

Target Market Determination

Clover OneHome – Listed Events

Occupancy Type: Long Term Rental (Landlord)

About this Target Market Determination (TMD)

This TMD applies to the Long Term Rental cover (Landlord cover) set out in the Clover OneHome – Listed Events Combined Product Disclosure Statement and Financial Services Guide dated 28 December 2023 (PDS).

This TMD:

- sets out the class of customers the Landlord cover has been designed for, having regard to the likely objectives, financial situation and needs of that class of customers;
- sets out the distribution conditions that apply to the Landlord cover, the review periods and triggers, and the reporting requirements for the TMD;
- does not consider individual customers' objectives, financial situation or needs, and customers should consider the PDS and other information provided by us before deciding whether to apply for this Landlord cover; and
- provides information and examples but not a complete list of the eligibility or terms, conditions and exclusions that apply to this Landlord cover.

To fully understand the terms and conditions of this product, customers should read the PDS at cloverinsure.com.au/home-product/ and any other policy documents before deciding if the product is suitable for them.

If customers have already purchased this product, they should review the information we have provided to them whenever their circumstances change, to make sure the product is still right for them.

This TMD applies to the OneHome - Listed Events product where “Long Term Rental” is the occupancy type and either Building and/ or Contents cover is selected and specified on your policy schedule.

Target Market

Product Description and Key Attributes

The OneHome - Listed Events product allows customers to choose from building or contents cover (or both), includes legal liability cover and has several optional coverage extras. The product also has specific landlord coverage benefits when it is taken out for long term rentals. This TMD explains the target market for Landlord building and/or contents cover under the OneHome - Listed Events product.

Landlord cover is designed to provide customers in the target market with cover against financial loss resulting from an insured event listed in the table below at their home building within Australia which is rented to a tenant on a long term basis, or contents owned by the landlord which are items left for the tenants to use, which occurs during the period of insurance.

For this product “building” includes the private domestic residence and other outbuildings and fixtures and fittings and structural improvements. Under this product “contents” include items left for the tenants use such as household goods, furniture, unfixed carpets, floor rugs curtains and internal blinds, portable domestic appliances (not permanently connected to the building) but not portable electronic equipment, not permanently installed swimming pools, spas and saunas (including unfixed accessories), fixtures and fittings that have been installed if you are the owner of a strata title unit, but excluding fixtures and fittings the body corporate has insured.

The OneHome – Listed Events product provides cover for loss or damage to a Landlords' building or contents used for a long term rental, caused by the following listed events:

Animal damage	✓
Earthquake	✓
Explosion	✓
Fire	✓
Flood	✓
Legal liability – Building and/or contents	✓
Lightning	✓
Malicious act including vandalism	✓
Riot and public disturbances	✓
Storm	✓
Sudden escape of liquid	✓
Sudden impact	✓
Theft or attempted theft	✓

Optional Coverages

The following optional covers can be added to the OneHome - Listed Events product Landlord cover. These options will alter the premium.

Accidental Glass Breakage	✓
Electric Motor Burnout	✓
Choice of excess - sudden escape of liquid	✓
Choice of excess - natural perils	✓
Pontoons/Jetties/Wharves or similar – Building cover only	✓
Loss of Rent	✓
Rent Default	✓
Theft By Tenant	✓

Legal Liability

A further key attribute of the OneHome – Listed Events product Landlord cover is its legal liability cover. This provides protection to the home owner (landlord) if they become liable for damage to someone's property (other than that of the home owner/landlord or their family), or death of or bodily injury to any other person (other than that of the home owner/landlord or their family), provided that:

- If Building cover is taken out, this legal liability cover is for events that occur at the insured address.
- If Contents cover is taken out this legal liability cover is for events that occur anywhere in Australia other than at the insured address.

The Landlord cover can be tailored to suit customers' personal needs. This can be based on the replacement value of their building or contents (as applicable), options for an excess, the selection of certain optional covers and premium payment arrangements.

