

LANDLORD – BUILDING AND CONTENTS INSURANCE

Target Market Determination (TMD)

Effective Date: 30 June 2022

About this document

This TMD applies to the **building cover** and the **contents cover** described in the Product Disclosure Statements listed in Appendix 1 (**PDSs**) that have been issued by Allianz Australia Insurance Limited ABN 15 000 122 850 AFS Licence No. 234708 (the **Issuer**).

The purpose of this TMD is to describe the class of customers for which the products described in the PDSs have been designed, having regard to the likely needs, objectives and financial situation of that class of customers. Examples used in this TMD are illustrative only, and are not intended to be exhaustive.

This TMD is not intended to provide any financial product advice, and does not consider any individual customer's personal needs, objectives or financial situation.

This TMD does not replace the terms and conditions, and disclosures made, in the PDSs. A customer should refer to the applicable PDS before making a decision about a product.

A customer may fall within the target market described in this TMD, but may not meet the Issuer's underwriting criteria on application.

For further information on the Issuer's approach to the distribution and development of products for appropriate target markets go to <https://www.allianz.com.au>.

A. Target Market

Product description (including key attributes)

Main cover(s):	Building cover:	Contents cover:
	This cover provides protection for persons that own a residential building that is rented out to a residential tenant to cover: - the cost of repairing or rebuilding their building if it is damaged or destroyed by certain insured events including flood; - the loss of rent resulting from their building being uninhabitable or inaccessible because of damage or destruction caused by an insured event (up to 12 months only); and - certain legal liability incurred by the landlord as owner of that building.	This cover provides protection for persons that own a residential building that is rented out to a residential tenant to cover: - the cost of repairing or replacing the landlord's contents if stolen, damaged or destroyed by certain insured events including flood; and - certain legal liability of the landlord as owner of the landlord's contents. If the building forms part of a strata title, contents cover also provides protection for: - loss of rent resulting from the building being uninhabitable or inaccessible because of damage or destruction caused by an insured event (up to 12 months only); - certain legal liability they incur as owner of the building; and - loss or damage to the landlord's fixtures, fittings and structural improvements that cannot be covered by the body corporate strata insurance.
	The building cover and the contents cover may be purchased together or separately.	
Insured events:	The building cover and the contents cover provide protection against certain unexpected events, including: • fire and smoke (including bushfires and grassfires); • flood; • storm, cyclone, rainwater or run-off; • water or other liquid damage; • theft and burglary; • explosion; • accidental breakage of certain glass or ceramic items (such as window, cooking surface, sink or toilet); • impact damage; • vandalism or malicious damage; • lightning; • earthquake or tsunami; and • riot and civil commotion.	
Optional cover(s):	Not all unexpected events are covered by the building and contents cover. If applicable, the following optional cover(s) may be added to the main cover(s) by a customer: Rent Default and Theft by Tenant – cover for loss of rent (up to \$10,000 only) resulting from a tenant's payment default, death or hardship and also loss or damage to the landlord's building or contents as a result of theft, burglary or housebreaking by a tenant or their invitees. Landlord's workers compensation – extends the persons covered by the legal liability cover under the contents cover and building cover to include liability for domestic workers whilst working at the landlord's building, such as a cleaner or gardener. This optional cover is only available if building is located in ACT, WA and TAS. Optional covers are subject to the limitations and exclusions set out in the PDS.	

