



## Target Market Determination for Club 4X4 Camper Trailer, Slide-on Camper and Caravan Insurance

Prepared 1st July 2022

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This document is the Target Market Determination (TMD) for Club 4X4 Camper Trailer, Slide-on Camper and Caravan Insurance (Insurance) distributed by Club 4X4 Pty Limited (Club 4X4) ABN 41 606 776 274 AR No.1235616, authorised representative of Lifestyle Insurance Group Pty Ltd ABN 48 057 816 172, Australian Financial Services Licence (AFSL) No. 246937 (Lifestyle Insurance Group). The issuer is The Hollard Insurance Company Pty Limited (Hollard) ABN 78 090 584 473, AFSL 241436 (together 'we'). This TMD was prepared on 1st July 2022.

We take a consumer-centric approach to the design and distribution of insurance products to make sure that our products are suitable for the consumers who buy them.

### Purpose of this document

The purpose of this TMD is to describe the class of customers for which the Insurance has been designed and to specify distribution conditions, which together ensure that the Insurance is likely to be consistent with the likely objectives, financial situation and needs of those consumers.

It's important to note that this TMD doesn't take anyone's personal circumstances into account. Even if you are a consumer in the target market, and we offer the Insurance to you, that doesn't necessarily mean that it is appropriate for your personal circumstances. No one knows your situation better than you, so before you make any decisions about the Insurance, you should read and consider the Product Disclosure Statement (PDS) which provides complete information about the Insurance, including coverage, exclusions, excesses, limitations, terms and your rights and obligations to decide if the Insurance is right for you.

Also, this TMD doesn't include all the factors we consider when we decide whether to issue a policy. For example, we have a set of underwriting criteria we use to assess whether a risk is of a type or level we wish to insure. These factors may change over time or in different circumstances. We apply these factors when we decide whether to offer, issue, renew or agree to vary a policy.

## **What insurance does Club 4X4 Camper Trailer, Slide-on Camper and Caravan Insurance provide?**

The Insurance is designed to provide insurance cover to private individuals for camper trailers, slide-on campers, caravans and fifth-wheelers that are used for personal purposes.

For the purposes of this TMD, a camper trailer, slide-on camper, caravan or fifth wheeler will be referred to as a caravan.

The Insurance provides cover to manage the following risks arising from the use of the insured caravan:

- Loss or damage to the camper trailer, slide-on camper, caravans or fifth-wheeler (caravan);
- Legal liability for damage caused to other people's property.

The Insurance provides:

- cover against loss or damage to the caravan arising from accident, collision, theft, fire, storm, or malicious damage; and
- additional benefits, as described in the PDS; and
- optional benefits which can be added (additional premium is payable); and
- cover against legal liability for damage caused to other people's property arising from the use of the caravan.

## **What is the target market for Club 4X4 Camper Trailer, Slide-on Camper and Caravan Insurance?**

**The target market** for the Insurance is private individuals who:

- ✓ own a caravan which they use for private purposes; and
- ✓ require insurance to cover:
  - loss or damage to the caravan; or
  - legal liability for damage caused to other people's property.

### **The Insurance is not designed for:**

- individuals whose caravan is not registered for use on public roads with the relevant transport authority in Australia;
- individuals whose caravan is unsafe, not roadworthy;
- individuals whose caravan is permanently on-site;
- individuals who use their caravan(s) to earn income or provide services;
- commercial enterprises that own and operate caravans for purposes related to the business or for income generating purposes.

### **What key attributes help refine the target market?**

The target market for each type of cover available under the Insurance can be refined by determining which customers are likely to obtain value from the included additional benefits or from selecting one or more of the optional benefits, taking into account the key attributes of those benefits.

The Distribution Conditions for the Insurance have been designed to ensure that customers who are eligible to take up the Insurance are within the target market, as refined by these key attributes, which ensures that the Insurance is likely to be consistent with the likely objectives, financial situation and needs of those consumers.

The information below explains when and how each key attribute is likely to be consistent with the likely objectives, financial situation and needs of customers in the target market. It is not intended to be a full description of each key attribute. Further information about each key attribute is set out in the PDS.

The target market for Camper Trailer, Slide-on Camper and Caravan Insurance includes customers who require insurance to manage one or more of the risks covered by the optional covers. Camper Trailer, Slide-on Camper and Caravan Insurance is likely to be consistent with the likely objectives, financial situation and needs of those customers.

### **Alternative Accommodation**

The Insurance automatically includes the additional benefit of providing alternative accommodation in the event your caravan becomes unlivable and you are further than 100kms from your place of residence.

The key attributes of this benefit is to cover lodging up to \$150 per day (up to a maximum of \$2500 per period of insurance) against the risk of the vehicle becoming unlivable. These additional benefits are consistent with the likely objectives, financial situation and needs of customers who are likely to be dwelling in the vehicle while travelling.

