

# Landlord and Short Stay Insurance

Target Market Determination (TMD)

1 May 2024



# RAA Landlord and Short Stay Insurance Target Market Determination (TMD)

For each RAA Insurance product we are required to make a determination as to who our target market is by considering the attributes of the product together with the likely need, objectives and financial situation of persons in the target market. This helps to ensure our products continue to be designed and distributed for the benefit of our customers. In this document 'RAA Insurance', 'we', 'us' or 'our' refer to RAA Insurance Limited AFSL 232525.

This Target Market Determination (TMD) sets out the target market for our Landlord and Short Stay Insurance product (this **Product**). The terms and conditions of this Product are set out in the Landlord and Short Stay Product Disclosure Statement (PDS) available at [raa.com.au](http://raa.com.au).

We have determined that our target market for this Product is as set out in this document. Where a person falls within our target market, this does not mean that the Product is right for their individual needs, objectives and financial situation. RAA Insurance does not consider these. A person needs to consider the PDS, and other information provided by us (and/or seek professional advice) before deciding to apply for this Product.

More information on the design and distribution of this Product and our review of this TMD is provided over page.

## 1 May 2024

This TMD is effective from the date shown above and will apply to policies that are purchased or renewed on or after **1 May 2024**

# Landlord and Short Stay Insurance

## The Target Market for Landlord and Short Stay Building Insurance is persons who:

- owns a rental property or short stay (holiday) rental located in South Australia;
- want cover for:
  - loss or damage to their home as a result of a fire, explosion, burglary, theft or attempted theft by someone other than the tenant or guest of the tenant, lightning, earthquake or tsunami, storm or rainwater runoff, bursting, leaking, discharge or overflow of water, riot or civil commotion, flood, malicious damage or intentional damage (by vandals), impact, and damage by non-domestic animal, generally up to the sum insured; and
  - loss or damage to their home as a result of burglary, theft or attempted theft by a tenant or guest of tenant for an amount up to 10% of the sum insured; and
  - legal liability to a third party as a result of an incident occurring at their rental property and arising out of ownership of the rental property which causes death, bodily injury or damage to someone else's property, up to \$20 million;
- meet our eligibility criteria which will determine whether we can offer them insurance. Our decision to offer the Product is based on the information we receive from them, including, but not limited to, the answers to the questions we ask regarding the property they want to insure. For example, claims history, condition of the property; and
- are prepared to accept the terms and conditions of the product, including payment of the premium and excess(es) and limitations, exclusions, and specific limits on benefits.

## Landlord and Short Stay Insurance

### **A person won't be in our Target Market for Landlord and Short Stay Building Insurance if they:**

- do not reside in South Australia;
- reside in the property;
- only want or need a more limited form of cover for loss or damage to a particular part of their building (e.g. roof, fixtures);
- only want to access the additional benefits;
- want to use their rental property for a business purpose which is not accepted by us (e.g. student accommodation, boarding house, retail shop);
- don't have an insurable interest in the rental property;
- want to claim for an amount beyond any applicable limit identified in the PDS;
- want cover exceeding or differing from the rental property benefits and additional benefits identified in the PDS;
- want cover for loss or damage that occurs outside of Australia;
- do not want their claim to be settled in accordance with the Claims section of the PDS;
- want cover for accidental damage to their contents items;
- want cover for the cost of veterinary treatment for their cat or dog;
- want immediate cover for fire, bushfire, burglary, storm, or flood;
- want cover for the contents of the rental property;
- want cover for damage that has already occurred;
- want cover for theft and malicious damage after the property has been unoccupied for more than 90 days;
- want cover under a short stay (holiday) rental policy for loss of rent, replacement of locks and keys, or tribunal fees and representation costs; or
- want cover in circumstances that fall within the general exclusions listed in our PDS.

# Rental Furnishings Insurance

## The Target Market for Rental Furnishings Insurance is persons who:

- owns a rental property or short stay (holiday) rental property located in South Australia;
- want cover for:
  - loss or damage to the rental furnishings of their rental property or short stay (holiday) rental as a result of a fire, explosion, burglary, theft or attempted theft by someone other than the tenant or guest of the tenant, lightning, earthquake or tsunami, storm or rainwater runoff, bursting, leaking, discharge or overflow of water, riot or civil commotion, flood, malicious damage or intentional damage (by vandals), impact, and damage by non-domestic animal, generally up to the sum insured;
  - loss or damage to their rental property or short stay (holiday) rental as a result of burglary, theft or attempted theft by tenant or guest of tenant for an amount up to 10% of the sum insured;
  - legal liability to a third party as a result of an incident occurring at their short stay (holiday) rental property and arising out of ownership of the rental furnishings which causes death or bodily injury to, or damages property owned by, someone who does not normally reside at the rental property, up to \$20 million;
- meet our eligibility criteria which will determine whether we can offer them insurance. Our decision to offer the Product is based on the information we receive from them, including, but not limited to, the answers to the questions we ask regarding the property they want to insure. For example, claims history, condition of the rental property; and
- are prepared to accept the terms and conditions of the product, including payment of the premium and excess(es) and limitations, exclusions, and specific limits on benefits.

