

Landlords Insurance

This document is the Target Market Determination (TMD) for Blue Zebra's Landlords Insurance Products issued by the insurer, Youi Pty Ltd (Youi). Blue Zebra Insurance (BZI) arranges and administers the products and acts under a binding authority for Youi.

About this document

We want to make sure that our products are suitable for the customers who buy them. The purpose of this TMD is to set out how we do this. It seeks to offer customers, distributors and employees an understanding of the class of customers for which these products have been designed, considering their needs, objectives and financial situation, how the products are distributed, when the TMD will be reviewed and what information is required to maintain the accuracy of this TMD.

This TMD is not intended to provide financial advice regarding coverage, nor does it form part of the terms of cover. It has been prepared without taking into account any individual person's particular objectives, financial situations or needs. In addition to the key eligibility requirements outlined in this document, the product is also subject to acceptance criteria, for example we have a set of underwriting rules we use to assess whether a risk is of a type or level 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.

More information about this product is contained in the Product Disclosure Statement (PDS), which contains full details of coverage, conditions, limitations and exclusions. Consider whether the product is appropriate for you before making any decisions about whether to buy or continue to hold a policy. If you have already purchased this product, you should review the information we have provided to you whenever your circumstances change.

PDSs that this TMD applies to:

- Blue Zebra | Landlords | Accident Damage
- Blue Zebra | Landlords | Listed Events

Landlords Building Insurance

Who this product is designed for:

Landlord building insurance is designed for landlords who want to protect their residential investment property against unforeseen events and potential financial loss. This insurance product aligns with the objectives, financial situations, and needs of consumers in the target market for the following reasons:

- 1. Property Ownership and asset protection:** Landlord building insurance is appropriate for individuals or families who own a residential investment property and wish to protect it from risks such as fire, natural disasters, theft, or vandalism. In those circumstances they can benefit from Landlord Building Insurance. This insurance coverage provides peace of mind, knowing that their property is protected, and any potential repair or rebuilding costs can be covered. It caters to the specific needs of landlords who want to safeguard their investment in their property and ensure financial security in case of damage or loss.
- 2. Rental Income Protection:** Many landlords rely on the rental income generated from their properties to cover mortgage payments, maintenance costs, and other expenses. Offering optional coverage for the loss of rent or rent default provides landlords with a means to protect their income stream. This aligns with their financial objective of ensuring a consistent cash flow.
- 3. Compliance with Lender Requirements:** Landlords who have a mortgage on their property are often required by lenders to have adequate property insurance coverage. Landlords Insurance meets these requirements and helps landlords fulfil their contractual obligations while safeguarding their property and financial interests.
- 4. Protection Against Liability:** Landlord building insurance also provides liability coverage, protecting landlords from potential legal and financial consequences if someone is injured on their property. This provides protection to the liability if they become liable to pay for the death of or injury to unrelated people, or damage to their property, for incidents in relation to the ownership of the insured building.



Considering the financial situation of consumers in this market, buildings insurance offers a cost-effective means of safeguarding their investment property. Rather than bearing the entire financial burden of repairs or reconstruction in the event of damage, policyholders can rely on their insurance coverage to mitigate the costs associated with structural repairs, fixtures, and fittings for their rental property.

The key attributes of landlord building insurance are:

1. **Coverage for the Dwelling:** Landlord building insurance provides coverage for the dwelling at your property, including the walls, roof, floors, foundation, and any permanent fixtures like built-in cabinets or countertops. It also provides cover for other domestic outbuildings on your property, such as garages, sheds, or fences.
2. **Perils Covered:** It typically protects against specific risks, such as fire, flood storm (including hail and lightning), earthquake, liquid escaping or leaking from burst pipes, theft and attempted theft; and impact of a vehicle or tree.
3. **Rebuilding Costs:** In the event of a total loss or severe damage, the insurance will cover the cost of rebuilding your property, taking into account the current construction costs and materials, subject to the sum insured and limits within the PDS.
4. **Liability Coverage:** Our landlord building insurance policies also include liability coverage, protecting you against any claim for compensation or expenses which you become legally liability to pay for the death of, or personal injury to a person, or damage to property.

Moreover, this target market comprises a range of property types, including free-standing homes, townhouses and apartments. Buildings insurance caters to the diverse needs of landlords in these property categories, ensuring that they are adequately protected against potential risks specific to their dwelling types.

