

# Target Market Determination



## KT Insurance – Recreational Vehicle Insurance

Product Disclosure Statement (PDS) this Target Market Determination (TMD) relates to	KT Insurance – Recreational Vehicle Insurance (QM10103)
TMD applies to policies commencing or renewing effective from	1/08/2025
Previous version published	n/a
Amended version published	n/a
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### Information included in this TMD

This TMD describes:

- the product and its key attributes;
- who this product is suitable for (the target market) and who it is unsuitable for (outside the target market);
- how this product must be distributed, including any conditions and restrictions;
- reporting obligations for distributors;
- when this TMD will be reviewed.

The TMD doesn't consider a customer's personal needs, objectives, and financial situation. Customers should refer to the KT Insurance – Recreational Vehicle Insurance PDS, and any Supplementary PDS to ensure the product is right for them.

## Product Description

This product has been designed to provide comprehensive insurance cover for motor homes, caravans, campervans, camper trailers, converted bus', slide on or fifth wheelers as well as the towing vehicle. These will be collectively referred to as Recreational Vehicles in this TMD unless noted individually.

It offers:

- cover for damage to or theft of a Recreational Vehicle;
- cover for legal liability.

Before making a decision about the product, customers should read the PDS. It provides complete information about the insurance coverage, exclusions, excesses, restrictions and conditions, claims processes and the rights and obligations of the customer.

## Product: Recreational Vehicle Insurance

### Target Market

This product is suitable for customers who:	
✓	<ul style="list-style-type: none"><li>want to insure a motor home, caravan, camper trailer, campervan, converted bus', slide-on or fifth wheeler; and</li><li>want the option to insure a towing vehicle together with their caravan, camper trailer, slide-on or fifth wheeler.</li></ul>
✓	may use their Recreational Vehicle for touring.
✓	use their Recreational Vehicle for private use.

This cover is only suitable for customers where **all** the above apply.

This product is NOT suitable for customers who:	
✗	<p>want to insure:</p> <ul style="list-style-type: none"><li>a motorcycle; or</li><li>a vehicle other than a motor home, caravan, camper trailer, campervan, converted bus', slide-on or fifth wheeler or tow vehicle.</li></ul>
✗	<p>use their Recreational Vehicle for:</p> <ul style="list-style-type: none"><li>business use to generate income; or</li><li>hire, lease or reward.</li></ul>

This cover is not suitable for customers where **any** of the above apply.

### Options

The KT Insurance – Recreational Vehicle Insurance product offers an option that was not designed for all customers in the product's target market.

Customers should only consider selecting the option described below if it's described as being suitable.

#### Option: Trailer cover

This option is suitable for customers who have a trailer where the value exceeds \$1,000.

#### Option: Rating one protection

This option is suitable for renewing customers who have maintained a No Claim Bonus Rating 1 for at least two years on their policy with KT Insurance – Recreational Vehicle Insurance.

## Likely Needs, Objectives and Financial Situation of Customers in the Target Market and consistency with the product's key attributes

Likely needs and objectives of customers in the target market	Key Product Attributes consistent with likely needs and objectives of the target market
Cover for damage to, or theft of, their Recreational Vehicle to reduce the unexpected financial costs to repair or replace their Recreational Vehicle if it is accidentally or maliciously damaged or stolen.	Provides cover for costs to repair or replace the customer's Recreational Vehicle, if it is accidentally lost or damaged due to incidents such as collision or impact, theft or attempted theft, Fire, natural or weather events (such as hail, flood or storm), malicious damage or vandalism.
Cover for damage caused to another person's vehicle or property by the use of their Recreational Vehicle, to reduce the unexpected financial costs they are liable to pay.	Provides cover for loss or damage to another person's vehicle or property the customer is liable to pay arising from the use of the customer's Recreational Vehicle.
Cover for additional costs associated with using the Recreational Vehicle while touring.	Provides the following benefits: <ul style="list-style-type: none"> <li>• Mechanical breakdown and electrical breakdown towing;</li> <li>• Excess free animal collision;</li> <li>• Emergency accommodation;</li> <li>• Medical emergency assistance.</li> </ul>
Optional benefits to tailor the product to suit the customer's needs.	Customers can choose to add the following optional benefits: <ul style="list-style-type: none"> <li>• Additional contents cover;</li> <li>• Trailer cover;</li> <li>• Valuables cover;</li> <li>• Laid-up cover;</li> <li>• Rating one protection.</li> </ul>

