



KT Insurance Target Market Determination For Recreational Vehicle Insurance

This document is the Target Market Determination (TMD) for KT Insurance Recreational Vehicle Insurance (Insurance) distributed under the brand KT Insurance by Lifestyle Insurance Group Pty Ltd (Lifestyle) ABN 48 057 816 172 AFSL 246937, as agent of the issuer, The Hollard Insurance Company Pty Limited (Hollard) ABN 78 090 584 473, AFSL 241436 (together 'we', 'us', 'our'). This TMD was prepared on 19th January 2023.

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 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) including any Supplementary Product Disclosure Statement (SPDS) 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 amount 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.

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What insurance does the Insurance provide?

Within this Insurance, you can choose from different cover (some are automatically included, and some can be added as optional covers), depending on your objectives, financial situation or needs.

Main cover(s)	Recreational vehicle insurance cover: This cover provides protection for: (a) the cost of the repairs to, or replacement of, a recreational vehicle arising from accidental loss (including theft) or physical damage (accidental damage and theft cover); and (b) persons that are using the recreational vehicle, to cover their liability for loss or damage to another person's property arising from their use of the recreational vehicle (liability cover).
Optional cover(s)	Optional covers can be added to the main covers by a customer: - Trailer – extends the accidental damage and theft cover to include a trailer; - Additional contents – extends accidental damage and theft cover to items included under this benefit as per the PDS and contents that are located in the recreational vehicle or in a lockable trailer - Valuables - extends accidental damage and theft cover to include certain listed valuables. For example, jewellery, watches, cameras and hearing aids whilst located anywhere in Australia; and - Laid-up cover – provides you with limited cover (restricted to theft, fire, malicious damage or vandalism, wind, storm, lightning, hail, earthquake, tsunami, flood or any other natural weather event) for limited period of time and covered only whilst at the usual place of residence. These optional covers are subject to the limitations and exclusions set out in the PDS. Valuables covered under the optional covers will be listed in the policy schedule.
Key eligibility criteria	Recreational vehicle is: <ul style="list-style-type: none">• is a motor home, caravan, campervan, camper trailer, tow vehicle, slide on or fifth wheeler;• registered for use on public roads with the relevant transport authority in Australia;• safe and roadworthy condition, except for minor wear and tear;• of a make or model accepted by Hollard and shown in the policy schedule;

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- used for private purposes; and
- not used for lease, hire or reward.
- not permanently sited or on consignment

Key exclusions

The PDS for this cover has specific coverage and exclusions, including:

(a) at the time of the accident:

- driver was unlicensed, or not following licence conditions;
- driver was under the influence of, or exceeded the legal limit for, drugs or alcohol, or refused a test for drugs or alcohol;
- driver had been declined by Hollard;
- recreational vehicle was outside Australia;
- recreational vehicle exceeded load limits; and
- recreational vehicle was used for motor sports, trials, testing or demonstration purposes.

(b) loss, damage or liability in connection with:

- depreciation;
- wear, tear and gradual deterioration
- rust or corrosion;
- rot, mould or mildew;
- faulty design or manufacturing defects;
- mechanical, structural or electrical repairs (other than fusion of electrical motors cover under the PDS) or breakdowns;
- electrical faults or failures other than fusions of electrical motors cover by the PDS
- damage to tyres caused by application of brakes, road punctures, cuts or bursts;
- deliberate, malicious or criminal acts caused by, or with the consent of, the insured persons;
- theft if keys left in ignition, doors were unlocked or contents/valuables not securely stored;
- failure to take reasonable steps to protect and safeguard recreational vehicle; and
- consequential loss (such as financial and non-financial loss), or penalties, aggravated, exemplary or punitive damage.
- See also Limitations and Ineligible Persons below.



Limitations	Accidental damage and theft cover:	Liability cover:
	<p>Insured Value – claims are subject to agreed value unless specified otherwise in the policy schedule.</p> <p>Other claims limitations and conditions are specified in the PDS and policy schedule.</p> <p>Fulfilment options - claims may be fulfilled either by repair, replacement (where applicable) or by a cash settlement payment depending on the circumstances and subject to the terms and conditions of the PDS.</p>	<p>Claims for legal liability are subject to a \$20,000,000 per event limit, as specified the PDS.</p>
Excess	<p>Claims are subject to the payment of premium and excess as specified in the policy schedule. The excess payable may be different for different types of claims, types of vehicles and age or experience of the driver.</p>	
Other Key Terms	<p>Other benefits - in addition to the benefits under the main cover(s), there are a number of additional benefits available under these cover(s). For example, cover for awnings/annexes, included contents, trailers under \$1000 in value and fusion of motors under 15 years old. Claims for these other benefits are subject to separate monetary limits set out in the PDS.</p>	

What is the target market for this Insurance?

The information below summarises the overall class of consumers that fall within the target market for the Insurance, based on the key attributes and the objectives, financial situation and needs that it has been designed to meet.

This Insurance has been designed for consumers whose likely objectives, financial situation and needs (as listed below) are aligned with the Insurance (including the key attributes).



The Insurance is suitable for persons:

- that want to:
 - protect themselves against the financial detriment or burden resulting from accidental loss or damage to, or theft of, their recreational vehicle; and
 - protect themselves (and the driver of their recreational vehicle) against liabilities for accidental damage or destruction caused to another person's property arising from the use of their recreational vehicle.
- who are able to pay premiums in accordance with the chosen premium structure, and any excess in the event of a claim in accordance with the chosen excess option.



The Insurance is not suitable for persons:

- whose recreational vehicle is not registered for use on public roads with the relevant transport authority in Australia;
- whose recreational vehicle is unsafe or unroadworthy
- whose recreational vehicle is of a make or model that is not accepted by the insurer, Hollard;
- who use their recreational vehicle for business use; or
- who use their recreational vehicle for hire, lease or reward.

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Distribution channels and conditions:

The Insurance can be purchased by calling KT Insurance's contact centres. When you contact KT Insurance, we will ask various questions to determine whether you are within the target market, whether to insure you and your recreational vehicles and the premium amount.

Distribution conditions

The target market for 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.

New policies:

Before you purchase the Insurance, you will be asked a series of questions designed to help us decide:

- if you are in the target market;
- if you meet our underwriting guidelines; and
- what premium we should charge.

We have a range of supervision and monitoring procedures and contractual arrangements 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 us;
- updates to that information;
- likely changes in the market value of recreational vehicles; and
- other potential changes.

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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.

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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 thereafter within 3 years of completion of the previous review.

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.

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Reporting obligations:

Lifestyle 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.
The Insurance 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 Insurance 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 Insurance 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 Insurance or its distribution.	As soon as practicable after becoming aware of the matter, and no later than 10 business days.

If you have any questions or wish to contact KT Insurance:

Phone: 1300 261 261

Email: info@ktinsurance.com.au

Postal Address: PO Box 1118
Maroochydore, QLD 4558

Hours: Mon - Fri, 8:30AM - 5:30PM (AEST)

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