

Chubb Target Market Determination

Pantaenius Sail & Motor Yacht
Insurance
(All Risk)

CHUBB®

Chubb Target Market Determination



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 and on behalf of the co-insurer of this product, HDI Global Specialty SE - Australia, AFSL 458776, ABN 58 129 395 544 (**HDI Global Specialty**) (together the **Insurers**).

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](#).

Target Market Determination

1. Details

Product Name/s:	Pantaenius All Risk Sail & Motor Yacht Insurance – (PDS prepared 1 January 2022) (the Product)
Publication date of TMD:	Originally published 5 October 2021 (for PDS prepared 9th of December 2020) Revised version published December 2021 (for PDS prepared 1 January 2022) Revised version (2): June 2022 (for PDS prepared 1 January 2022) Last reviewed: September 2023
Next Review Date:	September 2025 (two years from date of last review)
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 Agreed Fixed Value cover for physical loss or damage to a marine Vessel (pleasure craft such as a motor or sail yacht) as well as cover for Third Party Liabilities and Personal Accident with some additional optional covers.

Key covers/attributes

- ✓ Cover for loss or damage occurring during the Policy Period to your Vessel including cover for:
 - Reasonable Inspection after grounding costs after an Accident;
 - Salvage Costs;
 - Wreck Removal Costs;
 - Sue and Labour Costs;
 - Commercial Towing Fees and Emergency Costs;
 - Emergency Accommodation or Repatriation Costs;
 - Lost or stolen keys (maximum \$1000);
 - up to \$10,000 for Personal Effects and \$5,000 for Fishing Gear (sub limit of \$1,500 per single item);
 - Temporary Storage Ashore (while locked in secure temporary storage for up to 30 days);

(Hull and Property Insurance).

- ✓ Third Party Liability insurance covers your legal liability to pay a third party for bodily injury, death or damage to property and extends to the Insureds family, the beneficial owner of the Vessel or the family of the beneficial owner of the Vessel, the Vessels captain, the Vessels crew, and guests who are with the consent of the Insured or the legal or beneficial owner onboard the Vessel arising from your ownership, operation or use of your Vessel (**Third Party Liability Insurance**).
- ✓ Personal Accident insurance covers accidents arising from the private pleasure use of your Vessel which cause accidental death or permanent Disability as a result of bodily injury to an Insured person from an external cause up to the Sum Insured for Accidental Death and Permanent Disability set out in your Schedule (**Personal Accident Insurance**).

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- ✓ Cover for 'production' (mass produced) Vessels 29 years of age or less.
 - ✓ Cover for 'one off' Vessels 19 years of age or less.
 - ✓ Worldwide cover (subject to international sanctions and Policy terms and conditions).
 - ✓ Cover for sailboat racing (if less than 250 nautical miles) where the race is organised by a registered yachting association.
 - ✓ Agreed Fixed Value cover for Hull and Property Insurance (as agreed to between insured and the Insurers).

Optional Covers

The following optional covers can be added to the main cover(s) by a customer, which may be subject to additional premiums and excesses as well as applicable underwriting and eligibility criteria:

- ✓ loss or damage occurring to the Vessel and liability arising from or caused by War, Strike and Confiscation;
- ✓ cover for Vessel under charter including loss of charter Income – covers loss of charter income where the Vessel is prevented from starting or continuing a charter for more than 7 days due to physical loss of or damage to the Vessel caused by an incident covered under the Hull and Property Insurance section of the Policy (subject to daily limit and maximum overall limit);
- ✓ wear and tear cover (subject to eligibility criteria).

Key exclusions

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

- ✗ the use of the Vessel whilst intoxicated;
- ✗ Single Handed Sailing (unless included in Policy Schedule);
- ✗ accidents to an Insured Person when acting as a Professional Diver or Sports person (under Personal Accident Cover);
- ✗ Pre-Existing Medical Conditions (under Personal Accident Cover);
- ✗ Pre-Existing Damage to the Vessel;
- ✗ the lack of repair and or maintenance of the boat;
- ✗ unseaworthiness of the boat;
- ✗ intentional damage by the Insured;
- ✗ loss or damage caused by motorboat racing;
- ✗ loss or damage to perspex clears caused by wind;
- ✗ loss or theft of Personal Effects excluded from cover such as loss of money, valuables and jewellery, food and luxury items;
- ✗ any loss or damage directly or indirectly caused by osmosis, blistering, fibreglass or surface coat blistering, electrolysis, rust, corrosion, oxidation, rot, fungus, mould, infestation, change of temperature or humidity, gradual deterioration, delamination, marine growth or inherent vice;
- ✗ loss or damage:
 - during a voyage; or
 - while the Vessel is unattended at anchor and/or where the Vessel drags or breaks free from its anchor;

in circumstances where a 'Severe Weather Warning' or similar has been issued by the Australian Bureau of Meteorology or coast guard or equivalent authority in the relevant jurisdiction.

