



Target Market Determination for Commercial Boat Insurance

Effective 31 July 2022



About this document

This Target Market Determination (TMD) describes the class of consumers that comprises the target market for our Commercial Boat Insurance product (the **Product**) and certain matters relevant to its distribution and review.

This TMD does not form part of the terms of the Product and any information or examples given in it are not a complete list of eligibility. Product features, benefits, terms, conditions and exclusions are set out in the relevant Product Disclosure Statement (PDS) and any other policy documents issued to you.

Read the PDS before deciding whether to purchase or renew the Product.

This TMD applies to

Product	PDS
Nautilus Marine Commercial Boat Insurance	Effective 1 October 2022

Product purpose and description

The Product is intended to provide commercial boat insurance cover for Australian individuals or domiciled businesses that own or operate an insured boat (**Vessel**) or fleet of Vessels for commercial purposes. A Vessel includes the hull and contents, motors (including fuel tanks), masts, spars, rigging and sails, trailer, equipment and accessories and boat tender.

The Product is designed to provide two cover options so Vessel owners can select the cover that best suits their, objectives, financial situation and needs.

A Vessel can be insured on an agreed or market value, subject to agreement and our standard underwriting criteria.

Option 1 – Hull and Liability Cover:

This provides cover for:

- Vessel damage, theft, malicious damage, transit damage (trailer boats only), latent defects; and
- Liability for accidental death or bodily injury or third party property damage arising out of the use of an insured Vessel.

Option 2 – Hull Cover Only:

This provides cover for Vessel damage, theft, malicious damage, transit damage (trailer boats only) and latent defects.

Some additional benefits apply to both cover options and a number of optional benefits can also be purchased.

In addition to the comments above:

**The Product is designed for
Vessel owners who:**

- Have a general insurance broker acting for them;
- Are Australian residents or Australian domiciled businesses;
- Want cover for a Vessel or fleet of Vessels used for commercial purposes;
- Store or moor their Vessel(s) in/on an appropriately secure and maintained facility or approved trailer;
- Only use their Vessel(s) for:
 - commercial use as declared to us;
 - voluntary rescue work; and
 - incidental private use;
- Comply with all survey, registration, licensing, legal and regulatory requirements applicable to their Vessel(s);
- Maintain their Vessel(s) in a proper state of repair, condition and seaworthiness;
- Take reasonable steps to protect their Vessel(s) from loss or damage.

**The Product is not designed
for Vessel owners who:**

- Want cover for a trailer boat:
 - more than 10 meters long; or
 - stored on the street;
- Want cover for a Vessel with a speed capacity exceeding 60 knots;
- Want cover for a Vessel used for racing (other than sailboat racing where *Sailboat Racing Cover* is selected);
- Want cover for a Vessel moored permanently in the open ocean;
- Want cover for a Vessel used:
 - outside Australian waters;
 - for paraflaying;
 - for thrill / speed rides;
 - for PWC dry hire; or
 - off-shore in the oil or gas industry;
- Want cover for a wave ski, surf board, hovercraft, ferro cement boat, amphibian craft, thunder cat (or similar), ferry operating on a set timetable, floating restaurant, brown water tug or barge, or water taxi;
- Want cover for a Vessel with a Chrysler outboard, OMC sterndrive or steam powered engine;
- Want cover for loss or damage caused by normal wear and tear or gradual deterioration.

Distribution Conditions and Restrictions

The Product can only be distributed and arranged by general insurance brokers operating under their own AFS licence or authorisation. Distribution through brokers ensures customers have a broking contact they can work with to understand the Product, assess it against their objectives, financial situation and needs and select the appropriate options.

The Product can only be provided to a consumer if it is reasonable to conclude that:

- They are in the Target Market; and
- They are eligible for the Product in accordance with its standard acceptance criteria.

Review Triggers

The following events and circumstances may indicate that this TMD is no longer appropriate:

- Changes in the Product or the underwriting guidelines or standard acceptance criteria;
- Changes in Product pricing or reinsurance arrangements;
- Changes in the Insurer's internal policies and processes relevant to the Product;
- Changes in the way the Product is distributed;
- Changes in relevant laws, regulations, regulatory guidance or industry codes;
- Dealings in the Product that are inconsistent with this TMD;
- Adverse claims experience of the Product;
- Negative feedback from customers, staff, distributors, regulators and/or other industry bodies.

Maximum review periods

Other than when a review is triggered as above, this TMD will be first reviewed within 12 months of its first publication.

After that initial review, it will be reviewed at least every 2 years thereafter.

The Insurer reviews data and feedback on an ongoing basis and obtains data and feedback from its brokers and distribution partners to ensure that distribution of the Product is consistent with this TMD. The Insurer reviews any significant dealings that are inconsistent with this TMD.

Reporting

Product distributors including NM Insurance must report the following to the Insurer to identify events or circumstances that may mean this TMD is no longer appropriate.

Requirement	Timeframe
Complaints including the nature of complaints and number of complaints.	Every month.
Relevant claims data and sales information we reasonably request about each Product/s.	Quarterly.
Significant dealings in the Products: <ul style="list-style-type: none">• In breach of the Distribution Conditions and Restrictions; or• To a person outside the Target Market; or• That are otherwise inconsistent with this TMD.	Within 24 hours of identification.
Information that would reasonably suggest that this TMD is no longer appropriate, such as communication from regulator relating to the appropriateness of the Products.	Within 24 hours of identification.

This TMD was prepared in consultation with NM Insurance Pty Ltd ABN 34 100 633 038 AFSL 227186 (**NM Insurance**) by the insurer, Zurich Australian Insurance Limited (**ZAIL**), ABN 13 000 296 640, AFSL 232507, (the **Insurer, we, us, our**). NM Insurance issues the Product under a binding authority from ZAIL. Any advice in this TMD is general and does not take into account an individual's objectives, financial situation or needs. Anyone considering purchasing or renewing the Product should read the PDS before doing so.