

Target Market Determination for Personal Watercraft Insurance products

Effective 1 October, 2025



About this document

This Target Market Determination (TMD) describes the class of consumers that comprises the target market for our Personal Watercraft Insurance products (the **Products**) and certain matters relevant to their distribution and review.

This TMD does not form part of the terms of the Products 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 relevant PDS before deciding whether to purchase or renew a Product.

This TMD applies to

Product

Nautilus Marine Personal Watercraft Insurance

PDS

Effective 30 April 2023

Product purpose and description

The products are intended to provide pleasure craft insurance cover for an Australian individual or domiciled business that owns or operates an insured Personal Watercraft solely for private, personal, domestic or household use. A Personal Watercraft (PWC) is a craft propelled by an inboard motor powering a water jet pump where the operator sits, stands or kneels on the craft and uses handle bars to steer the craft.

The Products are designed for customers seeking a range of insurance covers to mitigate financial loss in relation to:

- Both:
 - accidental damage (including that caused by impact with a solid object, sinking, fire, storm), theft, malicious damage, transit damage and water inflow of or to covered items. Covered items include the hull, motors (including fuel tanks), trailer and equipment and accessories; and
 - third-party liability for costs that customers are legally responsible for in relation to property damage or loss their PWC/covered items have caused to other persons or property in specified circumstances,(for customers selecting “**Comprehensive**” cover); or
- Third-party liability for costs that customers are legally responsible for in relation to certain property damage or loss their PWC/covered items have caused to other persons or property in specified circumstances, such as as a result of an accident caused by the owner or operator’s negligence that causes accidental death, bodily injury or damage;
(for customers selecting “**Legal Liability**” cover).

The Products are designed for customers to choose the appropriate options and selection of covers.

They contain different cover benefits depending on the selected covers and have a range of specified covers as well as optional covers that may be available to customers at additional cost.

In addition to the comments above:

The Products are designed for someone who:

- Is an Australian resident or Australian domiciled business;
- Wants cover for a PWC that is Australian released production built;
- Has an appropriate licence to use their PWC;
- Only use their PWC:
 - for private recreational purposes; and
 - within 250 nautical miles off mainland Australia and Tasmania unless otherwise agreed by us;
- Stores or moors their PWC in/on an appropriately secure and maintained facility or trailer;
- Complies with their PWC's *build* plate and relevant laws and regulations;
- Maintains their PWC in a proper state of repair, condition and seaworthiness;
- Takes reasonable steps to protect their PWC from loss or damage;
- Can provide appropriate proof of ownership of covered items and their value;
- Requires cover for the interests of third parties (e.g. credit providers or other owners) and where we agree to cover those interests;
- Requires cover in relation to events causing loss or liability that occur within 250 nautical miles off mainland Australia and Tasmania unless otherwise agreed with us.

The Products are not designed for someone who:

- Stores their PWC on the street;
- Wants cover for a PWC that has a maximum speed capacity exceeding 80 knots;
- Uses their PWC for business or commercial use;
- Uses their PWC for hire, charter or reward of any kind;
- Wants cover for loss of income or loss of profit;
- Wants cover for liability under any contract;
- Wants cover for a PWC that:
 - is not kept in good order and repair, in a proper state of seaworthiness and in compliance with any statutory requirements;
 - has a motor more powerful than that recommended by the hull manufacturer, unless agreed otherwise in writing by us;
 - is modified from the manufacturer's specifications unless agreed otherwise in writing by us;
- Requires cover for a PWC while it is in the charge of or under the physical control of a PWC repairer, yacht club or marina operator (except for emergency purposes to minimise any loss covered under the policy);
- Participates in racing or speed tests, unless agreed otherwise in writing by us.

Distribution Conditions and Restrictions

The following Conditions and Restrictions apply to the distribution of the Products.

Comprehensive cover can only be arranged or sold by:

- NM Insurance by telephone or through one of its branded websites;
- Entities appointed by NM Insurance as corporate authorised representatives;
- Boat dealers and/or finance brokers appointed by NM Insurance as general insurance distributors;
- General insurance brokers operating under their own Australian financial services licence or authorisation.

Legal Liability cover can only be arranged or sold by:

- NM Insurance by telephone or through one of its branded websites;

- General insurance brokers operating under their own Australian financial services licence or authorisation.

The Products can only be provided to a person if it is reasonable to conclude that:

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

Review Triggers

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

- Changes in the Products 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 Products;

- Changes in the way the Products are distributed;
- Changes in relevant laws, regulations, regulatory guidance or industry codes;
- Dealings in the Products that are inconsistent with this TMD;
- Adverse claims experience of the Products;
- 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 reviewed at least every two years.

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 each of the Products 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: • 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.