

# Target Market Determination (TMD)

## Contents Insurance

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

Product Disclosure Statement (PDS) this TMD relates to	Contents Insurance QM8698
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 Contents 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 Contents.

It offers:

- 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: Contents

### Target Market

This cover is suitable for customers who:

✓	own a home in Australia used for residential purposes.
✓	want cover for household contents that are in their residence in Australia, that they rent from a landlord, that is used for residential purposes.

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.
✗	<p>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:</p> <ul style="list-style-type: none"><li>• their business; or</li><li>• any claim, loss, damage, injury or liability that arises out of their income-earning activities.</li></ul> <p>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.</p>
✗	want cover for their home whilst it is unoccupied and will continue to be unoccupied 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 tide.
✗	want cover for a property that is not a standard residential home (for example a shipping container, houseboat, hostel).
✗	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:

### Contents

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

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"> <li>Pay the premiums which may increase from year to year; or</li> <li>Meet monthly payment commitments if electing to pay premium in instalments.</li> </ul>	<p>Customers have the choice of:</p> <ul style="list-style-type: none"> <li>paying the total premium in one annual payment; or</li> <li>paying the premium in monthly instalments.</li> </ul>
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"> <li>pay more premium to pay less excess at the time of a claim; or</li> <li>pay less premium, to pay more excess at the time of a claim.</li> </ul> <p>Additional Excesses which may apply:</p> <ul style="list-style-type: none"> <li>Unoccupied Property Excess</li> <li>Unoccupied Property Excess for Agreed period</li> <li>Renovation, Alteration, Addition or Repair Excess.</li> </ul>
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.
Bear any amounts that exceed any policy limits in the 'Contents with Limits' table within the PDS.	
<a href="#">Additional excesses which may apply</a> . 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	
<b>Sum Insured</b>	Contents Sum Insured nominated by the customer.
<b>Contents with Limits</b>	<p>The most we will pay for these items of contents:</p> <ul style="list-style-type: none"> <li>Jewellery and watches: \$2,500 per item, set or pair;</li> <li>Collections: \$5,000 per collection;</li> <li>Artworks, rugs and antiques: \$20,000 per item, set or pair;</li> <li>Cash, vouchers, coupons, gift cards, money orders, negotiable financial documents, bullion, ingots, uncut and/or unset gemstones: \$800 in total;</li> <li>Items used by the customer or their family for earning any income (but not including items ordinarily used in a home office): \$5,000 in total;</li> <li>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;</li> <li>Model aircraft or drone: \$1,500 per model aircraft or drone;</li> <li>Food and prescribed medicines that must be refrigerated or frozen: \$500 in total, once in a period of insurance;</li> <li>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.</li> </ul>
<b>Legal Liability Limit</b>	\$30,000,000
<b>Other policy limits including additional benefit sub-limits apply</b>	<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	
<b>Acts</b>	<p>There is no cover for any losses arising from or as a result of:</p> <ul style="list-style-type: none"> <li>intentional, reckless or fraudulent acts;</li> <li>illegal activity.</li> </ul>
<b>Reasonable actions and precautions</b>	<p>There is no cover for any losses arising from or as a result of:</p> <ul style="list-style-type: none"> <li>not taking reasonable care to protect and maintain the property;</li> <li>not taking reasonable steps to minimise the cost of any claim under the policy; or</li> <li>not complying with all laws relating to the safety of a person or property.</li> </ul>
<b>Condition of the property and other loss or damage</b>	<p>There is no cover under any section of the policy for any:</p> <ul style="list-style-type: none"> <li>wear, tear, depreciation, rust, oxidation, corrosion, fading;</li> <li>defect, structural fault, design fault or faulty workmanship;</li> <li>rising damp, seepage, mould, mildew, rot; or</li> <li>gradual deterioration due to action of light, air, sand, sea salt, water, atmospheric or climatic conditions.</li> </ul> <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"> <li>failure to report to the owner of the property if the home is not structurally sound, watertight, secure, well maintained and in a good state of repair, as soon as is reasonable after becoming aware of the issue, or a reasonable person in the circumstances would have become aware of it.</li> </ul>

