

CLUB MARINE PLEASURE CRAFT INSURANCE

Target Market Determination (TMD)

Effective Date: 10 April 2024

About this document

This TMD applies to the **Club Marine Pleasure Craft Insurance Policy** 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 (**Issuer**) through its underwriting agent, Club Marine Limited ABN 12 007 588 347 (AFS Licence No. 236916) (**Club Marine**).

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 which are available from an Approved Distributor (defined below) or at www.clubmarine.com.au.

A customer may fall within the target market described in this TMD, but may not meet underwriting criteria of Allianz and Club Marine on application.

For further information on Allianz's approach to the distribution and development of products for appropriate target markets, go to www.allianz.com.au.

A. Target Market

Product description (including key attributes)

Main cover(s):	<p>Subject to the limitations and exclusions in the PDS, this cover provides protection:</p> <p>(a) for persons that own a boat to cover the cost of repairs to, or replacement of, that boat arising from accidental loss or damage (including theft and malicious damage) (accidental loss or damage cover);</p> <p>(b) for persons that own a boat, or are in control or in charge of that boat, to cover their legal liability for loss or damage to another person's property or death or personal injury to another person arising from their use of that boat (legal liability cover); and</p> <p>(c) to the insured (if an individual) for their death or certain types of personal injury arising from the use of that boat (insured person cover).</p> <p>Accidental loss or damage cover, legal liability cover and insured person cover are available for purchase together. Legal liability cover can be purchased separately. When a customer is purchasing legal liability cover only, accidental loss or damage cover and insured person cover is not included.</p>
Optional cover(s):	<p>Optional cover(s) can be added to the main cover(s) by a customer, which may be subject to additional eligibility criteria and the payment of additional premium and excess:</p> <p>Water Skiers' Liability option forms part of the main cover when the boat is a personal watercraft otherwise additional premium must be paid, it:</p> <ul style="list-style-type: none">- extends the legal liability cover to include:<ul style="list-style-type: none">• death of or Injury to a water skier or to any person caused by the covered water skier; and• property damage caused by the water skier,that occurs whilst water skier is water skiing or wake surfer while being towed by the boat. <p>Extended Yacht Racing for yacht racing exceeding 150 nautical miles in race length may be available if accepted by us;</p> <p>Transport by Professional Road, Rail or Ship Transporter/Carrier – extends the accidental loss or damage cover and legal liability cover to include professional transit of non-trailerable boats (i.e. moored vessels) if transported by professional boat transporter/carrier.</p>
Key eligibility criteria:	<p>Insured:</p> <ul style="list-style-type: none">• resides in Australia;• owns a boat or personal watercraft;• has a boat licence;• has adequate skill and experience to control the insured boat;• does not intend to use the insured boat as a primary residence unless otherwise agreed by us as part of the Application Process; and <p>Boat (including personal watercraft):</p> <ul style="list-style-type: none">• is registered with the relevant marine authority in Australia;• is of a make, model and design that is identified as eligible during the Application Process;• includes modifications that are identified as eligible during the Application Process;• is not used for hire, charter or reward, for example any Air BnB, Uber or similar arrangements and any time share, syndicate or other arrangement where the boat is regularly used by persons with no ownership interest in the boat;• with a maximum speed less than the maximum speed limit accepted by us as part of the Application Process or for personal watercraft as stated in the PDS;• is not used for racing or speed tests (other than yacht racing within the Geographic Limits which doesn't exceed a distance of 150 nautical miles) unless otherwise agreed by us in writing;• is not used outside the Geographic Limits (as defined in the PDS) unless accepted by us;• is seaworthy, in good repair and well maintained, with no existing damage other than minor wear and tear unless accepted by us as part of the Application Process;• is not made from ferrocement;• is not a hovercraft, a specialised non-standard production craft nor a specialised commercial hull; and• (other than a personal watercraft) is not used to tow water skiers, unless we agree to cover this under the Water Skiers Liability Cover option. <p>At the request of a customer, the Issuer may tailor a product covered by this TMD. The key eligibility criteria may be adjusted to reflect the changes made to a product. In such cases, the changes made to a product will be specifically disclosed to, and agreed to by, the Insured and will be set out in the Policy Schedule.</p> <p>See also limitations and ineligible persons below.</p>

Key exclusions:

The main covers provided under the PDS have specific coverage and exclusions, including (without limitation) the following key exclusions. These key exclusions are not intended to be exhaustive, and customers should refer to the PDS for a full list of exclusions.

