costs that exceed the sum insured and any benefits the buildings sum insured safeguard, if eligible, provides to repair or replace the residential property.	Customers will be required to nominate a sum insured for their residential property that covers the costs to rebuild a similar building, including structural improvements such as pools, carports, fencing and garages, as well as professional fees such as architects and surveyors, demolition and removal of debris costs.
Pay any outstanding premiums if paying in monthly instalments in the event of a total loss.	In the event of a total loss, QBE will either deduct the total of all remaining instalments from the claim settlement or we will ask for the total amount to be paid to QBE.

Based on QBE's assessment of the key terms, attributes and eligibility criteria, the insurance for Buildings cover is likely to be consistent with the needs, objectives and financial situation of customers in the target market.

Other Key Product Attributes

Key Limits	
Sum Insured	Building Sum Insured nominated by the customer.
Temporary Accommodation	<p>When the building is covered by this product the cover provides up to the lesser of:</p> <ul style="list-style-type: none"> costs incurred up to 24 months from the time of an incident; or 20% of buildings sum insured, <p>when the building is the insured's permanent residence, the home is unliveable due to the incident and is being repaired or rebuilt.</p>
Legal Liability Limit	\$30,000,000.
Other policy limits including additional benefit sub-limits apply	<p>The insurance cover is subject to maximum insured limits and these are set out in the policy schedule.</p> <p>Other claims limitations and conditions are specified in the PDS (and any Supplementary PDS).</p>

Key Exclusions	
Acts	<p>There is no cover for any losses arising from or as a result of:</p> <ul style="list-style-type: none"> Intentional, reckless or fraudulent acts; Illegal activity.
Reasonable actions and precautions	<p>There is no cover for any losses arising from or as a result of:</p> <ul style="list-style-type: none"> not taking reasonable care to protect and maintain the property; not taking reasonable steps to minimise the cost of any claim under the policy; or not complying with all laws relating to the safety of a person or property.
Condition of the property and other loss or damage	<p>There is no cover under any section of the policy for any:</p> <ul style="list-style-type: none"> wear, tear, depreciation, rust, oxidation, corrosion, fading; defect, structural fault, design fault or faulty workmanship; rising damp, seepage, mould, mildew, rot; or gradual deterioration due to action of light, air, sand, sea salt, water, or atmospheric or climatic conditions. <p>There is no cover under any section of the policy for any claim, loss, cost, damage, injury, death or legal liability caused by or arising from:</p> <ul style="list-style-type: none"> the home not being structurally sound, watertight, secure, well maintained and in a good state of repair.
Construction Works	<p>There is no cover for any losses arising from or as a result of:</p> <ul style="list-style-type: none"> buildings under construction or undergoing renovations, alterations, additions or repairs.
Activities	<p>There is no cover for any losses arising from or as a result of:</p> <ul style="list-style-type: none"> any business or income earning activities being conducted at the property address. This exclusion does not apply if the activity is just the use of an office taking up less than 20% of the home.
<p>Other policy exclusions apply. Please refer to the PDS (and any Supplementary PDS) for a complete list of policy exclusions.</p>	

Cover: Contents

Target Market

This cover is suitable for customers who:

✓	want cover for household contents that are in the residence that they own in Australia, that is used for residential purposes.
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This cover is only suitable for customers where **all** the above apply.

This cover is **NOT** suitable for 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.
✗	want cover for contents that are within a home they rent out to a tenant.
✗	use their land or building(s) to earn an income or where a business of any kind is being operated, where that customer wants cover for: <ul style="list-style-type: none">• their business; or• any claim, loss, damage, injury or liability that arises out of their income-earning activities. Doing only office work in a home office, including working from home for their employer, is not considered to be a business or income earning activity.
✗	want cover for contents in a home that is unoccupied and will continue to be for more than 90 consecutive days.
✗	want cover for contents that are stored away from the insured address in a non-commercial storage facility, such as a shed or shipping container at an unoccupied property.
✗	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 tides.
✗	want cover for contents that are contained within a property that is not a standard residential home (for example a shipping container, houseboat, hostel).
✗	are tenants whose contents are within a home they rent from a landlord.
✗	want cover for contents that are within a strata type building they own.
✗	want cover for wear and tear or costs associated with maintenance.

This cover is not suitable for customers where **any** of the above apply

Likely Needs, Objectives and Financial Situation and Needs of Customers in the Target Market and consistency with the product's key attributes

Likely need and objectives of customers in the target market	Key Product Attributes consistent with likely needs and objectives of the target market
To reduce the unexpected financial costs to repair or replace their contents within their residential property when they are maliciously damaged, stolen or damaged by a fire or weather event such as storm, bushfire or flood.	The product provides cover for the costs to repair or replace contents located at the residential property if lost or damaged by an event including: <ul style="list-style-type: none"> weather events such as storm, flood, lightning; fire, theft or burglary, vandalism or malicious acts.
To reduce the unexpected financial cost they are legally responsible to pay for: <ul style="list-style-type: none"> damage to another person's property; or injury to another person, anywhere in the world, but not at the property address.	The product provides cover for legal liability arising from an occurrence during the period of insurance anywhere in the world, other than the property address, which results in personal injury and/or damage to property.
Optional cover to tailor the product to suit their individual needs.	The following optional covers are available to purchase: <ul style="list-style-type: none"> Accidental Damage option; Portable Contents option.