Key eligibility criteria:	Insured: - owns the building; and - (unless a renewal of cover) is not owed more than two weeks rent from their tenant, or is not in dispute with their tenant. Building is: - a residential building; - permanently occupied by the tenant unless agreed by the Issuer; and - well-maintained, watertight, and structurally sound and secure.
Key exclusions:	The building cover and contents cover have specific coverage and exclusions, including: - no cover for events that are not insured events. For example, there is no cover for actions of the sea, coal seam gas, nuclear radiation, terrorism and war; - wear and tear and inherent defects; - loss or damage resulting from repairs or maintenance carried out by the tenant; - loss or damage caused by a gradual escape of water or other liquid over time. For example, water from a shower or repair or the replacement of any defective parts causing damage or to any broken main or pipes; and - liability in connection with a business, trade or profession; - contents when they are in internal or external common areas. See also Limitations and Ineligible Persons below.
Limitations:	Claims are subject to sums insured limits, as specified in the PDS and policy schedule. These limits can be adjusted (within a prescribed range) by a customer. Claims for legal liability are subject to a per event cap. Other claims limitations and conditions are specified in the PDS and policy schedule. Claims may be fulfilled either by repair, replacement (where applicable) or by a cash settlement payment depending on the circumstances and are subject to the terms and conditions of the PDS.
Excess:	Claims are subject to the payment of premium and excess, as specified in the PDS and policy schedule. Excess can be adjusted (within a prescribed range) by a customer.
Other key terms:	Exclusion periods – loss or damage caused by cyclone, flood, grassfires and bushfires may be subject to an exclusion period of 72 hours. Landlord's contents – where a customer has only building cover, certain landlord's contents are covered (up to the lesser of \$10,000 or the amount that remains available under the building cover sums insured after payment of the buildings claim) to the extent those contents are lost or damaged in connection with an insured event under the building cover. Rental costs after an insured event and Rent Default and Theft by Tenant – a written lease or rental agreement must be in place to make a claim for loss of rent in relation to these covers.

Likely needs, objectives and financial situation

Building cover is designed for:

	Likely needs and objectives Persons that own a residential building that they rent out to a residential tenant that want to protect themselves against: - the financial detriment or burden resulting from loss or damage to their building caused by certain unexpected insured events, such as flood, fire and theft; - the loss of rent as a result of their building being uninhabitable or inaccessible because of such loss or damage to their building caused by an insured event (up to 12 months only); and - legal liability resulting from their ownership of the building. Likely financial situation Persons who are able to pay premiums in accordance with the chosen premium structure, and any excess in the event of a claim in accordance with the chosen excess option. Based on our assessment of the key terms, features and attributes, the building cover is likely to be consistent with the needs, objectives and financial situation of customer's in the target market.
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Contents cover is designed for:

	Likely needs and objectives Persons that own a residential building that they rent out to a residential tenant that want to protect themselves against: - the financial detriment or burden resulting from the loss or damage of the landlord's contents from an unexpected insured event, such as flood, fire, theft; and - legal liability resulting from ownership of the landlord's contents; AND, if their building forms part of a strata title: - loss of rent resulting from the building being uninhabitable or inaccessible because of damage or destruction caused by an insured event (up to 12 months only); - certain legal liability they incur as owner of the building; and - loss or damage to the landlord's fixtures, fittings and structural improvements that cannot be covered by the body corporate strata insurance. Likely financial situation Persons who are able to pay premiums in accordance with the chosen premium structure, and any excess in the event of a claim in accordance with the chosen excess option. Based on our assessment of the key terms, features and attributes, the contents cover is likely to be consistent with the needs, objectives and financial situation of customer's in the target market.
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B. Ineligible Persons

Building cover is not designed for persons:



- that own a residential flat, home unit, terrace or townhouse that forms part of an active strata title or similar development, or a guesthouse, boarding house, hotel, motel, hostel, nursing home, retirement village unit, home caravan or mobile home unless accepted by the Issuer;
 - that wholly or partly lease or rent their building or land as a holiday let;
 - that lease or rent out their building on a commercial basis;
 - that operate a business, trade or profession (other than home office) from their building unless that use is accepted by the Issuer;
 - whose building is located on a farm or hobby farm unless accepted by the Issuer;
 - that are demolishing their building;
 - that are constructing a new building, or making significant repairs or improvements to their building, unless accepted by the Issuer; or
 - whose building is not well-maintained, watertight, structurally sound or secure.
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Contents cover is not designed for persons:



