

Target Market Determination

QBE Farm Pack



QBE Insurance (Australia) Limited ABN 78 003 191 035 AFSL 239 545

This Target Market Determination (TMD) is effective from 17.12.2021 and relates to the QBE Farm Pack Product Disclosure Statement (QM7794).

This TMD provides QBE's distributors and customers information regarding:

- which class of customers this product is suitable for (the target market) and which class of customers this product is likely unsuitable for;
- optional benefits that have been designed for customers within this product's target market;
- any distribution conditions and restrictions on distribution for this product;
- reporting obligations of our distributors; and
- the review period and events or circumstances that may trigger a review.

This TMD describes the customers within our target market. This TMD doesn't consider a customer's personal needs, objectives and financial situation.

A customer should always refer to the Product Disclosure Statement (PDS) QBE Farm Pack, and any Supplementary Product Disclosure Statements (SPDS) that may apply, to ensure the product is right for them

Note: This TMD only includes information on target markets of covers for retail clients as defined by the *Corporations Act 2001 (Cth)*.

QBE Farm Pack

This TMD includes a target market statement for the following covers offered under the product to retail clients:

- Home;
- Private motor vehicle;
- Boat;
- Personal accident injury and illness;
- Farm vehicle;
- Equine and stud stock (Equine cover only).

It offers optional cover to choose from to enable customers to tailor the product to suit their individual needs.

Who is within the Target Market for QBE Farm Pack?

Customers within the Target Market

(Customers are within the target market if all the following conditions apply)

- | | |
|---|--|
| ✓ | Owners or operators of predominantly rural properties used for commercial farming or as lifestyle farms. |
|---|--|

Class of Customers **NOT** within the Target Market

(Customers are not within the target market if any of the following conditions apply)

- | | |
|---|---|
| X | Owners or operators of properties used for commercial activities, other than farming. |
|---|---|

Part 1: Home Insurance

Home

This product has been designed for customers in the target market to provide financial protection for:

- loss or damage occurring to residential buildings caused by insured events, such as, fire, storm, lightning; and
- legal liability for loss or:
 - injury to or death of another person;
 - loss or damage to another person's property.

Who is within the Target Market for Home?

Customers within the Target Market (Customers are within the target market if all the following conditions apply)	
✓	Customers who own and live in their home.
✓	Homeowners who rent out a home to a tenant or farm employee.
✓	Customers who want insurance for their residential home, which includes cover for (but not limited to): <ul style="list-style-type: none">• loss or damage caused by insured events, such as, fire, storm, lightning; and• legal liability for<ul style="list-style-type: none">○ injury to or death of another person; and○ loss or damage to another person's property arising out of their ownership of the home; and with the option to select accidental damage to the home.
✓	Customers who have a legal, equitable or ownership interest in the home (which could include a bank or insolvency firm).

Class of Customers <u>NOT</u> within the Target Market (Customers are not within the target market if any of the following conditions apply)	
X	Customers who want cover for flood automatically, which is not provided by this product.
X	Customers who want cover for farm buildings such as, stables, machinery sheds or accommodation buildings, that are seasonally occupied. This cover is available under Section 5 - Farm Properties.
X	Customers who live in a building that is used for business purposes, except where it is a home used as the primary residence that only contains a home office or surgery.
X	Customers whose home is in the course of construction, alteration or substantial repair.
X	Customers who live in a premise that is not a standard residential home (for example a shipping container, houseboat, hostel, backpacker accommodation).
X	Customers whose home is unoccupied and will continue to be for more than 100 days.

Contents

This product has been designed for customers in the target market to provide financial protection for:

- loss or damage occurring to residential home contents in a home caused by insured events, such as fire and storm; and
- legal liability arising from an occurrence anywhere in the world associated with the ownership of their home contents.

It offers options to choose from to enable customers to tailor the product to suit their individual needs.

Who is within the Target Market for Contents?

Customers within the Target Market (Customers are within the target market if all the following conditions apply)	
✓	Homeowners who own household contents in the home they live in.
✓	Customers who own personal contents contained within a home they rent a from a landlord.
✓	Customers who want to be financially protected for: <ul style="list-style-type: none"> • loss or damage occurring to their home contents; • legal liability for injury to or death of another person and loss of or damage to another person's property: occurring anywhere in the world, other than at the insured address and with the option to select accidental damage to contents.