Likely financial situation of customers in the target market	Key Product Attributes consistent with the likely financial situation of the target market
<ul style="list-style-type: none"> Pay the premiums which may increase from year to year; or Meet monthly payment commitments if electing to pay premium in instalments. 	Customers have the choice of: <ul style="list-style-type: none"> paying the total premium in one annual payment; or paying the premium in monthly instalments.
Pay the basic excess selected and any additional or imposed excesses.	<p>A basic excess applies to most claims.</p> <p>Customers can choose to:</p> <ul style="list-style-type: none"> pay more premium, to pay less excess at the time of a claim; or pay less premium, to pay more excess at the time of a claim. <p>Additional Excesses which may apply</p> <ul style="list-style-type: none"> Unoccupied Property Excess Unoccupied Property Excess for Agreed period Renovation, Alteration, Addition or Repair Excess.
Bear any costs that exceed the sum insured to repair or replace the contents at the residential property.	Customers will be required to nominate a sum insured for the contents at their residential property.
Pay any outstanding premiums if paying in monthly instalments in the event of a total loss.	In the event of a total loss, QBE will either deduct the total of all remaining instalments from the claim settlement or we will ask for the total amount to be paid to QBE.
Bear any amounts that exceed any policy limits in the 'Contents with Limits' table within the PDS.	
Additional excesses which may apply. Please refer to the PDS (and any Supplementary PDS) for a complete explanation of additional excesses and how they apply.	

Based on QBE's assessment of the key terms, attributes and eligibility criteria, the insurance cover for Contents is likely to be consistent with the needs, objectives and financial situation of customers in the target market.

Other Key Product Attributes

Key Limits	
Sum Insured	Contents Sum Insured nominated by the customer.
Contents with Limits	<p>The most we will pay for these items of contents:</p> <ul style="list-style-type: none"> • Jewellery and watches: \$2,500 per item, set or pair; • Collections: \$5,000 per collection; • Artworks, rugs and antiques: \$20,000 per item, set or pair; • Cash, vouchers, coupons, gift cards, money orders, negotiable financial documents, bullion, ingots, uncut and/or unset gemstones: \$800 in total; • Items used by the insured or their family for earning any income (but not including items ordinarily used in a home office): \$5,000 in total; • Accessories, appliances or spare parts for motor vehicles, caravans, trailers and watercraft (but there is no cover when they are in, on or attached to any of them): \$1,250 in total; • Model aircraft or drones: \$1,500 per model aircraft or drone; • Food and prescribed medicines that must be refrigerated or frozen: \$500 in total, once in a period of insurance; • Theft for any contents items in the open air at the property address: limited to \$8,000 in total, (this limit does not apply to outdoor furniture, barbecues and above ground pools) unless the Accidental Damage option has been added to the policy.
Temporary storage of contents	<p>When contents are covered the product provides up to the lesser of:</p> <ul style="list-style-type: none"> • costs incurred up to 24 months from the time of an incident; or • 20% of contents sum insured, <p>to move undamaged contents into storage and store them for as long as they can't be kept at the property address due to an incident covered by the policy.</p>
Legal Liability Limit	\$30,000,000
Other policy limits including additional benefit sub-limits apply	<p>The insurance cover is subject to maximum insured limits and these are set out in the policy schedule.</p> <p>Other claims limitations and conditions are specified in the PDS (and any Supplementary PDS).</p>

Key Exclusions	
Acts	<p>There is no cover for any losses arising from or as a result of:</p> <ul style="list-style-type: none"> • intentional, reckless or fraudulent acts; • illegal activity.
Reasonable actions and precautions	<p>There is no cover for any losses arising from or as a result of:</p> <ul style="list-style-type: none"> • not taking reasonable care to protect and maintain the property; • not taking reasonable steps to minimise the cost of any claim under the policy; or • not complying with all laws relating to the safety of a person or property.
Condition of the property & other loss or damage	<p>There is no cover under any section of the policy for any:</p> <ul style="list-style-type: none"> • wear, tear, depreciation, rust, oxidation, corrosion, fading; • defect, structural fault, design fault or faulty workmanship; • rising damp, seepage, mould, mildew, rot; or • gradual deterioration due to action of light, air, sand, sea salt, water, or atmospheric or climatic conditions. <p>There is no cover under any section of the policy for any claim, loss, cost, damage, injury, death or legal liability caused by or arising from:</p> <ul style="list-style-type: none"> • the home not being structurally sound, watertight, secure, well maintained and in a good state of repair.

