

CIVIL CONTRACTORS INSURANCE:

- MATERIAL DAMAGE COVER
- REGISTERED ITEM LIABILITY COVER

Target Market Determination (TMD)

Effective Date: 1 December 2023

About this document

This TMD applies to the **Material Damage Cover** and **Registered Insured Item Liability Cover** described in Civil Contractors Insurance Product Disclosure Statement and Policy Wording (360PECCPDSV323) (**PDS**) that has been issued by Allianz Australia Insurance Limited ABN 15 000 122 850 AFS Licence No. 234708 (the **Issuer**) through its underwriting agent 360 Plant and Equipment Pty Ltd ABN 85 087 238 837 AR 424918 (**360**) which is a corporate authorised representative of SURA Pty Ltd ABN 36 115 672 350 AFSL 294313 (**SURA**).

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.

Capitalised terms used in this TMD have the meaning given to them in the PDS.

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 a summary of the key attributes)

Main cover(s):	Material Damage Cover
	This cover provides protection in respect of one or more mobile plant and equipment (Mobile Plant) that is owned by the Insured for the cost of the repairs to, or replacement of, that Mobile Plant arising from accidental, sudden and unforeseen physical loss, theft, destruction or damage to that Mobile Plant occurring in Australia.
	Registered Insured Item Liability Cover
	This cover provides protection in respect of one or more Mobile Plant that are registered for use on public roads and used primarily as a Motor Vehicle (each a Registered Insured Item) for the insured and persons that use, operate or tow any such Registered Insured Items, or are passengers in those Registered Insured Item, to cover their liability for: (a) Personal Injury (as defined in the PDS); and/or (b) Property Damage (as defined in the PDS), arising out of the use, operation or towing of a Registered Insured Item in Australia. A customer may choose whether all or only some of its Registered Insured Items have protection under Registered Insured Item Liability Cover in addition to the Material Damage Cover. The type of cover that applies to each Mobile Plant (including Registered Insured Items) will be set out in the Policy Schedule.
Optional cover(s):	A customer may add one or more of the following optional cover(s) to the Material Damage Cover: - Dry Hire – extends cover to Insured Items whilst under Dry Hire is extended to you and the hirer. - Dual or Multiple Lifting – extends cover to Insured Item when used in connection with dual or multiple lifting. - Increased Cost of Working – cover for the Increased Cost of Working resulting from the interruption and interference to the Insured’s Business as a consequence of Insured Damage. - Hire Costs following an Accident – where Insured Items is a Motor Vehicle that is a utility or a 4WD, covers the cost of replacement of hire vehicle. - Non Owned Trailer (Comprehensive) – extends cover to trailers that are not owned or hire by the Insured, but are in the possession, custody or control of the Insured. A customer may add the following optional cover to the Registered Insured Item Liability Cover: - Non-Owned Trailer (Comprehensive) – extends cover to trailers that are not owned or hire by the Insured, but are in the possession, custody or control of the Insured. This optional cover is subject to the monetary limitations and exclusions set out in the PDS.

Key eligibility
criteria:

Insured:

- is a business with an establishment in Australia; and
- requires insurance for one or more items of Mobile Plant used in connection with its business activities.

For the Material Damage Cover, the **Mobile Plant:**

- is located in Australia;
- is used primarily in connection with the insured's business activities;
- is of a make and model accepted by the Issuer;
- if driven, are roadworthy and safe to drive;
- is not used in directional drilling over 100 metres from the commencement point of any drilling;
- is not used on a barge; and
- is not used for Dry Hire where the hire agreement includes a Damage Waiver.

AND, where that Mobile Plant is a Registered Insured Item:

- is registered with the relevant transport authority in Australia;
- is not used for experiment, testing, racing, trials or demonstration purposes;
- is not used for the conveyance of passengers for hire, fare or reward;
- is not used on rails or not on solid ground;
- is not used for the transportation of explosives, infectious substances or radioactive materials; and
- is not used in Airside Area of an airport handling commercial flights.

