

# CLUB MARINE PLEASURE CRAFT INSURANCE

## Target Market Determination (TMD)

Effective Date: 5 October 2021

### About this document

This TMD applies to the **Club Marine Pleasure Craft Insurance Policy** described in the Product Disclosure Statements listed in Appendix 1 (**PDSs**) that have been issued by Allianz Australia Insurance Limited ABN 15 000 122 850 AFS Licence No. 234708 (**Issuer**) through its underwriting agent, Club Marine Limited ABN 12 007 588 347 (AFS Licence No. 236916) (**Club Marine**).

The purpose of this TMD is to describe the class of customers for which the products described in the PDSs have been designed, having regard to the likely needs, objectives and financial situation of that class of customers. Examples used in this TMD are illustrative only, and are not intended to be exhaustive.

This TMD is not intended to provide any financial product advice, and does not consider any individual customer's personal needs, objectives or financial situation.

This TMD does not replace the terms and conditions, and disclosures made, in the PDSs. A customer should refer to the applicable PDS before making a decision about a product which are available from an Approved Distributor (defined below) or at [www.clubmarine.com.au](http://www.clubmarine.com.au).

A customer may fall within the target market described in this TMD, but may not meet underwriting criteria of Allianz and Club Marine on application.

For further information on Allianz's approach to the distribution and development of products for appropriate target markets, go to [www.allianz.com.au](http://www.allianz.com.au).

## A. Target Market

### Product description (including key attributes)

<b>Main cover(s):</b>	<p>Subject to the limitations and exclusions in the PDS, this cover provides protection:</p> <ul style="list-style-type: none"><li>(a) for persons that own a boat to cover the cost of repairs to, or replacement of, that boat arising from accidental loss or damage (including theft and malicious damage) (<b>accidental loss or damage cover</b>);</li><li>(b) for persons that own a boat, or are in control or in charge of that boat, to cover their legal liability for loss or damage to another person's property or death or personal injury to another person arising from their use of that boat (<b>legal liability cover</b>); and</li><li>(c) to the insured (if an individual) for their death or certain types of personal injury arising from the use of that boat (<b>insured person cover</b>).</li></ul> <p>Accidental loss or damage cover, legal liability cover and insured person cover are available for purchase together. Legal liability cover can be purchased separately. When a customer is purchasing legal liability cover only, accidental loss or damage cover and insured person cover is not included.</p>
<b>Optional cover(s):</b>	<p>Optional cover(s) can be added to the main cover(s) by a customer, which may be subject to additional eligibility criteria and the payment of additional premium and excess:</p> <p><b>Water skiing option</b> – extends the legal liability cover to include:</p> <ul style="list-style-type: none"><li>- death or injury of a water skier/wake surfer;</li><li>- death or injury of another person caused by a water skier/wake surfer; and</li><li>- damage to another person's property caused by a water skier/wake surfer,</li></ul> <p>that occurs whilst water skier/wake surfer is being towed by the boat.</p> <p>The water skiing optional cover forms part of the main cover when the boat is a personal watercraft.</p> <p><b>Extended Yacht Racing option</b> – extends the accidental loss and damage cover and legal liability cover to include yacht racing occurring over 25 nautical miles from the coast of mainland Australia or Tasmania or with the use of spinnakers;</p> <p><b>Land Transit by Professional Road Haulier option</b> – extends the accidental loss and damage cover and legal liability cover to include land transit of non-trailerable boats (i.e. moored vessels) if transported by professional boat transporter.</p>
<b>Key eligibility criteria:</b>	<p><b>Insured:</b></p> <ul style="list-style-type: none"><li>• resides in Australia or New Zealand;</li><li>• owns a boat or personal watercraft;</li><li>• has a boat licence;</li><li>• has adequate skill and experience to control the insured boat;</li><li>• does not permanently live on the insured boat; and</li><li>• is not a professional marine operator such as professional skippers and crew, professional boat builder or repairer, marina operator or yacht club.</li></ul> <p><b>Boat (including personal watercraft):</b></p> <ul style="list-style-type: none"><li>• is registered with the relevant marine authority in Australia;</li><li>• is of a make, model and design that is identified as eligible during the Application Process;</li><li>• includes modifications that are identified as eligible during the Application Process;</li><li>• is not used for hire, charter or reward, for example any Air BnB, Uber or similar arrangements and any time share, syndicate or other arrangement where the boat is regularly used by persons with no ownership interest in the boat;</li><li>• with a maximum speed less than the maximum speed limit accepted by us as part of the Application Process or, in the case of personal watercraft, 65 knots;</li><li>• is not used for racing or speed tests (other than Social Yacht Racing, as defined in the PDS) unless accepted by us;</li><li>• is not used outside the Geographical Limits (as defined in the PDS) unless accepted by us;</li><li>• is seaworthy, in good repair and well maintained, with no existing damage other than minor wear and tear;</li><li>• is not made from ferrocement;</li><li>• is not a hovercraft, a specialised non-standard production craft nor a specialised commercial hull; and</li><li>• (other than a personal watercraft) is not used to tow water skiers, unless we agree to cover this under the Water Skiers Cover option.</li></ul> <p>When a customer is purchasing legal liability cover only, the following additional eligibility criteria apply:</p> <ul style="list-style-type: none"><li>• the boat is a trailerable craft only with a speed of less than 60 knots; and</li><li>• the boat is not used outside the Geographical Limits identified as eligible in the Application Process.</li></ul>