The key eligibility criteria of landlord building insurance are:

Key Eligibility Criteria	This product is suitable for	This product is not suitable for
		
The type of property you own	Providing cover for a private residential building, including the permanently attached fixtures and fittings and structural improvements (excluding land), such as a: <ul style="list-style-type: none"> ▪ free standing home; ▪ townhouse, terrace house, villa or duplex/triplex; ▪ semi-detached house; ▪ unit or apartment. 	Buildings which are under a strata plan, body corporate, stratum, company title arrangement or similar, and you do not own all of the buildings at the entire site.
How the property is used and occupied	A private residential building that: <ul style="list-style-type: none"> ▪ is rented out to tenants; or ▪ has a short-term rental agreement that meets acceptance criteria 	Buildings which are: <ul style="list-style-type: none"> ▪ used as a hotel, motel, bed & breakfast, homestay, hostel, serviced apartment, boarding house or guesthouse; ▪ a nursing home; ▪ a retirement village; ▪ used for community or public housing; ▪ used predominantly for commercial or business reasons (other than for residential rental purposes); ▪ used partially for commercial or business purposes (other than for residential rental purposes) unless it is permitted by Issuer; ▪ unoccupied for an extended period of time*.

Key Eligibility Criteria	This product is suitable for	This product is not suitable for
The condition of your property that you rent out	<p>The property meets the acceptable dwelling criteria, including being:</p> <ul style="list-style-type: none"> ▪ secure; ▪ watertight; ▪ structurally sound; and ▪ well maintained. 	<p>The property fails the acceptable dwelling criteria, including:</p> <ul style="list-style-type: none"> ▪ being under initial construction; ▪ undergoing significant alterations, additions, demolition, repairs or decorations to the home building unless permitted by the Issuer; ▪ being poorly maintained or in poor condition (for example not secure, waterproof or structurally sound); ▪ not in an occupiable condition (for example not connected to electricity or running water).

*please refer to the relevant PDS for unoccupancy conditions.

Landlords Contents Insurance

Who this product is designed for:

Landlords' contents insurance is designed for property owners who lease residential properties to individuals and who want to protect the contents within those properties against various risks such as theft, fire, water damage, or natural disasters. This product is likely to be consistent with the likely objectives, financial situation, and needs of consumers in the target market for the following reasons:

1. **Protection of Contents:** Landlord's contents insurance is suitable for landlord's who seek to safeguard various items within their rental properties. This includes household goods that the landlord is legally responsible for while they are at the property, fixed carpets, loose floor coverings, curtains, internal blinds, portable domestic appliances and electrical equipment, and furniture and furnishings that are not built in. The coverage under contents insurance extends to fixtures and fittings installed in a strata title unit that the landlord owns and that are not insured by the body corporate. Landlord contents items are covered while they are inside a building that is fully enclosed at the insured address, with limited coverage while they are in the open air at the insured address.
2. **Rental Income Protection:** Many landlords rely on the rental income generated from their properties to cover mortgage payments, maintenance costs, and other expenses. Offering optional coverage for the loss of rent or rent default provides landlords with a means to protect their income stream. This aligns with their financial objective of ensuring a consistent cash flow.
3. **Protection Against Liability (Personal Liability Coverage):** Landlords Contents Insurance also provides liability coverage, effectively protecting property owners or renters from potential legal and financial consequences if someone is injured on their property or if they accidentally damage someone else's property.

The key attributes of landlord contents insurance are:



Repair and Replacement of Contents: Landlord contents insurance protects household goods that the landlord is legally responsible for while they are at the property. This coverage extends to fixed carpets, loose floor coverings, curtains, internal blinds, portable domestic appliances and electrical equipment and furniture and furnishings that are not built in.

Perils Covered: Landlord contents insurance covers specific risks like fire, flood storm (including hail and lightning), earthquake, liquid escaping or leaking from burst pipes, theft and attempted theft; and impact of a vehicle or tree. Accidental damage is also available for certain items or coverage types (refer to the choice of cover table below)

Limitations: Landlord contents insurance has fixed limits on certain types of items, like pedal cycles, surfboards, canoes or kayaks, which are unable to be increased. And for some other contents items a limit applies and where a limit applies you may be able to purchase additional coverage to insure them for their full value.

