

Target Market Determination (TMD)

A P R I L 2 0 2 2

This is a Target Market Determination (**TMD**) issued by Ag Guard Pty Ltd (ABN 42 168 502 645, AFSL 480716) (**Ag Guard**) as agent for QBE Insurance (Australia) Limited ABN 78 003 191 035 AFSL 239545 which is a member of the QBE Insurance Group of companies. QBE Insurance Group Limited ABN 28 008 485 014 is the ultimate parent entity and is listed on the Australian Securities Exchange (ASX: QBE).

This TMD is effective from 3 February 2022 and relates to the Ag Guard Lifestyle Farm Product Disclosure Statement QM9346.

This TMD provides Ag Guard'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;
- distribution conditions and restrictions on distribution for this product;
- reporting obligations of Ag Guard's distributors; and
- the review period and events or circumstances that may trigger a review.

This TMD describes the customers within our Target Market, considering their needs, objectives and financial situation, however it does not consider any individual customer's needs, objectives and financial situation. Examples in this TMD are not intended to be exhaustive.

This TMD is not intended to provide financial product advice and does not form part of the terms and conditions of cover under the product.

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

A customer may fall within the Target Market set out in this TMD but may not meet Ag Guard's underwriting criteria on application.

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

Ag Guard Lifestyle Farm

There are five different types of insurance covers in this product:

- Section 1 – Home Property;
- Section 2 – Farm Property;
- Section 3 – Motor Vehicles;
- Section 4 – Theft; and
- Section 5 – Public and Products Liability.

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

However, Section 1 – Home Property and Section 5 – Public and Products Liability are mandatory covers for insurance to be provided. If a customer requires

cover for only one section or they are not able to meet the minimum and mandatory sections of the product, Ag Guard recommends that the customer seek an alternative farm insurance policy.

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

- Section 1 – Home Property; and
- Section 3 – Motor Vehicles.

The other types of insurance covers in this product are not required to be covered in this TMD.

Who is within the Target Market for Ag Guard Lifestyle Farm?

Customers within the Target Market

(Customers are within the Target Market if all of the following conditions apply)

-
- ✓ Owners or operators of predominantly rural properties used as lifestyle farms.
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Customers **NOT** within the Target Market

(Customers are not within the Target Market if any of the following conditions apply)

-
- × Owners or operators of predominantly rural properties used for non-farming purposes.
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Part 1: Home Property

Product description and key attributes

The Home Property cover is a mandatory cover for insurance to be provided and must be purchased with Public and Products Liability cover. The product offers options to enable customers to tailor the product to suit their needs.

Home Buildings and Home Contents

This cover provides customers with financial protection for the cost of repair or replacement of their **Home Buildings** or **Home Contents** if there is loss or damage from either **Listed Events** or **Accidental Damage**.

Listed Events includes (subject to the PDS):

- breakage of certain glass items (such as shower bases, wash basins, cisterns);
- bursting, leaking, discharging or overflowing of liquid;
- damage caused by animals or birds;
- deliberate or intentional acts (other than vandalism or **Theft**);
- earthquake, **Tsunami**, volcanic eruption;
- **Storm, Rainwater** or **Run-Off**;
- erosion, **Subsidence** or **Landslide**;
- fire, smoke or explosion;
- impact damage;
- lightning or thunderbolt;
- malicious damage
- power surge;
- riot, civil commotion, industrial or political disturbance; and
- **Theft**, burglary or housebreaking.

The **Home Buildings** and **Home Contents** cover contains **Additional Benefits** and **Optional Benefits** as part of the **Sum Insured** which are set out in the PDS. There is an **Optional Benefit** for loss or damage to **Home Buildings** or **Home Contents** caused by **Flood**. **Domestic Solar Panels** are not included under the definition of **Home Building** and are required to be insured under an **Optional Benefit** called renewable energy pack. Refer to the PDS for more information.

The **Home Buildings** and **Home Contents** cover excludes events that are not **Listed Events**, as well as the following in relation to **Accidental Damage** (subject to the PDS):

- deliberate, intentional, malicious or criminal acts;
- lawful seizure;
- wear, tear, rust, corrosion, depreciation or graduation deterioration;
- defective work or materials, faulty workmanship or error in design;
- mechanical, electrical or electronic breakdown;
- consequential loss;
- **Flood**;
- water seeping through a wall or floor; and
- damage and loss to certain items, including sporting equipment, bicycles, items for sale and land.

