

# FARM PACK – HOME BUILDING AND HOME CONTENTS INSURANCE

## Target Market Determination (TMD)

Effective Date: 5 October 2021

### About this document

This TMD applies to the **home building cover** and the **home contents 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):	Home building cover:	Home contents cover:
	<p>This cover provides protection for persons that own a home building and a farm for:</p> <ul style="list-style-type: none"><li>- the costs of repairing or rebuilding their home building if it is damaged or destroyed by either:<ul style="list-style-type: none"><li>• accidental loss and damage; or</li><li>• certain insured events; and</li></ul></li><li>- certain liability incurred as owner of that home building.</li></ul>	<p>This cover provides protection for persons that own and/or occupy a home building:</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 either:<ul style="list-style-type: none"><li>• accidental loss and damage; or</li><li>• certain insured events; and</li></ul></li><li>- certain legal liability incurred as an owner of those home contents.</li></ul>
	<p>This home building cover and home contents cover can only be purchased together or separately as part of the Issuer's Farm Pack.</p>	
Insured events:	<p>The home building and home contents cover provide protection against either of the following options, which the customer selects during the Application Process:</p> <ul style="list-style-type: none"><li>• accidental loss or damage only;</li></ul> <p><b>OR</b></p> <ul style="list-style-type: none"><li>• loss or damage caused by certain unexpected insured events including (subject to policy limitations):<ul style="list-style-type: none"><li>- fire or smoke;</li><li>- storm, cyclone, rainwater or run-off;</li><li>- water or other liquid damage;</li><li>- theft and burglary;</li><li>- explosion;</li><li>- accidental breakage of certain glass or ceramic items (such as a window, cooking surface, sink or toilet);</li><li>- impact damage;</li><li>- malicious damage;</li><li>- lightning or thunderbolt;</li><li>- malicious damage;</li><li>- earthquake or tsunami;</li><li>- riot and civil commotion; and</li><li>- landslide and subsistence.</li></ul></li></ul>	
Key eligibility criteria:	<p><b>Insured:</b></p> <ul style="list-style-type: none"><li>- for home building cover, owner of the home building; and</li><li>- for home contents cover, owner/occupier or tenant of the home building.</li></ul> <p><b>Home building:</b></p> <ul style="list-style-type: none"><li>- is occupied or attended by either the home owner or their tenant; and</li><li>- is well-maintained, watertight, and structurally sound and secure.</li></ul>	

Key exclusions:	<p>The PDS for the home building cover and home contents cover has 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 flood, storm surge and actions of the sea, 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>- malicious or criminal acts (including theft) by tenants, invitees and employees;</li> <li>- theft by the insured's tenant or invitees;</li> <li>- lawful seizure;</li> <li>- loss or damage resulting from mechanical or electrical failures or malfunctions and computer faults and viruses;</li> <li>- injury to persons who are employed by or normally live with the insured;</li> <li>- possession or use of aircraft or other aerial devices, vehicles, watercraft or firearms;</li> <li>- any liability associated with the existence of asbestos or pollutants;</li> <li>- horse riding activities;</li> <li>- breach of copyright, defamation or assault or liability under any compulsory or statutory policy or scheme; and</li> <li>- consequential loss or aggravated, exemplary or punitive damages or penalties.</li> </ul> <p>See also Limitations and Ineligible Persons below.</p>
Limitations:	<p>Claims are subject to the sums insured limits, as specified in the PDS and policy schedule. These limits can be adjusted (within a prescribed range) by a customer.</p> <p>Claims for liability are subject to a cap of \$20,000,000 per event. Claims may be fulfilled either by repair, replacement (where applicable) or by a cash settlement payment depending on the circumstances and are subject to the terms and conditions of the PDS.</p>
Excess:	<p>Claims are subject to the payment of premium and excess, as specified in the PDS and policy schedule.</p> <p>Excess can be adjusted (within a prescribed range) by a customer.</p>
Other key terms:	<p><b>Exclusion periods</b> – loss or damage caused by cyclone, flood, grassfires and bushfires may be subject to an initial exclusion period.</p> <p><b>Home contents</b> – subject to limits and exclusions in the PDS, home contents cover includes cover for certain items in the open air, a safe deposit box and at boarding school with the insured's children.</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 a home building (either as an owner/occupier or a landlord) that want to protect themselves 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 either:<ul style="list-style-type: none"><li>o accidental loss and damage only; or</li><li>o certain unexpected insured events, such as fire and theft; and</li></ul></li><li>- liabilities arising from their ownership of a 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 contents cover is likely to be consistent with the needs, objectives and financial situation of customer's in the target market.</p>
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### Home contents cover is designed for:

	<p><b>Likely needs and objectives</b></p> <p>Persons that occupy a home building that want to protect themselves against:</p> <ul style="list-style-type: none"><li>- the financial detriment or burden resulting from loss or damage to their home contents caused by either:<ul style="list-style-type: none"><li>o accidental loss and damage only; or</li><li>o certain unexpected insured events, such as fire and theft; and</li></ul></li><li>- legal liability resulting from ownership of their home contents.</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>
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## B. Ineligible Persons

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

	<ul style="list-style-type: none"><li>• who do not own a farm;</li><li>• whose home building is a caravan or mobile home;</li><li>• whose home building is not permanently occupied or attended to;</li><li>• that use their home building to earn an income or for commercial purposes, except for a home office;</li><li>• that are constructing their home building;</li><li>• that are demolishing or in the process of making significant repairs or improvements to their home or land; or</li><li>• whose home buildings are not well-maintained, structurally sound or secure.</li></ul>
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### Home contents cover is not designed for persons:

	<ul style="list-style-type: none"><li>• that want cover for items that are not typically used for domestic purposes or kept in or around a home building, such as cars, aircraft, trailers, boats and farm vehicles, machinery, tools and equipment;</li><li>• whose home building is a caravan or mobile home;</li><li>• whose home building is not permanently occupied or attended to;</li><li>• whose home building is being used to earn an income or for a commercial purpose (other than a home office);</li><li>• that are demolishing or in the process of making significant repairs or improvements to their home or land; or</li><li>• whose home buildings are not well-maintained, structurally sound or secure.</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 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 **home building cover** and **home contents cover** described in the Product Disclosure Statements (**PDSs**) listed below and any related Supplementary Product Disclosure Statements:

- Allianz Farm Pack PDS (POL065BA/FI 02/21)
- Allianz Farm Pack Policy – Arthur J Gallagher (POL1034BA/AJG 02/21)
- Allianz Farm Pack Policy – Steadfast Branded (POL886BA/SF 02/21)
- Austbroker Farm Pack Policy (POL1081BA/AUST 02/21)
- Insurance Advisernet Farm Pack Policy (POL1083BA/IAA 02/21)