Target Market Determination (TMD)

QBE Marine Specialty Risks Pleasure Craft

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

Product Disclosure Statement (PDS) this TMD relates to	**QBE Marine Specialty Risks Pleasure Craft (QM2432)**
TMD applies to policies commencing or renewing effective from	17.01.2025
First publication date of this TMD	05.10.2021

Information included in this TMD
This TMD describes: • the product and its key attributes • who this product is suitable for (the target market) and who it is unsuitable for (outside the target market) • how this product must be distributed, including any conditions and restrictions • reporting obligations for distributors • when this TMD will be reviewed.

The TMD doesn't consider a customer's personal needs, objectives, and financial situation. Customers should refer to the QBE Marine Specialty Risks Pleasure PDS, and any Supplementary PDS to ensure the product is right for them.

Product Description

This product has been designed to provide the following covers for Pleasure Craft.

It offers cover for:

- Loss or damage
- Third party liability

Before making a decision about the product, customers should read the PDS. It provides complete information about the insurance coverage, exclusions, excesses, restrictions and conditions, claims processes and the rights and obligations of the customer.

Cover: Loss or damage

Target Market

This cover is suitable for customers who:

✓	own a pleasure craft that is used for recreational purposes and only for private use.
✓	own pleasure craft that is only used within Australian waters, no further than 250 nautical miles from the Australia coastline.
✓	want financial protection for: • the loss or damage occurring to their pleasure craft and equipment or accessories; • legal liability for injury to third parties or damage their property arising out of the ownership of the pleasure craft; • personal accident – resulting in death or bodily injury to them, arising out of the use or ownership of the boat.
✓	have a legal, equitable or ownership interest in the pleasure craft (which could include a bank or insolvency firm).

This cover is only suitable for customers where **all** the above apply.

This cover is NOT suitable for customers whose:

✕	pleasure craft is used for hire/charter or business purposes.
✕	pleasure craft is being used as their permanent living accommodation.
✕	pleasure craft 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.
✕	pleasure craft motor has been enhanced to greater than the manufactures specifications or can exceed speeds of 60 knots.
✕	pleasure craft is used for racing, speed tests or trials (unless they are participating in a Power Boat Association Time Trial under the control or regulation of the Power Boat Association to a maximum speed of 30 knots or have purchased optional cover available for yacht racing).

This cover is not suitable for customers where **any** of the above apply.

Likely Needs, Objectives and Financial Situation and Needs of Customers in the Target Market and consistency with the product's key attributes

Likely need and objectives of customers in the target market	Key Product Attributes consistent with likely needs and objectives of the target market
Cover for the damage to a pleasure craft including hull, motors, sails, masts, spars, standing and running rigging, trailer, equipment and accessories to reduce the unexpected financial costs to repair or replace this property or parts of this property property when it is stolen, accidentally or maliciously damaged, or damaged in transit.	The product provides cover for costs to repair or replace the pleasurecraft, its hull, motors, sails, masts, spars, standing and running rigging, trailer, equipment and accessories, if it is lost or damaged by incidents covered by the product including: • accidental damage; • theft; • malicious damage or vandalism; • search costs; • transit damage; • damage caused by governmental authority; or • other expenses.
Cover for legal liability to reduce the unexpected financial cost they are legally responsible to pay for: • damage to another person's property; or • injury to another person; or • injury to the customer (when another person is allowed by the customer to have control of the pleasure craft), arising out of the ownership and/or use of the pleasure carft by the cusotmer or any person allowed by the cutomer to control the pleasure craft.	The product provides cover for legal liability arising from an occurrence during the period of insurance for the use of the pleasure craft by the customer or any person allowed by the customer to control the pleasure craft which results in personal injury and/or damage to property.
Optional benefits to tailor the product to suit their individual needs.	Customers have the choice to tailor their cover and include optional benefits: • Yacht racing risk extension; • Yacht club social racing risk extension; • Dinghy/tender extension; • Water skiers or aquaplaning extension; or • Choice of Limit of Liability.