General exclusions

At the time of the loss or damage, injury, death or liability, the boat:

- was outside the Geographic Limits (as defined in the PDS) unless extended Geographical Limits had been accepted by us or if the boat went outside Geographical Limits for reasons outside reasonable control of the persons in charge of the boat or to respond to an unforeseen emergency;
- was being used for hire, charter or reward, racing or speed tests (other than yacht racing within the Geographic Limits which doesn't exceed a distance of 150 nautical miles) unless accepted by us;
- exceeded the maximum speed limit in the Policy Schedule or, 70 knots in the case of personal watercraft;
- had a motor that was secured to the boat but was not recommended by the manufacturer of the boat;
- was fitted with an engine more powerful than that recommended by the boat's manufacturer; or
- was controlled by persons who were:
 - unlicensed, or were not complying with their licence conditions;
 - not adequately skilled and experienced to control the boat; or
 - under the influence of drugs or alcohol at the time of the accident or refused a test for drugs and alcohol.

The loss, damage, injury, death or liability arose as a result of:

- the unseaworthy condition of the boat or as a result of a lack of maintenance/repair, delamination, deterioration, corrosion, electrolysis, osmosis, and blistering (unless as a result of accidental physical impact with a solid object), or wear and tear;
- a failure to take reasonable care;
- vermin, including small animals, sea life, insects, wood worms, and birds;
- use of the boat during declared lay-up periods unless that use is permitted under the PDS; or
- the use of unsuitable moorings.

Accidental loss or damage cover only

Loss or damage to:

- moorings;
- the boat when being transported by professional road haulier and not on its own fit-for-purpose trailer (unless accepted by us); or
- the boat's sails caused by a crew error, wind or water, unless boat was stranded, sunk or in a collision, or suffered mast or rigging failure.

The following types of loss or damage:

- electronic, electrical, or mechanical failure resulting in a breakdown or failure of the boat or boat parts;
- electrical, electronic or mechanical failure or malfunction of electronics, navigation and guidance systems where there is no sign of physical damage;
- seizure or overheating of motors unless caused by an external blockage;
- negligent repairs/works and replacement of mechanical or electrical parts with items not in accordance with manufacturer's original specifications; or
- a latent defect as defined in the PDS (other than resultant damage to other parts of the boat).

Loss or damage to the boat caused by:

- theft, where there was a failure to take reasonable steps to follow the theft precaution conditions stated in the PDS;
- malicious damage or theft by the insured, or persons acting with their consent or who have been entrusted with the boat; or
- water ingress to personal watercraft resulting from the seat or hatches detaching from the hull.

Legal liability cover only

Legal liability for loss, damage, injury or death:

- not connected with the use of the boat;
- resulting from negligent repair performed by boat builders or any trades person/s or company that is engaged for the purpose of repairs, maintenance and servicing of the boat, including boatyards, re-fuelling facilities and slipways, or when such persons are in control of the boat;
- arising from use of sporting/diving equipment or any sporting or recreational activity other than the use of the boat, other than to the extent covered by the Water-skiing Option where taken;
- to the insured, a member of the insured's family or anyone who lives with the insured; or
- to the insured or the insured's family's property.

Insured persons cover only

Death, injury or loss:

- arising from a failure to obtain attention from a medical practitioner, or refusal to undergo a medical examination when requested; or
- occurring 12 months after an accident.

At the request of a customer, the Issuer may tailor a product covered by this TMD. These key exclusions may be adjusted to reflect the changes made to a product. In such cases, the changes made to a product will be specifically disclosed to, and agreed to by, the Insured and will be set out in the Policy Schedule.

See also limitations and ineligible persons below.

Limitations:

Claims may be fulfilled by repair, replacement or by a cash settlement payment depending on the circumstances.

Claims for loss and damage are subject to either a market value or agreed value limit (as selected by the insured, and specified on the schedule) and other limitations and conditions specified in the PDS and schedule.

