

# Target Market Determination



## Landlord Insurance

Product Disclosure Statement (PDS) this Target Market Determination (TMD) relates to	Landlord Insurance (QM10074)
TMD applies to policies commencing or renewing effective from	1/08/2025
Previous version published	20/03/2025
Amended version published	1/08/2025
First publication date of this TMD	20/03/2025

### 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 Landlord 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/or contents rented out to tenants.

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: Building

### Target Market

#### This product is suitable for customers who:

- ✓ either:
- own a home in Australia used for residential purposes that they rent out to tenants under a lease agreement; or
  - own a holiday home that they rent out to paying guests as a casual or short-term rental (for example via Airbnb or a similar platform, where there is no lease agreement).

This cover is only suitable for customers where **any** of the above apply.

#### This product is NOT suitable for customers who:

- ✗ own and live in the home.
- ✗ do not own the home they live in (for example a tenant who rents their home).
- ✗ 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.
- ✗ want cover for land or building(s) that is used to earn an income or operate a business of any kind, other than residential rental income.
- ✗ want cover for a property that is used as hotels, motels, resorts, inns, commercially operated serviced apartments or similar venues for accommodation.
- ✗ want cover for a home that is under construction or undergoing renovations, alterations, additions or repairs that:
  - 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 a home that is awaiting demolition or in the course of being demolished.
- ✗ want cover for a home that is unoccupied and will continue to be for more than 90 consecutive days.
- ✗ want cover for a property that is not a standard residential home (for example a shipping container, houseboat, hostel).
- ✗ want cover for a residential home that is 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.

## Options

The Landlord Insurance product offers an option that was not designed for all customers in the product's target market.

Customers should only consider selecting the option described below if it's described as being suitable.

### Option: Rent default by tenant

This option is suitable for customers who own a residential property that is rented out to tenants under a formal lease agreement and want insurance for rent default.

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

Likely needs 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 their building to reduce the unexpected financial costs to repair or replace the residential rental property or parts of the rental property when it is accidentally or maliciously damaged, or damaged by a weather event such as storm, bushfire or flood.	The product provides cover for costs to repair or replace a residential rental property where formally leased or casually let, if damaged by events covered by the product including: <ul style="list-style-type: none"> <li>weather events such as storm, flood, lightning;</li> <li>fire, sudden and unexpected escape of water or other liquid, accidental or malicious damage caused by tenants or paying guests.</li> </ul>
To reduce the unexpected financial burden of lost rental income, when the residential rental property becomes unliveable due to loss or damage to the property caused by an unexpected event covered by the product.	The product provides cover for rental income lost when the building is insured, and damage is caused by specific events covered under the product making the home unliveable.
Cover for legal liability to reduce the unexpected financial cost they are legally responsible to pay for: <ul style="list-style-type: none"> <li>damage to another person's property; or</li> <li>injury to another person,</li> </ul> resulting from the use of the residential rental property at the property address. This includes legal liability to the tenant.	The product provides cover for legal liability arising from an occurrence during the period of insurance at the rental property address which results in personal injury and/or damage to property.
Optional cover to tailor the product to suit their individual needs.	The Rent Default by Tenant option is available to purchase.

Likely financial situation of customers in the target market	Key Product Attributes consistent with the likely financial situation of the target market
Customers who are either: <ul style="list-style-type: none"> <li>purchasing a policy from an intermediary; or</li> <li>purchasing a policy directly from CHU and have elected to pay premium annually,</li> </ul> must be in the financial situation to pay the premiums which may increase from year to year.	Customers purchasing their policy from an intermediary must pay the total premium in one annual payment. Customers purchasing a policy directly from CHU can choose to pay the total premium in one annual payment.
Customers who are purchasing a policy directly from CHU must be in the financial situation to meet payment commitments if electing to pay premium in instalments.	Customers purchasing a policy directly from CHU can elect to pay the premium in instalments.

Likely financial situation of customers in the target market	Key Product Attributes consistent with the likely financial situation of the target market
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, and any benefits the buildings sum insured safeguard, if eligible, provides to repair or replace the residential rental property.	Customers will be required to nominate a sum insured for their residential rental 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.

Based on QBE's assessment of the key terms, attributes and eligibility criteria, the insurance cover for Building 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.
Loss of Rent	<p>Loss of rent – formal lease:</p> <ul style="list-style-type: none"> <li>• when the building is covered by this product the cover provides loss of rent up to the lesser of: <ul style="list-style-type: none"> <li>○ 24 months from the time of the incident; or</li> <li>○ 20% of the buildings sum insured.</li> </ul> </li> </ul> <p>Loss of rent – casually let:</p> <ul style="list-style-type: none"> <li>• when the building is covered by this product the cover provides loss of rent up to \$25,000 towards: <ul style="list-style-type: none"> <li>○ the actual rent lost; or</li> <li>○ the rent expected to be lost,</li> </ul> </li> </ul> <p>over a maximum period of 12 months.</p>
Legal Liability Limit	\$30,000,000
Other product limits including additional benefit sub-limits apply	The insurance cover is subject to maximum insured limits and these are set out in the policy schedule. Other claims limitations and conditions are specified in the PDS (and any Supplementary PDS).