## **Contents Cover**

The Insurance automatically includes additional benefits to cover contents while they are within the caravan.

The key attributes of this additional benefit is to provide up to \$1000 for loss or damage of contents. This additional benefit is likely to be consistent with the objectives, financial situation and needs of customers who are likely to have contents stored within the vehicle.

## **Food Spoilage**

The Insurance automatically includes additional benefits to replace food that is no longer fit to be consumed.

The key attributes of this additional benefit is to provide up to \$300 to cover the cost of replacement of food that is no longer fit to be consumed as a result of motor fusion. This additional benefit is likely to be consistent with the objectives, financial situation and needs of customers who are dwelling in the vehicle while travelling.

## **Laid Up Cover**

Customers can select this optional benefit for a reduction in cover and a lower premium during the period the caravan will not be in use.

The key attributes of this option is to provide limited cover against theft, fire, malicious damage/vandalism and natural weather events. This additional benefit is likely to be consistent with the likely objectives, financial situation and needs of customers who are likely to use their caravan seasonally.

## **Distribution conditions**

### **New policies**

The Insurance is distributed by Club 4X4 as the Authorised Representative of Lifestyle Insurance Group, acting as agent of Hollard, the insurer.

Before you purchase the Insurance, you will be asked a series of questions designed to confirm that you are eligible for the Insurance and any optional covers. Customers who are eligible will be in the target market if they also:

- meet our underwriting guidelines; and
- are able to pay the applicable premium we charge.

We have a range of supervision and monitoring procedures and contractual arrangements with Club 4X4 to ensure that customers are asked these questions and that they are only offered the Insurance if they are likely to be in the target market for the type of cover and applicable key attributes.

## Renewals

Before a policy expires, we will consider:

- the information you previously provided to us;
- updates to that information;
- likely changes in the value of the caravan; and
- other potential changes.

Based on this information, we will consider whether it's likely that you are in the target market for your current type of cover and applicable key attributes and whether we will offer renewal. In making this assessment, we will have regard to the likely impact on customers of offering cover to customers who are not in the target market and of other various alternatives.

As part of the renewal process, we will contact you to confirm the information we have that is relevant to assessing whether you are in the target market and whether we will offer to renew your policy (or notify you that we will not renew). If we believe that you are not likely to be in the target market for your current type of cover, or if we decline to renew, we will explain this clearly and prominently.

If, having been sent our renewal communication, you contact us with any changes or instructions, accept the renewal offer and/or allow a renewal to proceed on the terms offered, we will take that into account in determining whether you are likely to be in the target market.

## TMD Reviews

We will review this TMD regularly to make sure it remains appropriate. The first review will be within 12 months of the date it is prepared, and then within 3 years of completion of the previous review thereafter.

As well as our regular reviews, additional reviews may be triggered if we determine that there has been an event or circumstance that reasonably suggests that this TMD needs to change. This would be the case if it's no longer reasonable to conclude that:

- if the Insurance is issued to a customer in accordance with the distribution conditions, it would be likely that the customer is in the target market; or
- the Insurance is likely to be suitable for customers in the target market.

Review triggers could be identified from:

- changes to the Insurance terms;
- compliance incidents and internal audit findings;
- information received from and/or in relation to distributors (see below);
- changes to our underwriting guidelines, pricing, or reinsurance requirements; and
- feedback and policy from ASIC, AFCA, Code Governance Committee and/or other relevant bodies.

We take reasonable steps to monitor relevant information (including the information referenced above) and other metrics to assess if our TMD needs to be reviewed and reassessed.

## Reporting obligations

Club 4X4 is required to report the following information to Hollard at the following times:

Reportable Matter	When
The number of policies sold or renewed that are not within the target market	As soon as practicable after becoming aware of the matter, and no later than 10 business days
The number of policies sold	On a monthly basis
Responses and response rates on client communications (including renewals)	On a monthly basis
Lapse rates and cancellation rates	On a monthly basis
Product claim ratios	On a monthly basis
The number, nature and magnitude of paid, denied and withdrawn claims	On a monthly basis
The frequency and amount of excesses paid	On a monthly basis
Data on why claims have been withdrawn or denied	On a monthly basis
The Product is issued to a client in breach of the distribution conditions or outside of the target market.	As soon as practicable after becoming aware of the matter, and no later than 10 business days
The nature and number of complaints received about the Product in the reporting period.	On a monthly basis
If there are any significant dealings that are inconsistent with the TMD.	As soon as practicable after becoming aware of the matter, and no later than 10 business days
Any compliance incident relating to the Product or its distribution.	As soon as practicable after becoming aware of the matter, and no later than 10 business days



Insurance for 4X4 enthusiasts

**YOU CAN CONTACT US:**

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