Portable Effects

Portable Effects cover is available as an optional benefit if the customer has taken out cover for **Home Buildings** or **Home Contents**.

This cover provides customers with financial protection for the cost of repair or replacement of their **Portable Effects** if there is loss or damage from either **Listed Events** or **Accidental Damage**.

The **Portable Effects** cover has specific exclusions, including for (subject to the Lifestyle Farm PDS):

- cash, negotiables or financial transaction cards;
- unset precious or semi-precious stones;
- items being cleaned, repaired, restored or on exhibition away from the **Address**;
- **Vehicles**, aircraft, aerial devices, watercraft;
- property used in connection with a profession, trade or business, or otherwise for reward;
- bicycles;
- failure to take reasonable steps after discovery of liquid bursting, leaking, discharging or overflowing;
- loss or damage caused by tenants;
- power surge;
- **Landslide**, erosion or earth movement and **Subsidence**;
- **Theft**; and
- **Storm, Rainwater** or **Run-Off**.

Other key terms and conditions

The Home Property cover is subject to:

- the **Sum Insured** as specified in the PDS and **Schedule**;
- general exclusions for the product, including asbestos, cyber, intentional damage, malicious damage, penalties, **Pollutants**, war and terrorism and a bushfire, grassfire or cyclone waiting period;
- specific conditions for the Home Property cover and general conditions for the product; and
- the payment of an **Excess** as specified in the PDS and **Schedule**.

Refer to the PDS for more information.

Key eligibility criteria

The Home Property cover eligibility criteria include:

- the customer is the owner or tenant of a **Home Building**;
- the **Home Building** is **Occupied** by the owner or their tenant and used as their primary residential home;
- the **Home Building** is secure, undamaged, structurally sound and well maintained; and
- the customer has household goods of all description which they own or use and are responsible for.

Who is within the Target Market for Home Property?

Customers within the Target Market

(Customers are within the Target Market if all of the following conditions apply)

✓	Owners or operators of predominantly rural properties used as a primary residence and a lifestyle farm.
✓	Homeowners who rent out a home to a tenant.
✓	Customers who want insurance for their residential home, which includes cover for (but not limited to) loss or damage arising out of their ownership of the home, caused by Listed Events , with an option to select Accidental Damage cover. Customers who want cover for Additional Benefits .
✓	Customers who want cover for Optional Benefits , including Flood and Domestic Solar Panels .
✓	Customers who have a legal, equitable or ownership interest in the home (which could include a bank or insolvency firm).
✓	Customers who can pay premiums and any Excess in the event of a claim.
✓	Customers who want to vary their premium by considering different levels of cover or by choosing their Excess .
✓	Customers who want to choose to pay their premium annually or by instalment.

Customers NOT within the Target Market

(Customers are not within the Target Market if all of the following conditions apply)

×	Customers who are seeking cover for legal liability for injury to or death of another person or loss or damage to another person's property arising out of their ownership of the home. This cover is not provided under Section 1 – Home Property, however it is provided under Section 5 – Public and Products Liability, and both are mandatory covers for this product.
×	Customers who want cover for Flood automatically. This is an Optional Benefit provided by this product.
×	Customers who want cover for Farm Buildings , such as sheds, stockyards and silos, or Farm Property , such as Livestock , Fencing and Hay . This cover is available under Section 2 – Farm Property.
×	Customers who live in a dwelling that is used for business purposes, except where it is a dwelling used as the primary residence that also contains an office or surgery.
×	Customers whose home is in the course of construction, alteration or substantial repair.
×	Customers who live in a premise that is not a standard residential home (for example a temporary building or structure, motel, nursing home or boarding house, buildings of flats or caravan)
×	Customers whose home is unoccupied and will continue to be for more than 90 consecutive days out of any period of 120 days.

Who is within the Target Market for Home Contents?

