

STRATA COMMUNITY INSURANCE – STRATA:

- LOSS OR DAMAGE COVER
- VOLUNTARY WORKERS COVER

Target Market Determination (TMD)

Effective Date: 5 October 2021

About this document

This TMD applies to the **loss or damage cover** and **voluntary workers 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**) through its underwriting agent Strata Community Insurance Agencies Pty Limited ABN 72 165 914 009, AFS Licence No. 457787 (**Strata Community Insurance**).

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):	Loss or damage cover:	Voluntary workers cover:
	<p>This cover provides financial protection for the cost of the repair, reinstatement or replacement of Buildings and Common Area Contents (as described in the PDS), for the owner(s) of property within a Strata Title Scheme, Unit Title Scheme, Community Title Scheme, Company Title, 'build-to-rent' type property, or similar (a Scheme), including property intended to operate or be registered as a Scheme, if damaged or destroyed by a sudden and accidental occurrence.</p>	<p>This cover provides certain compensation payments to voluntary workers whilst engaged in voluntary work or duties on behalf of the insured if they die, or suffer certain defined Events (as described in the PDS).</p> <p>Voluntary workers cover is separate to any cover available under general legal liability cover for personal injury or any applicable state or territory workers compensation legislation. It can only be purchased with loss or damage cover.</p>
Optional cover(s):	<p>If applicable, optional cover(s) may be added to the loss or damage cover by a customer, such as:</p> <p>Flood cover – extends the insured events under loss or damage cover to include flood. This optional cover is subject to a Sum Insured monetary limit (as set out in the Policy Schedule) and additional underwriting criteria.</p> <p>Catastrophe cover – if the events leading to a claim under loss or damage cover are sudden and widespread, cause substantial damage to property over a large area, result in the Insurance Council of Australia issuing a catastrophe code, and the Sum Insured under the loss or damage cover has been fully exhausted, the catastrophe cover will cover the unforeseen increases in rebuilding, replacing or repairing the insured property up to the dollar amount set out in the Policy Schedule and provides additional covers for rent, temporary accommodation, removal and storage, and evacuation costs in such circumstances.</p> <p>Loss of lot market value – covers the reduction in market value following a total loss, constructive total loss or partial loss of the insured property when permission to rebuild is limited or restricted by any public or statutory authority that results in all or some lot titles being terminated.</p> <p>These and other optional covers are subject to the terms and conditions, limitations and exclusions set out in the PDS.</p>	
Key eligibility criteria:	<p>Insured:</p> <ul style="list-style-type: none">- is the body corporate or owner of, or those with an insurable interest in, a Scheme or property intended to operate or be registered as a Scheme. <p>Building:</p> <ul style="list-style-type: none">- is located in Australia and in a location accepted by the Issuer;- is made of materials acceptable to the Issuer;- is well-maintained, watertight, structurally sound and secure; and- has a level of permanent occupancy accepted by the Issuer.	
Key exclusions:	<p>Loss or damage cover:</p> <p>The loss or damage cover has specific exclusions, including:</p> <p>(a) loss or damage to property that does not form part of the Building or Common Area Contents (as described in the PDS); and</p> <p>(b) loss or damage arising directly or indirectly from:</p> <ul style="list-style-type: none">- flood (unless covered under optional flood cover);- tidal wave or actions of the sea and high water (unless caused by a tsunami);- erosion, subsidence, earth movement or collapse (unless caused by an earthquake or seismological disturbance or a flood if covered under the optional flood cover);- wear and tear, or inherent vice or latent defect; and- mechanical, hydraulic, electrical or electronic breakdown, failure or malfunction unless covered by the fusion/ damage to electric motors benefit. <p>See also Limitations and Ineligible Customers below.</p>	

Voluntary workers cover:

The voluntary workers cover has specific coverage limitations and exclusions, including:

(a) at the time of the bodily injury, the voluntary worker was:

- under 12 years of age;
- not a person engaged solely in work or duties on behalf of the insured for no reward or remuneration; or
- under the influence of drugs (unless taken under direction of a medical practitioner) or alcohol.

(b) bodily injury to a voluntary worker in connection with:

- childbirth or pregnancy complications including miscarriage – even where accelerated or induced by the bodily injury sustained;
- suicide or intentional self-injury;
- where the defined Events (as described in the PDS) occur 12 months or more after the bodily injury was sustained; or
- illness.

(c) claims relating to:

- amounts the voluntary worker could recover under a Medicare benefit or payable by a registered health insurer; or
- benefits, fees or charges not permitted to be paid by the Issuer by law.

See also Limitations and Ineligible Customers below.

Limitations:

Loss or damage cover:

Sum Insured – claims in relation to the repair, reinstatement or replacement of insured property are subject to an applicable Sum Insured limit (as set out in the Policy Schedule).

Fulfilment options – claims may be fulfilled either by repair, reinstatement or replacement (as described in the PDS). The quantum of any claim for repair, reinstatement or replacement of the insured property may include a consideration of other factors, as set out in the PDS.

Other claims limitations and conditions are specified in the PDS and Policy Schedule.

Voluntary workers cover:

Payments to any one person under the voluntary workers cover are subject to individual limits for each defined Event and aggregate limits if a claim is made for more than one defined Event (as set out in the PDS).