- that want cover for contents owned by the tenant of their building;
 - that want cover for items that are not provided to tenants for domestic purposes and kept in or around a building. For example, aircraft, boats and farm vehicles and equipment;
 - that wholly or partly lease or rent their building or land as a holiday let;
 - that lease or rent out their building on a commercial basis;
 - that operate a business, trade or profession (other than home office) from their building unless that use is accepted by the Issuer;
 - whose building is located on a farm or hobby farm unless accepted by the Issuer;
 - that are demolishing their building;
 - that are constructing a new building, or making significant repairs or improvements to their building, unless accepted by the Issuer; or
 - whose landlord's contents are located in a building that is not well-maintained, nor watertight, structurally sound or secure.
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C. Distribution

Distribution channels

Products under this TMD may be distributed through any of the following means:

- online through relevant websites
- in-store branches and agencies
- by calling our contact centres
- other third-party distributors
- general advice, limited personal advice or personal advice model

All of these channels are monitored by the Issuer and staffed by persons who have been trained in the distribution of the Products covered by this TMD and the Application Process.

Distribution conditions and restrictions

Products under this TMD can only be issued to customers that are eligible for that cover in accordance with the application and/or renewal criteria that has been approved in writing by the Issuer and which complies with the law (**Application Process**).

The Application Process has been tailored to identify the Target Market described in this TMD as part of the eligibility criteria for the Products covered by this TMD, and the use of the Application Process would make it more likely that a Product covered by this TMD will be acquired by persons in the Target Market.

Products under this TMD can be distributed either directly by the Issuer, or by distributors approved by the Issuer (**Approved Distributors**). Approved Distributors and their systems and processes are assessed and monitored by the Issuer, and therefore either the direct distribution by the Issuer or distribution by Approved Distributors would make it more likely that the Approved Distributor will comply with the terms of this TMD.

Distribution information

We require distributors to provide the following information in relation to their distribution of products covered by this TMD:

Complaints	all complaints in relation to this TMD on a quarterly basis to the Issuer unless the Issuer has requested a distributor to report more frequently. This will include written details of the complaints.
Sales data	report relevant sales and customer data in relation to this TMD on a quarterly basis to the Issuer unless the Issuer has requested a distributor to report more frequently.
Significant dealings	notification, within 10 business days, if they become aware of a significant dealing in relation to this TMD that is inconsistent with this TMD.

Other

In addition to the distribution conditions, restrictions and information set out above, the Issuer may include other conditions, restrictions and information on the distribution of products under this TMD.

Any additional conditions and restrictions will be notified (in writing) to an Approved Distributor.

TMD reviews

This TMD shall be reviewed as follows:

First review	Within 12 months from the date of this TMD.
Subsequent reviews	At least every three years after the end of the previous review.
Review triggers	Where an event or circumstance is identified by us or is notified to us that would reasonably suggest the TMD is no longer appropriate. This may include (but is not limited to): • a material change to the design or distribution of a product, including material changes to policy documentation or the PDS; • a material alteration to acceptance criteria or underwriting criteria, and the Application Process; • identified systemic issues in the product or the distribution of the product; • relevant material external events such as relevant litigation or adverse media coverage; • relevant feedback, information or notification received from a distributor, regulator such as ASIC or APRA or other interested parties; • significant changes in metrics. These include sales, policy cancellations, lapses in renewals, claims, complaints and loss ratios; and • any significant dealings that are inconsistent with the TMD, to the extent these events or circumstances reasonably suggest the TMD is no longer appropriate.

Appendix

This TMD applies to the **building cover** and the **contents cover** described in the Product Disclosure Statements (**PDSs**) listed below and any related Supplementary Product Disclosure Statements:

- Bank of Melbourne Landlord Insurance (BOMLL1001)
- BankSA Landlord Insurance (BSALL1001)
- RAMS Landlord Insurance (RAMSLL1000)
- St. George Landlord Insurance (STGLL1001)
- Westpac Landlord Insurance (WBCLL1001)