Class of Customers <u>NOT</u> within the Target Market (Customers are not within the target market if any of the following conditions apply)	
✗	Customers who want cover for flood automatically, which is not provided by this product.
✗	Customers whose home is used for business purposes, except where it is the primary place of residence and also contains an office or surgery.
✗	Customers whose home is in the course of construction, alteration or substantial repair.
✗	Customers whose home is unoccupied and will continue to be for more than 100 days.
✗	Customers who live in a premise that is not a standard residential home (for example a shipping container, houseboat, hostel, backpacker accommodation).

Target Market for Optional Benefits

Customers within the target market for this product may want to purchase the following optional covers:

Optional benefit – Valuables

Customers within the Target Market for the Valuables optional benefit	
✓	Customers who own valuables (as defined in the PDS)
✓	Customers who want financial protection for valuables when away from the insured address

Customers <u>NOT</u> within the Target Market for the Valuables optional benefit	
✗	Customers who want valuables cover for: <ul style="list-style-type: none"> • money, negotiables, financial transaction cards, unset precious or semi-precious stones (or other items as excluded in the PDS) • property used in connection with a profession, trade or business.

Part 2 Private Motor Vehicle

Comprehensive

This product has been designed for customers in the target market to provide financial protection for:

- accidental damage to their vehicle;
- theft or attempted theft of their vehicle; and
- damage caused to another person's vehicle or property due to the use of the customers car, if legally liable for the damage.

It offers options to choose from to enable customers to tailor the product to suit their individual needs.

Who is within the Target Market for Comprehensive?

Customers within the Target Market

(Customers are within the target market if all the following conditions apply)

✓	Customers who own a motor car, utility or van that is registered for use on a public road and is up to 3,500 kgs Gross Vehicle Mass (GVM). Note - GVM is the maximum weight that a vehicle can carry including its own weight, as specified by the Manufacturer.
✓	Customers who use their vehicle for: <ul style="list-style-type: none">• private use;• executive use;• business use (other than one of the usage types excluded below in the section 'Customers NOT in the Target Market'); or• commercial use.
✓	Customers who want financial protection for: <ul style="list-style-type: none">• the loss or damage occurring to their vehicle; and• the loss or damage caused to another person's vehicle or property due to the use of their vehicle.

Class of Customers **NOT** within the Target Market

(Customers are not within the target market if any of the following conditions apply)

X	Customers who own: <ul style="list-style-type: none">• caravans;• motorcycles;• heavy vehicles such as farm vehicles; or• vehicles with a GVM of 3,500 kgs or more. This cover is available under section 7 Farm Vehicles.
X	Customers who use their car: <ul style="list-style-type: none">• to deliver goods where the driver is being paid to do so;• to carry passengers where the driver is being paid to do so including any ridesharing (this does not include carpooling);• for hire including as part of a sharing service or platform for reward; or• for any competitive motor sport, contest or event where the road was closed to public traffic.
X	Customers who want insurance for Compulsory Third-Party insurance (CTP), for bodily injury cover as a result of a vehicle accident. This cover is only available under a CTP policy.

Third party property damage cover

This product has been designed for customers in the target market to provide financial protection for damage caused to another person's vehicle or property due to the use of the customers car, if legally liable for the damage.

Who is within the Target Market for Third party property damage cover?

Customers within the Target Market (Customers are within the target market if all the following conditions apply)	
✓	Customers who own a motor car, utility or van that is registered for use on a public road and is up to 3,500 kgs Gross Vehicle Mass (GVM). Note - GVM is the maximum weight that a vehicle can carry including its own weight, as specified by the Manufacturer.
✓	Customers who use their vehicle for: <ul style="list-style-type: none"> • private use; • executive use; • business use (other than one of the usage types excluded below in the section 'Class of Customers not in the Target Market'); or • commercial use.
✓	Customers who want insurance for their vehicle to cover the following incidents damage they cause to another person's vehicle or property due to the use of the customer's car, if they are found to be legally liable for the damage.

