

Target Market Determination (TMD)

Contents Insurance



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Product Disclosure Statement (PDS):	Apia Apartment Style Residence Insurance Product Disclosure Statement – PDS prepared 3 November 2020
Product:	Contents Insurance
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1. What is a Target Market Determination?

A Target Market Determination (TMD) is a determination that Apia has made to:

- describe the class of Customers this product has been designed for;
- specify product distribution conditions;
- specify TMD review periods and triggers; and
- set out reporting requirements.

This TMD assists Apia staff, our Distributors and Customers in understanding the target market for this product.

In this TMD, distribution includes the following conduct in relation to retail Customers:

- dealing in the product (e.g. issuing or arranging for the product to be issued to a Customer);
- giving a PDS or other regulated disclosure document; and
- providing financial product advice in relation to the product.

2. What product does this TMD apply to?

This TMD applies to the Contents cover in the Apia Apartment Style Residence Insurance Product Disclosure Statement (PDS) and any Supplementary Product Disclosure Statement (SPDS) we may issue.

3. What are the key attributes of this product?

Summary of Key Product Attributes	<p>This product provides:</p> <ul style="list-style-type: none">• cover for loss or damage to the Customer's contents during the period of insurance caused by a range of insured events including flood, storm, fire (including bushfire), escape of liquid, and theft or burglary;• legal liability cover for having to pay compensation for death or bodily injury to other people, or loss or damage to their property arising from an incident which:<ul style="list-style-type: none">– is unrelated to the ownership of the apartment at the insured address;– relates to the ownership of the apartment at the insured address when the legal liability is not covered under a building policy covering the apartment;– relates to fixtures and fittings attached to the insured address the Customer is legally responsible for under a rental agreement. <p>For full details of the cover available in this product, including the conditions and exclusions that apply, Apia staff, our Distributors and Customers should read the PDS which can be found at www.apia.com.au.</p>
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4. What is the target market for this product?

This product is designed to be consistent with the likely objectives, financial situation and needs of Customers who:

Eligibility	<ul style="list-style-type: none">• want to insure their contents items (which are primarily used for domestic purposes) as an owner occupier of the apartment within a multi storey building the contents are being kept in. Customers may rent out bedrooms while they continue to live in the apartment. There is limited cover available if the entire apartment is used for short-term rental or holiday letting (including arrangements booked through an online booking platform);• are living in an apartment within a multi-storey building as a permanent tenant, who wants to insure their contents items (which are primarily used for domestic purposes) kept in the apartment;• are over 50 years of age at the time of taking out a new policy (or their partner is); and• have contents that meets our underwriting criteria including:<ul style="list-style-type: none">– are located within an acceptable postcode;– are kept in an acceptable type of building; and– are kept in an apartment that:<ul style="list-style-type: none">• is well maintained and in good condition; and• is not primarily used to run a business from or the business activity meets our acceptance criteria.
Customer objectives, financial situation and needs	<ul style="list-style-type: none">• require and seek financial protection for loss or damage to the contents due to an insured event not excluded by this product, including flood, storm, fire (including bushfire), escape of liquid and theft or burglary;• require and seek legal liability cover for having to pay compensation for death or bodily injury to other people, or loss or damage to their property arising from an incident which:<ul style="list-style-type: none">– is unrelated to the ownership of the apartment at the insured address;– relates to the ownership of the apartment at the insured address when the legal liability is not covered under a building policy covering the apartment;– relates to fixtures and fittings attached to the insured address the Customer is legally responsible for under a rental agreement.

This product is likely to be consistent with the objectives, financial situation and needs of the Customers in the target market because:

- the product provides cover for the types of loss or damage that Customers in the target market are seeking to insure against; and
- the target market for the product covers those Customers who are eligible to receive cover.

5. When will we review this TMD?

We will complete a review of this TMD for this product by no later than the following periods:

- a. First review period:
2 years after the original date of the TMD.
- b. Ongoing review periods:
At least every 2 years following the first review period.

6. Other circumstances which will trigger a TMD review

The Review Triggers for this product are:

- if one or more terms of the product are altered and we consider that this alteration reasonably suggests that this TMD is no longer appropriate;
- an event or circumstance occurs that materially changes a factor taken into account when making the TMD that would suggest to us that the TMD is no longer appropriate, such as a change in underwriting requirements;
- the discovery of a material defect in the PDS which reasonably suggests that the TMD is no longer appropriate;
- if feedback, such as significant or systemic complaints or claims issues, is received from a Distributor or Customers who purchased the product, and we consider that this reasonably suggests to us the TMD is no longer appropriate;
- if feedback, regulatory orders or directions received from a regulator, the Code Governance Committee (CGC) or Australian Financial Complaints Authority (AFCA) suggest this TMD is no longer appropriate;
- if a change in law, regulation, or regulatory guidance materially affects the product design or distribution of the product (or class of products that includes this product) where we consider that this reasonably suggests that this TMD is no longer appropriate;
- where significant dealings outside the TMD occurs, and we consider that this reasonably suggests that this TMD is no longer appropriate;
- if a remediation event relating to this product occurs where we consider this would reasonably suggest that:
 - this product is unsuitable for a particular cohort of Customers; and
 - the TMD may no longer be appropriate.
- if we consider that the claims data for the product reasonably suggests that this TMD is no longer appropriate.

7. What distribution conditions apply to this product?

The following conditions apply to this product:

- those Distributors who distribute the product are required to be authorised by us to distribute this product and those arrangements must not be cancelled or suspended;
- this product must only be distributed in accordance with this TMD;
- distribution of this product must comply with all of our underwriting criteria;
- distribution of this product must be conducted through our online platform, contact centres and in-store sales pursuant to specific channel distribution requirements;
- this product cannot be distributed where this TMD is not up to date and no new TMD has been published; and
- the TMD must be current and not subject to any ASIC action that might suggest that the TMD is no longer appropriate.

These distribution conditions make it likely Customers who are issued the product are in the target market because they are supported by reasonably appropriate platform controls, training and scripting designed to ensure that the product is distributed to persons within the target market.

8. When do Third Party Distributors who distribute our products need to report complaints about this product to us?*

Third Party Distributors who distribute our products need to provide us information on complaints made about this product on a Quarterly basis (Complaints Reporting Period).

Third Party Distributors who distribute our products are required to provide to us this complaints information within 10 business days of the end of the Complaints Reporting Period.

All complaints lodged with us are handled in accordance with Suncorp's Group Complaint Management Standard.

*This section 8 only applies to products distributed by Third Party Distributors

9. Information to assess TMDs and reporting periods

The table below sets out the kinds of information we need to identify, or those that Distributors who distribute our product need to provide to us, to enable us to ensure that the TMD for this product continues to be appropriate.

Information	Persons required to report	Reporting period
Complaints feedback including: <ul style="list-style-type: none"> • Nature of complaints • Number of complaints • Product category 	Distributors / Issuer	Quarterly
Claims data including: <ul style="list-style-type: none"> • Average claims costs • Claims acceptance rates • Claims frequency • Loss ratios 	Issuer	Quarterly
Annual Product Review outcomes	Issuer	Annually
Sales information including: <ul style="list-style-type: none"> • Strike rates • Cancellation rates • Exception reporting 	Issuer	Quarterly
Dealings of product outside of TMD	Distributors / Issuer	As soon as practicable but within 10 business days
Any feedback, regulatory orders or directions received from a regulator, CGC or AFCA in respect of the product or its distribution	Distributors / Issuer	As soon as practicable but within 10 business days