Customers within the Target Market

(Customers are within the Target Market if all of 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 from a landlord.
- ✓ Customers who want to be financially protected for loss or damage occurring to their home contents, caused by **Listed Events**, with an option to select **Accidental Damage** cover. Customers who want cover for **Additional Benefits**.
- ✓ Customers who want cover for **Optional Benefits**, including **Flood** and **Domestic Solar Panels**.
- ✓ Customers who can pay premiums and any **Excess** in the event of a claim.
- ✓ Customers who want to vary their premium by considering different levels of cover or by choosing their **Excess**.
- ✓ Customers who want to choose to pay their premium annually or by installment.

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 items that are not typically used for domestic purposes or kept in or around a **Home Building**, such as caravans and other **Vehicles**, aerial devices, commercial or retail trade stock and watercraft.
- × Customers who are seeking cover for legal liability for injury to or death of another person or loss or damage to another person's property occurring anywhere in the world other than at the insured address. This cover is not provided under Section 1 – Home Property, however it is provided under Section 5 – Public and Products Liability, and both are mandatory covers for this product.
- × Customers who want cover for **Flood** automatically. This is an **Optional Benefit** provided by this product.
- × Customers who live in a dwelling that is used for business purposes, except where it is a dwelling used as the primary residence that also contains an office or surgery.
- × Customers whose home is in the course of construction, alteration or substantial repair.
- × Customers who live in a premise that is not a standard residential home (for example a temporary building or structure, motel, nursing home or boarding house, buildings of flats or caravan)
- × Customers whose home is unoccupied and will continue to be for more than 90 consecutive days out of any period of 120 days.

Who is within the Target Market for Portable Effects?

Customers within the Target Market

(Customers are within the Target Market if all of the following conditions apply)

- ✓ Homeowners or customers who own items of personal property designed to be worn or carried by a person, including luggage, mobile phones, portable computers, jewellery, sporting and photographic equipment.
- ✓ Customers who can pay premiums and any **Excess** in the event of a claim.
- ✓ Customers who want to vary their premium by considering different levels of cover or by choosing their **Excess**.
- ✓ Customers who want to choose to pay their premium annually or by installment.

Customers NOT within the Target Market

(Customers are not within the Target Market if any of the following conditions apply)

- × Customers who do not want cover for their items of personal property.
- × Customers who want cover for cash, negotiables or financial transaction cards, unset precious or semi-precious stones, items being cleaned, repaired, restored or on exhibition away from the address or **Vehicles**.
- × Customers who want cover for property used in connection with a profession, trade or business, or otherwise for reward.

Part 2: Motor Vehicle

Product description and key attributes

The product offers options to enable customers to tailor the product to suit their needs.

Comprehensive

This cover provides customers with financial protection for:

- accidental loss or damage (including **Theft**) to their **Vehicle**;
- legal liability to pay compensation for loss or damage to someone else's property caused by the **Vehicle** which is partly or fully the customer's fault;
- replacement of a new **Vehicle** after a **Total Loss**; and
- personal injury or death arising to other people out of the use of their **Vehicle**;

The Comprehensive cover contains **Additional Benefits** and **Specific Options** which are set out in the PDS.

Third Party Liability

This cover provides customers with financial protection for:

- legal liability to pay compensation for loss or damage to someone else's property caused by the **Vehicle** which is partly or fully the customer's fault; and
- personal injury or death arising to other people out of the use of their **Vehicle**.

The Third Party Liability cover contains **Additional Benefits** which are set out in the PDS.

Third Party Liability, Fire and Theft

This cover provides customers with financial protection for:

- legal liability to pay compensation for loss or damage to someone else's property caused by the **Vehicle** which is partly or fully the customer's fault; and
- personal injury or death arising to other people out of the use of their **Vehicle**.

The Third Party Liability, Fire and Theft cover contains **Other Benefits** which are set out in the PDS.

Other key terms and conditions

The Motor Vehicle cover is subject to:

- the **Sum Insured** as specified in the PDS and **Schedule**;
- specific exclusions for the Motor Vehicle cover, including unroadworthy or unsafe vehicles, under the influence, intentional acts, punitive or aggravated damages, vehicles used as a **Tool of Trade**, breakdown, dangerous goods and wear and tear;
- general exclusions for the product, including intentional damage, malicious damage, penalties, **Pollutants**, war and terrorism;
- specific conditions for the Motor Vehicle cover and general conditions for the product; and
- the payment of an **Excess** (which may include a **Basic Excess**, or other kinds of **Excess**) as specified in the Lifestyle Farm PDS and **Schedule**.