Key Exclusions	
<b>Construction Works</b>	There is no cover under any section of your policy for any: <ul style="list-style-type: none"> <li>buildings in the course of construction.</li> </ul>
<b>Activities</b>	There is no cover for any losses arising from or as a result of: <ul style="list-style-type: none"> <li>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.</li> </ul>
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 QBE Insurance (Australia) Limited (QBE). The product and the systems it is distributed through have been designed for a customer seeking insurance through QBE. QBE has taken reasonable steps to understand the key product attributes and align distribution to customers in the target market.

<b>Distribution Restrictions</b>	<b>Contents Insurance - QM8698</b> can only be sold by QBE.
<b>Distribution Conditions</b>	<p>Contents Insurance - QM8698 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"> <li>A policy administration system with built in underwriting and eligibility controls with knock out questions</li> <li>QBE Telephone Scripts</li> <li>QBE staff product training</li> <li>A Delegated Underwriting Authority program</li> <li>QBE Staff Monitoring program</li> <li>Public website with product information</li> <li>Underwriting Guidelines.</li> </ul> <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>QBE provides this TMD available free of charge on request.</p>
<b>Distribution Method</b>	<p>Contents Insurance – QM8698 can be sold:</p> <ul style="list-style-type: none"> <li>Online via qbe.com.au</li> <li>Phone call via QBE Contact Centre 133 723.</li> </ul>

## Reporting Obligations

Information	Responsible reporting person	Obligation	Information required to be reported	Reporting Period
<b>Dealings outside the target market</b>	QBE	QBE will report to the regulator, any significant dealing outside of the target market that is inconsistent with the TMD.	<ul style="list-style-type: none"> <li>the date (or date range) the dealing occurred;</li> <li>details about the dealing(s); and</li> <li>any steps or actions taken to mitigate this dealing;</li> <li>any steps or actions taken to stop or prevent any further dealings outside the target market from occurring.</li> </ul>	As soon as practicable and, by no later than 10 business days after the date QBE becomes aware of the dealing.
<b>Complaints and feedback</b>	QBE	QBE will report any complaint or feedback information received about the product.	<ul style="list-style-type: none"> <li>the number of complaints QBE has received about this product during the reporting period; and</li> <li>a brief summary about the nature of every complaint received and any steps taken to address the complaint.</li> </ul>	Every month.
<b>Policy and claims data</b>	QBE	Policy and claims data about the product.	<ul style="list-style-type: none"> <li>Claims Loss Ratio</li> <li>Policy Retention Rate</li> </ul>	Every 3 months.
<b>Orders, direction or feedback from Regulator, Code Governance Committee or AFCA</b>	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.
<b>Periodic Product Reviews Outcomes</b>	QBE	Outcomes from the Periodic Product Reviews conducted.	<ul style="list-style-type: none"> <li>Data reviewed</li> <li>Data analysis outcomes</li> <li>Review outcome decisions</li> </ul>	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"> <li>• 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;</li> <li>• 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;</li> <li>• a material incident in relation to the product's design and distribution which reasonably suggests the TMD is no longer appropriate;</li> <li>• any: <ul style="list-style-type: none"> <li>○ change of relevant legislation, regulations or regulatory guidance; or</li> <li>○ direction or order from a regulator, the Code Governance Committee or AFCA related to the design of the product or its distribution,</li> </ul> that reasonably suggests the TMD is no longer appropriate;</li> <li>• a significant dealing outside the TMD occurring that reasonably suggests the TMD is no longer appropriate;</li> <li>• 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"> <li>○ claims loss ratios;</li> <li>○ policy retention rates.</li> </ul> </li> </ul> <p>Relevant thresholds indicating possible adverse outcomes are stored within QBE's internal retail Product Governance arrangements.</p>