For the Registered Insured Item Liability Cover, the **Registered Insured Item:**

- is located in Australia;
- is used primarily in connection with the insured's business activities;
- is of a make and model accepted by the Issuer;
- if driven, is roadworthy and safe to drive;
- is registered with the relevant transport authority in Australia;
- is not used in directional drilling over 100 metres from the commencement point of any drilling;
- is not used on a barge;
- is not used for Dry Hire where the hire agreement includes a Damage Waiver;
- is not used for experiment, testing, racing, trials or demonstration purposes;
- is not used for the conveyance of passengers for hire, fare or reward;
- is not used on rails or not on solid ground;
- is not used for the transportation of explosives, infectious substances or radioactive materials; and
- is not used in Airside Area of an airport handling commercial flights.

Key exclusions:

The PDS for this cover has specific coverage and exclusions where cover will not apply, including in respect of:

Material Damage Cover:

(a) the Insured Item was at the time of the loss, damage or accident:

- in unsafe or unroadworthy condition unless it could not reasonably be detected by the Insured;
- if required to be registered by law, the insured Motor Plant was not registered with the relevant transport authority in Australia;
- not located in Australia;
- driven by a driver that was not authorised, licensed or trained to operate the Insured Item, unless Insured Item had been stolen at the time of the loss, damage or accident;
- driven by a driver under the influence of, or exceeded the legal limit for, drugs or alcohol, or refuses a request for a test for drugs or alcohol;
- was being used as a crane or lifting device and was not operated in accordance with statutory requirements, the manufacturer's specifications or relevant standards, or was not operated by appropriately trained and qualified operators;
- was Dry Hire except to the extent covered by the Dry Hire Additional Benefit or Optional Cover;
- working underground;
- undergoing a test or used in a manner for which it was not designed and this contributed to the Insured Damage;
- used as a prototype, undergoing development or not fully commissioned as operational; or
- located and/or operated on any barge.

(b) for loss or damage was in connection with, or related to:

- pre-existing faults or defects known to the customer;
- indirect loss or damage unless expressly stated as covered in the PDS;
- wear and tear;
- corrosion, oxidation or deterioration due to lack of use or being left in the open air;
- provisional repairs unless part of the final repairs and do not increase the total repair cost;
- alterations, additions or improvements not agreed by the Issuer;
- faulty or defective part that has caused or resulted in a Breakdown or loss or damage was a result of that fault or defective part;
- the lack of, or defectiveness in, burning or freezing of any coolant, lubricant or any other dry or liquid substance required for the working of a part;
- explosion of an internal combustion engine or bursting of a boiler or other pressure vessel from internal pressure;
- replaceable parts of an Insured Item unless damaged as a result of Insured Damage;
- ropes other than complete severance of wire ropes within an Insured Item used as a crane or lifting device;
- tyres caused by braking, road punctures, cuts or bursts not arising from Insured Damage;
- theft or other criminal act by the Insured or its partners or directors;
- immersion in water due to tidal movement unless caused by Flood; or
- the hardening/setting of concrete in any concrete agitator, barrel, bowl or pump.

Registered Insured Item Liability Cover:

(a) at the time the liability was incurrent, the Registered Insured Item was:

- carrying or towing a load, or a number of passengers, in excess of that for which it was designed unless not deliberate nor intentional;
- used or operated in unsafe or unroadworthy condition unless it could not reasonably be detected by the Insured;
- not operated in accordance with the manufacturer's guidelines;
- used in an experiment, test or in racing, trials or demonstrations;
- used for the conveyance of passengers for hire, fair or reward;
- running on rails or not on solid ground;
- used as a Working Tool;
- used in any Airside Area of an airport that handles commercial flights;
- driven by a driver that was not authorised, licensed or trained to operate the Insured Item; or
- driven by a driver under the influence of, or exceeded the legal limit for, drugs or alcohol, or refuses a request for a test for drugs or alcohol.