Likely objectives, financial situation and needs of customers in the target market

In general, landlords of domestic residential properties in Australia need to manage certain financial risks associated with particular events that may cause loss or damage to their buildings or contents (which are items left for tenants to use), as well as specific associated costs and expenses they may incur as a result of this. They also need protection for legal liability arising:

- from events at the building address which may result in the death of or bodily injury to any person (other than them or their family) or loss or damage to someone else's property as well as protection for certain legal costs arising with such liability claims; and/or
- from an occurrence anywhere in Australia other than at their insured address which may result in damage to someone's property (other than them or their family), or for the death of or bodily injury to, any person (other than them or their family).

The likely objectives and needs of a person in the target market are principally to transfer these financial risks through insurance protection of the types covered by this product, for a period and on terms and conditions (including limits and excesses and price) acceptable to them.

The likely financial situation of a person in the target market is principally that they can afford to pay or accommodate the following:

- they can afford to pay the premiums (which may vary over time) and be able to make payments via the payment options available;
- they can afford to pay or bear multiple excesses which may apply to one claim;
- they are able to financially contribute where their claim is for an amount greater than a sublimit, for instance under additional benefits which may apply to the policy;
- where the sum insured is insufficient to cover the total loss amount, they are able to financially contribute to cover any difference between the sum insured and the total value of the loss;
- with respect to Buildings cover only, where the claim includes rectification of pre-existing damage or wear and tear not covered by the policy, they are able to financially contribute to:
 - cover this damage;
 - rectify the damage before a repair or payment is made under the claim, or
 - accept a cash settlement for the cost of the damage related to the insured events; and
- with respect to Landlords cover only:
 - where the customer has suffered a loss of rent as a landlord, and the period of lost rent exceeds the benefit limits set out in the PDS, they are able to cover the remaining loss themselves;
 - where the customer has suffered a loss relating to malicious damage by tenant, and this loss exceeds the sublimit, they are able to cover the remaining loss themselves; and
 - where the customer has collected bond money from the tenant under a rental agreement, this will be deducted from any claim for loss of rent, rent default or death by tenant.

Description of the target market

This product is suitable for landlords who:

- own or are legally responsible for a domestic residence and/or other buildings built for domestic purposes;
- lease their buildings and/or contents (which are items left for tenants to use) for long term rentals;
- need insurance for loss or damages to their buildings and/or contents caused by a range of insured events, including for instance fire, theft, storm, flood and earthquake, and associated costs and expenses they may incur as a result of these events; and
- may need insurance for loss of rent, rent default and/or loss due to theft by tenant.

This product is not suitable for landlords where:

- Their building is:
 - used for the purposes of a business, trade, profession, farming or commercial purposes.
 - used for short-term rentals, including hotels, motels, boarding houses, arrangements booked on sharing platforms or bed and breakfasts.
 - not kept in good repair and condition, or is not structurally sound, watertight, secure and free of structural defect, decay or deterioration and vermin infestation or damage.
 - a house at an insured address that is used for mixed residential and commercial use.
 - a houseboat.
 - a nursing home, retirement village, a display or exhibition house.
 - not being occupied as a long term rental.
 - constructed using asbestos as a building material.
- Their insured address either does not have a domestic residential building on it or there is a mix of residential and non-residential (for example commercial) buildings on it.
- Their insured address has an underground or below-ground domestic residence (known as a dugout), even if this is only part of a building.
- They require cover for flood, earthquake, cyclone, storm or bushfire within 72 hours of the commencement of this product for the first time.
- They do not have written rental agreements in place with their tenants.
- They require cover for their insured address from actions of the sea, storm surge, high tide or tsunami.
- They require cover for their buildings which are:
 - unoccupied or are expected to be unoccupied for a continuous period of more than 60 days or any longer period agreed to by us.
 - is unliveable.
 - located on more than 2.5 hectares of land.

