

Target Market Determination

Residential Strata Insurance Plan



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

This Target Market Determination (TMD) is effective from 10.07.2024 and relates to the Residential Strata Insurance Plan Product Disclosure Statement (QM562).

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;
- 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 Residential Strata Insurance Plan Product Disclosure Statement (PDS), and any Supplementary Product Disclosure Statements (SPDS) that may apply, to ensure the product is right for them.

Note: This TMD only includes information on target markets of covers for retail clients as defined by the Corporations Act 2001 (Cth).

This TMD includes a target market statement for the following covers offered under the product to retail clients:

- Insured Property;
- Voluntary Workers;
- Catastrophe Insurance;
- Lot Owners' Fixtures and Improvements.

Insured Property

This product has been designed for customers in the target market to provide financial protection for loss or damage to a predominately residential strata property.

Who is within the Target Market for Insured Property?

Customers within the Target Market (Customers are within the target market if all the following conditions apply)	
✓	A body corporate/owners corporation which represents the collective owners of residential strata or company title property such as units, apartments, or townhouses, where less than 20% of the floor space is used for commercial purposes.
✓	A body corporate/owners corporation which wants financial protection for accidental loss or destruction to: <ul style="list-style-type: none">• buildings (as defined in the PDS); and• common area contents (as defined in the PDS).

Customers NOT within the Target Market (Customers are not within the target market if any of the following conditions apply)	
✗	Customers whose property is located on a land title that is not a strata or company title, such as but not limited to Torrens title, leasehold or community title.
✗	A body corporate/owners corporation where its strata property has 20% or more of the total building floor space used for commercial purposes. A commercial use premises can be considered under a commercial strata product.
✗	A body corporate/owners corporation which requires cover for lot owners' business and personal effects and/or contents.

Voluntary Workers

This optional product has been designed for customers within the target market to provide financial protection for voluntary workers they engage to undertake work or duties on their behalf in the event of death or bodily injury whilst engaged in voluntary work.

Who is within the Target Market for Voluntary Workers?

Customers within the Target Market

(Customers are within the target market if all the following conditions apply)

✓	A body corporate/owners corporation which is covered under the same policy for Insured Property.
✓	A body corporate/owners corporation that engages voluntary workers 12 years of age or more, to carry out work or duties on their behalf for no fee or reward.
✓	A body corporate/owners corporation which is seeking financial protection for their voluntary workers who accidentally die or sustain bodily injury whilst engaged in voluntary work on their behalf.

Customers **NOT** within the Target Market

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

x	A body corporate/owners corporation which is seeking financial protection for their employees, contractors or any person who receives a payment, reward or remuneration for their services.
x	A body corporate/owners corporation which is seeking financial protection for their voluntary workers in the event they suffer illness.
x	A body corporate/owners corporation that engages voluntary workers under the age of 12 years.

Catastrophe Insurance

This optional product has been designed for customers within the target market to provide financial protection for escalation of replacement costs following a catastrophe event.

Who is within the Target Market for Catastrophe?

Customers within the Target Market

(Customers are within the target market if all the following conditions apply)

✓	A body corporate/owners corporation which is covered under the same policy for Insured Property.
✓	A body corporate/owners corporation seeking financial protection where the replacement costs for the insured property escalated beyond the amount it was originally insured for following accidental physical loss or destruction caused by an event declared by the Insurance Council of Australia as a catastrophe.

Customers **NOT** within the Target Market

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

x	A body corporate/owners corporation which is seeking cover for lot owners' business and personal effects and/or contents.
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Lot Owners' Fixtures and Improvements

This optional product has been designed for customers in the target market to provide financial protection for loss or damage to fixtures and improvements installed by lot owners which is permanently attached to or fixed to the body corporate's/owner corporation's building.

Who is within the Target Market for Lot Owners' Fixtures and Improvements?

Customers within the Target Market

(Customers are within the target market if all the following conditions apply)

✓	A body corporate/owners corporation which is covered under the same policy for Insured Property.
✓	A body corporate/owners corporation which wants financial protection for accidental physical loss or destruction to fixtures or structural improvement installed by a lot owner for the lot owners' exclusive use and which is permanently attached to the building owned by the body corporate/owners Corporation.

Customers NOT within the Target Market

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

x	A body corporate/owners corporation which is seeking cover for lot owners' business and personal effects and/or contents.
x	A body corporate/owners corporation which is seeking replacement of undamaged lot owners' fixtures or structural improvements.
x	A body corporate/owners corporation which is seeking replacement or repair of lot owners' fixtures or structural improvements that have been illegally installed.

Distribution Conditions

This product has been appropriately designed to be distributed through CHU Underwriting Agencies Pty Ltd (CHU). The product and the systems it is distributed through have been designed for a customer seeking insurance through CHU. CHU has taken reasonable steps to understand the key product attributes and align distribution to customers in the target market.

Distribution Restrictions	This product can only be sold by CHU Underwriting Agencies Pty Ltd, ABN 18 001 580 070, AFSL 243261.
Distribution Conditions	<p>This product can be sold by CHU within the eligibility and underwriting rules.</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>
Distribution Method	<p>This product can be sold via direct contact between the customer and CHU. CHU also has a network of Authorised Representatives that are authorised to provide general financial product advice when arranging policies on behalf of CHU.</p> <p>Brokers are also able to provide financial product advice for acquiring new policies, renewing policies, or cancelling policies. Brokers hold their own Australian Financial Services Licence to advise and deal in insurance products.</p>

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

Review Period	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.
What may trigger a review prior to periodic review	<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">• a significant increase in the number of complaints relating to the product received by QBE or reported by distributors;• a material change to the product including Product Disclosure Statement, information or assumptions upon which the target market was formulated;• a change of relevant law, regulatory guidance or industry code which has a material effect on the terms or distribution of the product;• the product being distributed and purchased in a way that is significantly inconsistent with this TMD;• adverse trends in policy and claims data indicating the product is not performing as expected by the customer.