Key Exclusions	
Construction Works	There is no cover for any losses arising from or as a result of: <ul style="list-style-type: none"> buildings under construction or undergoing renovations, alterations, additions or repairs.
Activities	There is no cover for any losses arising from or as a result of: <ul style="list-style-type: none"> any business or income earning activities being conducted at the property address. This exclusion does not apply if the activity is just the use of an office taking up less than 20% of the home.
Other policy exclusions apply. Please refer to the PDS (and any Supplementary PDS) for a complete list of policy exclusions.	

Distribution

This product has been appropriately designed to be distributed through Australian Postal Corporation (Australia Post). The product and the systems it is distributed through have been designed for a customer seeking insurance through Australia Post. Australia Post has taken reasonable steps to understand the key product attributes and align distribution to customers in the target market.

Distribution Restrictions	Australia Post Home Insurance – QM8725 can only be sold by Australian Postal Corporation (ABN 28 864 970 579), AR No: 338646) (APC).
Distribution Conditions	<p>Australia Post Home Insurance – QM8725 can only be sold to persons that are eligible for cover in accordance with the application and/or renewal criteria that has been approved in writing by QBE and which complies with the law (Application Process).</p> <p>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.</p> <p>The application process is comprised of the following:</p> <ul style="list-style-type: none"> A policy administration system with built in underwriting and eligibility controls with knock out questions QBE Telephone Scripts QBE staff training Internal underwriting accreditation or delegated authority program QBE Staff Monitoring program Public website with product information Underwriting Guidelines. <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>Australia Post must make this TMD available free of charge on request.</p>
Distribution Method	<p>Australia Post Home Insurance – QM8725 can be sold:</p> <ul style="list-style-type: none"> Online via auspost.com.au Phone call via Australia Post on 13 70 11.

Reporting Obligations

Information	Responsible reporting person	Obligation	Information required to be reported	Reporting Period
Dealings outside the target market	Australia Post and QBE	<p>Australia Post will report to QBE if it becomes aware of a dealing outside of the target market that is inconsistent with the TMD and which QBE has not already approved.</p> <p>QBE will report to the regulator any significant dealing outside of the target market that is inconsistent with the TMD and which QBE has not already approved.</p>	<ul style="list-style-type: none"> the date (or date range) the dealing occurred; details about the dealing(s); any steps or actions taken to mitigate this dealing; any steps or actions taken to stop or prevent any further dealings outside the target market from occurring. 	As soon as practicable and, by no later than 10 business days after the date Australia Post or QBE becomes aware of the dealing.
Complaints and feedback	Australia Post and QBE	<p>Australia Post will report to QBE complaint and feedback information received about the product.</p> <p>QBE will report any complaint or feedback information received about the product.</p>	<ul style="list-style-type: none"> the number of complaints received about this product during the reporting period; and a brief summary about the nature of every complaint received and any steps taken to address the complaint. 	Every month or as otherwise agreed with QBE.
Policy and claims data	QBE	Policy and claims data about the product.	<ul style="list-style-type: none"> Claims Loss Ratio Policy Retention Rate 	Every 3 months.
Orders, direction or feedback from Regulator, Code Governance Committee or AFCA	Australia Post and QBE	Any order, direction or feedback from a regulator, Code Governance Committee or AFCA related to the product or how it is distributed.		As soon as practicable and, by no later than 10 business days after the date the the feedback, direction or order was received.
Periodic Product Reviews Outcomes	QBE	Outcomes from the Periodic Product Reviews conducted.	<ul style="list-style-type: none"> Data reviewed Data analysis outcomes Review outcome decisions 	Every 2 years or sooner if the review was conducted prior.

TMD Review

TMD Reviews	Information QBE will use to review the TMD
Review Period	This TMD will be reviewed 12 months after the date it is first published, and it will be periodically reviewed once every 2 years thereafter.
What may trigger a review prior to periodic review	<p>The events or circumstances that may trigger a review prior to a scheduled periodic review date include QBE becoming aware of:</p> <ul style="list-style-type: none"> • the nature or numbers of complaints or feedback provided about the product's design or distribution that indicate significant or systemic issues, reasonably suggesting the TMD is no longer appropriate; • a material change to the product (including the PDS and the Application Process) or distribution conditions, or to the information or the assumptions which the target market is based on, which reasonably suggests the TMD is no longer appropriate; • a material incident in relation to the product's design and distribution which reasonably suggests the TMD is no longer appropriate; • any: <ul style="list-style-type: none"> ○ change of relevant legislation, regulations or regulatory guidance; or ○ direction or order from a regulator, the Code Governance Committee or AFCA related to the design of the product or its distribution, that reasonably suggests the TMD is no longer appropriate; • a significant dealing outside the TMD occurring that reasonably suggests the TMD is no longer appropriate; • trends in the following metrics that indicate adverse customer outcomes which reasonably suggest the TMD is no longer appropriate: <ul style="list-style-type: none"> ○ claims loss ratios; ○ policy retention rates. <p>Relevant thresholds indicating possible adverse outcomes are stored within QBE's internal retail Product Governance arrangements.</p>