Class of Customers <u>NOT</u> within the Target Market (Customers are not within the target market if any of the following conditions apply)	
X	Customers who own: <ul style="list-style-type: none"> • caravans; • motorcycles; • heavy vehicles such as farm vehicles; or • vehicles with a GVM of 3,500 kgs or more. This cover is available under section 7 Farm Vehicles.
X	Customers who use their vehicle: <ul style="list-style-type: none"> • to deliver goods where the driver is being paid to do so; • to carry passengers where the driver is being paid to do so including any ridesharing (this does not include carpooling); • for hire including as part of a sharing service or platform for reward; or • for any competitive motor sport, contest or event where the road was closed to public traffic.
X	Customer who want financial protection for damage caused to their vehicle.
X	Customers who want insurance for Compulsory Third-Party insurance (CTP), for bodily injury cover as a result of a vehicle accident. This cover is only available under a CTP policy.

Part 3 Boat

Boat

This product has been designed for customers in the target market to provide financial protection for their boat (including trailer, motor(s), equipment and accessories for:

- accidental loss or damage, while it is in use, storage or in transit;
- theft;
- legal liability for injury to third parties or their property, arising out of the use or ownership of the boat;
- personal accident - death or bodily injury to them, arising out of the ownership of the boat.

It offers options to choose from to enable customers to tailor the product to suit their individual needs.

Who is within the Target Market for Boat?

Customers within the Target Market (Customers are within the target market if all the following conditions apply)	
✓	Customers who own a boat that is used privately for recreational purposes only.
✓	Customers whose boat is only used within Australian waters, no further than 250 nautical miles from the Australia coastline.
✓	Customers who want insurance for their boat and any equipment or accessories, including cover for (but not limited to): <ul style="list-style-type: none">• accidental loss or damage, while it is in use, storage or in transit;• theft;• legal liability for damages against a person or their property, arising out of the ownership of the boat; and• personal accident - death or bodily injury to them, arising out of the ownership of the boat.
✓	Customers who have a legal, equitable or ownership interest in the boat (which could include a bank or insolvency firm).

Class of Customers <u>NOT</u> within the Target Market (Customers are not within the target market if any of the following conditions apply)	
X	Customers whose boat is used for hire/ charter or business purposes.
X	Customers whose boat is being used as their permanent living accommodation.
X	Customers whose boat is undergoing major hull repair or alteration, for example extending the length of the vessel or a major refurbishment of the deck, cabin or hull.
X	Customers whose boat motor has been enhanced to greater than the manufactures specifications or can exceed maximum speeds of 60 knots.
X	Customers whose boat is used for racing, speed tests or trials (unless they have purchased optional cover available for yacht racing).

Target Market for Optional Benefits

Customers within the target market for this product may want to purchase the following optional covers:

Optional benefit - Yacht racing risk extension

Customers within the Target Market for the Yacht racing risk extension optional benefit

- | | |
|---|---|
| ✓ | Customers who want financial protection for accidental loss or damage to their pleasure craft while participating in an organised racing competition with other vessels over a designated distance or course. |
|---|---|

Customers NOT within the Target Market for the Yacht racing risk extension optional benefit

- | | |
|---|--|
| X | Customers who participate in races that exceed 250 nautical miles in distance. |
| X | Customers who participate in power boat racing. |

Optional benefit - Yacht club social racing risk extension

Customers within the Target Market for the Yacht club social racing risk extension optional benefit

- | | |
|---|---|
| ✓ | Customers who want financial protection for accidental loss or damage to their pleasure craft while participating in yacht club social races with other vessels over a designated distance or course. |
|---|---|

Customers NOT within the Target Market for the Yacht club social risk racing extension optional benefit

- | | |
|---|---|
| X | Customers who participate in races that exceed 25 nautical miles. |
| X | Customers who participate in power boat racing. |

Part 4 Personal accident injury and illness

Capital Benefits

This product has been designed for customers in the target market to provide financial protection for injuries which result in their death or permanent disablement (lump sum/capital benefit).

Who is within the Target Market for Capital Benefits?

Customers within the Target Market

(Customers are within the target market if all the following conditions apply)

✓	Customers who are engaged in full time, farming-related activities on their own primary production farms.
✓	Customers who want financial protection for injuries which result in their death or permanent disablement (lump sum/capital benefit).

Class of Customers **NOT** within the Target Market

(Customers are not within the target market if any of the following conditions apply)

X	Customers who are aged 66 years or older and want Permanent Total Disablement benefits.
X	Customers who are seasonal workers or work on a casual basis.
X	Customers who want illness-only cover.
X	Customers who want insurance for death or permanent disablement due to illness (lump sum payment/capital benefits).
X	Customers who want insurance for any pre-existing condition.
X	Customers who want insurance while they participate in flying or other aerial activity unless they are a passenger in a properly licenced aircraft.
X	Customers who participate in (but are not limited to): <ul style="list-style-type: none">• professional sport;• parachuting or hang gliding;• bungee jumping;• rock climbing;• boxing; or• martial arts.