Claims for loss or damage to:

- (a) fishing gear, water ski equipment, diving equipment and tools; and
- (b) personal effects,

are subject to a limit for each item and for total claims for items within each category (a) and (b) above.

Claims for liability related to the sudden and accidental discharge, release or escape of fuel, lubricants, or sewage from the holding tanks of the boat, are limited to \$1,000,000 per event.

Claims related to accidental death, permanent and total loss of sight or use of limb are subject to the cover limit set out in the schedule, and claims for permanent and total loss of use of a thumb or index finger are subject to 20% of the cover limit in the schedule.

Excess:

Other than claims for death and injury, claims are subject to the payment of a basic excess. Additional excesses may apply which will be outlined in the schedule and/or PDS.


The excess may be waived if the insured, or person in control of the boat, was not at fault and details of the at fault party can be supplied.

Other key terms:


Exclusion periods – Loss or damage caused by cyclone, flood and bushfire may be subject to an initial exclusion period when such events are predicted.

Likely needs, objectives and financial situation

The cover for accidental loss or damage, legal liability and insured person is designed for:

	<p>Likely needs and objectives</p> <p>Persons that own a boat or personal watercraft that want to:</p> <ul style="list-style-type: none">- protect themselves against the financial detriment or burden resulting from accidental loss or damage to, or theft of, their boat or personal watercraft;- protect themselves (and persons in control or charge of their boat or personal watercraft) against liabilities for loss or damage to another person's property arising from the use of their boat or personal watercraft; and- (if an individual only) have some financial protection in the event of their own death or personal injury arising from the use of their boat or personal watercraft. <p>Based on our assessment, accidental loss or damage, legal liability and insured person cover (including its key attributes) is likely to be consistent with the needs, objectives and financial situation of customer's in the target market.</p> <p>Likely financial situation</p> <p>A person who is able to pay premiums in accordance with the chosen premium structure, excess in accordance with the chosen excess option.</p>
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Legal liability cover when purchased on its own is designed for:

	<p>Likely needs and objectives</p> <p>Persons that own a trailerable boat that want to protect themselves (and persons in control or charge of their boat) against liabilities for loss or damage to another person's property arising from the use of their boat but not:</p> <ul style="list-style-type: none">- theft of, or loss or damage to, their boat; or- death or personal injury to the insured arising from the use of their boat. <p>Based on our assessment, legal liability cover (including its key attributes) is likely to be consistent with the needs, objectives and financial situation of customer's in the target market.</p> <p>Likely financial situation</p> <p>A person who is able to pay premiums in accordance with the chosen premium structure and excesses in accordance with the chosen excess option.</p>
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B. Ineligible Persons

The cover for accidental loss or damage, legal liability and insured person is not designed for persons:



- who do not own a boat or personal watercraft;
- who do not reside in Australia;
- who do not have a boat licence where one is required by law/regulations;
- who do not have adequate skill and experience to control the insured boat;
- who intend to use the insured boat as a primary residence, unless accepted by us during the Application Process;
- who are professional boat builders or any trades person/s or company that is engaged for the purpose of repairs, maintenance and servicing of the boat, including boatyards, re-fuelling facilities and slipways, using the boat for work purposes;
- who own a boat that:
 - o is not registered with the relevant marine authority in Australia where required by law;
 - o is of a make, model and design that is identified as ineligible during the Application Process;
 - o is modified in a manner that is identified as ineligible during the Application Process;
 - o is used for hire, charter or reward, for example any Air BnB, Uber or similar arrangements and any time share, syndicate or other arrangement where the boat is regularly used by persons with no ownership interest in the boat;
 - o has a maximum speed that exceeds the maximum speed limit accepted by us as part of the Application Process or which is stated in the PDS;
 - o is used for racing or speed tests (other than yacht racing within the Geographic Limits which doesn't exceed a distance of 150 nautical miles) unless accepted by us;
 - o is used outside the Geographic Limits (as defined in the PDS) unless accepted by us;
 - o is not seaworthy, in good repair and well maintained, with existing damage other than minor wear and tear;
 - o is made from ferrocement;
 - o is a hovercraft, a specialised non-standard production craft or a specialised commercial hull; or
 - o (other than a personal watercraft) is to be used to tow water skiers, unless we agree to cover this under the Water Skiers Liability Cover option.