Likely financial situation of customers in the target market	Key Product Attributes consistent with the likely financial situation of the target market
Customers within the target market will likely have the financial capacity to: • pay the premiums which may increase from year to year; or • meet monthly payment commitments if electing to pay premium in instalments.	Customers have the choice of: • paying the total premium in one annual payment; or • paying the premium in monthly instalments.
Pay the basic excess selected and any additional or imposed excesses.	A basic excess applies to most claims. Customers can choose to: • pay more premium to pay less at the time of a claim where an excess would apply; or • pay less premium, to pay more at the time of a claim where an excess would apply.

Likely financial situation of customers in the target market	Key Product Attributes consistent with the likely financial situation of the target market
Bear any costs that exceed the sum insured and any benefits to the pleasure craft including hull, motors, sails, masts, spars, standing and running rigging, trailer, equipment and accessories to repair or replace the pleasure craft and associated items.	Customers may be faced with bearing a proportion of the costs and/or loss where the additional benefits limits or amount they have insured the pleasure carft including hull, motors, sails, masts, spars, standing and running rigging, trailer, equipment and accessories have been exhausted.
Pay any outstanding premiums if paying in monthly instalments in the event of a total loss.	In the event of a total loss, QBE will either deduct the total of all remaining instalments from the customer's claim settlement or QBE will ask the customer to pay the total to QBE.

Based on QBE's assessment of the key terms, attributes and eligibility criteria, the insurance cover for Loss or damage is likely to be consistent with the needs, objectives and financial situation of customers in the target market.

Other Key Product Attributes

Key Limits	
Sum Insured	Customers can nominate a sum insured for each of the following items to be covered: • the hull; • the motor(s); • sails, masts, spars, standing and running rigging; • trailer; and/or • equipment and accessories.
Emergency Expenses	QBE will also reimburse the customer up to $500 for reasonable travel and accommodation expenses incurred when the pleasure craft or the trailer can not be used, following loss or damage as a result of an accident/event or theft covered by this Product which occurs more than 100 kilometres from the customer's home.
Search Costs	QBE will cover costs or expenses reasonably incurred by the curtomer for hire or charter of any vessel or aircraft to be utilised in search of the pleasure craft presumed lost or in distress. These costs are subject to a limit of $10,000 any one event.
Personal Effects	If a customer's personal effects suffer physical loss or damage caused by an accident or theft which are being used or stored on the pleasure craft the customer is covered up to: • $200 any one item for mobile phones, prescription glasses or sunglasses; • $1,000 any one item and $12,500 in total for all other personal effects. This amount will not be paid in addition to a total loss settlement.
Legal Liability Limit	Customers can nominate one of the follow sum insureds: • $5,000,000 • $10,000,000 • $20,000,000.
Other policy limits including additional benefit sub-limits apply	The insurance cover is subject to maximum insured limits and these are set out in the policy schedule. Other claims limitations and conditions are specified in the PDS (and any Supplementary PDS).

Key Exclusions	
Operator of pleasure craft	There is no cover if: • the pleasure craft was in the control of the customer or any person with the customer's express or implied consent while under the influence of alcohol or of any drug or had a percentage of alcohol or drugs in a customer's/their breath or blood in excess of the percentage permitted by law in the place where the loss, damage or liability occurred; • the pleasure craft was under the control of a person not licensed under the applicable law.
Use of the pleasure craft	There is no cover if: • the pleasure craft was being used for an unlawful purpose; • the pleasure craft was being used for hire or charter or business purposes, or for payment or reward at the time of the accident or loss; • the pleasure craft is being used for permanent living accommodation unless the customer tells QBE beforehand in writing, and QBE agrees in writing to cover the customer.
Reasonable Actions and Precautions	There is no cover if, at the time of the incident: • the customer does not take reasonable steps to protect the pleasure craft against any initial or further loss or damage; • the customer did not meet registration requirements in the customer's state or territory; • the pleasure craft lacked repair or maintenance; or • the pleasure craft was not seaworthy or was in an illegal condition, unless its condition did not cause or contribute to the incident; • the customer continues to use the pleasure craft after it has been damaged; • the customer does not secure the pleasure craft after it has broken down, been damaged or the customer has been notified it has been found after it was stolen.
Condition of the pleasure craft	There is no cover if: • the customer does not keep the pleasure craft in good order and repair, or in a proper state of seaworthiness and in compliance with the minimum safety equipment and safety standards as required under the relevant Maritime regulatory standards applicable to the pleasure craft; • the customer does not keep the mooring that the customer uses for the pleasure craft in good order and repair or in accordance with the applicable Maritime regulatory standards and requirements.
Other policy exclusions apply. Please refer to the PDS (and any Supplementary PDS) for a complete list of policy exclusions.	