Weekly benefits – Injury or Illness

This product has been designed for customers in the target market to provide financial protection for loss of earnings due to injury or illness (weekly benefit). Cover is available for Weekly Benefits - Injury only or Weekly Benefits - Injury and Illness.

Who is within the Target Market for Weekly benefits – Injury or Illness?

Customers within the Target Market

(Customers are within the target market if all the following conditions apply)

✓	Customers who are engaged in full time, farming-related activities on their own primary production farms.
✓	Customers who want financial protection for loss of earnings due to injury or illness (weekly benefit).

Class of Customers **NOT** within the Target Market

(Customers are not within the target market if any of the following conditions apply)

X	Customers who are non-residents of Australia or Australians citizens who work overseas or want weekly benefits paid while outside Australia.
X	Customers who are seasonal workers or work on a casual basis.
X	Customers who want illness-only cover.
X	Customers who want insurance for any pre-existing condition.
X	Customers who want insurance while they participate in flying or other aerial activity unless they are a passenger in a properly licenced aircraft.
X	Customers who participate in (but are not limited to): <ul style="list-style-type: none">• professional sport;• parachuting or hang gliding;• bungee jumping;• rock climbing;• boxing; or• martial arts.

Part 5 Farm vehicle

Comprehensive cover

This product has been designed for customers in the target market to provide financial protection for:

- loss or damage to farm vehicles caused by accidental damage or theft; and
- damage caused to another person's car or property due to the use of the customers vehicle, if legally liable for the damage.

It offers optional cover to choose from to enable customers to tailor the product to suit their individual needs.

Who is within the Target Market for Comprehensive cover?

Customers within the Target Market

(Customers are within the target market if all the following conditions apply)

✓	Customers that own vehicles typically used on rural properties for commercial farming or with their lifestyle farms, such as: <ul style="list-style-type: none">• motorcycles, small trailers, horse floats, caravans or campers;• tractors, harvesters, or towed implements that are used on the farm and may be unregistered; or• trucks, trailers or prime movers that are registered and used on a public road.
✓	Customers who want financial protection for: <ul style="list-style-type: none">• the loss or damage occurring to their vehicle;• the loss or damage caused to another person's property due to the use of their vehicle.
✓	Customers who have a legal, equitable or ownership interest in the farm vehicle (which could include a bank or insolvency firm).

Class of Customers **NOT** within the Target Market

(Customers are not within the target market if any of the following conditions apply)

✗	Customers who want cover for farm machinery that is fixed or immobile, such as solar panel units and pumps or generators that don't have wheels. This cover is available under Section 5 Farm Property.
✗	Customers who intend to use their farm vehicles for fence contracting, mustering contracting, or full-time or majority farm contracting businesses such as harvest, spraying or earthmover contract work on other people's farms.
✗	Customers who own vehicles that are not intended for farm use, such as transport operations, vehicle hire, charters.
✗	Customers who require cover for Compulsory Third Party, for personal injury caused by the use of vehicle. This cover is only available under a CTP policy.

Third party property damage cover

This product has been designed for customers in the target market to provide financial protection for damage caused to another person's property due to the use of the customers vehicle.

Who is within the Target Market for Third party property damage cover?

Customers within the Target Market (Customers are within the target market if all the following conditions apply)	
✓	Customers that own vehicles typically used on rural properties for commercial farming or with their lifestyle farms, such as: <ul style="list-style-type: none">• motorcycles, small trailers, horse floats, caravans or campers;• tractors, harvesters, or towed implements that are used on the farm and may be unregistered; or• trucks, trailers or prime movers that are registered and used on a public road
✓	Customers who want financial protection for the loss or damage caused to another person's vehicle or property due to the use of their vehicle.
✓	Customers who have a legal, equitable or ownership interest in the farm vehicle (which could include a bank or insolvency firm).

