

STRATA COMMUNITY INSURANCE – COMMUNITY ASSOCIATION HOME BUILDING POLICY (LOT OWNERS HOMES) – ACCIDENTAL LOSS OR DAMAGE COVER – INSURED EVENTS COVER Target Market Determination (TMD)

Effective Date: 5 October 2021

About this document

This TMD applies to the **accidental loss or damage cover** and **insured events 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):	<p>This policy provides financial protection for types of loss or damage to Building(s) (as defined in the PDS) for the owner(s) of property within a Community Title Scheme or similar type property (a Scheme), including property intended to operate or be registered as a Scheme (Buildings Cover).</p> <p>There are two types of covers available for Buildings Cover which can be selected by the customer:</p> <ul style="list-style-type: none">- accidental loss or damage cover; and- insured events cover.				
Optional cover(s):	<table border="1"><thead><tr><th data-bbox="308 445 877 479">Accidental loss or damage cover:</th><th data-bbox="885 445 1516 479">Insured events cover:</th></tr></thead><tbody><tr><td data-bbox="308 490 877 658">This cover provides financial protection for the cost of repairing or rebuilding the Building(s) if damaged or destroyed by an unintentional act or an unforeseen or uncontrollable incident.</td><td data-bbox="885 490 1516 658">This cover provides financial protection for the cost of repairing or rebuilding the Building(s) if damaged or destroyed by a sudden and accidental occurrence, limited to certain listed Insured Events (as described in the PDS and set out in Key Exclusions below).</td></tr></tbody></table> <p>If applicable, the following optional cover(s) may be added to the Buildings Cover by a customer:</p> <p>Flood cover – extends the insured events under the Buildings 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>Optional covers are subject to the terms and conditions, limitations and exclusions set out in the PDS.</p>	Accidental loss or damage cover:	Insured events cover:	This cover provides financial protection for the cost of repairing or rebuilding the Building(s) if damaged or destroyed by an unintentional act or an unforeseen or uncontrollable incident.	This cover provides financial protection for the cost of repairing or rebuilding the Building(s) if damaged or destroyed by a sudden and accidental occurrence, limited to certain listed Insured Events (as described in the PDS and set out in Key Exclusions below).
Accidental loss or damage cover:	Insured events cover:				
This cover provides financial protection for the cost of repairing or rebuilding the Building(s) if damaged or destroyed by an unintentional act or an unforeseen or uncontrollable incident.	This cover provides financial protection for the cost of repairing or rebuilding the Building(s) if damaged or destroyed by a sudden and accidental occurrence, limited to certain listed Insured Events (as described in the PDS and set out in Key Exclusions below).				
Key eligibility criteria:	<p>Insured:</p> <ul style="list-style-type: none">- the owner(s) of Building(s) within a Scheme or property intended to operate or be registered as a Scheme. <p>Building:</p> <ul style="list-style-type: none">- is within a Scheme or property intended to operate or be registered as a Scheme also insured by the Issuer;- is used primarily as a place of residence;- is not used as a short-term holiday home rental unless agreed by the Issuer;- 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>The Buildings Cover (both as accidental loss or damage cover and as insured events cover) has specific exclusions, including:</p> <ul style="list-style-type: none"> (a) loss or damage to property that does not form part of the Building(s); (b) loss or damage to Building(s) used as short-term holiday home rentals (unless agreed in writing by the Issuer and, in which case, only insured events cover is available); (c) loss or damage to Building(s) arising directly or indirectly from: <ul style="list-style-type: none"> - malicious acts, theft, burglary or housebreaking of the insured or their invitees, tenants, domestic helpers, or anyone who lives with them; - flood (unless covered under optional flood cover); - actions of the sea (other than tsunami); - erosion, subsidence, earth movement or collapse (unless caused by and occurring within 72 hours of an explosion, earthquake, storm, or a flood if covered under the optional flood cover); - wear and tear, inherent defects, faulty design, structural defects or poor workmanship; or - mechanical, hydraulic, electrical or electronic breakdown, failure or malfunction unless covered by the fusion benefit; (d) loss or damage to contents. <p>Where Buildings Cover is selected by the customer as an insured events cover, only the following events are covered:</p> <ul style="list-style-type: none"> - accidental breakage of glass; - earthquake and tsunami; - explosion; - fire or smoke; - impact damage; - lightning or thunderbolt; - malicious acts; - riot or civil commotion; - storm, rainwater or run-off; - theft, burglary or housebreaking; and - water or other liquid damage. <p>See also Limitations and Ineligible Customers below.</p>
Limitations:	<p>Sum Insured – claims in relation to the repair or rebuilding of insured property are subject to an applicable Sum Insured limit (as set out in the Policy Schedule).</p> <p>Fulfilment options – claims may be fulfilled either by repair or rebuilding (as described in the PDS). The quantum of any claim for repair or rebuilding of the insured property may include a consideration of other factors, as set out in the PDS.</p> <p>There are a number of other benefits that may apply. In most cases these will apply only in conjunction with a successful claim for Buildings. Some of these benefits may include: compensation for accidental death or specified fractures; environmental benefits; fusion; landscaping; and legal liability cover for injury to other people or their property.</p> <p>Other limitations and conditions are specified in the PDS and Policy Schedule.</p>
Excess:	<p>Claims are subject to the payment of premium and excess as specified in the PDS and policy schedule.</p>
Other key terms:	<p>Accommodation costs or lost rent – if the Building(s) cannot be lived in as a result of loss or damage caused by an event covered under the Buildings Cover, this additional benefit will pay the insured's rental costs for accommodation (where owner-occupied) or rent that is lost (where tenanted), subject to the monetary limit set out in the Policy Schedule and conditions described in the PDS.</p> <p>Accommodation costs following prevention of access – if reasonable access to or occupancy of the Building(s) is prevented by loss or damage caused by an insured Event happening to other property within the Scheme, this additional benefit will pay for accommodation subject to conditions described in the PDS.</p> <p>Accidental death – compensation is payable to the insured's estate if the insured suffers a fatal accidental injury resulting from visible bodily injury caused by burglars, housebreakers or by fire at the Building, and dies within 12 months of the injury.</p> <p>Additional Benefits – a number of additional benefits are included in the Buildings Cover, as described in the PDS. These additional benefits may be subject to specified monetary limits.</p>