The legal liability cover when purchased on its own is not designed for persons:



- who want cover for theft of, or loss or damage to, their boat;
- who want cover for the death of, or bodily injury to, the insured arising from the use of their boat;
- who do not own a trailerable boat or personal watercraft;
- who do not reside in Australia;
- who do not have a boat licence where one is required by law/regulations;
- who do not have adequate skill and experience to control the insured boat;
- who intend to use the insured boat as a primary residence, unless accepted by us;
- who are professional boat builders or any trades person/s or company that is engaged for the purpose of repairs, maintenance and servicing of the boat, including boatyards, re-fuelling facilities and slipways, using the boat for work purposes;
- who own a boat that:
 - o is not registered with the relevant marine authority in Australia where required by law;
 - o is a moored craft;
 - o is a trailer craft of a make, model and design that is identified as ineligible during the Application Process;
 - o is modified in a manner that is identified as ineligible during the Application Process;
 - o is used for hire, charter or reward, for example any Air BnB, Uber or similar arrangements and any time share, syndicate or other arrangement where the boat is regularly used by persons with no ownership or interest in the boat;
 - o has a maximum speed that exceeds the maximum speed limit accepted by us as part of the Application Process or which is stated in the PDS;
 - o is used for racing or speed tests (other than yacht racing within the Geographic Limits which doesn't exceed a distance of 150 nautical miles) unless accepted by us;
 - o is used in geographical locations that are identified as ineligible during the Application Process and/or outside the Geographic Limits (as defined in the PDS);
 - o is not seaworthy, in good repair and well maintained, with existing damage other than minor wear and tear;
 - o is made from ferrocement;
 - o is a hovercraft, a specialised non-standard production craft or a specialised commercial hull; or
 - o (other than a personal watercraft) is to be used to tow water skiers, unless we agree to cover this under the Water Skiers Liability Cover option.

C. Distribution

Distribution channels

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

- online through relevant websites
- professional insurance intermediaries and agencies
- by calling Club Marine's underwriting/sales team
- other third-party distributors
- on the basis of a general advice model, limited personal advice model or personal advice model

All of these channels are monitored by Club Marine (on behalf of 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 Club Marine and which complies with the law (**the Application Process**). Allianz approves the 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 persons in the Target Market will acquire a product covered by this TMD.

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

Distribution information

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

Complaints	<p>all complaints in relation to this TMD must be supplied to Club Marine (on behalf of the Issuer) as soon as reasonably possible, but no later than on a quarterly basis unless Club Marine has requested a distributor to report more frequently. This will include written details of the complaints.</p> <p>Club Marine must supply all complaint information to the Issuer on a quarterly basis unless the Issuer has requested Club Marine to report more frequently.</p>
Sales data	<p>report relevant sales and customer data in relation to this TMD on a quarterly basis to Club Marine (on behalf of the Issuer) unless Club Marine has requested a distributor to report more frequently.</p> <p>Club Marine must supply all sales and customer data information to the Issuer on a quarterly basis unless the Issuer has requested Club Marine to report more frequently.</p>
Significant dealings	<p>notification to Club Marine (on behalf of the Issuer) if they become aware of a significant dealing in relation to this TMD that is inconsistent with this TMD within 10 business days.</p> <p>Club Marine must immediately notify the Issuer if it receives a notification of a significant dealing.</p>

Other

In addition to the distribution conditions, restrictions and information set out above, Allianz or Club Marine 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	<p>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):</p> <ul style="list-style-type: none">• 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 (including sales, policy cancellations, lapses in renewals, claims, complaints and loss ratios); and• any significant dealings that are inconsistent with the TMD; <p>to the extent these events or circumstances reasonably suggest the TMD is no longer appropriate.</p>

Appendix

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

- Club Marine Pleasure Craft Insurance Policy CML POLAUS
- Mercury Pleasure Craft Insurance Policy CML MERPOL
- Club Marine Riviera Pleasure Craft Insurance Policy CML RIVPOL