- ✗ loss or damaged caused by a Named Tropical Storm during specified periods of the year in specified locations within Australia (see Policy for details).

Customers the Product was designed for

This Product is targeted at individuals and small businesses who own a marine Vessel such as a sail or motor yacht (which meets the eligibility and underwriting criteria) and require insurance to cover the insurable risks associated with the ownership and operation of such Vessels including cover for loss or damage occurring to the hull of the Vessel during voyage and third-party liability cover.

Depending on the age and model of the marine Vessel, there may be additional requirements of the customer, such as the customer obtaining an out of water service report, where required by the Distributor to assess whether the Vessel meets the Product's underwriting criteria.

Classes of Customers

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

- ✓ who are residents of Australia and New Zealand and own a seaworthy marine Vessel such as a pleasure boat/s (sail and motor yacht) which is:
 - less than 30 years old (if a 'production' Vessel); or
 - less than 20 years old (if a 'one off' Vessel); and
- ✓ meet the requirements of state-based licensing laws and regulations for the operation of their Vessel (where applicable).

Customer's likely objectives, financial situation, and needs

Objectives	The likely objectives of customers in this target market is to protect their marine Vessel and indemnify themselves against third party liability claims associated with the ownership and operation of the marine Vessel.
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 marine Vessel or in the event they were liable to a third party for loss or damage associated with the operation and ownership of the Vessel. Customers should be able to cover the costs of ensuring the Vessel remains seaworthy (including the costs of out of water service reports) and afford the insurance premium and any applicable excesses payable.
Needs	Individuals in the target market are likely to require specialist insurance for marine Vessels which covers loss and damage commonly associated with the ownership and operation of sail and motor yachts including cover for third party liability.

Customers the Product was not designed for

This Product is not suitable for those customers who:

- ✗ want to insure a houseboat;
- ✗ do not own a seaworthy marine Vessel (sail or motor yacht/boat);

- ✗ are unable to comply with requests for satisfactory survey evidencing Vessel is seaworthy or that certain repairs have been carried out;
- ✗ jointly own marine Vessel where there are more than four (4) owners;
- ✗ use their marine Vessel for motorboat racing;
- ✗ do not hold the requisite licences to operate their Vessel (where applicable);
- ✗ require insurance cover for a marine Vessel such as a pleasure boat/s (sail and motor yacht) which is:
 - 30 or more years old (if a 'production' Vessel); or
 - 20 or more years old (if a 'one off' Vessel).

Why the Product is consistent with the Target Market

The Insurers view that the Product is consistent with the target market as the target market comprises individuals and businesses who require financial protection against accidental loss or damage to their marine Vessel and the policy provides such cover as well as additional covers such as third party liability cover while using the Vessel. 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	<p>This Product is distributed on behalf of the Insurers by:</p> <ul style="list-style-type: none"> • Pantaenius Australia Pty Ltd [ABN 95 148 013 085; AFSL 410502] (Pantaenius); and • a limited number of independent insurance brokers throughout Australia. <p>(collectively the Distributors).</p> <p>Pantaenius holds its own Australian Financial Services Licence (AFSL) and in distributing the Product acts under its own AFSL under a binding authority from the Insurers.</p> <p>In distributing the Product Pantaenius acts as agent of the Insurers not the customers.</p> <p>Products distributed on behalf of the Insurers must only be distributed under a general advice model.</p> <p>The Product may be distributed online via Pantaenius' website and/or by phone.</p>
Underwriting criteria	The Distributor is required to distribute the Product in accordance with underwriting criteria agreed with Chubb.
Promotional Material	Any promotional material which is used by the Distributor 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.
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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 marine and pleasure craft related insurance products.

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).
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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
Complaints	<p>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.</p> <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">The number of complaints received regarding the Product during the Reporting Period and the nature and details of the complaints.	<p>Quarterly (10 business days after the quarter has closed)</p> <p>Send data to:</p> <p>DisputeResolution.AU@chubb.com</p>

	Complaint is defined in the Australian Securities and Investment Commission (ASIC) Regulatory Guide RG 271.	
Significant dealings	<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"> 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. <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"> 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. 	<p>Within 1 business day of becoming aware of the significant dealing.</p> <p>Send data to:</p> <p>aus.incidentreporting@chubb.com</p>
Regulator Correspondence	Communication from a regulator in relation to the Product or TMD.	Same day
Sales information	The number of sales of the Product (only if Distributor has binding authority)	In accordance with contractual arrangements

6. Appropriateness

The Insurers have 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

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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