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"> <li>• intentional, reckless or fraudulent acts;</li> <li>• illegal activity.</li> </ul>
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"> <li>• not taking reasonable care to protect and maintain the rental property;</li> <li>• not taking reasonable steps to minimise the cost of any claim under the policy;</li> <li>• not complying with all laws relating to the safety of a person or property.</li> </ul>
Condition of the rental 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"> <li>• wear, tear, depreciation, rust, oxidisation, corrosion, fading;</li> <li>• defect, structural fault, design fault or faulty workmanship;</li> <li>• rising damp, seepage, mould, mildew, rot;</li> <li>• gradual deterioration due to action of light, air, sand, sea salt, water, or atmospheric or climatic conditions.</li> </ul> <p>There is no cover under any section of the policy for any claim, loss, damage, cost, injury, death or legal liability that is caused by or arises from:</p> <ul style="list-style-type: none"> <li>• any neglect, poor housekeeping or untidy, unclean or unhygienic living habits;</li> <li>• the rental property not being structurally sound, watertight, secure, well maintained and in a good state of repair.</li> </ul>
Construction Works	<p>There is no cover under any section of the policy for any claim, loss, damage, cost, injury, death or legal liability that is caused by or arises from buildings under construction or undergoing renovations, alterations, additions or repairs.</p>
Activities	<p>There is no cover for any losses arising from or as a result of:</p> <ul style="list-style-type: none"> <li>• any property that is used to earn income or where a business of any kind is being operated other than renting the property out;</li> <li>• properties managed by or used as hotels, motels, resorts, inns, commercially operated serviced apartment or similar venues for accommodation.</li> </ul>

**Other policy exclusions apply.** Please refer to the PDS (and any Supplementary PDS) for a complete list of policy exclusions.

## Cover: Contents

### Target Market

#### This product is suitable for customers who:

- ✓ either:
- own household contents intended for their tenant's use within their residential property in Australia that they rent out to tenants under a lease agreement; or
  - own household contents intended for their tenant's use within their holiday home that they rent out to paying guests as a casual or short-term rental in Australia (for example via Airbnb or a similar platform, where there is no lease agreement).

This cover is only suitable for customers where **any** of the above apply.

#### This product is NOT suitable for customers who:

- ✗ want cover for contents within a residential home that they own and live in.
- ✗ want cover for contents that are within a home they rent from a landlord.
- ✗ want cover for contents located in a non-standard residential home (for example a shipping container, houseboat, hostel).
- ✗ want insurance for their personal contents which they store within the home they rent out to a tenant.
- ✗ want cover for contents located on land or in building(s) used to earn an income or operate a business of any kind other than residential rental income.
- ✗ want cover for contents located in a property that is used as hotels, motels, resorts, inns, commercially operated serviced apartments or similar venues for accommodation.
- ✗ 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 in a residential home that is 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 wear and tear or costs associated with maintenance.

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

### Options

The Contents cover offers an option that was not designed for all customers in the product's target market. Customers should only consider selecting the option described below if it's described as being suitable.

#### Option: Rent default by tenant

This option is suitable for customers who own a residential property that is rented out to tenants under a lease agreement and want insurance for rent default.

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

Likely needs 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 rental property when they are accidentally or maliciously damaged, stolen or damaged by a weather event such as storm, bushfire or flood.	The product provides cover for the costs to repair or replace contents located at the residential rental property and owned by the landlord, which is formally leased or casually let, if it is lost or damaged by an event including: <ul style="list-style-type: none"> <li>weather events such as storm, flood and lightning;</li> <li>theft, fire, malicious or accidental damage caused by tenants or paying guests.</li> </ul>
To reduce the unexpected financial burden of lost rental income, when the residential strata rental property becomes unliveable due to loss or damage to the property caused by an unexpected event covered by the product.	The product provides cover for rental income lost when the contents of a residential strata rental property is insured, and damage is caused by specific events covered under the product making the rental property unliveable.
Cover for legal liability to reduce the unexpected financial cost they are legally responsible to pay for: <ul style="list-style-type: none"> <li>damage to another person's property; or</li> <li>injury to another person,</li> </ul> resulting from the use of the residential strata rental property at the property address.	The product provides cover for legal liability arising from an occurrence during the period of insurance at the residential strata rental property address which results in personal injury and/or damage to property.
Optional cover to tailor the product to suit their individual needs.	The Rent Default by Tenant option is available to purchase.

