

# TIO HOUSE AND CONTENTS INSURANCE

## Target Market Determination (TMD)

Effective Date: 14 January 2025

### About this document

This Target Market Determination (**TMD**) applies to the **home building cover** and the **home contents cover** described in the Product Disclosure Statements listed in Appendix 1 (**PDSs**) that have been underwritten by Allianz Australia Insurance Limited ABN 15 000 122 850 AFS Licence No. 234708 (the **Insurer**) through its division Territory Insurance Office (**TIO**).

Policies are entered into in accordance with the terms, conditions, limits and exclusions set out in the PDS, the policy schedule and any other documents that form part of the policy (**Policy Documents**).

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 Insurer's underwriting criteria on application.

For further information on the Insurer's approach to the distribution and development of products for appropriate target markets go to [tiofi.com.au](http://tiofi.com.au)

## A. Target Market

### Product description (including key attributes)

Main cover(s):	<p><b>Home building cover:</b></p> <p>This cover provides cover for persons that own and occupy a home building for:</p> <ul style="list-style-type: none"> <li>- the cost of repairing or rebuilding their home building if it is damaged or destroyed by certain insured events; and</li> <li>- certain legal liability incurred as an owner of that home building if they are found liable for paying compensation following an accident.</li> </ul>	<p><b>Home contents cover:</b></p> <p>This cover provides cover for persons who occupy a home building for:</p> <ul style="list-style-type: none"> <li>- the cost of repairing or replacing their home contents if they are stolen, damaged or destroyed by certain insured events;</li> <li>- where the insured address is a lot or unit in a strata title development, fixtures, fittings and/or structural improvements which the insured person is legally responsible for or are owned by the insured person and not insurable by the body corporate; and</li> <li>- certain legal liability cover if they are found liable for paying compensation following an accident. Liability incurred as owner of the buildings is not covered unless the insured address is a lot or unit in a strata title development.</li> </ul>
Insured events:	<p>The home building cover and the home contents cover may be purchased together or separately.</p> <p>The home building cover and the home contents cover provide cover against certain unexpected insured events, including:</p> <ul style="list-style-type: none"> <li>• fire and smoke (including bushfires and grassfires);</li> <li>• storm, storm surge, cyclone or rainwater;</li> <li>• water or other liquid damage;</li> <li>• theft or burglary;</li> <li>• explosion;</li> <li>• accidental breakage of certain glass or ceramic items (such as window, cooking surface, sink or toilet);</li> <li>• impact damage;</li> <li>• vandalism or malicious damage;</li> <li>• lightning;</li> <li>• earthquake or tsunami;</li> <li>• riot or civil commotion;</li> <li>• flood and/or run-off; and</li> <li>• motor burnout.</li> </ul>	
Optional cover(s):	<p>Not all unexpected events are covered by the home building cover and home contents cover. Where available, certain optional covers may be added to the main covers by a customer:</p> <p><b>Accidental damage</b> – extends cover to include accidental damage occurring at the home building and anywhere in Australia for up to 90 continuous days.</p> <p><b>Disaster Cover</b> – for home building cover, claims for the repair or replacement of the building can exceed the sums insured limit by up to 30% if the loss or damage is caused by a named cyclone (including storm surge), flood and/or run-off; or earthquake (including tsunami). This option cover does not increase the applicable sums insured limit.</p> <p><b>Portable contents</b> – extends the home contents cover to certain home contents when outside the home building in Australia and, for up to a maximum of 120 consecutive days, outside Australia.</p> <p>Optional covers are subject to the terms, conditions, limit and exclusions set out in the Policy Documents.</p>	
Key eligibility criteria:	<p><b>Home building cover:</b></p> <p><b>Insured:</b></p> <ul style="list-style-type: none"> <li>- owns and occupies the home building.</li> </ul> <p><b>Building is:</b></p> <ul style="list-style-type: none"> <li>- located in the Northern Territory;</li> <li>- not vacant for more than 60 consecutive days unless agreed by the Insurer; and</li> <li>- not poorly constructed, badly maintained nor subject to a demolition order.</li> </ul>	<p><b>Home contents cover:</b></p> <p><b>Insured:</b></p> <ul style="list-style-type: none"> <li>- occupies the home building.</li> </ul> <p><b>Building is:</b></p> <ul style="list-style-type: none"> <li>- located in the Northern Territory;</li> <li>- not vacant for more than 60 consecutive days unless agreed by the Insurer; and</li> <li>- not poorly constructed, badly maintained nor subject to a demolition order.</li> </ul>

