

Target Market Determination for Commercial Boat Insurance

Effective 1st August, 2026



About this document

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

The Target Market Determination (TMD) is prepared in consultation with NM Insurance Pty Ltd ABN 34 100 633 038 AFSL 227186 and is issued by Zurich Australian Insurance Limited ABN 13 000 296 640 AFSL 232507 (Zurich). In this document, Zurich may also be expressed as 'we', 'us' or 'our'.

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, limits and, terms, are set out in the relevant Product Disclosure Statement (PDS) and any other policy documents issued to the customer.

Prospective customers should read the relevant PDS before deciding whether to purchase or renew a Product.

This TMD applies to

Product

Nautilus Marine Commercial Boat Insurance

PDS

Effective 1st August, 2026

Product purpose and description

The Product is intended to provide commercial boat insurance cover for an Australian customer 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 cover type is designed for customers who would like to insure 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 cover type is designed for customers who would like to insure 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.

Further criteria

Customers are expected to be able to pay the premium, including through premium funding, and bear the excess, or an equivalent reduction in claim payments, in the event of a covered claim.

Customers may need to bear the cost of upfront payments for incurred losses before being reimbursed in the limited circumstances where we don't cover losses upfront.

Limits, exclusions and conditions apply which also affect the amount of any claim payment. The product is designed for customers to choose the appropriate cover option.

The product includes a range of common covers subject to the cover type and provides the ability to select the cover option, which allows customers to obtain cover most relevant to their needs and objectives. The ability

to select cover types and negotiate terms allows the cost and protection of the product to accommodate the financial situation of customers.

Customers are intended to arrange cover through licensed insurance brokers or advisors.

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 must 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 2 years of the Date of Determination of this TMD.

We review data and feedback on an ongoing basis and obtains data and feedback from its brokers and distribution partners to ensure that this TMD is consistent with the target market. We review any significant dealings that are inconsistent with this TMD.

Reporting

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

Requirement

Timeframe

Complaints (or customer feedback) including the nature of complaints and number of complaints.	Quarterly.
Breach of distribution conditions.	As soon as practicable but within 10 business days.
Significant dealings that is inconsistent with the TMD.	As soon as practicable but within 10 business days.
Information, such as that from an industry body or regulator, indicating that the product may not be appropriate for the target market.	As soon as practicable but within 10 business days.

Visit NM Insurance offices across Australia or contact your local Business Development Manager. For further information visit www.nminurance.com.au

NM Insurance issues the Product under a binding authority from Zurich. 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.