Likely financial situation of customers in the target market	Key Product Attributes consistent with the likely financial situation of the target market
<ul style="list-style-type: none"> <li>• Pay the premiums which may increase from year to year; or</li> <li>• Meet the periodic payment commitments if electing to pay the premium in instalments.</li> </ul>	<p>Customers have the choice of:</p> <ul style="list-style-type: none"> <li>• paying the total premium in one annual payment; or</li> <li>• paying the total premium in instalments.</li> </ul>
Pay the Total Basic Excess and any other excesses.	<p>A Total Basic Excess applies to all claims. It is comprised of three components:</p> <ul style="list-style-type: none"> <li>• Basic excess. Customers can choose to: <ul style="list-style-type: none"> <li>○ pay more premium to pay less excess at the time of a claim; or</li> <li>○ pay less premium, to pay more excess at the time of a claim.</li> </ul> </li> <li>• Voluntary excess. Customers can choose to: <ul style="list-style-type: none"> <li>○ pay less premium, to pay more excess at the time of a claim.</li> </ul> </li> <li>• Additional excess.</li> </ul>

Likely financial situation of customers in the target market	Key Product Attributes consistent with the likely financial situation of the target market
	<p>Other excesses that may apply are:</p> <ul style="list-style-type: none"> <li>• Age excess;</li> <li>• Inexperienced driver excess;</li> <li>• Awning/Annexe Excess.</li> </ul>
<p>Bear 100% of the costs that exceed product limits and/or the value of the customer's Recreational Vehicle(s) which they have insured.</p>	<p>Customers may be faced with bearing a proportion of the costs and/or loss where the additional benefit limits, or amount they have insured their Recreational Vehicle(s), have been exhausted.</p>
<p>Pay 100% of the costs upfront prior to being reimbursed for certain Additional Benefits.</p>	<p>Customers will need to pay the costs upfront for certain Additional Benefits before being reimbursed, when a claim is accepted, such as:</p> <ul style="list-style-type: none"> <li>• Mechanical breakdown and electrical breakdown towing;</li> <li>• Emergency accommodation;</li> <li>• Emergency repairs.</li> </ul>

Based on QBE's assessment of the key terms, attributes and eligibility criteria, the insurance cover for KT Insurance – Recreational Vehicle Insurance is likely to be consistent with the needs, objectives and financial situation of customers in the target market.

## Other Key Product Attributes

Key Limits	
Sum Insured	The agreed value for the amount as shown on the customer's Policy Schedule.
Contents	The value of contents covered as shown on the customer's Policy Schedule.
Legal Liability Limit	\$20,000,000
Other policy limits including additional benefit sub-limits apply	<p>The insurance cover is subject to maximum insured limits and these are set out in the policy schedule.</p> <p>Other claims limitations and conditions are specified in the PDS (and any Supplementary PDS).</p>

Key Exclusions	
Driver	<p>The product does not cover any loss or damage, if the customer's Recreational vehicle was being driven or being towed by someone:</p> <ul style="list-style-type: none"> <li>• without a valid driver's licence or not complying with licence conditions; or</li> <li>• when exceeding the legal limit for alcohol and/or drugs.</li> </ul>
Use of the Recreational Vehicle	<p>The product does not cover any loss or damage if used:</p> <ul style="list-style-type: none"> <li>• to carry a load greater than it was designed for; or</li> <li>• to carry a number of passengers greater than it was designed for; or</li> <li>• to hire to others for reward; or</li> <li>• for any business activity to generate income.</li> </ul>
Reasonable care	<p>There is no cover under the product:</p> <ul style="list-style-type: none"> <li>• for failing to take reasonable precautions to prevent loss, damage or legal liability; or</li> <li>• for any intentional acts by the customer or anyone acting with their permission.</li> </ul>
Condition of the Recreational Vehicle	<p>The product does not cover any loss or damage, if the customer's Recreational Vehicle:</p> <ul style="list-style-type: none"> <li>• is in an unroadworthy condition and this contributed to an incident; or</li> <li>• is not registered with the relevant state traffic authority; or</li> <li>• is damaged by rot, mould, mildew, gradual deterioration (including roof and/or body seals), wear, tear, rust, corrosion; or</li> <li>• failure of mechanical, structural, electronic or electrical nature.</li> </ul>
Consequential loss	There is no cover for financial or non-financial loss as a consequence of a claim under the product (for example, lost profits or income because the Recreational Vehicle can't be used).
Natural or weather events	There is no cover for damage caused by cyclone, flood or bush fire within the first 72 hours after a customer first takes out a policy. This does not apply to customers who renew their policy with KT Insurance.

**Other policy exclusions apply.** Please refer to the PDS (and any Supplementary PDS) for a complete list of policy exclusions.

## Distribution

This product has been appropriately designed to be distributed through KT Insurance. The product and the systems it is distributed through have been designed for a customer seeking insurance through KT Insurance. KT Insurance has taken reasonable steps to understand the key product attributes and align distribution to customers in the target market.

