

# Target Market Determination

## Deposit Bonds



QBE Insurance (Australia) Limited ABN 78 003 191 035 AFSL 239 545

This Target Market Determination (TMD) is effective from 07.10.2021 and relates to the Deposit Bonds product.

This TMD provides QBE's distributors and customers information regarding:

- which class of customers this product is suitable for (the target market) and which class of customers this product is likely to be unsuitable for;
- any distribution conditions for this product;
- reporting obligations and restrictions on distribution of our distributors; and
- the review period and events or circumstances that may trigger a review.

This TMD describes the customers within our target market. This TMD doesn't consider a customer's personal needs, objectives and financial situation.

### Deposit Bonds

This deposit bond is designed for customers in the target market who need to provide a deposit of up to 10% of the price of a new residential or commercial property they wish to purchase but don't have access to the deposit in cash. This deposit bond is a guarantee to the vendor of their commitment to purchase in lieu of the cash deposit.

#### Who is within the Target Market for Deposit Bonds?

<b>Customers within the Target Market</b> (Customers are within the target market if all the following conditions apply)	
✓	Customers purchasing a new residential or commercial property in Australia who do not have the cash deposit or do not wish to use their own funds to pay the required deposit. For example (but not limited to), customers: <ul style="list-style-type: none"><li>• awaiting funds from an existing sale</li><li>• borrowing 100% of the purchase price</li><li>• whose cash is held elsewhere such as an offset account</li><li>• with equity but minimal liquidity.</li></ul>
✓	Customers who require a deposit of up to a 10% of the purchase price.
✓	Customers who are purchasing a property from a vendor who accepts deposit bonds.
✓	Customers who have the financial capacity to pay 100% of the purchase price plus costs (Stamp Duty and Conveyancing fees) on the contract Settlement date.

<b>Customers <u>NOT</u> within the Target Market</b> (Customers are not within the target market if any of the following conditions apply)	
X	Customers who are purchasing a property from a vendor who will only accept a cash deposit
X	Customers who require a deposit of more than 10% of the purchase price
X	Customers purchasing a property from a vendor who requires an early release of the deposit.
X	Customers who cannot demonstrate their financial capacity to pay 100% of the purchase price plus costs (Stamp Duty and Conveyancing fees) at date of application.
X	Non-Australian residents.

## Distribution Conditions

This product has been appropriately designed to be distributed through Deposit Bond Australia Pty Ltd (DBA). The product and the systems it is distributed through have been designed for a customer seeking a deposit bond through DBA. DBA has taken reasonable steps to understand the key product attributes and align distribution to customers in the target market.

### Distribution Restrictions

This product can only be sold via Deposit Bond Australia Pty Ltd ABN 28 003 772 487.

### Distribution Conditions

This product can only be sold via a QBE approved application system within the eligibility and underwriting rules.

Any quoting outside the system must always be referred to a QBE authorised representative.

It can be sold to customers within the target market without the customer being provided with any financial product advice or, with either general or personal advice.

Make the TMD available to customers who wish to refer to it.

### Distribution Method

This product can be sold:

- online at [www.ideposit.com.au](http://www.ideposit.com.au); or
- Direct contact between the customer and DBA
- Via a third-party intermediary.

## Reporting Obligations for Distributors

Distributors of this product are required to provide QBE with complaints information about this product through the agreed complaints submission process including:

- the number of complaints the distributor (third-party intermediary) has received about this product during the reporting period;
- a brief summary about the nature of the complaint raised and any steps taken to address the complaint; and
- any general feedback our distributor (third-party intermediary) may have received on this product.

Distributors should include sufficient details about the complaint that would allow QBE to identify whether the TMD may no longer be appropriate to the class of customers.

**Reporting Period:** 6 monthly or as otherwise agreed with the Distributor and no later than 10 business days after the agreed complaints reporting date.

## Dealings outside the target market

Distributors of this product need to report to QBE when they become aware of a dealing outside the target market that has not been approved by QBE. Their report to QBE must include information such as the date (or date range) the dealing occurred, details about the dealing(s) and any steps or actions taken to mitigate.

**Reporting Period:** As soon as practicable and, subject to our distribution agreement, no later than 10 business days of the date on which the Distributor became aware of the dealing.

## TMD Reviews

<b>Review Period</b>	The initial review of this TMD will occur no later than 2 years from the date this TMD is first published and every 2 years thereafter.
<b>What may trigger a review prior to periodic review</b>	<p>The events or circumstances that may suggest the product is no longer suitable to the target class of customers and would trigger a review (prior to the scheduled periodic review date) include, but are not limited to, QBE becoming aware of:</p> <ul style="list-style-type: none"><li>• a significant increase in the number of complaints relating to the product received by QBE or reported by distributors;</li><li>• a material change to the product, information or assumptions upon which the target market was formulated;</li><li>• a change of relevant law, regulatory guidance or industry code which has a material effect on the terms or distribution of the product;</li><li>• the product being distributed and purchased in a way that is significantly inconsistent with this TMD;</li><li>• adverse trends in policy and claims data indicating the product is not performing as expected by the customer.</li></ul>