## Key exclusions:

The main covers provided under the PDS have specific coverage and exclusions, including (without limitation) the following key exclusions. These key exclusions are not intended to be exhaustive, and customers should refer to the PDS for a full list of exclusions.

### General exclusions

At the time of the loss or damage, injury, death or liability, the boat:

- was outside the Geographical Limits (as defined in the PDS) unless extended Geographical Limits had been accepted by us or if the boat went outside Geographical Limits for reasons outside reasonable control of the persons in charge of the boat or to respond to an unforeseen emergency;
- was being used for hire, charter or reward, racing or speed tests unless Social Yacht Racing (as defined in the PDS) or as permitted under the Extended Yacht Racing Option;
- exceeded the maximum speed limit in the schedule or, in the case of personal watercraft, 65 knots;
- was fitted with an engine more powerful than that recommended by the boat's manufacturer; or
- was controlled by persons who were:
  - unlicensed, or were not complying with their licence conditions;
  - not adequately skilled and experienced to control the boat; or
  - under the influence of drugs or alcohol at the time of the accident or refused a test for drugs and alcohol.

The loss, damage, injury, death or liability arose as a result of:

- the unseaworthy condition of the boat or as a result of a lack of maintenance/repair, delamination, deterioration, corrosion and electrolysis, or wear and tear;
- a failure to take reasonable care;
- vermin, including small animals, sea life, insects and birds;
- use of the boat during declared lay-up periods unless that use is permitted under the PDS; or
- the use of unsuitable moorings.

### Accidental loss or damage cover only

Loss or damage to:

- items other than the boat and insured components (as defined in the PDS);
- moorings;
- a motor that was secured to the boat but was not recommended by the manufacturer of the boat; or
- the boat when being transported by professional road haulier and not on its own trailer (unless we have agreed to extend cover under the Land Transit by Professional Road Haulier option);
- the boat's sails caused by a crew error, wind or water, unless boat was stranded, sunk or in a collision, or suffered mast or rigging failure.

The following types of loss or damage:

- mechanical and/or electrical breakdown or failure of parts;
- electrical, electronic or mechanical failure or malfunction of electronics, navigation and guidance systems where there is no sign of physical damage;
- osmosis, blistering, fibreglass or surface coat blistering or delamination not connected to accidental physical impact;
- seizure or overheating of motors unless caused by an external blockage;
- negligent repairs/works and replacement of mechanical or electrical parts with items not in accordance with manufacturer's original specifications; or
- a latent defect as defined in the PDS (other than resultant damage to other parts of the boat).

Loss or damage to the boat caused by:

- water in the fuel unless as a result of malicious damage or petrol station contamination;
- theft, where there was a failure to take reasonable precautions to protect against theft;
- malicious damage or theft by the insured, or persons acting with their consent or who have been entrusted with the boat; or
- water ingress to personal watercraft resulting from the seat or hatches detaching from the hull.

**Legal liability cover only**

Legal liability for loss, damage, injury or death:

- not connected with the use of the boat;
- resulting from negligent repair performed by boat builders or repairers, skippers and crew, yacht clubs or marina operators, or when such persons are in control of the boat;
- arising from use of sporting/diving equipment or any sporting or recreational activity other than the use of the boat, other than to the extent covered by the Water-skiing Option where taken;
- to the insured, a member of the insured's family or anyone who lives with the insured; or
- the insured or the insured's family's property.

**Insured persons cover only**

Death, injury or loss:

- arising from a failure to obtain attention from a medical practitioner, or refusal to undergo a medical examination when requested;
- occurring 12 months after an accident; or
- arising from self-inflicted death or injury.

**Limitations:**

Claims may be fulfilled by repair, replacement or by a cash settlement payment depending on the circumstances.

Claims for loss and damage are subject to either a market value or agreed value limit (as selected by the insured, and specified on the schedule) and other limitations and conditions specified in the PDS and schedule.

Claims for loss or damage to:

- (a) fishing gear, water ski equipment, diving equipment and tools; and
- (b) personal effects,

are subject to a limit for each item and for total claims for items within each category (a) and (b) above.

Claims for liability related to accidental pollution are limited to \$500,000 per event.

