Chubb Target Market Determination

Freighty Shipping Insurance

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Important Information

This Target Market Determination (**TMD**) is required under section 994B of the Corporations Act 2001 (Cth) and has been prepared by the product issuer 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.

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Target Market Determination	
1. Details	
Product Name/s:	**Freighty Shipping Insurance** (PDS No. 21PDSFREIGHTY01) (the **Product**)
Publication Date of TMD:	Originally published 5 October 2021. Revised: June 2022
Initial Review Date:	5 October 2023 (2 years from date of original publication)
Frequency of Product Reviews:	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 insurance cover to e-commerce merchants (using the Freighty application, an online insurance distribution software, integrated into certain e-commerce platforms), against loss or damage to goods (Property) while being transported to the purchaser, by a professional Transport Operator, Worldwide (subject to international sanctions).

Key covers/attributes

- ✓ Automatic insurance cover (subject to payment of the premiums) for customers using the Freighty application, transporting goods (Property) with a sale value of AUD $5,000 or less.
- ✓ Cover for accidental Loss (including theft) or Damage to Property whilst it is being Transported by road, rail, sea or air, within Australia.
- ✓ Cover from when Property is collected by Transport Operator, while in transit and during all loading and unloading operations until the Property is delivered to the consigned address
- ✓ Cover for repair or replacement, up to the Sum Insured.
- ✓ Additional benefits, such as cover for Removal of Debris and shipping containers.
- ✓ Legal liability arising from 'Both to Blame Collision Clauses'.
- ✓ Cover for General Average claims.
- ✓ Worldwide cover (subject to international sanctions).

Key exclusions

This Product excludes claims arising from, or related to (among other things):

- × Excluded Property, including, but not limited to:
  - bullion;
  - cash securities and other cash equivalents;
  - goods which are banned, prohibited or otherwise excluded by any law;
  - live animals or plants;
  - watches, precious jewellery, metals, stones;

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- mobile phones and laptops;
- temperature sensitive goods;
- perishable goods;

× delay;

× fraud, Dishonesty and Intentional Conduct;

× lawful seizure;

× cyber or loss of data or media;

× Communicable Disease;

× Loss or damage occurring in a sanctioned country.

Customers the Product was designed for

This Product is targeted at customers who:

✓ are e-commerce merchants; and

✓ offer goods for sale through an online platform; and

✓ arrange for the delivery of the goods (with a sale value of AUD $5,000 or less) to the purchaser's nominated address using a professional Transport Operator; and

✓ require cover loss or damage to such goods while in transit to the purchaser's nominated address; and

✓ use the Freighty application within their e-commerce platform.

Classes of Customers

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

✓ e-commerce merchants who arrange for the delivery of goods (with a sale value of AUD $5,000 or less) and have the Freighty application integrated within their e-commerce platform.

Customer's likely objectives, financial situation, and needs

Objectives	The likely objectives for customers in this target market is to have financial protection for property (stock) sold online in the event of accidental loss or damage whilst in transit to its delivery address.
Financial situation	The likely financial situation of customers in this target market is broad, however they are likely to experience a financial burden should an insurable event cause loss or damage to their property. Customers should be able to afford the premium and any applicable excesses payable.
Needs	Customers in the Products' target market operate as online merchants and are likely to need an insurance product which provides financial protection against the risks of accidental loss or damage while their stock/property is in transit to a specified delivery address.

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Customers the Product was not designed for

This product is not suitable for those customers who are:

- × not using professional Transport Operators;
- × wanting insurance for items of Excluded Property;
- × Sending individual shipments with a value in excess of AUD$5,000.

Why Product is consistent with the Target Market

Chubb views that the Product is consistent with the target market as the target market comprises e-commerce businesses who require financial protection against accidental loss or damage to property whilst in transit, and the policy provides such cover if the customer is using a professional Transport Operator. 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

Restriction/ Condition	Description
Method of distribution	Chubb has authorised BMS Risk Solutions Pty Ltd (ABN: 45 161 187 980 AFSL: 461594) (**BMS**) to market, underwrite, settle claims and administer the Freighty Shipping Insurance product on behalf of Chubb, under a binding authority. In distributing the insurance Product, BMS acts under its own AFSL as an agent of Chubb and not the customers. BMS has appointed Insure the Purchase Pty Ltd t/as Freighty (ABN: 15 629 898 013) (**Freighty**) as its Authorised Representative (number 12697372), under its own AFSL, to distribute the Product. (collectively referred to as the **Distributors**)
Underwriting criteria	The Distributors are required to distribute the product in accordance with Chubb's underwriting criteria.
Promotional Material	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.
Distribution in accordance with TMD	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 the Distributors specialise in the distribution of cargo/freight related insurance products.

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4. Product Review

Periods of review:	Mandatory periodic reviews of the TMD will occur at least every **2 years** subject to intervening review triggers (see below).

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**
Complaints	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. If the Distributor acts as a broker (agent for the consumer), the Distributor must provide the following complaints data: • The number of complaints received regarding the Product during the Reporting Period and the nature and details of the complaints. Complaint is defined in the Australian Securities and Investment Commission (**ASIC**) Regulatory Guide RG 271.	**Quarterly** (10 business days after the quarter has closed) Send data to: DisputeResolution.AU@chubb.com

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Significant dealings	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: • the proportion of consumers purchasing the product who are not in the target market; • the actual or potential harm to those consumers; • the nature and extent of the inconsistency of distribution with the TMD; and • current ASIC guidelines when determining what may constitute a significant dealing. If in doubt, Distributors must report the dealing to Chubb, so that Chubb can undertake the necessary assessments. The report must include: • Date(s) of the significant dealing; • Description of the significant dealing; • Why the dealing is considered significant; • How the significant dealing was identified; • What steps, if any, have been taken in relation to persons affected by the significant dealing; and • Steps which have been, or will be, taken to ensure that the significant dealing does not occur again.	Within **1 business day** of becoming aware of the significant dealing. Send data to: aus.incidentreporting@chubb.com

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.

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About Chubb in Australia

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.

Contact Us

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Chubb Target Market Determination, Freighty Shipping Insurance, Australia. Published 06/2022.
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