

LANDLORD – BUILDING AND CONTENTS INSURANCE – WITHOUT FLOOD AND/OR RUN-OFF COVER

Target Market Determination (TMD)

Effective Date: 14 January 2025

About this document

This Target Market Determination (**TMD**) applies to the **building cover** and the **contents cover** described in the Product Disclosure Statements listed in Appendix 1 (**PDSs**) and the Supplementary PDSs applicable to each PDS for policies underwritten by Allianz Australia Insurance Limited ABN 15 000 122 850 AFS Licence No. 234708 (the **Insurer**).

Policies are entered into in accordance with the terms, conditions, limits and exclusions set out in the PDS, SPDS, 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, and SPDSs 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, and SPDSs. A customer should refer to the applicable PDS and SPDS 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 <https://www.allianz.com.au>.

A. Target Market



Product description (including key attributes)

Main cover(s):	Building cover:	Contents cover:
	<p>This cover provides cover for persons that own a residential building which they rent out to a residential tenant to cover:</p> <ul style="list-style-type: none">- the cost of repairing or rebuilding their building if it is damaged or destroyed by certain insured events;- the loss of rent resulting from their building being uninhabitable or inaccessible because of damage or destruction to the building caused by an insured event; and- certain legal liability incurred by the landlord as owner of that building if they are found liable for paying compensation following an accident.	<p>This cover provides cover for persons that own a residential building which they rent out to a residential tenant to cover:</p> <ul style="list-style-type: none">- the cost of repairing or replacing the landlord's contents if stolen, damaged or destroyed by certain insured events; and- 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. <p>Where the insured address is a lot or unit in a strata title development, contents cover also provides cover for:</p> <ul style="list-style-type: none">- the loss of rent resulting from their building being uninhabitable or inaccessible because of damage or destruction to the building caused by an insured event; and- 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.
	<p>The building cover and the contents cover may be purchased together or separately.</p>	
Insured events:	<p>The building cover and the contents cover provide cover against certain unexpected insured events. For example:</p> <ul style="list-style-type: none">• fire and smoke (including bushfires and grassfires);• storm, cyclone or rainwater;• water or other liquid damage;• theft, burglary or housebreaking;• explosion;• accidental breakage of certain glass or ceramic items (such as window, cooking surface, sink or toilet);• impact damage;• lightning or thunderbolt;• earthquake or tsunami; and• riot or civil commotion. <p>Note: The policies covered by this TMD do not provide cover for the flood and/or run-off insured event in the PDS. See the relevant SPDS, which must be read together with the PDS, for details.</p> <p>At the request of a customer, the Insurer may adjust the insured events under the building cover and contents cover. These adjustments will be specifically disclosed to, and be agreed to by, the Insured and will be set out in an SPDS.</p>	
Optional cover(s):	<p>Not all unexpected events are covered by building cover and/or contents cover. Where available, certain optional covers may be added to the main covers by a customer:</p> <p>Accidental loss or damage by tenants – cover for accidental loss or damage to the landlord's building and/or contents caused by a tenant or their invitees.</p> <p>Rent Default and Theft by Tenant – cover for loss of rent resulting from a tenant's payment default, death or hardship and loss or damage to the landlord's building or contents as a result of theft, burglary or housebreaking by a tenant or their invitees.</p> <p>Landlord's workers compensation – extends the persons covered by the legal liability cover provided under the building cover and the landlord's contents cover to include liability for domestic workers whilst working at the landlord's building, such as a cleaner or gardener. This optional cover is only available if building is located in ACT, WA and TAS.</p> <p>Not all optional covers are available under each PDS captured by this TMD. Optional covers are subject to the terms, conditions, limits and exclusions set out in the Policy Documents.</p>	

<p>Key eligibility criteria:</p>	<p>The building and contents cover described in the PDS and SPDS, is only available to existing customers of the Insurer that don't have flood cover at the time that they are renewing their policy and who meet specific eligibility criteria relating to the risk of flood at their property. It is available to these customers at renewal only and is not available to new customers entering into a policy for the first time.</p> <p>Other eligibility criteria include:</p> <p>Insured:</p> <ul style="list-style-type: none"> - owns the building; and - (unless a renewal of cover) is not owed more than two weeks rent from their tenant, or is not in dispute with their tenant. <p>Building is:</p> <ul style="list-style-type: none"> - a residential building; - not vacant for more than 60 consecutive days unless agreed by the Insurer; and - well-maintained, watertight, and structurally sound and secure.
<p>Key exclusions:</p>	<p>The building cover and contents cover have specific coverage and exclusions, including:</p> <ul style="list-style-type: none"> - no cover for events that are not insured events or cover that is excluded by the policy. For example, there is no cover for flood, run-off, or flood water combined with run-off and/or rainwater (except limited cover up to a maximum of \$10,000 under the Disaster resilience payment applicable to Home buildings cover only set out in the SPDS), storm surge and actions of the sea, coal seam gas, nuclear radiation, terrorism and war; - wear and tear and inherent defects; - where applicable under a PDS, loss or damage resulting from repairs or maintenance carried out by a tenant; - where applicable under a PDS, loss or damage to building and/or landlord's contents to where no documented property inspection report has been recorded; - 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 - liability in connection with a business, trade or profession; - where applicable under a PDS, contents when they are in internal or external common areas. <p>See also Limitations and Ineligible Persons below.</p>
<p>Limitations:</p>	<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>Other claims limitations and conditions are specified in the Policy Documents.</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>
<p>Excess:</p>	<p>Unless otherwise specified in the Policy Documents, claims are subject to the payment of premium and excess, as specified in the Policy Documents. Basic excess can be adjusted (within a prescribed range) by a customer.</p>
<p>Other key terms:</p>	<p>Exclusion periods – loss or damage caused by cyclone, grassfires and bushfires may be subject to an exclusion period of 72 hours.</p> <p>Landlord's contents – where a customer has only buildings cover, certain landlord's contents are covered (up to the amount stated in the PDS) to the extent those contents are lost or damaged in connection with an insured event that is covered under the building cover.</p> <p>Rental costs after an insured event and Rent Default and Theft by Tenant – (if applicable under a PDS) a written lease or rental agreement must be in place to make a claim for loss of rent in relation to these covers.</p>