Distribution Restrictions	<b>KT Insurance – Recreational Vehicle Insurance – QM10103</b> can only be sold by KT Insurance Recreational Vehicle Insurance (KT Insurance) distributed under the brand KT Insurance by Lifestyle Insurance Group Pty Ltd ABN 48 057 816 172 AFSL 246937 pursuant to a binding authority arrangement with QBE Insurance (Australia) Limited ABN 78 003 191 035 AFSL No. 239545 (QBE), the insurer.
Distribution Conditions	<p>KT Insurance – Recreational Vehicle Insurance – QM10103 can only be sold to persons that are eligible for cover in accordance with the application and/or renewal criteria that has been approved in writing by QBE and which complies with the law (Application Process).</p> <p>The Application Process has been tailored to identify the target market described in this TMD as part of the eligibility criteria. The use of this Application Process will make it more likely that the product will be acquired by persons within the target market.</p> <p>The application process is comprised of the following:</p> <ul style="list-style-type: none"> <li>• A policy administration system with built in underwriting and eligibility criteria;</li> <li>• KT Insurance Telephone scripts;</li> <li>• KT Insurance staff training;</li> <li>• A Delegated Underwriting Authority program;</li> <li>• Underwriting Guidelines;</li> <li>• Public website with product information.</li> </ul> <p>KT Insurance must make this TMD available free of charge on request.</p>
Distribution Method	<p>KT Insurance – Recreational Vehicle Insurance can be sold via direct contact between the customer and KT Insurance through a call centre. The product cannot be purchased directly online.</p> <p>KT Insurance – Recreational Vehicle Insurance – QM10103 is not available for customers to purchase directly from QBE.</p>

## Reporting Obligations

Information	Responsible reporting person	Obligation	Information required to be reported	Reporting Period
Dealings outside the target market	KT Insurance and QBE	KT Insurance will report to QBE if it becomes aware of a dealing outside of the target market that is inconsistent with the TMD and which QBE has not already approved. QBE will report to the regulator any significant dealing outside the target that is inconsistent with the TMD.	<ul style="list-style-type: none"> <li>the date (or date range) the dealing occurred;</li> <li>details about the dealing(s);</li> <li>any steps or actions taken to mitigate this dealing; and</li> <li>any steps or actions taken to stop or prevent any further dealings outside the target market from occurring.</li> </ul>	As soon as practicable and, by no later than 10 business days after the date KT Insurance or QBE becomes aware of the dealing.
Complaints and feedback	KT Insurance and QBE	KT Insurance will report to QBE complaint and feedback information received about the product. QBE will report any complaint or feedback information received about the product.	<ul style="list-style-type: none"> <li>the number of complaints received about this product during the reporting period; and</li> <li>a brief summary about the nature of every complaint received and any steps taken to address the complaint.</li> </ul>	Every three months.
Policy and claims data	QBE	Policy and claims data about the product.	<ul style="list-style-type: none"> <li>Claims Loss Ratio;</li> <li>Claims Frequency;</li> <li>Policy Retention Rate;</li> <li>Policy Cancellation Rate;</li> <li>Claims Denial Rate.</li> </ul>	Every three months.
Orders, direction or feedback from Regulator, Code Governance Committee or AFCA	KT Insurance and QBE	Any order, direction or feedback from a regulator, Code Governance Committee or AFCA related to the product or how it is distributed.		As soon as practicable and, by no later than 10 business days after the date the feedback, direction or order was received.
Periodic Product Reviews Outcomes	QBE	Outcomes from the Periodic Product Reviews conducted.	<ul style="list-style-type: none"> <li>Data reviewed;</li> <li>Data analysis outcomes; and</li> <li>Review outcome decisions.</li> </ul>	Every two years or sooner if the review was conducted prior.

## TMD Review

TMD Reviews	Information QBE will use to review the TMD
Review Period	This TMD will be reviewed 12 months after the date it is first published, and it will be periodically reviewed once every two years thereafter.
What may trigger a review prior to periodic review	<p>The events or circumstances that may trigger a review prior to a scheduled periodic review date include QBE becoming aware of:</p> <ul style="list-style-type: none"> <li>• the nature or numbers of complaints or feedback provided about the product's design or distribution that indicate significant or systemic issues, reasonably suggesting the TMD is no longer appropriate;</li> <li>• a material change to the product (including the PDS and the Application Process) or distribution conditions, or to the information or the assumptions which the target market is based on, which reasonably suggests the TMD is no longer appropriate;</li> <li>• a material incident in relation to the product's design and distribution which reasonably suggests the TMD is no longer appropriate;</li> <li>• any: <ul style="list-style-type: none"> <li>○ change of relevant legislation, regulations or regulatory guidance; or</li> <li>○ direction or order from a regulator, the Code Governance Committee or AFCA related to the design of the product or its distribution,</li> </ul> that reasonably suggests the TMD is no longer appropriate;</li> <li>• a significant dealing outside the TMD occurring that reasonably suggests the TMD is no longer appropriate;</li> <li>• trends in the following metrics that indicate adverse customer outcomes which reasonably suggest the TMD is no longer appropriate: <ul style="list-style-type: none"> <li>○ claims loss ratios;</li> <li>○ claims frequency;</li> <li>○ policy retention rates;</li> <li>○ policy cancellation rates;</li> <li>○ claims denial rates.</li> </ul> </li> </ul> <p>Relevant thresholds indicating possible adverse outcomes are stored within QBE's internal retail Product Governance arrangements.</p>