Likely needs, objectives and financial situation

Buildings Cover is designed for:

	Likely needs and objectives <p>Owner(s) of Building(s) within a Scheme or property intended to operate or be registered as a Scheme that require financial protection against loss or damage to the Building(s) for:</p> <ul style="list-style-type: none">• where the customer has selected accidental loss or damage cover as their Building Cover, accidental loss or damage; or• where the customer has selected insured events cover as their Building Cover, loss or damage arising from one or more of the listed insured events (as described in the PDS and Key Exclusions above).	Likely financial situation <p>Owner(s) of Building(s) within 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 Buildings Cover is likely to be consistent with the needs, objectives and financial situation of customers in the target market.	

B. Ineligible Customers

Buildings Cover is not designed for persons:

	<ul style="list-style-type: none">• that do not own Building(s) within a Scheme or property intended to operate or be registered as a Scheme;• where the customer has selected an insured events cover as their Buildings Cover, seeking cover for events other than the insured events listed in the PDS (see Key Exclusions above).• that use their Building(s) as a short-term holiday home rental (unless accepted by the Issuer); and• whose Building(s) are not:<ul style="list-style-type: none">○ within a Scheme or property intended to operate or be registered as a Scheme also insured by the Issuer;○ used primarily as a place of residence;○ 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; or○ made of materials acceptable to the Issuer.
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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 the 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 **accidental loss or damage cover** and the **insured events cover** described in the Product Disclosure Statements (**PDSs**) listed below and any related Supplementary Product Disclosure Statements:

- Strata Community Insurance Community Association Home Building Policy (Lot Owners Homes) SCI005-HB-05/2021