

Landlord Insurance Essentials

The purpose of this Target Market Determination (TMD) is to describe:

- the type of customer BZI Landlord Insurance – Essentials Insurance is designed for;
- how it is distributed;
- when this document will be reviewed; and
- what information is required to be provided to help maintain the accuracy of this document.

The product is issued by Youi Pty Ltd (Youi). Blue Zebra Insurance (BZI) arranges and administers the product, and acts under a binding authority for Youi.

This TMD is not a Product Disclosure Statement (PDS) and is not a summary of the product terms and conditions. Any advice provided in this document is general advice only. It has been prepared without taking into account any person's particular objectives, financial situations or needs.

More information about this product is contained in the PDS, which contains full details of coverage, conditions, limitations and exclusions. Consider whether the product is appropriate for you before making any decisions about whether to buy or continue to hold a policy. If you have already purchased this product, you should review the information we have provided to you whenever your circumstances change.

Who this product is designed for

The BZI Landlord Insurance – Essentials product provides cover for landlord properties that are part of a strata title complex (such as a unit or apartment) where the buildings are covered under a body corporate insurance policy.

The product is designed for landlords who may experience a financial burden should a listed event damage their property, or legal liability arise because of an incident at the insured address relating to them as owner of the property or their contents (the likely objectives, financial situation and needs). These landlords will be the owners of residential properties that are part of a strata title complex, such as an apartment or unit, which are rented out to tenants on a long term or short term basis (the target market). However, certain landlords are outside the target market, most notably those with properties that are not part of a strata title complex and therefore require full insurance cover for the buildings (see 'Who this product is not suitable for' below).

Regarding the key attributes of this product, buildings cover under BZI Landlord Insurance – Essentials covers property that includes the residential buildings and other domestic structures at the premises, including permanently attached fixtures, fittings and structural improvements, but excluding land. However, this product is designed for landlord properties that are part of a strata title complex in which case the buildings will primarily be covered by the body corporate insurance (or similar), and therefore the cover under this product is limited to the following events:

- Accidental loss or damage by the tenant;
- Theft by tenant;
- Deliberate or intentional damage;
- Malicious damage or vandalism; and
- Damage by tenant's pets.

Contents cover is for household goods that the landlord is legally responsible for while they are at the property, fixed carpets, loose floor coverings, curtains, internal blinds, portable domestic appliances and electrical equipment, and furniture and furnishings that are not built in. The items covered under contents cover extends to fixtures and fittings installed in a strata title unit that the landlord owns and that are not insured by the body corporate.

Landlord contents items are covered while they are inside a building that is fully enclosed at the insured address, with only limited cover while they are in the open air at the insured address.

This product covers the contents items at the insured address when they are destroyed, lost or damaged, from the following events:

- Accidental loss of damage by the tenant;
- Theft by tenant;
- Theft, attempted theft or burglary (other than by tenants);
- Deliberate or intentional damage;
- Malicious damage or vandalism; and
- Damage by tenant's pets;
- Fire;
- Storm;
- Lightning;
- Power surge;
- Flood;
- Earthquake and tsunami;
- Explosion;
- Riots or civil commotion;
- Escape of liquid;
- Impact damage;
- Animal damage; and
- Broken glass.

In addition to repairing or replacing the buildings or contents items when they are damaged, the product will also provide for additional benefits that cover things such as removing any damaged items and locating the source of escaped liquid (when not covered by the body corporate insurance).

The product also provides some additional covers for situations such as when the landlord's keys have been stolen, for malicious damage or vandalism to a body corporate building that the landlord is liable for, or where there is electric motor burnout in certain contents items.

Another key attribute of BZI Landlord Insurance – Essentials is cover for legal liability. This provides protection to the landlord if they become liable to pay for the death of or injury to unrelated people, or damage to their property, for incidents in relation to them owning the property or landlord contents at the insured address.