(b) liability:

- covered by any statutory or compulsory insurance scheme;
- incurred in connection with asbestos;
- incurred in connection with or in respect of any Dangerous Goods except to the extent covered by the Dangerous Goods Additional Benefit and (if applicable) the Dangerous Goods Optional Cover; or
- for fines, penalties or aggravated, exemplary, punitive damage or liquidated damages.

See also Limitations and Ineligible Persons below.

Limitations:

Material Damage Cover:

Fulfilment options – claims may be fulfilled either by repair, reinstatement, replacement (if applicable) or by a cash settlement payment, depending on the circumstances.

Insured Damage – claims are subject to a monetary limit of the lesser of:

(a) the Sum Insured; and

(b) the Market Value immediately prior to the Insured,

less any applicable Excess(es). A customer and the Issuer may agree to replace the monetary limit set out above with the Agreed Value set out in the Policy Schedule. Certain costs can be claimed in addition to the Sums Insured.

Appreciation – subject to the conditions set out in the PDS, the Sums Insured will be increased by the appreciation in the Market Value (up to a maximum of 25% of the Sum Insured) of an Insured Item during the Policy Period.

One Loss Limit – the amount that can be claimed for loss or damage (including amounts payable under Additional Benefits) arising from any one event, source or original cause is subject to an aggregate One Loss Limit as specified in the Policy Schedule.

Finance Payout Protection – if an Insured Item that is subject to a finance agreement is declared a Total Loss, an additional 20% of the Sums Insured may be paid to discharge their obligations under a finance agreement.

Other limitations, conditions and additional benefits are specified in the PDS and the Policy Schedule.

Registered Insured Item Liability Cover:

Claims in respect of liability arising from the transportation of certain goods classified under the Australian Code for the Transport of Dangerous Goods by Road and Rail are subject to a \$1,000,000 per event indemnity limit. There is no cover for claims arising from the transportation of explosives, infectious substances and radioactive materials. This indemnity limit may be modified by an Optional Extension, which (if applicable) will be set out in the Policy Schedule.

Other claims (including any related additional benefits) are subject to the per occurrence Limit of Liability (as set out in the Policy Schedule) less applicable Excess.

Claims for legal liability do not include liability that could be claimed under any compulsory or statutory policy or scheme.

Premium/Excess:

Claims are subject to the payment of premium and the applicable excess (if any) as specified in the Policy Schedule.

Other key terms:

Additional benefits – there are a number of additional benefits available under the main covers. These additional benefits are set out in the PDS and are subject to separate monetary sub-limits and the conditions set out in the PDS.

Automatic additions – the material damage cover also covers newly purchased replacement items that are of a similar kind to those insured at the commencement of the Policy Period for 30 consecutive days from their acquisition. Claims for newly purchased items are subject to a separate monetary limit set out in the PDS.

Likely needs, objectives and financial situation of the target market

Material Damage Cover is designed for:

 	Likely needs and objectives A person or business that seeks protection for one or more Mobile Plant for the financial detriment or burden resulting from accidental loss or damage to, or theft of, their insured Mobile Plant.	Likely financial situation A person or business that is able to pay premiums in accordance with the chosen premium structure, and any excess in the event of a claim in accordance with the chosen excess option.
	Based on our assessment of the key terms, features and attributes, the Material Damage Cover is likely to be consistent with the needs, objectives and financial situation of customer's in the target market.	

Registered Insured Item Liability Cover is designed for:

 	Likely needs and objectives A person or business that would like protection for one or more Registered Insured Items for liability for: - Personal Injury to another person; and - Property Damage to someone else's property, arising from the use of their Registered Insured Items.	Likely financial situation A person or business that is able to pay premiums in accordance with the chosen premium structure, and any excess in the event of a claim in accordance with the chosen excess option.
	Based on our assessment of the key terms, features and attributes, the Registered Insured Item Liability Cover is likely to be consistent with the needs, objectives and financial situation of customer's in the target market.	

