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Target Market Determination

Castle Residential Landlord

Product Disclosure Statement (PDS) this Target Market Determination (TMD) relates to	Castle Residential Landlords – CRL02/2026
TMD applies to policies commencing or renewing effective from	01/12/2026
Previous version published	01/10/2025
Amended version published	n/a
First publication date of this TMD	1/10/2025

Information included in this TMD

- This TMD describes:
- the product and its key attributes;
- who this product is suitable for (the target market) and who it is unsuitable for (outside the target market);
- how this product must be distributed, including any conditions and restrictions;
- reporting obligations for distributors;
- when this TMD will be reviewed.

The TMD doesn't consider a customer's personal needs, objectives, and financial situation. Customers should refer to the Residential Landlords PDS, and any Supplementary PDS to ensure the product is right for them.

Product Description

This product has been designed to provide accidental damage cover for residential home and contents rented out to tenants.

It offers:

- Home cover;
- Contents cover;
- Legal Liability cover.

Before making a decision about the product, customers should read the PDS. It provides complete information about the insurance coverage, exclusions, excesses, restrictions and conditions, claims processes and the rights and obligations of the customer.

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Cover/Product: Home

Target Market

This product is suitable for customers who:	
✓	• own a home in Australia used for residential purposes that they rent out to tenants under a lease agreement; or • own a holiday home that they rent out to paying guests as a casual or short-term rental (for example via Airbnb or a similar platform, where there is no legal requirement for a lease agreement).

This cover is only suitable for customers where **either of** the above apply.

This product is NOT suitable for customers who:	
✗	own and live in the home.
✗	do not own the home they live in (for example a tenant who rents their home).
	own a unit(s) within a strata type building, which is required to be insured by a body corporate or similar (if they own a Strata building, they should check with the strata legislation in their State or Territory for insurance requirements).
✗	• want cover for land or building(s) used to earn an income or operate a business of any kind (other than earning residential rental income) where the landlord wants cover for: • a business; or • any claim, loss, damage, injury or liability that arises out of income-earning activities.
✗	want cover for a property that is used as a hotel, motel, resort, inn, commercially operated serviced apartments or similar venues for accommodation.
✗	want cover for a home that is under construction or undergoing renovations, alterations, additions or repairs that: • involve removal of any part of the roof or an external wall; or • impact the structure of a building such as removing or changing supporting walls, underpinning, foundations or piers.
✗	want cover for a home that is awaiting demolition or in the course of being demolished.
✗	want cover for a home that is unoccupied and will continue to be for more than 100 consecutive days.
✗	want cover for a home that is not a standard residential home (for example a shipping container, houseboat, hostel).
✗	want cover for a residential home that is by the sea or coastline and want insurance for action of the sea events such as erosion and rising of sea levels, including high and king tides.
✗	want cover for a home that has damage, defects or maintenance needs which makes damage to the property more likely, for example termite damage or a leaking roof.
✗	want cover for wear and tear or costs associated with home maintenance.

This cover is not suitable for customers where any of the above apply.



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Options

The Home cover offers options that have not been designed for all customers in the product's target market. Customers should only consider selecting the options described below if they are described as being suitable. Option: Rent default by tenant

This option is suitable for customers who own a residential property that is rented out to tenants under a lease agreement and who want insurance for rent default.

Option: Additional loss of rent

This option is suitable for customers who own a residential property that is rented out to tenants under a lease agreement and who require cover for loss of rent that exceeds the maximum amount payable under Section 4, 'Additional benefit 7 – Loss of rent'.

Likely Needs, Objectives and Financial Situation of Customers in the Target Market and consistency with the product's key attributes

Likely financial situation of customers in the target market	Key Product Attributes consistent with the likely financial situation of the target market
• Pay the premiums which may increase from year to year; or • Meet the periodic payment commitments if electing to pay the premium in instalments.	Customers have the choice of: • paying the total premium in one annual payment; or • paying the total premium in instalments.
Pay the basic excess selected and any additional or imposed excesses.	A basic excess applies to most claims. Customers can choose to: • pay more premium, to pay less excess at the time of a claim; or • pay less premium, to pay more excess at the time of a claim. Additional excesses which may apply: • Imposed Excess; • Unoccupied Property Excess; • Unoccupied Property Excess for Agreed Period.
Bear any costs that exceed the sum insured, and any benefit provided by the home sum insured safeguard, to repair or replace the residential rental property.	Customers will be required to nominate a sum insured for their residential rental home that covers the costs to rebuild a similar building, including structural improvements such as pools, carports, fencing and garages, as well as professional fees such as architects and surveyors, demolition and removal of debris costs.