Two other key attributes of BZI Landlord Insurance – Essentials that provide cover for loss of rental income are as follows:

- (a) **Loss of rent** – designed for landlords who may experience a financial burden if the property becomes uninhabitable or untenable and as a result they do not get rental income. For example if there is damage or destruction to the property at the insured address, or the tenants are unable to access the property due to damage or destruction at a nearby property.
- (b) **Rent default** – designed for landlords who may experience a financial burden if their tenant stops paying the rent that is owed under a long term rental agreement, including if they vacate the property without giving the required notice and leaving unpaid rent, or stop paying rent and refuse to vacate the property.

All the above key attributes make BZI Landlord Insurance – Essentials cover likely to be consistent with the likely objectives, financial situation and needs of the target market because it provides cover for events that may result in significant damage to the landlord's contents, or loss of rental income from the property. The product provides coverage for contents items that landlords expect to be considered part of the insured property. The product also provides coverage for legal liability arising because of incidents at the insured address that the landlord may be liable for given their ownership of the property.

Who this product is not suitable for

This product is not suitable for landlords who own properties where:

- the buildings are:
 - poorly maintained and not in an occupiable, liveable condition;
 - used as a hotel, motel or bed and breakfast accommodation;
 - used as a boarding house or hostel;
 - not part of a strata title complex i.e. full cover is required for the landlord's buildings;

or

- the contents are:
 - part of a hotel, motel or bed and breakfast accommodation;
 - part of a boarding house or hostel;
 - contained within a dwelling that is poorly maintained and not in an occupiable, liveable condition.

Distribution conditions

BZI Landlord Insurance – Essentials can only be purchased through an intermediary authorised by BZI. BZI has contractual arrangements with brokers (including their Authorised Representatives) who are appropriately licensed to sell their products, and as part of their licensing these brokers have adequate training to provide this product to their customers. BZI has a range of supervision and monitoring procedures, and provides training and support regarding the process to follow for getting quotes for this product and administering the policies once purchased.

When completing a quote, the BZI processes include a number of questions that enable the collection of information that help to determine if the applicant is within the target market for this product, if we will insure them and their property, and for what premium and excess. The customer should always answer these questions accurately and check with their intermediary if they are not sure what a question means.

These conditions make it likely that BZI Landlord Insurance – Essentials will only be distributed to consumers within the target market for this product because the brokers have knowledge of the policy terms and conditions, and processes are designed to identify instances where a policy is not suitable for the applicant.

Reporting

BZI (as distributor of this product and Youi’s agent) collects information and prepares reports regarding sales activity, performance, claims data and complaints on a quarterly basis (at least) and provides this to Youi.

All brokers who have been authorised by BZI to sell and administer this product must report the following information to BZI, who will incorporate it within their reporting requirements to Youi:

Reportable information	Reported by	Frequency
Complaints data including the number and nature of any complaints (where these have not already been raised with BZI)	BZI Brokers	Quarterly (within 10 business days of the end of quarter)
Any occasions where this product has been sold contrary to the TMD	BZI Brokers	As soon as practicable after becoming aware of the matter, and no later than 10 business days
Any feedback, regulatory orders or directions regarding the product or its distribution that are received from <ul style="list-style-type: none"> ▪ a regulator, ▪ The General Insurance Code Governance Committee, or ▪ AFCA 	BZI Brokers	As soon as practicable after becoming aware of the matter, and no later than 10 business days

Where necessary, BZI may request additional information from brokers to determine if this product has been sold contrary to the TMD.

Reviewing this document

Youi will review this TMD if:

- there are amendments to our PDS that change the cover provided;
- material changes are made to our underwriting guidelines;
- we introduce other ways in which this product can be sold;
- we receive a significant number of complaints regarding the design or distribution of this product;
- the business performance and value provided by this product indicate the TMD is no longer appropriate, having regard to appropriate data such as claims ratios and policy sales and cancellation rates; or
- we identify that there has been a significant dealing in the product that is not consistent with the TMD.

Our review will occur within 10 business days of any of the above events occurring.

In any event, a review of this TMD will be completed no later than two years from the publication date of this TMD and subsequently at two-yearly intervals.

Questions?

If you have any questions about our products or this TMD, please contact your broker, or BZI:

Phone: 1300 171 535

Email: info@bzi.com.au

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