Class of Customers <u>NOT</u> within the Target Market (Customers are not within the target market if any of the following conditions apply)	
X	Customers who want cover for farm machinery that is fixed or immobile, such as solar panel units and pumps or generators that don't have wheels. This cover is available under Section 5 Farm Property.
X	Customers who intend to use their farm vehicles for fence contracting, mustering contracting, or full-time or majority farm contracting businesses such as harvest, spraying or earthmover contract work on other people's farms.
X	Customers who own vehicles that are not intended for farm use, such as transport operations, vehicle hire, charters.
X	Customers who want financial protection for loss or damage to their farm vehicle.
X	Customers who require cover for Compulsory Third Party, for personal injury caused by the use of vehicle. This cover is only available under a CTP policy.

Part 6 Equine and stud stock

Equine and stock cover

This product has been designed for customers in the target market to provide financial protection for their horse against:

- death due to illness or accident; and
- theft or straying of their horse.

Note: this target market relates to Equine only.

Who is within the Target Market for Equine and stock cover?

Customers within the Target Market (Customers are within the target market if all the following conditions apply)	
✓	Customers who own a horse and want financial protection for their horse, which includes cover for (but not limited to): <ul style="list-style-type: none"> • death due to illness or accident; and • theft or straying of the horse.
✓	Customers who use their horse for leisure or low to medium risk activities, such as pleasure riding, dressage and show jumping.

Customers NOT within the Target Market (Customers are not within the target market if any of the following conditions apply)	
X	Customers whose horses are leased, hired out or used for riding schools.
X	Customers whose horses are used for: <ul style="list-style-type: none"> • Racing, race training, breeding of racehorses; • Endurance riding; or • Hunting.
X	Customers whose horses are not in Australia.
X	Customers whose horses have pre-existing conditions.

Distribution Conditions

This product has been appropriately designed to be distributed through an authorised intermediary. The product and the systems it is distributed through have been designed for a customer seeking insurance through an authorised intermediary. The authorised intermediary has taken reasonable steps to understand the key product attributes and align distribution to customers in the target market.

Distribution Restrictions	This product can only be sold via the following Distribution Channel/s: <ul style="list-style-type: none"> • QBE's network of approved General Insurance intermediaries who hold an AFS licence; • Authorised Representative of QBE who operate under our AFS licence.
Distribution Conditions	<p>This product can only be sold via a QBE approved application system within the eligibility and underwriting rules.</p> <p>Any quoting outside the system must always be referred to a QBE authorised representative.</p> <p>It can be sold to customers within the target market without the customer being provided with any financial product advice or, with either general or personal advice.</p> <p>Make the TMD available to customers who wish to refer to it.</p>
Distribution Method	<p>This product can be sold via direct contact between the customer and the insurance broker or agent.</p> <p>This product is not available online for customers to purchase directly.</p>

Reporting Obligations for Distributors

Distributors of this product are required to provide QBE with complaints information about this product through the agreed complaints submission process including:

- The number of complaints the distributor has received about this product during the reporting period;
- A brief summary about the nature of the complaint raised and any steps taken to address the complaint; and
- Any general feedback our distributor may have received on this product.

Distributors should include sufficient details about the complaint that would allow QBE to identify whether the TMD may no longer be appropriate to the class of customers.

Reporting Period: 6 monthly or as otherwise agreed with the Distributor and no later than 10 business days after the agreed complaints reporting date.

Dealings outside the target market

Distributors of this product need to report to QBE when they become aware a dealing outside the target market that has not been approved by QBE. Their report to QBE must include information such as the date (or date range) the dealing occurred, details about the dealing(s) and any steps or actions taken to mitigate.

Reporting Period: As soon as practicable and, subject to our distribution agreement, no later than 10 business days of the date on which the Distributor became aware of the dealing.

TMD Reviews

Review Period	The initial review of this TMD will occur no later than 2 years from the date this TMD is first published and every 2 years thereafter.
What may trigger a review prior to periodic review	<p>The events or circumstances that may suggest the product is no longer suitable to the target class of customers and would trigger a review (prior to the scheduled periodic review date) include, but are not limited to, us becoming aware of:</p> <ul style="list-style-type: none">• significant increase in the number of complaints relating to the product received by us or reported by distributors;• a material change to the product including Product Disclosure Statement, information or assumptions upon which the target market was formulated;• change of relevant law, regulatory guidance or industry code which has a material effect on the terms or distribution of the product;• the product is being distributed and purchased in a way that is significantly inconsistent with this TMD;• adverse trends in policy and claims data indicating the product is not performing as expected by the customer.