Refer to the Lifestyle Farm PDS for more information.

Key eligibility criteria

The Motor Vehicle cover eligibility criteria include:

- the customer is the owner of a **Vehicle**;
- the **Vehicle Usage** is for 'Private Motor' which is registered as a private vehicle and not used for income earning purposes, or 'Farm Motor' which is a motor vehicle predominantly used in a **Farming Business**, and as shown in the **Schedule**;
- the **Vehicle** is of a make or model and with modifications accepted by Ag Guard as shown in the **Schedule**;
- the **Vehicle** is roadworthy, undamaged and safe.

Who is within the Target Market for Comprehensive?

Customers within the Target Market

(Customers are within the Target Market if all of the following conditions apply)

- ✓ Customers who own a **Vehicle** which is registered as a private vehicle and is not used for income earning purposes, or a vehicle typically used on rural properties for their lifestyle farms.
- ✓ Customers who want financial protection for loss or damage occurring to their **Vehicle**, or caused to another person's property due to use of their **Vehicle**, replacement of a new **Vehicle** after a **Total Loss** and personal injury or death arising to other people out of the use of their **Vehicle**. Customers who want cover for **Additional Benefits**.
- ✓ Customers who own a private **Vehicle** and that want cover for **Specific Options**, including removal of **Basic Excess** for windscreen claims or a rental or loan car.
- ✓ Customers who have a legal, equitable or ownership interest in the **Vehicle** (which could include a bank or insolvency firm).
- ✓ Customers who can pay premiums and any **Excess** in the event of a claim.
- ✓ Customers who want to vary their premium by choosing their **Excess**.
- ✓ Customers who want to choose to pay their premium annually or by installment.

Customers NOT within the Target Market

(Customers are not within the Target Market if any of the following conditions apply)

- × Customers who use their **Vehicle** to carry passengers for hire, fare or reward (this does not include a private pooling arrangement), for any motor sport or motor trade, or to transport commercial bulk dangerous goods.
- × Customers who want Compulsory Third Party insurance, which is only available under a Compulsory Third Party insurance policy.
- × Customers who want cover for farm machinery that is fixed or immobile, such as solar panels and pumps. This cover is available under Section 2 – Farm Property.
- × Customers whose **Vehicle** is unsafe or not roadworthy, or is of a make or model not accepted by Ag Guard.
- × Customers who want cover for unspecified fitted or non-standard extras, modifications and accessories to their **Vehicle**.

Who is within the Target Market for Third Party Liability?

Customers within the Target Market

(Customers are within the Target Market if all of the following conditions apply)

- ✓ Customers who own a **Vehicle** which is registered as a private vehicle and is not used for income earning purposes, or a vehicle typically used on rural properties for their lifestyle farms.
- ✓ Customers who want financial protection for loss or damage caused to another person's property due to use of their **Vehicle** and personal injury or death arising to other people out of the use of their **Vehicle**. Customers who want cover for **Additional Benefits**.
- ✓ Customers who can pay premiums and any **Excess** in the event of a claim.
- ✓ Customers who want to vary their premium by choosing their **Excess**.
- ✓ Customers who want to choose to pay their premium annually or by installment.

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 accidental loss or damage (including **Theft**) to their **Vehicle**.
- × Customers who want cover for replacement of a new **Vehicle** after a **Total Loss**.
- × Customers who use their **Vehicle** to carry passengers for hire, fare or reward (this does not include a private pooling arrangement), for any motor sport or motor trade, or to transport commercial bulk dangerous goods.
- × Customers who want Compulsory Third Party insurance, which is only available under a Compulsory Third Party insurance policy.
- × Customers who want cover for farm machinery that is fixed or immobile, such as solar panels and pumps. This cover is available under Section 2 – Farm Property.
- × Customers whose **Vehicle** is unsafe or not roadworthy, or is of a make or model not accepted by Ag Guard.
- × Customers who want cover for unspecified fitted or non-standard extras, modifications and accessories to their **Vehicle**.

