

# FARM PACK – PLEASURE CRAFT INSURANCE

## Target Market Determination (TMD)

Effective Date: 5 October 2021

### About this document

This TMD applies to the **accidental damage and theft cover** and the **legal liability cover** described within 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**).

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><b>Pleasure Craft cover:</b></p> <p>This cover provides protection for persons that own a pleasure craft for:</p> <p>(a) the cost of repairs to, or replacement of, that pleasure craft if stolen or accidentally lost or damaged (<b>Accidental damage and theft cover</b>); and</p> <p>(b) liability for damage or destruction caused to another person or another person's property arising from the use of their pleasure craft (<b>Legal liability cover</b>).</p> <p>The accidental damage and theft cover and legal liability cover can only be purchased as part of Allianz's Farm Pack.</p>
Optional cover(s):	<p>The following additional cover(s) may be added to the main cover(s) by a customer:</p> <ul style="list-style-type: none"><li>- <b>Sailing Craft racing or trialling</b> – extends the accidental damage and theft cover to cover 75 per cent of the cost of repair, or replacement of, lost or damaged sails, masts, spars and rigging that occurs when the pleasure craft is competing in an organised race.</li><li>- <b>Water skiers</b> – extends the legal liability cover to include cover for death or bodily injury of a water skier, or death of or bodily injury to another person, or damage to another person's property, caused by a water skier whilst being towed by the pleasure craft.</li></ul> <p>Additional covers are subject to the limitations and exclusions set out in the PDS.</p>
Key eligibility criteria:	<p><b>Insured:</b></p> <ul style="list-style-type: none"><li>- owns or occupies a farm;</li><li>- conducts a farm business;</li><li>- owns the pleasure craft;</li><li>- has a licence to tow or drive the craft; and</li><li>- is not operating or being employed as a marina, shipyard, repair yard or slipway, yacht club, sales agency or similar organisation.</li></ul> <p><b>Pleasure craft is:</b></p> <ul style="list-style-type: none"><li>- (except for a renewal of an existing policy) less than 10 years old</li><li>- valued at less than \$65,000, including its motor and hull;</li><li>- designed with a maximum speed less than 50 knots;</li><li>- located in Australia, and registered with the relevant marine authority in Australia;</li><li>- seaworthy, safe to use and with no existing damage other than minor wear and tear;</li><li>- is used only for private use (as defined in the PDS); and</li><li>- not made of materials, or of a design or build, identified as ineligible during the Application Process.</li></ul>

<p><b>Key exclusions:</b></p>	<p>The accidental damage and theft cover and the legal liability cover has specific exclusions, including:</p> <p>(a) at the time of the loss or damage, injury, death or liability the pleasure craft:</p> <ul style="list-style-type: none"> <li>- was controlled by persons who were: <ul style="list-style-type: none"> <li>o unlicensed, or were not complying with their licence conditions;</li> <li>o under the influence of drugs or alcohol at the time of the accident or refused a test for drugs and alcohol;</li> </ul> </li> <li>- outside Australia or over 50 km from Australia's coast;</li> <li>- was used for any unsafe or non-permitted purpose, including being driven faster than the speed for which it was designed or being used for hire or charter</li> <li>- was used to tow water skiers (unless covered under Water Skiers Optional Cover);</li> <li>- was used for racing, speed tests or trials (unless covered under Sailing Race optional cover); and</li> <li>- had a number of passengers, or a load, that exceeded the permitted or designed limits, or was being used in an unsafe or unseaworthy condition.</li> </ul> <p><b>Accidental damage and theft cover only</b></p> <p>The accidental damage and theft cover has specific exclusions, including the following types of loss or damage:</p> <ul style="list-style-type: none"> <li>- mechanical or electrical repairs or breakdowns;</li> <li>- depreciation and wear and tear; and</li> <li>- inherent defects</li> <li>- loss or damage caused by the ordinary action of wind and waves; and</li> <li>- loss or damage caused by intentional, wilful, malicious or criminal acts of the insured, or with the consent of the insured.</li> </ul> <p><b>Legal liability cover only</b></p> <p>The legal liability cover has specific exclusions, including the following types of legal liability:</p> <ul style="list-style-type: none"> <li>- liability for the death or bodily injury of a water skier or the death or bodily injury to another person or damage to another person's property caused by a water skier towed by the pleasure craft (unless covered by the Water Skier Optional Cover);</li> <li>- liability for the death or injury to persons who are employed by, or are family members of, the insured;</li> <li>- liability for those engaged by the insured (whether directly or through an operator of a marina, shipyard, yacht club, sales agency or similar) to navigate or to act as an observer of the pleasure craft;</li> <li>- liability arising whilst the pleasure craft is attached to a trailer attached a vehicle; and</li> <li>- consequential loss (such as loss of use), or aggravated, exemplary or punitive damages or penalties.</li> </ul> <p>See also Limitations and Ineligible Persons below.</p>	
<p><b>Limitations:</b></p>	<p><b>Accidental damage and theft:</b></p> <p><b>Insured value</b> – Claims are subject to:</p> <ul style="list-style-type: none"> <li>- sums insured limits that apply to each part of the pleasure craft and also personal effects, which are specified in the policy schedule;</li> <li>- an aggregate sum insured limit of \$65,000; and</li> <li>- other limitations and conditions specified in the PDS and policy schedule.</li> </ul> <p><b>Sums insured limits</b> – can be adjusted (within a prescribed range) by a customer by:</p> <ul style="list-style-type: none"> <li>• increasing or decreasing the sum insured and other cover limits; and</li> <li>• specifying contents covered with separate limits,</li> </ul> <p>however, the aggregate sum insured limit cannot exceed \$65,000.</p> <p><b>Fulfilment options</b> – claims may be fulfilled either by repair, replacement or by a cash settlement payment depending on the circumstances.</p>	<p><b>Legal liability:</b></p> <p><b>Specified liability limit</b> – Claims for legal liability are subject to a liability limit which can be selected (within a prescribed range of options) by the insured and is specified in the policy schedule. Certain liability is excluded under this cover.</p> <p><b>Liability</b> – legal liability for death or physical injury does not cover liability that could be claimed under compulsory or statutory insurance policy or scheme.</p>
<p><b>Excess:</b></p>	<p>Claims are subject to the payment of an excess and premium.</p>	
<p><b>Other key terms:</b></p>	<p><b>Exclusion periods</b> – Loss or damage caused by bushfire and grassfire are subject to an initial exclusion period.</p>	