Claims related to accidental death, permanent and total loss of sight or use of limb are subject to the cover limit set out in the schedule, and claims for permanent and total loss of use of a thumb or index finger are subject to 20% of the cover limit in the schedule.

**Excess:**

Other than claims for death and personal injury, claims are subject to the payment of an excess.

If the boat is a personal watercraft, an additional excess may apply for theft or for water ingress if there is no evidence of physical impact with a solid object.

The excess may be waived if the insured, or person in control of the boat, was not at fault and details of the at fault party can be supplied.

**Other key terms:**

**Exclusion periods** – Loss or damage caused by cyclone, flood and bushfire may be subject to an initial exclusion period when such events are predicted.

## Likely needs, objectives and financial situation

### The cover for accidental loss or damage, legal liability and insured person is designed for:



#### Likely needs and objectives

Persons that own a boat or personal watercraft that want to:

- protect themselves against the financial detriment or burden resulting from accidental loss or damage to, or theft of, their boat or personal watercraft;
- protect themselves (and persons in control or charge of their boat or personal watercraft) against liabilities for loss or damage to another person's property arising from the use of their boat or personal watercraft; and
- (if an individual only) have some financial protection in the event of their own death or personal injury arising from the use of their boat or personal watercraft.

Based on our assessment, accidental loss or damage, legal liability and insured person cover (including its key attributes) is likely to be consistent with the needs, objectives and financial situation of customer's in the target market.

#### Likely financial situation

A person who is able to pay premiums in accordance with the chosen premium structure, excess in accordance with the chosen excess option.

### Legal liability cover when purchased on its own is designed for:



#### Likely needs and objectives

Persons that own a trailerable boat that want to protect themselves (and persons in control or charge of their boat) against liabilities for loss or damage to another person's property arising from the use of their boat **but not:**

- theft of, or loss or damage to, their boat; or
- death or personal injury to the insured arising from the use of their boat.

Based on our assessment, legal liability cover (including its key attributes) is likely to be consistent with the needs, objectives and financial situation of customer's in the target market.

#### Likely financial situation

A person who is able to pay premiums in accordance with the chosen premium structure and excesses in accordance with the chosen excess option.

## B. Ineligible Persons

### The cover for accidental loss or damage, legal liability and insured person is not designed for persons:



- who do not own a boat or personal watercraft;
- who do not reside in Australia or New Zealand;
- who do not have a boat licence where one is required by law/regulations;
- who do not have adequate skill and experience to control the insured boat;
- who permanently live on the insured boat;
- who are professional marine operators such as professional skippers and crew, professional boat builders or repairers, marina operators or yacht clubs;
- who own a boat that:
  - o is not registered with the relevant marine authority in Australia;
  - o is of a make, model and design that is identified as ineligible during the Application Process;
  - o is modified in a manner that is identified as ineligible during the Application Process;
  - o is used for hire, charter or reward, for example any Air BnB, Uber or similar arrangements and any time share, syndicate or other arrangement where the boat is regularly used by persons with no ownership interest in the boat;
  - o has a maximum speed that exceeds the maximum speed limit accepted by us as part of the Application Process or, in the case of personal watercraft, exceeds 65 knots;
  - o is used for racing or speed tests (other than Social Yacht Racing, as defined in the PDS) unless accepted by us;
  - o is used outside the Geographical Limits (as defined in the PDS) unless accepted by us;
  - o is not seaworthy, in good repair and well maintained, with existing damage other than minor wear and tear;
  - o is made from ferrocement;
  - o is a hovercraft, a specialised non-standard production craft or a specialised commercial hull; or
  - o (other than a personal watercraft) is to be used to tow water skiers, unless we agree to cover this under the Water Skiers Cover option.

### The legal liability cover when purchased on its own is not designed for persons:



- who want cover for theft of, or loss or damage to, their boat;
- who want cover for the death of, or bodily injury to, the insured arising from the use of their boat;
- who do not own a trailerable boat or personal watercraft;
- who do not reside in Australia or New Zealand;
- who do not have a boat licence where one is required by law/regulations;
- who do not have adequate skill and experience to control the insured boat;
- who permanently live on their boat;
- who are professional marine operators such as professional skippers and crew, professional boat builders or repairers, marina operators or yacht clubs;
- who own a boat that:
  - o is not registered with the relevant marine authority in Australia;
  - o is a moored craft;
  - o is a trailer craft of a make, model and design that is identified as ineligible during the Application Process;
  - o is modified in a manner that is identified as ineligible during the Application Process;
  - o is used for hire, charter or reward, for example any Air BnB, Uber or similar arrangements and any time share, syndicate or other arrangement where the boat is regularly used by persons with no ownership or interest in the boat;
  - o has a maximum speed that exceeds 60 knots;
  - o is used for racing or speed tests (other than Social Yacht Racing, as defined in the PDS or as otherwise accepted by us);
  - o is used in geographical locations that are identified as ineligible during the Application Process and/or outside the Geographical Limits (as defined in the PDS);
  - o is not seaworthy, in good repair and well maintained, with existing damage other than minor wear and tear;
  - o is made from ferrocement;
  - o is a hovercraft, a specialised non-standard production craft or a specialised commercial hull; or
  - o (other than a personal watercraft) is to be used to tow water skiers, unless we agree to cover this under the Water Skiers Cover option.

