

# RACQ Body Corporate Insurance Target Market Determination



This Target Market Determination (TMD) is designed to provide consumers, distributors and our representatives with information about who this product has been designed for by describing the class of consumers that comprise the target market for the product and other matters relevant to the product's distribution and review.

In this document the terms "RACQ", "we", "us" or "our" refer to RACQ Insurance Limited, AFSL 233082.

This document is not a Product Disclosure Statement (PDS) and is not a description of full product terms and features.

## RACQ Body Corporate Insurance Product

The RACQ Body Corporate Insurance Product provides insurance for units, apartments, townhouses and free standing homes that are under a Body Corporate title.

## Body Corporate Target Market

The RACQ Body Corporate Insurance product has been designed for Body Corporate owners who want to be covered against financial loss caused by an incident involving multi-residential property and common contents and are seeking an appropriate level of cover relevant to their Body Corporate's circumstances.

This product is suitable for people who:	This product is not suitable for:
<ul style="list-style-type: none"> <li> Own or manage properties that are under a Body Corporate or Owners Corporation,</li> <li> Require insurance protection for the property, common contents and associated legal liabilities,</li> <li> Would like the option to add either office bearers' liability and/or voluntary workers' insurance cover.</li> </ul>	<ul style="list-style-type: none"> <li> Properties outside of Australia,</li> <li> Properties that are used primarily for business/commercial purposes,</li> <li> Properties that are not under a Body Corporate or Owners Corporation.</li> </ul>

The likely needs and objectives of consumers in the target market for this product are likely to be met because the product provides:

- Insurance cover that can wholly or partially contribute to the repair or replacement of the Body Corporate buildings or common contents, or the legal liability arising from their use.
- Financial protection because the cost of that loss could be significant and beyond the Body Corporate's own cash reserves.
- Financial support to avoid or minimise other costs that may occur when they make a claim, such as emergency repairs or removal of fallen trees (see the product description for more examples).

## Product Description Summary

Below is a description of the key terms, features and attributes that affect whether this product is likely to be suitable for the needs of the target market. Refer to the PDS for full details of product coverage and limits.

This product is subject to our acceptance criteria – see key examples described under the heading "Distribution of this product".

Body Corporate Insurance	Building	Common Contents
<b>Loss or damage to the building or the common contents that is caused by an incident that happens at the insured address</b> – Up to the sum insured shown on the Certificate of Insurance		
<b>Common contents in the open air</b> – Up to the sum insured shown on the Certificate of Insurance		
<b>Demolition and design</b> – Up to 10% of the sum insured shown on the Certificate of Insurance		
<b>Emergency repairs</b> – Up to \$1,500		
<b>Fidelity guarantee</b> – Up to \$30,000		
<b>Lost rent</b> – Up to 12 months		
<b>Motor burnout</b> – included		
<b>Removal of fallen trees</b> – Up to \$500		
<b>Temporary accommodation</b> – Up to 12 months		
<b>Legal Liability</b> – Up to \$20,000,000		

## Distribution of this product

This product is distributed by our representatives only via our distribution network, being:

- RACQ contact centres by calling 13 1905, and
- RACQ branches (including agencies).

We have distribution conditions in place designed to help ensure this product is only sold to consumers in the target market.

These conditions include measures such as:

- Suitability and eligibility questions on application, to determine whether the consumer meets the eligibility requirements for the product.
- Risk-based acceptance criteria based on particular features of the consumer or the Body Corporate to be insured. Some of the key acceptance criteria include:
  - the condition and use of the building or common contents.
- Production and distribution of materials that explain and document the covers that are designed for consumers in the target market.
- Analysis of review triggers and other suitability data in the formation of renewal decisions.
- Training and authorisation of representatives in our distribution network for this product. These representatives understand the market this product has been designed for, have been trained in the relevant acceptance criteria, and have the appropriate levels of authority.
- Systems and processes that support our suitability and eligibility assessments, and the delivery of other information relevant to the consumer's understanding of the market for the product.
- Controls on marketing and sales conduct to those outside the target market.

## Reviewing this document

We will review this TMD within 2 years from the effective date to ensure it remains appropriate.

We will also review this TMD if any event or circumstances (called 'review triggers') occur that would reasonably suggest that the determination is no longer appropriate, or the product is no longer consistent with the likely objectives, financial situation and needs of consumers in the target market, such as:

- A material change occurs to the cover provided by the product,
- Our acceptance criteria changes and that impacts the suitability of the product for the target market,
- The distribution of the product changes,
- A relevant and material deficiency in the product's disclosure documentation is discovered,
- Systemic issues or complaints indicate the product is no longer suitable for the described target market,
- Distribution conditions, systematic issues or complaints indicate it is likely that consumers who acquire the product are not in the target market,
- Material and relevant reductions in our key product suitability metrics such as:
  - Member satisfaction,
  - Product acceptance,
  - Financial performance,
  - Benefits to members,
  - Product value and affordability.

We will review this TMD within 10 business days of the occurrence of any review trigger.

## Reporting

RACQ and all distributors must record all complaints received about this product on a quarterly basis (Complaints Reporting Period). Distributors are required to provide to us written details of any complaints about the product they have received during the Complaints Reporting Period within 10 business days of the end of the period.

Our distributors are required to provide monthly and incident-based reporting on key metrics (see the heading "Reviewing this document") to allow us to review this TMD.

Distributors are also required to report to RACQ if they become aware of a significant dealing in this product which is not consistent with this TMD within 10 business days of becoming aware of such dealing.

All distributors must report sales data including the number of policies issued, renewed and cancelled on a monthly basis.

## Record keeping

RACQ and its distributors will maintain records of the reasonable steps they have taken to ensure that this product is sold in a manner consistent with this TMD.

We will also prepare and maintain complete and accurate records of our decisions, and the reasons for those decisions, in relation to:

- All target market determinations for this product,
- Identifying and tracking review triggers,
- Setting review periods, and
- The matters documented in this TMD.