## Likely needs, objectives and financial situation

### Accidental damage and theft cover and legal liability cover is designed for:

          	<p><b>Likely needs and objectives</b></p> <p>Owners of a pleasure craft that want to:</p> <ul style="list-style-type: none"><li>- protect themselves against the financial detriment or burden resulting from accidental loss or damage to, or theft of, their pleasure craft;</li><li>- protect themselves (and persons acting as their navigator or observer) against liabilities for:<ul style="list-style-type: none"><li>o damage or destruction caused to another person's property; and</li><li>o the death or physical injury of another person, arising from an accident caused by their pleasure craft; and</li></ul></li><li>- protect themselves against liabilities for the cost of raising, removing or destroying their pleasure craft, or their liability for their failure to remove or destroy their craft, if wrecked.</li></ul>	<p><b>Likely financial situation</b></p> <p>Owners of a pleasure craft who are able to pay premiums in accordance with the chosen premium structure.</p>
<p>Based on our assessment of the key terms, features and attributes, the comprehensive cover is likely to be consistent with the needs, objectives and financial situation of customer's in the target market.</p>		

## B. Ineligible Persons

### Accidental damage and theft cover and legal liability cover is not designed for persons:

	<ul style="list-style-type: none"><li>• who do not own or operate a farm;</li><li>• who do not own a pleasure craft;</li><li>• whose pleasure craft is not located within Australia;</li><li>• whose pleasure craft is not registered with the relevant marine authority in Australia;</li><li>• whose pleasure craft is more than 10 years old;</li><li>• whose pleasure craft is valued at more than \$65,000;</li><li>• whose pleasure craft is designed with a maximum speed of more than 50 knots;</li><li>• whose pleasure craft is made of materials, or is of a design or build, that are identified as ineligible during the Application Process;</li><li>• whose pleasure craft is not seaworthy nor well maintained;</li><li>• who use their pleasure craft to tow water skiers unless the Water Skiers Optional Cover is selected; or</li><li>• who use their pleasure craft for racing, speed tests or trials unless covered under Sailing Race optional cover.</li></ul>
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## C. Distribution

### Distribution channels

Other than for a renewal of an existing product under this TMD, products under this TMD may be distributed through any of the following means:

- our third-party distributors; and
- by a broker under a general advice model

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

- by calling our contact centres
- our third party distributors and brokers
- general advice model

All of these channels are monitored by 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 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 the Issuer, or by distributors approved by the Issuer (**Approved Distributors**). Approved Distributors and their systems and processes are assessed and monitored by the Issuer, and therefore the either the direct distribution by the Issuer or distribution by Approved Distributors would make it more likely that the Approved Distributor will comply with the terms of this TMD.

### Distribution information

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

Complaints	all complaints in relation to this TMD on a quarterly basis to the Issuer unless the Issuer has requested a distributor to report more frequently. This will include written details of the complaints.
Sales data	report relevant sales and customer data in relation to this TMD on a quarterly basis to the Issuer unless the Issuer has requested a distributor to report more frequently.
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"><li>• a material change to the design or distribution of a product, including material changes to policy documentation or the PDS;</li><li>• a material alteration to acceptance criteria or underwriting criteria, and the Application Process;</li><li>• identified systemic issues in the product or the distribution of the product;</li><li>• relevant material external events such as relevant litigation or adverse media coverage;</li><li>• relevant feedback, information or notification received from a distributor, regulator such as ASIC or APRA or other interested parties;</li><li>• significant changes in metrics. These include sales, policy cancellations, lapses in renewals, claims, complaints and loss ratios; and</li><li>• any significant dealings that are inconsistent with the TMD,</li></ul> <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:

- Allianz Farm Pack Policy (POL065BA/FI)
- Allianz Farm Pack Policy – Arthur J Gallagher (POL1034BA/AJG)
- Allianz Farm Pack Policy – Steadfast Branded (POL886BA/SF)
- Austbroker Farm Pack Policy (POL1081BA/AUST)
- Insurance Advisernet Farm Pack Policy (POL1083BA/IAA)