Additional benefits: In addition to repairing or replacing contents items when they are damaged, the product will also provide for additional benefits that cover things such as key replacement for stolen keys, malicious damage to body corporate buildings, electronic motor burnout. The product also provides some additional covers for certain events when your contents items are being moved to a new address, where keys are lost or stolen, or where there is mechanical or electrical breakdown to certain contents items.

The key eligibility criteria of landlord contents insurance are:

Key Eligibility Criteria	This product is suitable for	This product is not suitable for
		
The type of property you own	<p>General contents you own within a private residence that is a:</p> <ul style="list-style-type: none"> ▪ free standing home; ▪ townhouse, terrace house, villa or duplex/triplex; ▪ unit, flat or apartment; ▪ semi-detached house; ▪ retirement village or aged care facility; ▪ strata titled property. 	<p>Contents you own within a hotel, motel, bed & breakfast, homestay, hostel, serviced apartment, boarding house or guesthouse.</p>
The type of Contents you own	<ul style="list-style-type: none"> ▪ we will cover household goods or personal effects that you own or are legally responsible for; and ▪ certain items which you have left at the property for use by the tenant as defined in the PDS. 	<p>Contents listed as excluded and/or under 'what are not contents' in the PDS such as:</p> <ul style="list-style-type: none"> ▪ animals; ▪ trailers; ▪ plant or trees growing outdoors; ▪ motorcycles requiring registration; ▪ watercraft (including jet skis); ▪ mobile phones or computers; ▪ personal watercraft (for example, jet skis).
How the property is used and occupied	<p>A private residential building that:</p> <ul style="list-style-type: none"> ▪ is rented out to tenants; or ▪ has a short-term rental agreement that meets acceptance criteria. 	<p>A residence that is:</p> <ul style="list-style-type: none"> ▪ used as a hotel, motel, bed & breakfast, homestay, hostel, serviced apartment, boarding house or guesthouse; ▪ a nursing home; ▪ a retirement village; ▪ used for community or public housing; ▪ used predominantly for commercial or business purposes (other than for residential rental purposes); ▪ used partially for commercial or business purposes (other than for residential rental purposes) unless it is permitted by Issuer; ▪ unoccupied for an extended period of time*.
The condition of your property that you rent out	<p>The property meets the necessary acceptance criteria, including being:</p> <ul style="list-style-type: none"> ▪ secure; ▪ watertight; ▪ structurally sound; and ▪ well maintained. 	<p>The property does not meet the necessary acceptance criteria, including:</p> <ul style="list-style-type: none"> ▪ being under initial construction; ▪ undergoing significant alterations, additions, demolition, repairs, or decorations to the home building unless permitted by the Issuer; ▪ being poorly maintained or in poor condition (for example not secure, waterproof, or structurally sound); ▪ not in an occupiable condition (for example not connected to electricity or running water).

*please refer to the relevant PDS for unoccupancy conditions.

Meeting the needs and objectives of our target market

Whether you are seeking a mid-level cover or comprehensive high-level coverage, we have tailored our products to accommodate your specific financial circumstances. This flexibility empowers you to choose the level of coverage that aligns with your budget and provides the peace of mind you deserve.

	CHOICE OF PRODUCT	
	Accidental Damage	Listed Events
Level of cover	★★★	★★☆
Cover for damage to your buildings and/or contents	Cover for accidental damage, accidental loss and listed events with additional benefits	Cover for listed events with additional benefits
Accidental loss or damage	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Damage by tenant's pet	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Liability cover – as the property owner of the property	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Flood cover	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Optional Cover for Specific Needs: There are also some optional covers for purchase that enhance its flexibility and relevance to the target market:

- (a) **Theft by tenant** – designed for landlords who may face financial burdens resulting from theft of buildings or contents items by their tenant or a visitor of their tenant. Additionally, when a claim is paid for theft by the tenant, this cover may provide an additional benefit to cover limited legal expenses incurred by the landlord when seeking to recover losses from the tenant or their visitor.
- (b) **Loss of rent** – tailored for landlords who may encounter financial challenges if the property becomes uninhabitable or untenable, leading to a loss of rental income. This situation can arise due to damage or destruction of the building or contents at the insured address, or if tenants are unable to access the property due to damage or destruction at a nearby property.
- (c) **Rent default** – designed for landlords who may face financial difficulties if their tenant stops paying the rent owed under a long-term rental agreement. This includes scenarios where tenants vacate the property without proper notice, leaving unpaid rent, or cease rent payments and refuse to vacate the property.
- (d) **Special contents** – tailored for landlords who own valuable landlord contents items and wish to ensure they are adequately insured for their full value. This coverage offers financial protection in the event of damage to these valuable items.