Likely financial situation of customers in the target market	Key Product Attributes consistent with the likely financial situation of the target market
Customers who are either: <ul style="list-style-type: none"> <li>purchasing a policy from an intermediary; or</li> <li>purchasing a policy directly from CHU and have elected to pay premium annually,</li> </ul> must be in the financial situation to pay the premiums which may increase from year to year.	Customers purchasing their policy from an intermediary must pay the total premium in one annual payment. Customers purchasing a policy directly from CHU can choose to pay the total premium in one annual payment.
Customers who are purchasing a policy directly from CHU must be in the financial situation to meet payment commitments if electing to pay premium in instalments.	Customers purchasing a policy directly from CHU can elect to pay the premium in instalments.
Pay the basic excess selected and any additional or imposed excesses.	A basic excess applies to most claims. Customers can choose to: <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>

Likely financial situation of customers in the target market	Key Product Attributes consistent with the likely financial situation of the target market
	<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 rental property.	Customers will be required to nominate a sum insured for the contents at their residential rental property.
Bear any amounts that exceed any policy limits in the 'Contents with Limits' table within the PDS.	

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	Artworks, rugs and antiques are limited to \$20,000 for an item, set or pair.
Loss of Rent	<p>Loss of rent – formal lease, for Strata lot owners with contents only:</p> <ul style="list-style-type: none"> <li>• the cover provides loss of rent up to the greater of: <ul style="list-style-type: none"> <li>○ 20% of the nominated contents sum insured; or</li> <li>○ \$50,000.</li> </ul> </li> </ul> <p>Loss of rent – casually let, for Strata lot owners with contents only:</p> <ul style="list-style-type: none"> <li>• the cover provides loss of rent up to \$25,000 towards: <ul style="list-style-type: none"> <li>○ the actual rent lost; or</li> <li>○ the rent expected to be lost,</li> </ul> </li> </ul> <p>over a maximum period of 12 months.</p>
Legal Liability Limit	\$30,000,000
Other product 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"> <li>• intentional, reckless or fraudulent acts;</li> <li>• illegal activity.</li> </ul>
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"> <li>• not taking reasonable care to protect and maintain the rental property;</li> <li>• not taking reasonable steps to minimise the cost of any claim under the policy;</li> <li>• not complying with all laws relating to the safety of a person or property.</li> </ul>
Condition of the rental 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"> <li>• wear, tear, depreciation, rust, oxidisation, corrosion, fading;</li> <li>• defect, structural fault, design fault or faulty workmanship;</li> <li>• rising damp, seepage, mould, mildew, rot;</li> <li>• gradual deterioration due to action of light, air, sand, sea salt, water, or atmospheric or climatic conditions.</li> </ul> <p>There is no cover under any section of the policy for any claim, loss, damage, cost, injury, death or legal liability that is caused by or arises from:</p> <ul style="list-style-type: none"> <li>• any neglect, poor housekeeping or untidy, unclean or unhygienic living habits;</li> <li>• the rental property not being structurally sound, watertight, secure, well maintained and in a good state of repair.</li> </ul>
Construction Works	<p>There is no cover under any section of the policy for any claim, loss, damage, cost, injury, death or legal liability that is caused by or arises from buildings under construction or undergoing renovations, alterations, additions, or repairs.</p>
Activities	<p>There is no cover for any losses arising from or as a result of:</p> <ul style="list-style-type: none"> <li>• any property that is used to earn income or where a business of any kind is being operated other than renting the property out;</li> <li>• properties managed by or used as hotels, motels, resorts, inns, commercially operated serviced apartments or similar venues for accommodation.</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 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	<b>Landlord Insurance - QM10074</b> can only be sold by CHU Underwriting Agencies Pty Ltd, ABN 18 001 580 070, AFSL 243261.
Distribution Conditions	<p>Landlord Insurance - QM10074 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>• CHU staff product training;</li> <li>• QBE and CHU staff monitoring program;</li> <li>• Internal underwriting accreditation or a delegated authority program;</li> <li>• CHU underwriting guidelines.</li> </ul> <p>Distributors of Landlord Insurance - QM10074 must make this TMD available free of charge on request.</p>
Distribution Method	<p>Landlord Insurance - QM10074 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

Information	Responsible reporting person	Obligation	Information required to be reported	Reporting Period
Dealings outside the target market	CHU and QBE	CHU 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. QBE will report to the regulator any significant dealing outside 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);</li> <li>any steps or actions taken to mitigate this dealing; and</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 CHU or QBE becomes aware of the dealing.
Complaints and feedback	CHU and QBE	CHU will report to QBE complaint and feedback information received about the product. QBE will report any complaint or feedback information received about the product.	<ul style="list-style-type: none"> <li>the number of complaints 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 three months.
Policy and claims data	CHU	CHU will report to 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 three months.
Orders, direction or feedback from Regulator, Code Governance Committee or AFCA	CHU 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 feedback, direction or order was received.
Periodic Product Reviews Outcomes	QBE	Outcomes from the Periodic Product Reviews conducted.	<ul style="list-style-type: none"> <li>Data reviewed;</li> <li>Data analysis outcomes; and</li> <li>Review outcome decisions.</li> </ul>	Every two 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 two 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>