

# Target Market Determination

## for Commercial Strata

### About this document

This Target Market Determination (TMD) applies to the Commercial Strata, Electronic Equipment and/or Machinery Breakdown Insurance products. It seeks to offer customers, distributors and staff an understanding of the class of customers for which these products have been designed, having regard to their needs, objectives and financial situation.

This document is not intended to provide financial advice regarding coverage, nor does it form a part of the terms of cover. In addition to the key eligibility requirements outlined in this document, these products are also subject to acceptance criteria. Customers must refer to the Product Disclosure Statement (PDS) and any supplementary document(s), which outline the relevant terms, conditions, exclusion and insurance cover being provided under the product, when making a decision about this product.

### 1. Issuer

Insurance Australia Limited, ABN 11 000 016 722, AFS Licence No. 227681

### 2. Date from which this Target Market Determination is effective

5 October 2021.

This Target Market Determination is effective from the date shown above. This Target Market Determination will apply to policies that are purchased or renewed on or after 5 October 2021. For historical versions of this document, please contact your insurer or distributor, or refer to our website at [iag.com.au/tmd](http://iag.com.au/tmd).

### 3. Class of customers that fall within this target market

The Commercial Strata Insurance products are designed to offer choices of cover for a class of customers whose likely needs, objectives and financial situation outlined below, are aligned with the product and its key attribute and eligibility criteria.

#### 3.1 Product description and key attributes

The Commercial Strata Insurance products can be tailored to suit the individual customer. This can be based on the value of their Buildings and/or Contents, inclusion of additional or specific assets, and options for excess, certain optional covers and premium payment arrangements.

The key eligibility requirements to purchase this insurance product include:

Key eligibility criteria	This product is appropriate for	This product is not appropriate for
Ownership and how the Building is used	<ul style="list-style-type: none"><li>Buildings that are Strata titled, Company titles, registered as Community or Neighbourhood Associations or form part of a registered Stratum</li><li>The Strata-titled or similar entity that is responsible for insuring the property</li><li>The Building is predominantly used for commercial purposes</li></ul>	<ul style="list-style-type: none"><li>Properties that are not Strata titled, Company titled, registered as Community or Neighbourhood Associations or form part of a registered Statum</li><li>Buildings predominantly used for residential purposes</li><li>Individual owners of Strata Title units</li></ul>
The type of Buildings that you are responsible for insuring	Buildings such as a: <ul style="list-style-type: none"><li>Retail shops</li><li>Offices, or</li><li>Factory units</li></ul> Cover for common areas such as: <ul style="list-style-type: none"><li>Garages or carpark</li><li>Driveways</li><li>Fences and sheds</li></ul>	<ul style="list-style-type: none"><li>Buildings with no commercial occupancies</li></ul>

### 3.2 Needs and objectives

This product has been designed for people who require a choice of different covers as set out in the table below. The crosses indicate the needs and objectives that each choice of cover has not been designed for.

Needs and objectives	Comprehensive
Are seeking cover for damage to your Commercial Strata Building, Common Property and Contents	✓
Are seeking Liability cover	✓
Are seeking optional covers such as Flood, Machinery Breakdown or Electronic Equipment	✓

Each PDS has specific coverage and limitations.

### 3.3 Financial situation

A person who is able to pay premiums in accordance with the chosen premium structure, excess, fees and government charges, having regard to personal circumstances and vulnerability or hardship considerations.

Financial situation considerations	Commercial Strata
Ability to vary your premium by considering different levels of cover	✓
Ability to vary your premium level by choosing your excess	✓
Ability to choose to pay your premium annually or by instalment	X
Ability to choose to add optional covers to the policy to suit your needs	✓

### 3.4 Consistency with the target market

The insurance product including its key attributes is likely to be consistent with the likely objectives, financial situation and needs of the class of customers in the target market, as we consider that it provides the required type of insurance cover for that class of customers. This has been determined based on an assessment of the insurance product including its key attributes. Individual customers will need to consider whether this insurance product meets their specific objectives, financial situation and needs.

## 4. How this product can be distributed and distribution conditions

The following distribution conditions apply:

- This product is designed to be distributed by our distributors (including brokers) by any of the following means, where authorised:
  - Online through relevant websites
  - By contacting a branch or contact centre
  - In person (e.g. branch, agency or premises visit)
- This product can only be issued to people where they are eligible for that cover in accordance with the application and/or acceptance/renewal criteria that has been approved in writing by the issuer and which complies with relevant laws
- This product can only be distributed by us or third-party distributors where we or our third-party distributors have received training and relevant accreditation (if required) and have met annual compliance reviews.

The distribution conditions will make it likely that customers who acquire the insurance product are in the target market, as we consider that the distribution conditions are appropriate and will enable us and our third-party distributors to direct the insurance product to the class of customers who fall within the target market set out above. This has been determined based on an assessment of the distribution conditions and the target market.

## 5. Reviewing this Target Market Determination

We will review this Target Market Determination in accordance with the below.

<b>Initial review</b>	Within three (3) years of the effective date
<b>Periodic reviews</b>	At least every three (3) years from the initial review
<b>Review triggers or events</b>	<p>Any event or circumstances arise that would 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 the insurance cover, including related documentation</li> <li>• An alteration in acceptance criteria or underwriting criteria</li> <li>• Systemic issues across the product lifecycle</li> <li>• Distribution conditions are no longer appropriate</li> <li>• We have determined that a significant dealing has occurred</li> <li>• Where applicable, feedback from third party distributors and customers</li> <li>• External events such as adverse media coverage or regulatory attention, and</li> <li>• Significant changes in metrics including claims, complaints and loss ratios</li> </ul>

Where a review trigger has been identified, this Target Market Determination will be reviewed within 10 business days.

## 6. Reporting and monitoring this Target Market Determination

We will collect and require our distributors to report on the following information in relation to this TMD:

<b>Complaints</b>	All complaints in relation to this product on a monthly basis. This will include written details of the complaints.
<b>Sales data</b>	Relevant sales and customer data in relation to this product on a monthly basis.
<b>Claims data</b>	Where relevant, claims data in relation to this product on a monthly basis.
<b>Significant dealings</b>	Report if we become aware of a significant dealing in relation to the product that is inconsistent with the TMD within 10 business days.

## 7. PDS to which this Target Market Determination applies

This TMD applies to the following PDS':

PDS Reference	
Commercial Strata	Commercial Strata Plan