Pay any outstanding premiums if paying in monthly instalments in the event of a total loss.	In the event of a total loss, Castle will either deduct the total of all remaining instalments from the claim settlement, or we will ask the customer to pay the total to QBE.
Bear any amounts that exceed the policy limits in the table below.	

Based on Castle's assessment of the key terms, attributes and eligibility criteria, the insurance cover for Home is likely to be consistent with the needs, objectives and financial situation of customers in the target market.

Other Key Product Attributes

Key Limits	
Sum Insured	Home Sum Insured nominated by the customer.
Loss of Rent	If the home is damaged by an event and it is unliveable we pay up to: • $50,000; or • 20% of the sum insured for the home, whichever is the highest, for loss of rent or rentable value if the homes tenanted or is between tenants at the time the loss or damage occurred.
Legal Liability Limit	$30,000,000
Other product limits including additional benefit sub-limits apply	The insurance cover is subject to maximum insured limits, and these are set out in the policy schedule. Other claims limitations and conditions are specified in the PDS (and any Supplementary PDS).

Key Exclusions	
Acts	There is no cover for any losses arising from or as a result of: • intentional, reckless or fraudulent acts; • illegal activity, by the customer or their family, or that they are involved in.
Reasonable actions and precautions	There is no cover for any losses arising from or as a result of: • not taking reasonable care to protect and maintain the rental property; • not taking reasonable steps to minimise the cost of any claim under the policy; or • not complying with all laws relating to the safety of a person or property.

Condition of the rental property and other loss or damage	There is no cover under any section of the policy for any: • wear, tear, depreciation, rust, oxidisation, corrosion, fading; • defect, structural fault, design fault or faulty workmanship; • rising damp, seepage, mould, mildew, rot; or • gradual deterioration due to action of light, air, sand, sea salt, water, or atmospheric or climatic conditions. There is no cover under any section of the policy for any claim, loss, cost, damage, injury, death or legal liability caused by or arising from: • any neglect, poor housekeeping or untidy, unclean or unhygienic living habits; • The rental property not being structurally sound, watertight, secure, well maintained and in a good state of repair.
Construction Works	There is no cover for any losses arising from or as a result of buildings under construction or undergoing renovations, alterations, additions or repairs that: • involve removal of any part of the roof or an external wall; or • impact the structure of a building such as removing or changing supporting walls, underpinning, foundations or piers.
Activities	There is no cover for any losses arising from or as a result of properties managed by or used as hotels, motels, resorts, inns commercially operated serviced apartments or similar venues for accommodation.

Other policy exclusions apply. Please refer to the PDS (and any Supplementary PDS) for a complete list of policy exclusions.

Cover/Product: Contents

Target Market

This product is suitable for customers who:	
✓	own household contents intended for their tenant's use within their residential property in Australia that they rent out to tenants.
✓	own household contents intended for their paying guests' use within their holiday home in Australia used for residential purposes, that they rent out to paying guests as a casual or short-term rental (for example via Airbnb or a similar platform), where there is no legal requirement for a lease agreement.

This cover is only suitable for customers where either of the above apply.

This product is NOT suitable for customers who:	
✗	want cover for contents within a residential home that they own and live in.
✗	want cover for contents within a home they rent from a landlord.
✗	want cover for contents within a property that is not a standard residential home (for example a shipping container, houseboat, hostel).
✗	want cover for their personal contents which they store within the home they rent out to a tenant or paying guest.

✕	want cover for land or building(s) used to earn an income or operate a business of any kind (other than earning residential rental income) where the landlord wants cover for: • a business; or • any claim, loss, damage, injury or liability that arises out of income-earning activities.
✕	want cover for contents in a property used as a hotel, motel, resort, inn, commercially operated serviced apartment or similar venue for accommodation.
✕	want cover for contents in a home that is unoccupied and will continue to be for more than 100 consecutive days.
✕	want cover for contents in a home that is by the sea or coastline and want insurance for action of the sea events such as erosion and rising sea levels, including high and king tides.
✕	want cover for wear and tear or costs associated with maintenance.

This cover is not suitable for customers where any of the above apply.

Options

The Contents cover offers options that have not been designed for all customers in the product's target market. Customers should only consider selecting the options described below if they are described as being suitable. Option: Rent default by tenant

This option is suitable for customers who own a residential property that is rented out to tenants under a lease agreement and want insurance for rent default.

Option: Additional loss of rent

This option is suitable for customers who own a residential property that is rented out to tenants under a lease agreement and who require cover for loss of rent that exceeds the maximum amount payable under Section 4, 'Additional benefit 7 – Loss of rent'.