Likely needs, objectives and financial situation

Building cover without flood and/or run-off cover is designed for:

	<p>Likely needs and objectives</p> <p>Persons that own a residential building that they rent out to a residential tenant that want cover against:</p> <ul style="list-style-type: none"> - the financial detriment or burden resulting from loss or damage to their building caused by certain unexpected insured events, such as fire and theft but not flood and/or run-off; - the loss of rent as a result of their building being uninhabitable or inaccessible because of such loss or damage to their building caused by an insured event; and - certain legal liability resulting from their ownership of the building.
	<p>Likely financial situation</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>Persons who are able to bear financial losses associated with flood and/or run-off themselves on an uninsured basis beyond the limited cover provided under the Disaster resilience payment set out in the SPDS.</p> <p>Based on our assessment of the key terms, features and attributes, the building cover is likely to be consistent with the needs, objectives and financial situation of customer's in the target market.</p>

Contents cover without flood and/or run-off cover is designed for:



Likely needs and objectives

Persons that own a residential building that they rent out to a residential tenant that want cover against:

- the financial detriment or burden resulting from the loss or damage of the landlord's contents from an unexpected insured event, such as fire, theft but not flood and/or run-off; and
- certain legal liability resulting from ownership of the landlord contents;

AND, if their building forms part of a strata title:

- loss of rent resulting from the building being uninhabitable or inaccessible because of damage or destruction to the building caused by an insured event;
- certain legal liability they incur as owner of the building; and
- loss or damage to the landlord's fixtures, fittings and structural improvements,

to the extent they cannot be covered by the body corporate strata insurance.

Likely financial situation

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.

Persons who are able to bear financial losses associated with flood and/or run-off themselves on an uninsured basis.

Based on our assessment of the key terms, features and attributes, the contents cover is likely to be consistent with the needs, objectives and financial situation of customer's in the target market.



B. Ineligible Persons

Building cover without flood and/or run-off cover is not designed for persons:



- that 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 unit, home caravan or mobile home unless accepted by the Insurer;
- that wholly or partly lease or rent their building or land as a holiday let unless permitted by the Insurer;
- that lease or rent out their building on a commercial basis;
- that operate a business, trade or profession (other than a home office) from their building unless a specific business purpose is permitted by the Insurer;
- whose building is located on a farm or hobby farm unless permitted by the Insurer;
- whose building is under construction, reconstruction or subject to a demolition order;
- that are making significant repairs or improvements to their building unless permitted by the Insurer;
- whose building is not well-maintained, watertight, structurally sound or secure; or
- who require cover for loss or damage caused by flood, run-off or flood water combined with run-off and/or rainwater beyond the limited cover provided under the Disaster Resilience Payment set out in the SPDS.

Contents cover without flood and/or run-off cover is not designed for persons:



- that want cover for contents owned by the tenant of their building;
- that want cover for items that are not provided to tenants for domestic purposes and kept in or around a building. For example, aircraft, boats and farm vehicles and equipment;
- that wholly or partly lease or rent their building or land as a holiday let unless permitted by the Insurer;
- that lease or rent out their building on a commercial basis;
- that operate a business, trade or profession (other than a home office) from their building unless that use is permitted by the Insurer;
- whose building is located on a farm or hobby farm unless permitted by the Insurer;
- whose building is under construction, reconstruction or subject to a demolition order;
- that making significant repairs or improvements to their building unless permitted by the Insurer;
- whose landlord's contents are located in a building that is not well-maintained, nor watertight, structurally sound or secure; or
- who require cover for loss or damage caused by flood, run-off or flood water combined with run-off and/or rainwater.

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 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 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, or by distributors approved by the Insurer (**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 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 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 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	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): <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, to the extent these events or circumstances reasonably suggest the TMD is no longer appropriate.

Appendix

This TMD applies to the **building cover** and the **contents cover** described in the Product Disclosure Statements (**PDSs**) listed below and any related Supplementary Product Disclosure Statements:

- Allianz Landlord Insurance POL1356BA
- Austbrokers Landlord Insurance POL1360BA/AUST
- Gallagher Landlord Insurance POL1362BA/AJG
- Insurance Advisernet Landlord Insurance POL1361BA/IAA