RACQ Boat Insurance Target Market Determination

This Target Market Determination (TMD) is designed to provide consumers, distributors and our representatives with information about who this product has been designed for by describing the class of consumers that comprise the target market for the product and other matters relevant to the product's distribution and review.

In this document the terms "RACQ", "we", "us" or "our" refer to RACQ Insurance Limited, AFSL 233082.

This document is not a Product Disclosure Statement (PDS) and is not a description of full product terms and features.

RACQ Boat Insurance Product

RACQ Boat Insurance can provide insurance for boats.

This TMD sets out the target market for:

- Comprehensive Boat Insurance
- Third Party Liability Boat Insurance

Both target markets are set out separately in the Appendix to this statement. The likely needs and objectives of consumers in the target market for this product are likely to be met because the product provides:

- Insurance cover that can wholly or partially contribute to the repair or replacement of their boat after an incident (Comprehensive cover).
- Financial protection if they are sued for property damage or bodily injury to another person, arising from the use of their boat (Comprehensive, and Third Party Liability cover).
- Financial support to avoid or minimise other costs that may occur when they make a claim. For comprehensive cover, examples include emergency repairs and assistance, salvage, and transportation costs (see the product descriptions in the Appendix for more examples).

This product is for someone who can pay their premiums, including any additional costs like fees, government charges and excesses when payable.

When considering a consumer's financial situation, it is important that they can:

- Choose between paying premiums annually or monthly, and
- Adjust their premium by choosing the available cover and optional benefits.

Distribution of this product

This product is distributed by our representatives only via our distribution network, being:

- RACQ contact centres by calling 13 1905
- RACQ's website by visiting racq.com (where available)
- RACQ stores (including agencies)

We have distribution conditions in place designed to help ensure this product is only sold to consumers in the target market.

These conditions include measures such as:

- Suitability and eligibility questions on application, to determine whether the consumer meets the eligibility requirements for the product.
- Risk-based acceptance criteria based on particular features of the consumer or the boat to be insured. Some of the key acceptance criteria include:
  - the type, use, and condition of the boat,
  - the type of accessories/modifications.
- Production and distribution of materials that explain and document the covers that are designed for consumers in the target market.
- Analysis of review triggers and other suitability data in the formation of renewal decisions.
- Training and authorisation of representatives in our distribution network for this product. These representatives understand the market this product has been designed for, have been trained in the relevant acceptance criteria and have the appropriate levels of authority.
- Systems and processes that support our suitability and eligibility assessments, and the delivery of other information relevant to the consumer's understanding of the market for the product.
- Controls on marketing and sales conduct to those outside the target market.

Reviewing this document

We will review this TMD within 2 years from the effective date, and then within every 2 years from the preceding review, to ensure it remains appropriate.

We will also review this TMD if any event or circumstances (called 'review triggers') occur that would reasonably suggest that the determination is no longer appropriate, or the product is no longer consistent with the likely objectives, financial situation and needs of consumers in the target market, such as:

- A material change occurs to the cover provided by the product,
- Our acceptance criteria changes and that impacts the suitability of the product for the target market,
- The distribution of the product changes,
- A relevant and material deficiency in the product's disclosure documentation is discovered,

- Systemic issues or complaints indicate the product is no longer suitable for the described target market,
- Distribution conditions, systematic issues or complaints indicate it is likely that consumers who acquire the product are not in the target market,
- Material and relevant reductions in our key product suitability metrics such as:
    - Member satisfaction,
    - Product acceptance,
    - Financial performance,
    - Benefits to members,
    - Product value and affordability.

We will review this TMD within 10 business days of the occurrence of any review trigger.

Reporting

RACQ and all distributors must record all complaints received about this product on a quarterly basis (Complaints Reporting Period). Distributors are required to provide to us written details of any complaints about the product they have received during the Complaints Reporting Period within 10 business days of the end of the period.

Our distributors are required to provide monthly and incident-based reporting on key metrics (see the heading "Reviewing this document") to allow us to review this TMD.

Distributors are also required to report to RACQ if they become aware of a significant dealing in this product which is not consistent with this TMD within 10 business days of becoming aware of such dealing.

All distributors must report sales data including the number of policies issued, renewed and cancelled on a monthly basis.

Record keeping

RACQ and its distributors will maintain records of the reasonable steps they have taken to ensure that this product is sold in a manner consistent with this TMD.

We will also prepare and maintain complete and accurate records of our decisions, and the reasons for those decisions, in relation to:

- All target market determinations for this product.
- Identifying and tracking review triggers.
- Setting review periods.
- The matters documented in this TMD.

RACQ Boat Insurance Target Market Determination Appendix

Comprehensive Boat Insurance Target Market

The RACQ Comprehensive Boat Insurance product has been designed for people who want to be covered against financial loss caused by an incident involving their boat, financial loss caused to other people's property and death or bodily injury to others, and are seeking an appropriate level of cover relevant to their personal circumstances.

This product is suitable for people who:	This product is not suitable for:
✓ Own or use a boat for private use,	✗ Boats exceeding 15 metres in length,
✓ Are looking for a product that provides cover for their own boat for up to the agreed value, in addition to cover for damage that is caused to other people's property and death or bodily injury of other parties,	✗ Unseaworthy boats,
✓ Want to select policy options to customise the cover to their situation.	✗ Boats more than 200 nautical miles from the Australian and Tasmanian mainland.

Product Description Summary

Below is a description of the features that affect whether this product is likely to be suitable for the needs of the target market. Refer to the PDS for full details of product coverage and limits.

This product is subject to our acceptance criteria described under the heading "Distribution of this product".

Comprehensive Boat Insurance		
Loss or damage to the boat	**New boat replacement**	**Changing the boat**
Personal property	**Choice of repairer**	**Safety equipment**
Contents	**Salvage**	**Emergency repairs and assistance**
Temporary accommodation	**Equipment and accessories**	**Towing and storage**
Fatality	**Transportation**	**Fishing equipment**
Water sports equipment	**Inspecting the hull**	**Loss or damage to other people's property or injury to other people**

Optional benefits
Legal liability extension for water sport towing activities
Yacht and sailboat racing

Effective date: 9 December 2024.

Third Party Liability Boat Insurance Target Market

The RACQ Third Party Liability Boat Insurance product has been designed for people who want to be covered against financial loss caused to other people's property and death or bodily injury to others.

This product is suitable for people who:	This product is not suitable for:
Own or use a boat for private use,	Anyone looking for a product that provides cover for loss or damage to their own boat,
Are looking for a product that provides only cover for damage that is caused to other people's property and death or bodily injury of other parties.	Boats exceeding 15 metres in length,
	Unseaworthy boats,
	Boats more than 200 nautical miles from the Australian and Tasmanian mainland.

Product Description Summary

Below is a description of the features that affect whether this product is likely to be suitable for the needs of the target market. Refer to the PDS for full details of product coverage and limits.

This product is subject to our acceptance criteria described under the heading "Distribution of this product".

Third Party Liability Boat Insurance
Loss or damage to other people's property, or injury to other people