Likely Needs, Objectives and Financial Situation of Customers in the Target Market and consistency with the product's key attributes

Likely needs and objectives of customers in the target market	Key Product Attributes consistent with likely needs and objectives of the target market
To reduce the unexpected financial costs to repair or replace their contents within their residential rental property when they are accidentally or maliciously damaged, stolen or damaged by a weather event such as storm, bushfire or flood.	The product provides cover for the costs to repair or replace contents located at the residential rental home if loss or damaged by events covered by the product including: • weather events such as storm (including cyclone), flood, lightning; • accidental loss or damage fire, theft, accidental, purposeful, or malicious damage by tenants.

To reduce the unexpected financial burden of lost rental income, when the residential rental property becomes unliveable due to loss or damage to the property caused by an unexpected event covered by the product.	The product provides cover for rental income lost when the residential rental home is damaged by a specific event covered under the product, making the home unliveable.
To reduce the unexpected financial cost they are legally responsible to pay for: damage to another person's property; or injury to another person, resulting from an occurrence at the Insured address. This includes legal liability to the tenant or paying guest.	The product provides cover for legal liability arising from an occurrence during the period of insurance at the Insured address of the residential rental strata titled residence which results in personal injury and/or damage to property.
Optional cover to tailor the product to suit their individual needs.	The following optional covers are available to purchase: Rent default by Tenant option; Additional loss of rent options;

Likely financial situation of customers in the target market	Key Product Attributes consistent with the likely financial situation of the target market
Pay the premiums which may increase from year to year. Meet the periodic payment commitments if electing to pay the premium in instalments.	Customers have the choice of: paying the total premium in one annual payment; or paying the total premium in instalments.
Pay the basic excess selected and any additional or imposed excesses.	A basic excess applies to most claims. Customers can choose to: pay more premium, to pay less excess at the time of a claim; or pay less premium, to pay more excess at the time of a claim.
Bear any costs that exceed the sum insured to repair or replace the contents at the residential rental property.	Customers will be required to nominate a sum insured for the contents at their residential rental home.
Pay any outstanding premiums if paying in monthly instalments in the event of a total loss.	In the event of a total loss, Castle will either deduct the total of all remaining instalments from the claim settlement, or we will ask for the total to be paid to Castle.

Likely financial situation of customers in the target market	Key Product Attributes consistent with the likely financial situation of the target market
Bear any amounts that exceed the policy limits in the 'Contents with Limits below.	

Based on Castle's assessment of the key terms, attributes and eligibility criteria, the insurance cover for Contents is likely to be consistent with the needs, objectives and financial situation of customers in the target market.

Other Key Product Attributes

Key Limits	
Sum Insured	Contents Sum Insured nominated by the customer.
Contents with Limits	Works of art, pictures, tapestries, rugs: $20,000 per item and in total 25% of the sum insured for unspecified contents.
Loss of Rent	If the home is damaged by an event and it is unliveable: We pay up to: • $50,000; or • 20% of the sum insured for the contents, whichever is the highest, for loss of rent or rentable value if the home is tenanted or is between tenants at the time the loss or damage occurred.
Legal Liability Limit	$30,000,000
Other product limits including additional benefit sub-limits apply	The insurance cover is subject to maximum insured limits, and these are set out in the policy schedule. Other claims limitations and conditions are specified in the PDS (and any Supplementary PDS).

Key Exclusions	
Acts	There is no cover for any losses arising from or as a result of: • intentional, reckless or fraudulent acts; or • illegal activity, by the customer or their family, or that they are involved in.
Reasonable actions and precautions	There is no cover for any losses arising from or as a result of: • not taking reasonable care to protect and maintain the rental property; • not taking reasonable steps to minimise the cost of any claim under the policy; or • not complying with all laws relating to the safety of a person or property.
Condition of the rental property and other loss or damage	There is no cover under any section of the policy for any: • wear, tear, depreciation, rust, oxidisation, corrosion, fading; • defect, structural fault, design fault or faulty workmanship; • rising damp, seepage, mould, mildew, rot; or • gradual deterioration due to action of light, air, sand, sea salt, water, or atmospheric or climatic conditions. There is no cover under any section of the policy for any claim, loss, cost, damage, injury, death or legal liability caused by or arising from: • any neglect, poor housekeeping or untidy, unclean or unhygienic living habits; • The rental property not being structurally sound, watertight, secure, well maintained and in a good state of repair.

Key Exclusions	
Construction Works	There is no cover for any losses arising from or as a result of buildings under construction or undergoing renovations, alterations, additions or repairs that: • involve removal of any part of the roof or an external wall; or • impact the structure of a building such as removing or changing supporting walls, underpinning, foundations or piers.
Activities	There is no cover for any losses arising from or as a result of properties managed by or used as hotels, motels, resorts, inns commercially operated serviced apartments or similar venues for accommodation.

