

Musical Instrument & Equipment Insurance Policy

TARGET MARKET DETERMINATION (TMD)

Product:	Musical Instrument & Equipment Insurance Policy
Scheme Name:	MUSICAL INSTRUMENT & EQUIPMENT INSURANCE
Publication Date:	01/10/2021
Effective Date:	05/10/2021
Insurer/Issuer:	Certain Underwriters at Lloyd's
Authorised Representative & Distributor:	Coverforce Insurance Broking Pty Ltd AFSL number: 302522 ABN: 11 118 883 542
Product Disclosure Statements (PDS):	Musical Instrument & Equipment Insurance Policy Product Disclosure Statement (PDS) & Policy Wording Statement (PDS) - V 082021

1. What is a Target Market Determination?

A Target Market Determination (TMD) is a determination that the insurer has made to:

- > describe the target market of Customers this product has been designed for;
- > specify product distribution conditions;
- > specify TMD review periods and triggers; and
- > set out reporting requirements.

This TMD assists the insurer, our Distributors and Customers in understanding the target market for this product.

In this TMD, distribution includes the following conduct in relation to Customers:

- > dealing in the product (e.g. issuing or arranging for the product to be issued to a Customer);
- > giving a PDS and or other regulated disclosure document; and
- > providing financial product advice in relation to the product.

2. What product does this TMD apply to?

This TMD applies to the Musical Instrument & Equipment Insurance Policy Product Disclosure Statement (PDS) & Policy Wording and any Supplementary Product Disclosure Statement (SPDS) we may issue.

3. What are the key attributes of this product?

The Musical Instrument & Equipment Insurance Policy product offers one (1) cover section made up of two (2) cover types, along with additional covers as listed in the PDS and optional cover for outside Australia and New Zealand.

Section 1 - **Cover A:** Fire & Perils Cover anywhere in Australia or New Zealand

Cover B: Theft (following visible forcible or violent entry), Accidental Loss or Damage and Transit cover for equipment specified anywhere in Australia or New Zealand

The customers may also apply for an extension (for an additional premium) for cover outside Australia and New Zealand.

A customer may select the cover and options available to match their specific insurance requirements. Each policy section and cover outside Australia and New Zealand is underwritten and quoted on an offer and acceptance basis in accordance with our underwriting guidelines. These underwriting guidelines also set out which policy sections are mandatory, and which are available taking into consideration the Customer's circumstances.



The product has two policy sections that are the subject of this TMD:

Cover this product provides:

Section 1 – Cover A: Fire & Perils Cover anywhere in Australia or New Zealand.

Loss or damage caused by Fire, Lightning, Wind & Water, Explosion, Earthquake or Impact;

- > This policy section also provides a number of Additional Covers/Benefits related to the Customer's property that is insured and listed on the policy schedule.
- > This policy section does NOT cover events such as spontaneous combustion, sea surge, condensation, application of heat or theft.
- > Cover for money or tangible property is NOT available under this policy.

Section 1 – Cover B: Theft (following visible forcible or violent entry), Accidental Loss or Damage and Transit cover for equipment specified anywhere in Australia or New Zealand

The customers may also apply for an extension (for an additional premium) for cover outside Australia and New Zealand.

- > Cover for All risks of loss or damage to the insured property anywhere in Australia (and world-wide if this option is selected) except as specifically excluded;
- > Cover for loss of or damage to, the Customer's property that is insured and listed on the policy schedule.
- > Cover for theft does NOT cover theft without visible forcible or violent entry.
- > Cover for money or tangible property is NOT available under this policy.

Full details of the cover available are set out in the PDS and Policy Wording which can be found at www.photography-insurance.com.au/downloads

4. What is the target market for this product?

This product is designed to be consistent with the likely objectives, financial situation and suitability needs of Customers who:

Eligibility for All Sections-

A customer that owns or requires insurance for Musical Instrument/s and or Equipment;

- > Customers being individuals, groups, businesses, companies, sole traders, schools and educational centres;
- > That are based and operate in Australia;
- > That are acceptable for us to cover according to our underwriting guidelines.

Customer objectives, financial situation and needs-

Section 1A – Fire & Perils Cover anywhere in Australia or New Zealand.

- > require and seek insurance cover against financial loss arising from the loss or damage to the Customer's property as specified and caused by events such as fire, lightning and explosion during the period of insurance.

Section 1B –Theft (following visible forcible or violent entry), Accidental Loss or Damage and Transit cover for equipment anywhere in Australia or New Zealand.