B. Ineligible Persons

Material Damage Cover is not designed for persons or businesses:

	• that do not operate a business with an establishment in Australia; or • whose Mobile Plant (including when it is a Registered Insured Item): - is not located in Australia; - is not used primarily in connection with their business activities; - is not of a make and model accepted by the Issuer; - if driven, is not either roadworthy or safe to drive; - is used in directional drilling over 100 metres from the commencement point of any drilling; or - is used on a barge; and is used for Dry Hire where the hire agreement includes a Damage Waiver. • whose Mobile Plant that is a Registered Insured Item: - is not registered with the relevant transport authority in Australia; - is used for experiment, testing, racing, trials or demonstration purposes; - is used for the conveyance of passengers for hire, fare or reward; - is used on rails or not on solid ground; - is used for the transportation of explosives, infectious substances or radioactive materials; or - is used in Airside Area of an airport handling commercial flights.
--	---

Registered Insured Item Liability Cover is not designed for persons or businesses:

	• that do not operate a business with an establishment in Australia; • who seeks liability cover for Mobile Plant that is not a Registered Insured Item; or • whose Registered Insured Item: - is not located in Australia; - is not used primarily in connection with their business activities; - is not of a make and model accepted by the Issuer; - if driven, are not roadworthy nor safe to drive; - is not registered with the relevant transport authority in Australia; - is used in directional drilling over 100 metres from the commencement point of any drilling; - is used on a barge; - is used for experiment, testing, racing, trials or demonstration purposes; - is used for the conveyance of passengers for hire, fare or reward; - is used on rails or not on solid ground; - is used for the transportation of explosives, infectious substances or radioactive materials; or - is used in Airside Area of an airport handling commercial flights.
---	--

C. Distribution

Distribution channels

Products under this TMD may be distributed through 360 as agent of the Issuer by:

- insurance brokers (that hold an Australian Financial Services Licence for dealing services in relation to general insurance and meet acceptability criteria set by the Issuer) who act on behalf of their customers
- 360 operates on behalf of the Issuer under an agency agreement with the Issuer and 360’s activities in relation to products under this TMD are monitored and supervised by the Issuer.
- 360 and it’s representatives (on behalf of the Issuer and in accordance with and within the scope of 360’s authority) receive and consider applications for products under this TMD from insurance brokers acting on behalf of customers.
- Products under this TMD must not be distributed directly to customers by 360.

Distribution conditions and restrictions

Products under this TMD can only be issued by 360 on behalf of the Issuer 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 Issuer approves the Application Process.

The Application Process has been tailored by the Issuer 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 by insurance brokers approved by 360 and the Issuer (**Approved Distributors**). Approved Distributors and their systems and processes are assessed and monitored by 360 (on behalf of the Issuer) and would therefore make it more likely that the Approved Distributor will comply with the terms of this TMD.

An Approved Distributor must not engage in retail distribution conduct in relation to the products covered by this TMD if the Issuer (or its agent, 360) has notified them or they are aware that, the TMD is no longer appropriate in accordance with ss994B(8) of the Corporations Act or has been replaced or the product has been suspended or is no longer offered.

Distribution information

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

(a) 360 to Issuer; and

(b) any insurance brokers to 360 (as agent of the Issuer)

Complaints	complaint information on a quarterly basis unless the Issuer has requested 360 to report more frequently.
Sales data	sales and customer information on a quarterly basis unless the Issuer has requested 360 to report more frequently.
Significant dealings	notification, within 10 business days, if it becomes aware of a significant dealing. 360 must immediately notify the Issuer if it receives a notification from any of its representatives and insurance brokers who act on behalf of customers.

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, the extent permitted by law or as otherwise agreed with the relevant person.

Any such permitted 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	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): • 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, to the extent these events or circumstances reasonably suggest the TMD is no longer appropriate.