

Landlord Insurance Accidental Damage

Buildings & Contents

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

- the type of customer BZI Landlord Insurance – Accidental Damage Insurance with buildings and contents cover 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

Cover for both buildings and contents is available for purchase through the BZI Landlord Insurance – Accidental Damage product. The product is designed for landlords who may experience a financial burden should an event damage the building and/or contents, 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 owners of residential buildings 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 (see 'Who this product is not suitable for' below).

Regarding the key attributes of this product, buildings cover under BZI Landlord Insurance – Accidental Damage 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.

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. 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 buildings and contents items at the insured address when they are accidentally destroyed, lost or damaged, including from events such as:

- fire;
- storm, including hail and lightning;
- flood;
- earthquake;
- liquid escaping or leaking from burst pipes;
- malicious damage or vandalism;
- deliberate or intentional damage;
- damage by tenant's pets;
- theft and attempted theft, other than by tenants (see also the optional cover for 'theft by tenant' below); and
- impact of a vehicle or tree.

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 removal of debris, fees for architects and engineers, and locating the source of escaped liquid.

The product also provides some additional covers for situations such as when the landlord's keys have been stolen or where there is electric motor burnout in certain buildings and contents items.

Another key attribute of BZI Landlord Insurance – Accidental Damage 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.

There are also some optional covers for purchase to meet more specific objectives, financial situation and needs of landlords. Where included on the policy, these covers are further key attributes of BZI Landlord Insurance – Accidental Damage:

- (a) **Theft by tenant** – designed for landlords who may experience a financial burden from the theft of buildings or contents items by their tenant or a visitor of their tenant. Further, when there is a claim paid for theft by tenant this cover may provide an additional benefit for limited legal expenses that the landlord incurs when seeking to recover from the tenant (or their visitor).
- (b) **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 of the building or contents at the insured address, or the tenants are unable to access the property due to damage or destruction at a nearby property.
- (c) **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.
- (d) **Special contents** – designed for landlords that are the owners of landlord contents items that are more valuable in nature who want to make sure they are insured for their full value if they experience a financial loss as a result of those items being damaged.

All the above key attributes make BZI Landlord Insurance – Accidental Damage cover likely to be consistent with the likely objectives, financial situation and needs of the target market because it provides cover, or the option to add cover, for events that may result in significant damage to the landlord's buildings and/or contents, or loss of rental income from the property. The product provides coverage for the typical types of domestic structures and 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 owners of buildings and contents 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;
 - part of a strata title;
- 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 – Accidental Damage 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 buildings and contents, 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 – Accidental Damage 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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