



Residential Landlord's Insurance Building and Contents Combined

Target Market Determination



Residential Landlord’s Insurance Contents and Building Combined – Target Market Determination

This target market determination (TMD) is designed to help our customers, representatives and staff understand who the LIGO Residential Landlord’s Insurance (Building and Contents Combined) Insurance is most suitable for (target market). This TMD is effective from 3 February 2023. We may review this TMD at any time.

This TMD also provides information about:

- Who the product is not suitable for;
- How the product will be distributed to our customers;
- How often we will review this TMD and when the next review will occur;
- What events or circumstance may trigger a review of this TMD;
- The information that we need to decide if the TMD is no longer appropriate; and
- Our reporting obligations for this TMD.

This TMD is not a Product Disclosure Statement. Customers should always consider the Product Disclosure Statement for this product which is available at www.ligoinsurance.com.au to decide whether this product is right for them before making any decision to purchase.

Product Description

The key features of this product are summarised below. Customers should refer to the Product Disclosure Statement for full details of cover and applicable limits.

Key Feature	Description of feature
Building Cover	Cover for physical loss or damage to the residential rental property - up to the sum insured. Additional covers include: <ul style="list-style-type: none"> ▪ fusion of electric motors ▪ cover for theft by tenants ▪ costs to remove fallen trees ▪ damage by tenant’s pets
Contents Cover	Covering physical loss or damage to contents of the residential rental property - up to the sum insured. Additional covers include: <ul style="list-style-type: none"> ▪ deliberate damage to contents ▪ fusion of electric motors ▪ damage by tenant’s pet
Loss of Rent following a Building or Contents claim	Loss of rent up to \$1,000 per week, limited to 52 weeks in any one Period of Insurance, if the property becomes uninhabitable following a Building or Contents claim being accepted.
Legal Liability	Legal liability in respect of bodily injury or property damage caused by an accident occurring at the insured premises - up to \$20,000,000

Target Market

This product has been designed for people who require combined building and content insurance for residential investment property risk and contains the benefits described above. If customers only require contents cover, they should consider the separate TMD for our landlord's contents product on our website. We have outlined below who this product is suitable for.

Within the target market:	
Customers that are the owner of a private residential investment property in Australia currently rented to and occupied by a tenant or rented as a holiday home for a short stay.	
AND	
Customers that either manage the property themselves or use a property manager.	
AND	
Customers seeking financial protection for:	
<ul style="list-style-type: none"> ▪ accidental loss or damage to their residential rental property; ▪ accidental loss or damage to the contents of their residential rental property; ▪ loss of rent up to 12 months, if the property becomes uninhabitable following an insured event; and ▪ legal liability from personal injury or property damage as a result of an occurrence arising in connection with the ownership of the property. 	
NOT within the target market:	
<ul style="list-style-type: none"> ▪ Customers who do not own a residential investment property. ▪ Customers who do not own or wish to insure any contents in a residential investment property. ▪ Customers who wish to insure their home and/or contents under another insurance policy. ▪ Owners of an investment property used or leased for commercial purposes. ▪ Customers who will regularly or from time to time leave the property unoccupied for more than 90 days, except where the property is used for short term holiday let and you regularly inspect the property every 90 days. ▪ Customers who want to be covered for ordinary wear and tear of the property. ▪ Customers who want to cover their residential investment property against floods or earthquakes. ▪ Customers who require cover for Rent Default, where the tenant fails to pay the agreed rent and is in breach of the tenancy agreement during the Period of Insurance. ▪ Customers whose property is larger than 5 acres. ▪ Customers whose property is located above the snow line. ▪ Customers with criminal convictions in the past 10 years or who have been declared bankrupt in the past 7 years. ▪ Customers with a property located above the 26th parallel (including Northern Territory, Central and North Queensland and Central and North Western Australia). ▪ Customers whose property is made up of more than 50% combustible roofing or walling. 	

The Product is designed for customers whose likely objectives, financial situation and needs are described below.

Customer's likely objectives, financial situation and needs	
Objectives	To financially protect a customer's residential investment property from accidental loss or damage, whilst the property is occupied, rented or leased.
Financial situation	Customers who are likely to experience a financial burden should an accident or other event cause loss or damage to the property if they do not have insurance and who can afford the applicable insurance premium and excess when a claim is made.

Needs	Customers in the target market will be looking for protection from a number of key risks associated with renting their investment property including the key features described in the Product Description above. Some customers may require insurance for damage to the building as a condition of a mortgage over the property.
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Distribution of this product

This product is distributed by Honan Insurance Group Pty Ltd via its appointed distributors comprising of real estate agents that act as a distributor of the product and also directly through the LIGO insurance website. The distributors of the product have been chosen due to the knowledge, skill and experience they have in this area and their relationship with property owners who engage them to manage their investment property.

Honan Insurance Group has distribution conditions in place to help ensure that this product is only sold to customers in the target market. These conditions include:

- Requesting information relating to the eligibility and acceptance criteria during the application process to determine whether the customer falls within the target market and whether this product should be offered to that customer.
- Representatives involved in offering or arranging this product are appropriately trained, understand the market this product is designed for and how to identify customers falling within and outside of the target market.
- Internal processes and systems are in place to support distribution of this product to target market customers.
- This product is not able to be distributed outside of the Honan Insurance Group network.

Reporting of complaints and significant dealings outside the target market

Honan Insurance Group will record all complaints received about this product. All distributors are required to provide written details of any complaint received about this product within 10 business days after each **Complaints Reporting Period**. For the purpose of this TMD, each six-month period from the effective date is a Complaints Reporting Period.

If a product is sold to a person that is not within the target market, this must be reported to Honan Insurance Group within 10 business days of the date on which a distributor becomes aware of the sale.

Reviewing this TMD

This TMD will be reviewed no later than 2 years from the effective date to ensure it remains appropriate.

This TMD will be reviewed earlier, if any event or circumstance occurs that would reasonably suggest that the determined target market is no longer appropriate, or this product is no longer consistent with the likely objectives, financial situation and needs of customers in the target market. These events or circumstances are called **review triggers**. A review trigger might be where:

1. There is a material change to this product, including to the cover;
2. There is a relevant and significant change or event affecting a reasonable proportion of customers in the target market (e.g. a change in law or regulation);
3. There are changes to how this product is distributed;
4. There are significant or systemic complaints or feedback relating to the appropriateness of this product for the target market;
5. Trends in claims suggest that this product is not performing appropriately for the target market; or
6. There is a reportable significant dealing in this product;
7. There is a material defect in the PDS which reasonably suggests that the TMD is no longer

appropriate;

8. Feedback, orders or directions from a regulator or external dispute resolution body like AFCA that suggests this TMD is no longer appropriate.

This TMD will be reviewed within 10 business days of the occurrence of any of the review triggers above.

The LIGO Residential Landlord's Insurance (Building and Contents Combined) Insurance product is issued by Honan Insurance Group Pty Ltd (AFS Licence no. 246729, ABN 67 005 372 396) under a binding authority from Allied World Assurance Company, Ltd (Australia Branch) (ABN 54 163 304 907) and Berkshire Hathaway Speciality Insurance Company (ABN 84 600 643 034).