

Target Market Determination

for Pay-per-night Short-stay Insurance cover

About this document

This Target Market Determination (TMD) applies to Pay-per-night Short-stay Insurance product. It seeks to offer customers, distributors and employees an understanding of the class of customers for which this product has 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, the product is 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, exclusions 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.

3. Class of customers that fall within this target market

The Pay-per-night Short-stay Insurance product is 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 attributes and eligibility criteria.

3.1 Product description and key attributes

The Pay-per-night Short-stay Insurance cover can be tailored to suit the individual person. 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
The type of Property you own or rent	Providing cover for a private residential buildings, including the fixtures and fittings, such as a: <ul style="list-style-type: none">• Free standing house• Townhouse, villa or duplex• Semi-detached house or terrace	<ul style="list-style-type: none">• Any Property that the relevant local government, council or government authority does not permit to be used as tourist, visitor or other short term or temporary accommodation
How the Property is used or occupied	Where all, or part, of the Property is let or sublet to paying guests for temporary residential accommodation through a recognised platform. Cover is only applicable when the Property is being let or sublet to guests, up to a maximum of 90 days	<ul style="list-style-type: none">• Any use of the home for any business, trade or profession outside of the ordinary use of the home for temporary residential accommodation, including but not limited to:<ul style="list-style-type: none">– Licensed hotels– Motels– Resorts– Inns, or– Similar licensed venues for accommodation• Properties that are rented through a digital website that does not carry out verification checks on the guest making the booking on the recognised platform• If you rent the Property under a lease, properties that are being sublet without written consent from the landlord or owner

The condition of your Property that you rent out	The Property meets the acceptable dwelling criteria, including being: <ul style="list-style-type: none"> • Secure • Undamaged • Structurally sound, and • Well maintained 	The Property does not meet the acceptable dwelling criteria, including being: <ul style="list-style-type: none"> • Under initial construction • Under renovation
The type of Contents you own	<ul style="list-style-type: none"> • We will cover household goods or items that you own or are legally responsible for, and • Are items which are located at the property 	Providing coverage for Contents that fall outside of the acceptable list of Contents as set out in the PDS, such as: <ul style="list-style-type: none"> • Carpets and other fixed floor coverings • Money, and • Animals

3.2 Needs and objectives

This product has been designed for people who require cover 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
Level of cover	Pay Per Night
Are seeking protection from financial loss incurred as a result of destruction, loss or damage to the home buildings and contents caused by certain Listed events directly caused by a guest's (or a guest's visitor's) act or omission	✓
Are seeking protection from financial loss incurred as a result of destruction, loss or damage caused by certain Listed events directly or indirectly caused by a guest's (or a guest's visitor's) act or omission to contents items that they, or their family own or are responsible for whilst at the home	✓
Are seeking protection from financial loss resulting from Legal Liability relating to death of or personal injury to another person or damage to someone else's Property arising out of an event during a period of temporary residential accommodation at the site	✓
Are seeking coverage for loss or damage directly or indirectly caused by anyone other than a guest or visitor of a guest	X
Are seeking protection for buildings and/or contents from loss or damage caused by natural perils or disaster, including but not limited to storm, hail, flood, cyclones, bushfires and other weather events	X
Are seeking coverage for buildings and/or contents at a Property that is not used as temporary residential accommodation	X
Are seeking coverage for buildings and/or contents at a Property that has been sublet without the written consent of the owner	X
Are seeking coverage for buildings and/or contents at a Property that is not booked for temporary residential accommodation through a recognised platform	X

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.

Relevant financial situation considerations include:

- Ability to potentially vary your premium by considering different levels of cover
- Ability to potentially vary your premium level by choosing your excess
- Ability to choose to pay your premium annually or by instalment.

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 us or our distributors through the following means, where authorised:
 - Online website
- 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 distributors where we or our 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 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.

Initial review	Within three (3) years of the effective date
Periodic reviews	At least every three (3) years from the initial review
Review triggers or events	Any event or circumstances arise that would suggest the TMD is no longer appropriate. This may include (but not limited to): <ul style="list-style-type: none"> • A material change to the design or distribution of the insurance cover, including related documentation • An alteration in acceptance criteria or underwriting criteria • Systemic issues across the product lifecycle • Distribution conditions are no longer appropriate • We have determined that a significant dealing has occurred • Where applicable, feedback from distributors and customers • External events such as adverse media coverage or regulatory attention, and • Significant changes in metrics including claims, complaints and loss ratios

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 may require our distributors to report on the following information in relation to this TMD:

Complaints	All complaints in relation to this product on a monthly basis. This will include written details of the complaints.
Sales data	Relevant sales and customer data in relation to this product on a monthly basis.
Claims data	Where relevant, claims data in relation to this product on a monthly basis.
Significant dealings	Report if we or they 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	
Pay-per-night Short-stay Insurance	