- > require and seek insurance cover against financial loss arising from the loss or damage to the Customer's property as specified due to theft, Accidental Damage or while in Transit;

This product is likely to be consistent with the objectives, financial situation and needs of the Customers in the target market because:

- > the product provides cover for the types of loss or damage that Customers in the target market are seeking to insure against and;
- > the target market for the product covers those Customers who are eligible to receive cover.



5. When will we review this TMD?

We will complete a review of this TMD for this product by no later than the following periods:

- (a) First review period: 2 years after the original date of the TMD.
- (b) Ongoing review periods: At least every 2 years following the first review period.

6. Other circumstances which will trigger a TMD review

Review Triggers for this product are:

- > if one or more terms of the product are altered and we consider that this alteration reasonably suggests that this TMD is no longer appropriate;
- > an event or circumstance occurs that materially changes a factor taken into account when making the TMD that would suggest to us that the TMD is no longer appropriate, such as a change in underwriting requirements;
- > the discovery of a material defect in the PDS which reasonably suggests that the TMD is no longer appropriate;
- > if feedback, such as significant or systemic complaints or claims issues, is received from a Distributor or Customers who purchased the product, and we consider that this reasonably suggests to us the TMD is no longer appropriate;
- > if feedback, regulatory orders or directions received from a regulator, the Code Governance Committee (CGC) or Australian Financial Complaints Authority (AFCA) suggest this TMD is no longer appropriate;
- > if a change in law, regulation, or regulatory guidance that materially affects the product design or distribution of the product (or class of products that includes this product) where we consider that this reasonably suggests that this TMD is no longer appropriate;
- > where significant dealings outside the TMD occurs, and we consider that this reasonably suggests that this TMD is no longer appropriate;
- > if a remediation event relating to this product occurs where we consider this would reasonably suggest that:
 - this product is unsuitable for a particular cohort of Customers; and
 - the TMD may no longer be appropriate;
- > if we consider that the claims data for the product reasonably suggests that this TMD is no longer appropriate.

7. What distribution conditions apply to this product?

The following conditions apply to this product:

- > this product must only be distributed by the appropriately licensed and Australian-based operations of Coverforce Insurance Broking Pty Ltd (Coverforce) with which insurer(s) has an agreement to distribute this product;
- > those Distributors who distribute the product are required to be authorised by us to distribute this product and those arrangements must not have been cancelled or suspended;
- > this product must only be distributed in accordance with this TMD;
- > distribution of this product must comply with all of our underwriting criteria;
- > distribution of this product must be conducted through our Distributors pursuant to specific channel distribution requirements;
- > this product cannot be distributed where this TMD is not up to date and no new TMD has been published;



- > the TMD must be current and not subject to any Australian Securities and Investments Commission (ASIC) action that might suggest the TMD is no longer appropriate. These distribution conditions make it likely Customers who are issued the product are in the target market because:
- > they are supported by reasonably appropriate distribution network of an Australian based and appropriately licensed insurance broker, product platform controls and product training designed to ensure that the product is distributed to persons within the target market;
- > Distributors authorised by us to distribute this product will, by 5 October 2021, be bound by a distribution agreement which requires the Distributor to ensure that the product is distributed to persons within the target market.

8. When do Distributors who distribute our products need to report complaints about this product to us? *

Distributors who distribute our products need to provide us information on complaints made about this product on a Quarterly basis (Complaints Reporting Period).

Distributors who distribute our products are required to provide to us this complaints information within 10 business days of the end of the Complaints Reporting Period.

All complaints lodged with us are handled in accordance with Lloyd's Group Complaint Management Standard.

*This section (8) only applies to products distributed by Distributors

9. Information to assess TMDs and reporting periods

The table below sets out the kinds of information we need to identify, or those that Distributors who distribute our product need to provide to us, to enable us to ensure that the TMD for this product continues to be appropriate.

Information Persons	Person required to report	Reporting period
Complaints feedback including: <ul style="list-style-type: none"> • Nature of complaints • Number of complaints • Product category 	Distributors / Insurer	Quarterly
Claims data including: <ul style="list-style-type: none"> • Average claims costs • Claims acceptance rates • Claims frequency • Loss ratios 	Insurer	Quarterly
Annual Product Review outcomes	Insurer	Quarterly
Sales information including: <ul style="list-style-type: none"> • Strike rates • Cancellation rates • Exception reporting 	Insurer	Quarterly
Dealings of product outside of TMD	Distributors / Insurer	As soon as practicable but within 10 business days
Any feedback, regulatory orders or directions received from a regulator, Code Governance Committee or Australian Financial Complaints Authority in respect of the product or its distribution	Distributors / Insurer	As soon as practicable but within 10 business days