

# Chubb Target Market Determination

## Chubb Commercial Strata Elite Package Insurance

CHUBB®

# Target Market Determination

## Important Information

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This Target Market Determination (**TMD**) is required under section 994B of the Corporations Act 2001 (Cth) and has been prepared by the product issuers Chubb Insurance Australia Limited (**Chubb**) AFSL 239687, ABN 23 001 642 020.

The TMD is designed to assist customers, distributors and Chubb staff to understand who this product has been designed for and who it is not suitable for. The TMD identifies triggers for Chubb to review the target market and sets out the conditions and restrictions on distribution of the product described below. It also sets out the reporting obligations of Chubb's distributors. This document is not a Product Disclosure Statement (**PDS**) and is not a summary of the product features or terms of the product. This document does not take into account any person's individual objectives, financial situation or needs and is not intended to constitute personal advice. Persons interested in acquiring this product should carefully read the PDS before deciding whether to purchase this product.

This TMD is effective from the date of publication until its replacement or withdrawal.

Where a word is capitalised in this TMD and not otherwise defined, the definition of the word can be found in the policy wording/PDS.

The PDS for the product can be found here [Chubb Commercial Strata Elite Package](#).

## Target Market Determination

### 1. Details

<b>Product Name/s:</b>	<b>Chubb Commercial Strata Elite Package</b> (PDS No. 21PDSCSEPLMA01 ) (the <b>Product</b> )
<b>Publication Date of TMD:</b>	Originally published September 2021. Revised: June 2022
<b>Initial Review Date:</b>	September 2023 (2 years from date of original publication)
<b>Frequency of Product Reviews:</b>	Every 2 years from date of publication, subject to intervening review triggers as outlined in section 4 of this TMD

### 2. Product Target Market

#### What is the Product

This Product provides packaged insurance cover for buildings and common contents/property of commercial and mix use properties that are strata titled, company titled, registered as community or neighbourhood associations and certain risks associated with the management and operation of such properties.

#### Key covers/attributes

Building types covered by the Product:

- ✓ mixed use industrial and commercial strata (or similar) buildings such as office and retail that have some residential occupancy (where the commercial use is greater than 50% of the building);
- ✓ mixed residential strata (or similar) buildings that have serviced apartments (where serviced apartments are **greater** than 50% of total unit entitlements); and
- ✓ hotel strata titled buildings/developments.

The Product provides cover for the following risks (subject to the full terms and conditions, as set out in the Policy):

- ✓ Property (Building) Insurance for Damage to Insured Property;
- ✓ Voluntary Workers cover for Accidental Death or Injury;
- ✓ Crime Insurance (for certain offences if committed by an Employee, Office Bearer or Strata Manager);
- ✓ Machinery Breakdown Insurance for sudden and accidental Breakdown;
- ✓ General Liability for Bodily Injury or Property Damage caused by an Occurrence in connection with the Insureds Business.

The Product also provides cover for the following risks (not available for company titled properties):

- ✓ Management Committee Liability; and

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- ✓ Professional Expenses in connection with an Audit.

## Key exclusions

This Product excludes claims arising from (among other things):

- ✗ flood or action by sea (this cover is optional);
- ✗ lot owners' contents;
- ✗ stratum/volumetric/individual lot owners and/or tenants' own property;
- ✗ Pre-Existing Medical Conditions;
- ✗ Self-injury;
- ✗ asbestos;
- ✗ faulty or defective workmanship, design or material;
- ✗ damage to Insured Property caused by any alterations or additions to the Insured Property when the contract value of work exceeds 10% of the Sum Insured or \$500,000, or requires council approval;
- ✗ Communicable Diseases, such as COVID19 (except for: measles, meningococcal, gastroenteritis, legionnaires, salmonella and Escherichia Coli);
- ✗ cyber and data loss (with respect to certain coverages and in certain circumstances);
- ✗ prior claims and circumstances.

## Customers the Product was designed for

This Product was designed for customers who are:

- ✓ a Body Corporate/Owners Corporation (or similar entity such as community or neighbourhood associations), who represent the collective owners of commercial Strata Title, Community Title or similar buildings/properties such as office and retail buildings, hotels, driveways, swimming pools, and tennis courts, that require cover for the types of risks insured by this Product and where:
  - more than 50% of the floor space is used for commercial purposes; and/or
  - serviced apartments make up **more** than 50% of total unit entitlements.

## Classes of Customers

The class of customers for whom this Product is targeted can be categorised as:

- ✓ Body Corporate/Owners Corporation of commercial buildings and common property;
- ✓ community and neighbourhood associations for commercial buildings and common property;
- ✓ a company with company title units in a commercial building, requiring cover for the building and common property but **not** Management Committee Liability or Professional Expenses for the company or its directors.

## Customer's likely objectives, financial situation, and needs

<b>Objectives</b>	The likely objectives of customers in this target market is to limit their financial exposure to losses associated with: <ul style="list-style-type: none"> <li>• damage to building and common property/contents;</li> <li>• public liability including personal injury claims.</li> </ul>
<b>Financial situation</b>	The likely financial situation for customers in this target market is that the Owners Corporation (or similar body) have a positive cashflow, enough equity to manage and maintain the property and to cover the cost of the insurance premium and any applicable excesses.
<b>Needs</b>	The likely needs for customers in this target market are to have broad insurance coverage for the common buildings and common property as well as legal liability for claims brought against the Owners Corporation (or similar body) for third party liability such as property damage and personal injury.