## C. Distribution

### Distribution channels

Products under this TMD may be distributed through any of the following means:

- online through relevant websites
- professional insurance intermediaries and agencies
- by calling Club Marine's underwriting/sales team
- other third-party distributors
- on the basis of a general advice model, limited personal advice model or personal advice model

All of these channels are monitored by Club Marine (on behalf of the Issuer) and staffed by persons who have been trained in the distribution of the products covered by this TMD and the Application Process.

### Distribution conditions and restrictions

Products under this TMD can only be issued to customers that are eligible for that cover in accordance with the application and/or renewal criteria that has been approved in writing by Club Marine and which complies with the law (**the Application Process**). Allianz approves the Application Process.

The Application Process has been tailored to identify the Target Market described in this TMD as part of the eligibility criteria for the products covered by this TMD, and the use of the Application Process would make it more likely that persons in the Target Market will acquire a product covered by this TMD.

Products under this TMD can be distributed either directly by Club Marine or by distributors approved by Club Marine and Allianz (**Approved Distributors**). Approved Distributors and their systems and processes are assessed and monitored by Club Marine (on behalf of the Issuer), and would therefore make it more likely that the Approved Distributor will comply with the terms of this TMD.

### Distribution information

We require Club Marine and its distributors to provide the following information in relation to their distribution of products covered by this TMD:

Complaints	<p>all complaints in relation to this TMD must be supplied to Club Marine (on behalf of the Issuer) as soon as reasonably possible, but no later than on a quarterly basis unless Club Marine has requested a distributor to report more frequently. This will include written details of the complaints.</p> <p>Club Marine must supply all complaint information to the Issuer on a quarterly basis unless the Issuer has requested Club Marine to report more frequently.</p>
Sales data	<p>report relevant sales and customer data in relation to this TMD on a quarterly basis to Club Marine (on behalf of the Issuer) unless Club Marine has requested a distributor to report more frequently.</p> <p>Club Marine must supply all sales and customer data information to the Issuer on a quarterly basis unless the Issuer has requested Club Marine to report more frequently.</p>
Significant dealings	<p>notification to Club Marine (on behalf of the Issuer) if they become aware of a significant dealing in relation to this TMD that is inconsistent with this TMD within 10 business days.</p> <p>Club Marine must immediately notify the Issuer if it receives a notification of a significant dealing.</p>

### Other

In addition to the distribution conditions, restrictions and information set out above, Allianz or Club Marine may include other conditions, restrictions and information on the distribution of products under this TMD.

Any additional conditions and restrictions will be notified (in writing) to an Approved Distributor.

## TMD reviews

This TMD shall be reviewed as follows:

First review	Within 12 months from the date of this TMD.
Subsequent reviews	At least every three years after the end of the previous review.
Review triggers	<p>Where an event or circumstance is identified by us or is notified to us that would reasonably suggest the TMD is no longer appropriate. This may include (but is not limited to):</p> <ul style="list-style-type: none"><li>• a material change to the design or distribution of a product, including material changes to policy documentation or the PDS;</li><li>• a material alteration to acceptance criteria or underwriting criteria, and the Application Process;</li><li>• identified systemic issues in the product or the distribution of the product;</li><li>• relevant material external events such as relevant litigation or adverse media coverage;</li><li>• relevant feedback, information or notification received from a distributor, regulator such as ASIC or APRA or other interested parties;</li><li>• significant changes in metrics (including sales, policy cancellations, lapses in renewals, claims, complaints and loss ratios); and</li><li>• any significant dealings that are inconsistent with the TMD;</li></ul> <p>to the extent these events or circumstances reasonably suggest the TMD is no longer appropriate.</p>



## Appendix

This TMD applies to the products described in the Product Disclosure Statements (**PDSs**) listed below and any related Supplementary Product Disclosure Statements:

- Club Marine Pleasure Craft Insurance Policy CML POLAUS 02/21
- Club Marine Austbrokers Pleasure Craft Insurance Policy CML AUSTPOL 02/21
- Club Marine Steadfast Pleasure Craft Insurance Policy CML STFPOL 02/21
- Mercury Pleasure Craft Insurance Policy CML MERPOL 02/21
- Club Marine Gallagher Pleasure Craft Insurance Policy CML AJGPOL 02/21
- Club Marine Riviera Pleasure Craft Insurance Policy CML RIVPOL 02/21