Other policy exclusions apply. Please refer to the PDS (and any Supplementary PDS) for a complete list of policy exclusions.

Distribution

This product has been appropriately designed to be distributed through Sure Insurance Pty Ltd t/as Castle Insurance. The product and the systems it is distributed through have been designed for a customer seeking insurance through Castle. Castle has taken reasonable steps to understand the key product attributes and align distribution to customers in the target market.

Distribution Restrictions	**Castle Residential Landlords** can only be sold by Sure Insurance Pty Ltd t/as Castle Insurance (ABN 72 624 109 128, AFSL 506378) (Castle).
Distribution Conditions	**Castle Residential Landlords** can only be sold to persons that are eligible for cover in accordance with the application and/or renewal criteria that has been approved in writing by Castle, and which complies with the law (Application Process). The Application Process has been tailored to identify the target market described in this TMD as part of the eligibility criteria. The use of this Application Process will make it more likely that the product will be acquired by persons within the target market. The application process is comprised of the following: Public website with product information; Castle staff product training; A policy administration system with built in underwriting and eligibility controls with knock out questions; Castle Staff Monitoring program; Internal underwriting accreditation or delegated authority program; Underwriting Guidelines. **Castle Residential Landlords** can be sold via a Castle approved policy administration system within the eligibility criteria and underwriting rules. Any quoting outside the system must always be referred to a Castle 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. Distributors of **Castle Residential Landlords** must make this TMD available free of charge on request.

Distribution Method	Castle Residential Landlords can be sold via direct contact between the customer and the insurance broker or agent. Castle Residential Landlords is not available for customers to purchase directly from Castle including online.

Reporting Obligations

Information	Responsible reporting person	Obligation	Information required to be reported	Reporting Period
Dealings outside the target market	Castle and Canopius	Castle will report to Canopius if it becomes aware of a dealing outside of the target market that is inconsistent with the TMD.	• the date (or date range) the dealing occurred; • details about the dealing(s); • any steps or actions taken to mitigate this dealing; and • any steps or actions taken to stop or prevent any further dealings outside the target market from occurring.	As soon as practicable and, by no later than 10 business days after the date, the Castle or Canopius becomes aware of the dealing.
Complaints and feedback	Castle and Canopius	Castle will report to Canopius complaint and feedback information received about the product.	• the number of complaints received about this product during the reporting period; and • a brief summary about the nature of every complaint received and any steps taken to address the complaint.	Every three months.
Policy and claims data	Castle and Canopius	Policy and claims data about the product.	• Claims Loss Ratio; • Policy Retention Rate.	Every three months.

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Orders, direction or feedback from Regulator, Code Governance Committee or AFCA	Castle and Canopius	Any order, direction or feedback from a regulator, Code Governance Committee or AFCA related to the product or how it is distributed.		As soon as practicable and, by no later than 10 business days after the date the feedback, direction or order was received.
Periodic Product Reviews Outcomes	Canopius	Outcomes from the Periodic Product Reviews conducted.	• Data reviewed; • Data analysis outcomes; and • Review outcome decisions.	Every two years or sooner if the review was conducted prior.

TMD Review

TMD Reviews	Information Castle will use to review the TMD
Review Period	This TMD will be reviewed 12 months after the date it is first published, and it will be periodically reviewed once every two years thereafter.
What may trigger a review prior to periodic iew	The events or circumstances that may trigger a review prior to a scheduled periodic review date include Castle becoming aware of: • the nature or numbers of complaints or feedback provided about the product's design or distribution that indicate significant or systemic issues, reasonably suggesting the TMD is no longer appropriate; • a material change to the product (including the PDS and the Application Process) or distribution conditions, or to the information or the assumptions which the target market is based on, which reasonably suggests the TMD is no longer appropriate; • a material incident in relation to the product's design and distribution which reasonably suggests the TMD is no longer appropriate; • any: ○ change of relevant legislation, regulations or regulatory guidance; or ○ direction or order from a regulator, the Code Governance Committee or AFCA related to the design of the product or its distribution, that reasonably suggests the TMD is no longer appropriate; • a significant dealing outside the TMD occurring that reasonably suggests the TMD is no longer appropriate; • trends in the following metrics that indicate adverse customer outcomes which reasonably suggest the TMD is no longer appropriate: ○ claims loss ratios; ○ policy retention rates. Relevant thresholds indicating possible adverse outcomes are stored within Castle's internal retail Product Governance arrangements.

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