## Customers the Product was not designed for

This Product is not suitable for those customers who have the following characteristics:

- × non-strata (or similar) titled property;
- × buildings predominately used for residential purposes;
- × mixed commercial where the commercial use is **less** than 50% of the building;
- × mixed residential where serviced apartments are **less** than 50% of total unit entitlements;
- × lot owners seeking to cover personal or business contents within an individual lot of a strata titled property;
- × company titled property where there is a requirement to insure the company directors and/or the Management Committee Liability of the company.

## Why Product is consistent with the Target Market

Chubb views that the Product is consistent with the target market as the target market comprises Body Corporates and the Product provides various insurances that are designed to meet the requirements of strata bodies. It is therefore likely that the Product will meet the needs, or go towards meeting the needs, of those in the target market.

## 3. Conditions/Restrictions on product Distribution

<b>Restriction/ Condition</b>	<b>Description</b>
<b>Method of distribution</b>	This product may be distributed by Chubb's approved network of licenced insurance brokers ( <b>Distributor</b> ).
<b>Underwriting criteria</b>	The Distributors are required to distribute the Product in accordance with Chubb's underwriting criteria.

<b>Promotional Material</b>	Any promotional material which is used by the Distributors in relation to the Product must be pre-approved by Chubb and must contain an electronic link to this TMD.
<b>Distribution in accordance with TMD</b>	The Product must only be distributed in accordance with this TMD and the contractual arrangements in place between Chubb and the Distributors.

### Explanation

Customers that obtain the Product in accordance with the distribution conditions set out above are more likely to be in the target market for this product because a qualified insurance broker is acting on their behalf and can assess the customer's objectives, financial situation and needs.

## 4. Product Review

<b>Periods of review:</b>	Mandatory periodic reviews of the TMD will occur at least every 2 years subject to intervening review triggers (see below).
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### Review triggers:

Review triggers are events that suggest the TMD may no longer be appropriate and may trigger a review **prior** to periodic review as set out above. The review triggers for this product are set out below.

1.	Any material change to the Product, including a change to the PDS.
2.	Changes to relevant laws, regulatory guidance, or industry codes.
3.	Any determination of or feedback from regulators, the Australian Financial Complaints Authority, a court or a tribunal suggesting that the target market may no longer be appropriate (including the use of Product Intervention Powers).
4.	The nature of feedback regarding the Product, including whether complaints have increased significantly from consumers or distributors.
5.	Distribution or purchasing of the Product in a manner significantly inconsistent with the TMD.

## 5. Reporting Obligations

Chubb's third-party distributors must report the following information to Chubb.

### Distributor Reporting Obligations

Type of Report	Description	Reporting Period
<b>Complaints</b>	If the Distributor acts under a binding authority from Chubb, or as an Authorised Representative of Chubb, the Distributor must provide complaints data and information in accordance with the existing contractual terms as agreed to between the parties.	<b>Quarterly</b> (10 business days after the quarter has closed)  Send data to:  <a href="mailto:DisputeResolution.AU@chubb.com">DisputeResolution.AU@chubb.com</a>

	<p>If the Distributor acts as a broker (agent for the consumer), the Distributor must provide the following complaints data:</p> <ul style="list-style-type: none"> <li>The number of complaints received regarding the Product during the Reporting Period and the nature and details of the complaints.</li> </ul> <p>Complaint is defined in the Australian Securities and Investment Commission (ASIC) Regulatory Guide RG 271.</p>	
<p><b>Significant dealings</b></p>	<p>A significant dealing in the Product which is not consistent with this TMD must be notified to ASIC. What amounts to a "significant dealing" will be determined by the circumstances of each case but generally regard should be had to:</p> <ul style="list-style-type: none"> <li>the proportion of consumers purchasing the product who are not in the target market;</li> <li>the actual or potential harm to those consumers;</li> <li>the nature and extent of the inconsistency of distribution with the TMD; and</li> <li>current ASIC guidelines when determining what may constitute a significant dealing.</li> </ul> <p>If in doubt, Distributors must report the dealing to Chubb, so that Chubb can undertake the necessary assessments.</p> <p>The report must include:</p> <ul style="list-style-type: none"> <li>date(s) of the significant dealing;</li> <li>description of the significant dealing;</li> <li>why the dealing is considered significant;</li> <li>how the significant dealing was identified;</li> <li>what steps, if any, have been taken in relation to persons affected by the significant dealing; and</li> <li>steps which have been, or will be, taken to ensure that the significant dealing does not occur again.</li> </ul>	<p>Within <b>1 business day</b> of becoming aware of the significant dealing.</p> <p>Send data to: <a href="mailto:aus.incidentreporting@chubb.com">aus.incidentreporting@chubb.com</a></p>

## 6. Appropriateness

Chubb has assessed the Product's key attributes and formed the view that it is likely to be consistent with the likely objectives, financial situation and needs of consumers in the target market as described within this TMD.

## About Chubb in Australia

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Chubb is the world's largest publicly traded property and casualty insurer. Chubb, via acquisitions by its predecessor companies, has been present in Australia for 100 years. Its operation in Australia (Chubb Insurance Australia Limited) provides specialised and customised coverages including Business Package, Marine, Property, Liability, Energy, Professional Indemnity, Directors & Officers, Financial Lines, Utilities as well as Accident & Health, to a broad client base, including many of the country's largest companies. Chubb also serves successful individuals with substantial assets to insure and consumers purchasing travel insurance.

More information can be found at [www.chubb.com/au](http://www.chubb.com/au).

## Contact Us

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Chubb Insurance Australia Limited  
ABN: 23 001 642 020 AFSL: 239687

Grosvenor Place  
Level 38, 225 George Street  
Sydney NSW 2000  
O +61 2 9335 3200  
[www.chubb.com/au](http://www.chubb.com/au)

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