## Rental Furnishings Insurance

### **A person won't be in our Target Market for Rental Furnishings Insurance if they:**

- do not reside in South Australia;
- reside in the property;
- only want or need a more limited form of cover for loss or damage to a particular item or a particular type (e.g. accidental breakage of glass);
- only want to access the additional benefits;
- want to use their rental furnishings for a business purpose which is not accepted by us (e.g. retail shop);
- don't have an insurable interest in the rental furnishings;
- want to claim for an amount beyond any applicable limit identified in the PDS;
- want cover exceeding or differing from the rental furnishing benefits and additional benefits identified in the PDS;
- want cover for loss or damage that occurs outside of Australia;
- want cover against loss or damage caused by or relating to a tenant in the rental property or short stay (holiday) rental (including rental default);
- do not want their claim to be settled in accordance with the Claims section of the PDS;
- want immediate cover for fire, bushfire, burglary, storm, or flood;
- want cover for damage that has already occurred;
- want cover for theft and malicious damage after the property has been unoccupied for more than 90 days; or
- want cover in circumstances that fall within the general exclusions listed in our PDS.

## Design of this Product

The key attributes of this Product are that it provides cover for:

- **Landlord and Short Stay Building Insurance**
  - loss or damage to their rental property or short stay (holiday) rental building as a result of a fire, explosion, burglary, theft or attempted theft, lightning, earthquake or tsunami, storm or rainwater runoff, bursting, leaking, discharge or overflow of water, riot or civil commotion, flood, malicious damage or intentional damage (by vandals), impact, and damage by non-domestic animal, up to the specified amount;
  - legal liability to a third party as a result of an incident occurring at the rental property and arising out of ownership of the rental property which causes death, bodily injury or damage to someone else's property, up to \$20 million.
- **Rental Furnishings Insurance**
  - loss or damage to the rental furnishings of a rental property or short stay (holiday) rental as a result of a fire, explosion, burglary, theft or attempted theft, lightning, earthquake or tsunami, storm or rainwater runoff, bursting, leaking, discharge of overflow of water, riot or civil commotion, flood, malicious damage or intentional damage (by vandals), impact, and damage by non-domestic animal, up to the specified amount;
  - legal liability to a third party as a result of an incident occurring at the short stay (holiday) rental property and arising out of the ownership of the rental furnishings which causes death, bodily injury to, or damages property owned by, someone who does not normally reside at the short stay (holiday) rental property, up to \$20 million.
- only to persons who meet our eligibility criteria.

## **Design of this Product**

The Product has been designed for persons:

- with a likely need or objective to protect themselves from a financial loss arising from the types of loss, damage or liability set out above;
- who are willing to select an appropriate level of cover relevant to their own circumstances; and
- who are in a financial situation where they will be able to afford to pay the premium as well as the excess which might apply when making a claim.



## Distribution conditions for this Product

This Product can only be distributed by our representatives via:

- RAA call centres by calling **8202 4600**
- RAA's website by visiting **raa.com.au**; and
- RAA's branches (including Agents acting as Authorised Representatives).

Our representatives are employees and appointed agents of the Royal Automotive Association of South Australia Inc (**RAA**) and they are the only persons authorised to distribute the product.

Our representatives are only authorised to issue products:

- to customers who are eligible for this product as determined by our eligibility criteria; and
- in accordance with the Sales and Distribution Policy and the terms of their appointment as our representative.

Our representatives are required to provide regular reporting to us of complaints and other information relevant to the distribution of our products, as well as reporting to us on any situations or circumstances where our product is distributed to a person who does not meet our eligibility criteria or any significant dealings which are inconsistent with this TMD.

## Review of this TMD

In addition to making a determination of our target market, we are also required to let you know when and how our determination will be reviewed. In accordance with our Product Governance Framework, this TMD will be reviewed within 12 months of the issue date and subsequently at every anniversary of the issue date. We will also review the TMD within 10 business days of becoming aware of a Review Trigger specified below and where otherwise required by law.

We have identified the following events or circumstances which may reasonably suggest that this determination is no longer appropriate (each as a **Review Trigger**):

- material changes to the information or circumstances we considered when developing this TMD, including the:
  - approved eligibility criteria;
  - cover and pricing of the product;
  - PDS;
  - distribution conditions; and
  - reinsurance requirements;
- any significant dealings by us or our representatives that are inconsistent with the TMD;
- nature and number of complaints, complaints data, or claims data;
- number of cancellations and lapses of the product;
- systemic complaints which indicate that the product is no longer suitable for the target market;
- customer feedback and testing;
- information received by or from our representatives; and
- information and feedback from ASIC, APRA and other regulators as well as AFCA, the Insurance Council of Australia and Code Governance Committee.

These are each a Review Trigger.

## **Important Information about this TMD**

This TMD is not intended to be a consumer facing disclosure document and does not form part of the terms of the product. Any information or examples given in the TMD must not be read as a complete list of eligibility or the standard terms and conditions and limitations that apply to the product. Any terms used in this TMD that are defined in the Corporations Act have the same meaning as in that Act.



## **We are here to help**

Call 8202 4567 or visit us at an RAA Shop

[raa.com.au](http://raa.com.au)