- They cannot afford to pay the premiums, applicable excesses and any loss or damage that is excluded by, or greater than the limits of, cover.

Electric motor burnout

The Electric motor burnout optional cover is suitable for landlords who have electric motors which are less than 7 years old, used solely for domestic purposes and not covered by guarantee or warranty.

Pontoons/Jetties/Wharves or similar

The Pontoons/Jetties/Wharves or similar optional cover is suitable for landlords who have a private and permanent pontoon, jetty, wharf or similar at the insured address.

Rent default

The rent default optional cover is suitable for landlords where:

- they collect at least four (4) weeks of rent as bond money;
- they take reasonable steps to sufficiently screen applicants to ensure they have the means to afford the rent at the commencement of the rental agreement; and
- they take reasonable steps to repair any damage at the insured address as soon as reasonably possible.

Suitability

If the Landlord cover is issued to a retail client in the target market as described, it will likely be consistent with the likely objectives, needs and financial situation of that person, principally because the person will have the key characteristics of someone who is likely to needs and value the Landlord cover and who is able to meet our eligibility criteria.

Distribution conditions

Clover OneHome Listed Events Building Insurance can only be issued to a retail client via our intermediary partners (distributors) where the retail client submits information (directly or through their insurance broker) into Clover's online system or a third-party interface connected to that system which meets the eligibility criteria for the product (including for new business, renewals and variations as applicable). The eligibility criteria, which include all aspects of the target market description, have been approved in writing by us.

All distributors acting on our behalf are only allowed to engage in retail distribution conduct, including through use of Clover's online system or a third-party interface, if they have been authorised in writing by us to do so and this authority has not been cancelled or suspended. All distributors are also subject to appropriate contractual terms, training, supervision and monitoring.

We believe it is reasonable to conclude that if the Insurance were to be issued in accordance with the above distribution conditions it would be likely that the customer is in the target market, principally because the Clover online system or third-party interface connected to that system will only allow the product to be issued to a customer who meets the eligibility criteria approved by us and the distributors using that system will be subject to appropriate contractual terms, training, supervision and monitoring regarding its use.

Reviewing this Target Market Determination

We will review the TMD if we identify or become aware of any event or circumstance that would reasonably suggest that the TMD is no longer appropriate, which could include the following:

- There are amendments to our PDS that materially change the cover provided.
- New eligible criteria are introduced for the product.
- We introduce other ways in which our products are sold.
- We identify there may be a product suitability issue following reviews of our complaint and claims data.
- We identify a significant dealing that is not consistent with this TMD.
- There are material changes in our product suitability metrics such as:
 - Customer satisfaction (including complaints and claims trends)
 - Product acceptance (including renewal and cancellations data), or
 - Financial performance (including net loss ratio).

Where a review trigger has been identified, this TMD will be reviewed within 10 business days.

Periodic Review

This TMD will also be reviewed and updated one year after the effective date and every two years thereafter.

Reporting

We will require our distributors and our claims providers to report on the following information (as appropriate) in relation to this TMD:

Complaints	All complaints in relation to this product within 2 business days and on a monthly basis. This will include written details of the complaints.
Sales data	Relevant sales and customer data (including new business (including conversion rates, renewal and cancellation data, as well as customer demographic trends) 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	Any dealing in relation to the product that is inconsistent with the TMD, as soon as practicable but within 10 business days.
Suitability	Any information our distributors become aware of that suggest the TMD may no longer be suitable, as soon as practicable but within 10 business days.

Questions

If you have any questions about our products or this Target Market Determination, please contact us on (02) 9000 6180.

Effective date:	28 December 2023
Issuer:	Clover Insurance Pty Ltd, ABN 19 653 550 371, AFS Licence No. 538528
Underwriter:	RAC Insurance Pty Ltd ABN 59 094 685 882, AFS Licence No. 231222.