Distribution

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. Authorised Intermediaries have taken reasonable steps to ensure distribution of the product is undertaken in accordance with the Distribution Conditions.

Distribution Restrictions	**QBE Marine Specialty Risks Pleasure Craft QM2432** can only be sold via the following Distribution Channel/s: • QBE's network of approved General Insurance intermediaries who hold an AFS licence; or • an Authorised Representative of QBE who operate under our AFS licence.
Distribution Conditions	QBE Marine Specialty Risks Pleasure Craft QM2432 can only be sold to persons that are eligible for cover in accordance with the application and/or renewal criteria that has been approved in writing by QBE and which complies with the law (**Application Process**). The Application Process has been tailored to identify the target market described in this TMD as part of the eligibility criteria. The use of this Application Process will make it more likely that the product will be acquired by persons within the target market. The application process is comprised of the following: • Public website with product information • A policy administration system with built in underwriting and eligibility controls • QBE staff product training • QBE underwriting accreditation (earned authority). Distributors of QBE Marine Specialty Risks Pleasure Craft must make this TMD available free of charge on request.
Distribution Method	QBE Marine Specialty Risks Pleasure Craft can be sold via direct contact between the customer and the insurance broker or agent. QBE Marine Specialty Risks Pleasure Craft is not available online for customers to purchase directly.

Reporting Obligations

Information	Responsible reporting person	Obligation	Information required to be reported	Reporting Period
Dealings outside the target market	Distributor and QBE	A distributor of QBE Marine Specialty Risks Pleasure Craft will report to QBE if it becomes aware of a dealing outside of the target market that is inconsistent with the TMD and which QBE has not already approved. QBE will report to the regulator any significant dealing outside the target that is inconsistent with the TMD.	• the date (or date range) the dealing occurred; • details about the dealing(s); • any steps or actions taken to mitigate this dealing; and • any steps or actions taken to stop or prevent any further dealings outside the target market from occuring.	As soon as practicable and, by no later than 10 business days after the date the Distributor or QBE becomes aware of the dealing.
Complaints and feedback	Distributor and QBE	Distributors of QBE Marine Specialty Risks Pleasure Craft will report to QBE complaint and feedback information received about the product. QBE will report any complaint or feedback information received about the product.	• the number of complaints received about this product during the reporting period; and • a brief summary about the nature of every complaint received and any steps taken to address the complaint.	Every 3 months.
Orders, direction or feedback from Regulator, Code Governance Committee or AFCA	Distributor and QBE	Any order, direction or feedback from a regulator, Code Governance Committee or AFCA related to the product or how it is distributed.		As soon as practicable and, by no later than 10 business days after the date the the feedback, direction or order was received.
Periodic Product Reviews Outcomes	QBE	Outcomes from the Periodic Product Reviews conducted.	• Data reviewed • Data analysis outcomes • Review outcome decisions	Every 2 years or sooner if the review was conducted prior.

TMD Review

TMD Reviews	Information QBE will use to review the TMD
Review Period	This TMD will be reviewed 12 months after the date it is first published, and it will be periodically reviewed once every 2 years thereafter.

What may trigger a review prior to periodic review	The events or circumstances that may trigger a review prior to a scheduled periodic review date include QBE becoming aware of:
	• the nature or numbers of complaints or feedback provided about the product's design or distribution that indicate significant or systemic issues, reasonably suggesting the TMD is no longer appropriate;
	• a material change to the product (including the PDS and the Application Process) or distribution conditions, or to the information or the assumptions which the target market is based on, which reasonably suggests the TMD is no longer appropriate;
	• a material incident in relation to the product's design and distribution which reasonably suggests the TMD is no longer appropriate;
	• any:
	  ○ change of relevant legislation, regulations or regulatory guidance; or
	  ○ direction or order from a regulator, the Code Governance Committee or AFCA related to the design of the product or its distribution,
	that reasonably suggests the TMD is no longer appropriate;
	• a significant dealing outside the TMD occurring that reasonably suggests the TMD is no longer appropriate.