Who is within the Target Market for Third Party Liability, Fire and Theft?

Customers within the Target Market

(Customers are within the Target Market if all of the following conditions apply)

- ✓ Customers who own a **Vehicle** which is registered as a private vehicle and is not used for income earning purposes, or a vehicle typically used on rural properties for their lifestyle farms.
- ✓ Customers who want financial protection for loss or damage to their **Vehicle** caused by a fire or **Theft**, loss or damage caused to another person's property due to use of their **Vehicle** and personal injury or death arising to other people out of the use of their **Vehicle**.
- ✓ Customers who want cover for **Other Benefits**, including cover for legal liability while using a Substitute Vehicle, legal costs and expenses, towing, damage to the customer's **Vehicle** arising from an accident caused by a driver of an uninsured **Vehicle**.
- ✓ Customers who can pay premiums and any **Excess** in the event of a claim.
- ✓ Customers who want to vary their premium by choosing their **Excess**.
- ✓ Customers who want to choose to pay their premium annually or by installment.

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 loss or damage to their **Vehicle** caused by anything other than fire or **Theft**.
- × Customers who use their **Vehicle** to carry passengers for hire, fare or reward (this does not include a private pooling arrangement), for any motor sport or motor trade, or to transport commercial bulk dangerous goods.
- × Customers who want Compulsory Third Party insurance, which is only available under a Compulsory Third Party insurance policy.
- × Customers who want cover for farm machinery that is fixed or immobile, such as solar panels and pumps. This cover is available under Section 2 – Farm Property.
- × Customers whose **Vehicle** is unsafe or not roadworthy, or is of a make or model not accepted by Ag Guard.
- × Customers who want cover for unspecified fitted or non-standard extras, modifications and accessories to their **Vehicle**.

Consistency with the Target Market

Based on our assessment of the key terms, features and attributes of each cover detailed above, each cover and the product as a whole, are likely to be consistent with the needs, objectives and financial situation of customers in the Target Markets described above.

Distribution channel and conditions

This product has been designed to be distributed by Ag Guard or its distributors online through relevant websites.

This product is subject to the following distribution conditions:

- this product can only be sold to customers to purchase directly online through relevant websites, who are eligible for that cover in accordance with the application and/or acceptance and renewal criteria and any other underwriting rules that has been approved in writing by Ag Guard and which complies with relevant laws;

- this product can be sold to customers within the Target Market without the customer being provided with any financial product advice;
- this product can only be distributed by Ag Guard or its distributors where they have received training and relevant accreditation (if required) and have met annual compliance reviews; and
- the TMD must be made available to customers who wish to refer to it.

The distribution conditions will make it likely that customers who acquire the product are in the Target Market, as Ag Guard considers that the distribution conditions are appropriate and will enable it and its distributors to direct the product to the Target Markets described above. This has been determined based on an assessment of the distribution conditions and the Target Market.

Reporting and monitoring

Ag Guard will collect and may require its distributors to report on the following information to this TMD:

Complaints	All complaints in relation to this product within 10 business days of the complaint having been received by the distributor. This will include written details of the complaints.
Sales data	Relevant sales and customer data in relation to this product on a quarterly basis.
Claims data	Where relevant, claims data in relation to this product on a quarterly 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.

Review of the TMD

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.

The events or circumstances that may suggest the product is no longer suitable to the Target Market and would trigger a review (prior to the scheduled periodic review date) include, but are not limited to, Ag Guard becoming aware of:

- a material change to the product including the PDS, information or assumptions upon which the Target Market was formulated;
- systemic issues in the product or distribution of the product;
- a material change in the acceptance or underwriting criteria for the product;
- the product is being distributed and purchased in a way that is significantly inconsistent with this TMD;
- distribution conditions are no longer appropriate;
- a significant increase in the number of complaints relating to the product received by Ag Guard or reported by its distributors;
- relevant and material feedback received from a distributor, regulator or other interested parties;
- adverse trends in policy and claims data indicating the product is not performing as expected by the customer;
- change of relevant law, regulatory guidance or industry code which has a material effect on the terms or distribution of the product; and
- relevant material external events such as litigation, adverse media coverage or regulatory attention.

Where a review trigger has occurred, this TMD will be reviewed within ten business days.