It's important to note that the accidental damage product has longer periods of insurance and higher limits than the listed events product for these optional covers.

Each PDS has specific coverage and limitations.

Understanding your financial flexibility

We want to make insurance decisions easy for you, by allowing you to take into account your unique circumstances and financial needs. Your financial situation is an essential factor in determining the most suitable coverage options, premium payments, applicable excesses, and your ability to pay amounts that may exceed any policy limits in the event of loss. Here are some key considerations:

Tailored Premiums: We offer the flexibility to customise your premiums based on different levels of cover and options. This way, you can find the perfect balance between protection and affordability. Whether you're looking for comprehensive coverage or a more budget-friendly option, we have choices that cater to your needs.

Excess Choices: We offer a range of excesses - the amount you pay towards a claim before your coverage kicks in - giving you greater control over your insurance costs. For example, selecting a higher excess will reduce your premium, however you will have to pay the higher excess in the event of a claim.

Payment Options: To make things even more convenient, you can choose to pay your premiums annually or in some cases in manageable instalments (to which a small loading may apply), allowing you to find a payment schedule that suits your financial planning.

Distribution conditions

BZI Landlords Insurance can only be purchased through an intermediary authorised by BZI. BZI has contractual arrangements with brokers (including their Authorised Representatives) who are appropriately licensed to sell their products, and as part of their licensing these brokers have adequate training to provide this product to their customers. BZI has a range of supervision and monitoring procedures and provides training and support regarding the process to follow for getting quotes for this product and administering the policies once purchased.

When completing a quote, the BZI processes include a number of questions that enable the collection of information that help to determine if the applicant is within the target market for this product, if we will insure them and their buildings and contents, and for what premium and excess. The customer should always answer these questions accurately and check with their intermediary if they are not sure what a question means.

These conditions make it likely that Landlords Insurance will only be distributed to consumers within the target market for this product because the brokers have knowledge of the policy terms and conditions, and processes are designed to identify instances where a policy is not suitable for the applicant.

Reporting

BZI (as distributor of this product and Youi's agent) collects information and prepares reports regarding sales activity, product performance, claims data and complaints on a quarterly basis (at least) and provides this to Youi.

All brokers who have been authorised by BZI to sell and administer this product must report the following information to BZI, who will incorporate it within their reporting requirements to Youi:

Reportable information	Reported by	Frequency
Complaints data including the number and nature of any complaints (where these have not already been raised with BZI)	BZI Brokers	Quarterly (within 10 business days of the end of quarter)
Any occasions where this product has been sold contrary to the TMD	BZI Brokers	As soon as practicable after becoming aware of the matter, and no later than 10 business days
Any feedback, regulatory orders or directions regarding the product or its distribution that are received from <ul style="list-style-type: none"> ▪ a regulator, ▪ The General Insurance Code Governance Committee, or ▪ AFCA 	BZI Brokers	As soon as practicable after becoming aware of the matter, and no later than 10 business days

Where necessary, BZI may request additional information from brokers to determine if this product has been sold contrary to the TMD.

Reviewing this document

We will review this TMD if:

- there are amendments to our PDS that change the cover provided;
- material changes are made to our underwriting guidelines;
- we introduce other ways in which this product can be sold;
- we receive a significant number of complaints regarding the design or distribution of this product;
- the business performance and value provided by this product indicate the TMD is no longer appropriate, having regard to appropriate data such as claims ratios, claims denied or withdrawn, policy sales, lapse and cancellation rates; or
- we identify that there has been a significant dealing in the product that is not consistent with the TMD.

Our review will occur within 10 business days of any of the above events occurring.

In any event, a review of this TMD will be completed no later than two years from the publication date of this TMD and subsequently at two-yearly intervals.

Questions?

If you have any questions about our products or this TMD, please contact your broker, or BZI:

Phone: 1300 171 535

Email: info@bzi.com.au

Preparation date: 15/02/2024

Effective date: 30/04/2024

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