<b>Key exclusions:</b>	<p>The home building cover and home contents cover have specific coverage and exclusions, including:</p> <ul style="list-style-type: none"> <li>- no cover for events that are not insured events. For example, there is no cover for actions of the sea, coal seam gas, nuclear radiation, terrorism and war;</li> <li>- wear and tear and inherent defects;</li> <li>- loss or damage caused by a gradual escape of water or other liquid over time. For example, water from a shower or repair or the replacement of any defective parts causing damage or to any broken main or pipes; and</li> <li>- liability in connection with a business, trade or profession.</li> </ul> <p>See also Limitations and Ineligible Persons below.</p>
<b>Limitations:</b>	<p>Claims are subject to sums insured limits, as specified in the Policy Documents. Some of these limits can be adjusted (within a prescribed range) by a customer.</p> <p>Claims for legal liability are subject to a per event cap.</p> <p>Claims may be settled either by repair, replacement or by a cash settlement payment at the Insurer's discretion (acting reasonably) and are subject to the terms, conditions limits and exclusions set out in the Policy Documents.</p>
<b>Excess:</b>	<p>Claims are subject to the payment of premium and excess, as specified in the Policy Documents.</p> <p>Basic excess can be adjusted (within a prescribed range) by a customer.</p>
<b>Other key terms:</b>	<p><b>Exclusion periods</b> – loss or damage caused by cyclone, flood, flood water combined with run-off and/or rainwater, or storm surge may be subject to an exclusion period of 72 hours.</p>

## Likely needs, objectives and financial situation

### Home building cover is designed for:

	<p><b>Likely needs and objectives</b></p> <p>Persons that own and occupy their home building that want cover against:</p> <ul style="list-style-type: none"> <li>- the financial detriment or burden resulting from loss or damage to their home building caused by certain unexpected insured events, such as flood and/or run-off; fire and theft; and</li> <li>- certain legal liability resulting from their ownership of the home building.</li> </ul>
	<p><b>Likely financial situation</b></p> <p>Persons who are 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.</p> <p>Based on our assessment of the key terms, features and attributes, the home building cover is likely to be consistent with the needs, objectives and financial situation of customer's in the target market.</p>

### Home contents cover is designed for:

	<p><b>Likely needs and objectives</b></p> <p>Persons that occupy a home building that want cover against:</p> <ul style="list-style-type: none"> <li>- the financial detriment or burden resulting from the loss or damage of their home contents from an unexpected insured event, such as flood and/or run-off; fire, theft; and</li> <li>- certain legal liability resulting from ownership of their home contents,</li> </ul> <p><b>AND</b>, if the home building forms part of a strata title:</p> <ul style="list-style-type: none"> <li>- certain legal liability they incur as owner of the home building if they own the home building; and</li> <li>- loss or damage to fixtures, fittings and structural improvements to the extent that they cannot be covered by the body corporate strata insurance.</li> </ul>
	<p><b>Likely financial situation</b></p> <p>Persons who are 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.</p> <p>Based on our assessment of the key terms, features and attributes, the home contents cover is likely to be consistent with the needs, objectives and financial situation of customer's in the target market.</p>

## B. Ineligible Persons

### Home building cover is not designed for persons:

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- whose building is located outside the Northern Territory;
  - who own a residential flat, home unit, terrace or townhouse that forms part of an active strata title or similar development, or a guesthouse, boarding house, hotel, motel, hostel, nursing home, retirement village, home caravan or mobile home unless accepted by the Insurer;
  - who lease or rent out their home building on a commercial basis;
  - who operate a business, trade or profession (other than a home office) from their home building unless a specific business purpose is permitted by the Insurer;
  - whose home building is located on a farm or hobby farm unless permitted by the Insurer;
  - who are constructing their home building unless that construction is permitted by the Insurer;
  - who are making significant alterations, additions, demolition, repairs or decorations to their home building unless permitted by the Insurer; or
  - whose home buildings are poorly constructed, badly maintained or subject to a demolition order.
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### Home contents cover is not designed for persons:

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- whose building is located outside the Northern Territory;
  - who want cover for items that are not typically used for domestic purposes and kept in or around a home building, such as aircraft, boats and farm vehicles and equipment;
  - who lease or rent out their home building on a commercial basis;
  - who operate a business, trade or profession (other than a home office) from their home building unless a specific business purpose is permitted by the Insurer;
  - whose home building is located on a farm or hobby farm unless permitted by the Insurer;
  - who are constructing their home building unless the construction is permitted by the Insurer;
  - who are making significant alternations, additions, demolition, repairs or decorations to their home building unless permitted by the Insurer; or
  - whose home contents are located in a home building that is poorly constructed, badly maintained or subject to a demolition order.
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## C. Distribution

### Distribution channels

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

- in-store branches and agencies
- other third-party distributors
- general advice, limited personal advice or personal advice model

All of these channels are monitored by the Insurer through its TIO division 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 Insurer through its TIO division 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 Insurer through its TIO division, or by distributors approved by the Insurer through its TIO division (**Approved Distributors**). Approved Distributors and their systems and processes are assessed and monitored by the Insurer, and therefore either the direct distribution by the Insurer through its TIO division 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 Insurer unless the Insurer through its TIO division 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 Insurer through its TIO division unless the Insurer has requested a distributor to report more frequently.
Significant dealings	notification, within 10 business days, if they become aware of a significant dealing in relation to this TMD that is inconsistent with this TMD.

### Other

In addition to the distribution conditions, restrictions and information set out above, the Insurer 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 the Insurer or is notified to it 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 **home building cover** and the **home contents cover** described in the Product Disclosure Statements (**PDSs**) listed below and any related Supplementary Product Disclosure Statements:

- TIO House and Contents Insurance POL1364TIO
- TIO House and Contents Insurance – Gallagher POL1366TIO/AJG