Claims are subject to the limitations and conditions specified in the PDS.

Excess:

Claims are subject to the payment of premium and excess as specified in the PDS and Policy Schedule.

Other key terms:

Loss or damage cover:

Loss of rent – if a lot or common area has been leased out, or it can be substantiated by means of a signed agreement that the lot or common area would have been leased out, and the lot or common area cannot be occupied for its intended purpose as a result of loss or damage admitted as a claim under the loss or damage cover, the loss or damage cover will pay rent that is lost, subject to the monetary limit set out in the Policy Schedule and restrictions described in the PDS.

Emergency/temporary accommodation – may be available if a lot is made unfit to be occupied for its intended purpose due to loss or damage admitted as a claim under the loss or damage cover or where reasonable access or occupancy is prevented by loss or damage claimable under the loss or damage cover happening to other property in the immediate vicinity.

Fixtures and improvements – cover is provided (subject to the monetary limit set out in the Policy Schedule and the preconditions for cover set out in the PDS) for loss or damage to fixtures or structural improvements installed by a lot owner for their exclusive use and which is permanently attached to or fixed to the Building (as described in the PDS) so as to become legally part of it, including any improvements made to an existing fixture or structure, caused by an event claimable under the loss or damage cover.

Additional Benefits – a number of additional benefits are included in the loss or damage cover. For example: removal of debris, key and lock replacement, and removal and storage costs. These additional benefits are generally subject to specified monetary limits.



Voluntary workers cover:

Medical Treatment – following a bodily injury, the voluntary worker must undertake and follow treatment recommended by a qualified medical practitioner as soon as possible.



Post-mortem – in connection with a claim for death, a post-mortem examination of the voluntary worker may be deemed necessary (at the cost of the Issuer).

Likely needs, objectives and financial situation

Loss or damage cover is designed for:

	Likely needs and objectives <p>The body corporate or owner(s) of, or those with an insurable interest in, a Scheme or property intended to operate or be registered as a Scheme that require financial protection for accidental loss or damage to:</p> <ul style="list-style-type: none">• the Building(s) (as defined in the PDS); and• the Common Area Contents (as defined in the PDS).	Likely financial situation <p>The body corporate or owner(s) of, or those with an insurable interest in, a Scheme or property intended to operate or be registered as a Scheme, who have financial capacity to pay premiums (which may vary from time to time) in accordance with the chosen premium structure.</p>
	Based on our assessment of the key terms, features and attributes, the loss or damage cover is likely to be consistent with the needs, objectives and financial situation of customers in the target market.	

Voluntary workers cover is designed for:

	Likely needs and objectives <p>The body corporate or owner(s) of, or those with an insurable interest in, a Scheme or property intended to operate or be registered as a Scheme, that:</p> <ol style="list-style-type: none">(a) do or may engage volunteers to undertake work or duties on their behalf; and(b) want to provide cover for certain compensation payments for voluntary workers if they die, or sustain bodily injury whilst engaged in voluntary work.	Likely financial situation <p>The body corporate or owner(s) of, or those with an insurable interest in, a Scheme or property including property intended to operate or be registered as a Scheme, that are able to pay premiums (which may vary from time to time) in accordance with the chosen premium structure.</p>
	Based on our assessment of the key terms, features and attributes, the voluntary workers cover is likely to be consistent with the needs, objectives and financial situation of customers in the target market.	

B. Ineligible Customers

Loss or damage cover is not designed for persons:



- who are not the body corporate or owner(s) of, or those with an insurable interest in, Building(s) within a Scheme or property intended to operate or be registered as a Scheme;
 - where the Building(s) are not:
 - within a Scheme or property intended to operate or be registered as a Scheme;
 - permanently occupied to the level required by the Issuer as part of the Application Process;
 - well-maintained, structurally sound or secure;
 - located in Australia or in a location accepted by the Issuer;
 - made of materials acceptable to the Issuer.
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Voluntary workers cover is not designed for persons:



- that do not have loss or damage cover; or
 - that do not or will not engage voluntary workers within a Scheme or property intended to operate or be registered as a Scheme.
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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
- other third party distributors and brokers
- general advice or personal advice model

All of these channels are monitored by Strata Community Insurance (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.

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 Strata Community Insurance or by distributors approved by Strata Community Insurance as agent for the Issuer (**Approved Distributors**). Approved Distributors and their systems and processes are assessed and monitored by Strata Community Insurance (on behalf of the Issuer), such that it is therefore more likely that Approved Distributors will comply with the terms of this TMD.

Distribution information

The Issuer requires the following information in relation to their distribution of products covered by this TMD to be provided by:

- (a) Strata Community Insurance to the Issuer; and
- (b) any insurance brokers to Strata Community Insurance (as agent of the Issuer)

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

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	<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. These include 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 **building and common area contents cover** and the **voluntary workers cover** described in the Product Disclosure Statements (**PDSs**) listed below and any related Supplementary Product Disclosure Statements:

- Strata Community Insurance Commercial Strata SCI034-Policy-CS-PPW
- Strata Community Insurance Residential Strata SCI034-Policy-RS-PPW