

# Income Protection

## Target Market Determination (TMD)

<b>Product:</b>	Insuranceline Income Protection (the <b>product</b> ), offered in combined Product Disclosure Statement ( <b>PDS</b> ) and Financial Services Guide ( <b>FSG</b> ) with issue date 28 February 2024
<b>Issuer:</b>	TAL Life Limited ABN 70 050 109 450 AFSL 237848 ( <b>TAL Life</b> )
<b>Date of this TMD:</b>	28 February 2024
<b>Version:</b>	1
<b>Next TMD review date:</b>	By 28 February 2026

### Important information

This TMD sets out the key attributes, target market, distribution conditions, review periods and triggers for the product. This TMD forms part of the product design and distribution arrangements of the product.

This document is **not** a Product Disclosure Statement, and is **not** a summary of the conditions, features or terms of the product. The terms and conditions of cover provided under the product are set out in the PDS, along with any Policy Schedule (if applicable). Consumers interested in acquiring this product should carefully read those documents before deciding to purchase, or to continue to hold the product.

This document does not take into account any consumer's individual objectives, financial situation or needs. If a consumer has any questions about the product, please contact TAL Life.

**The product is an insurance Policy, not a savings plan, which means no financial benefit is payable from the Policy unless claim eligibility conditions are met.**

Key attributes	
<b>Product description</b>	<ul style="list-style-type: none"> <li>Provides a monthly Benefit in the event the Life Insured is Out of Action or Returning to Work (on reduced Earnings) solely due to Sickness or Injury. Benefit payments start after the chosen Claim Waiting Period and continue for the period the Life Insured remains Out of Action or Returning to Work (on reduced Earnings) or up to the chosen Claim Payout Period.</li> </ul>
<b>Eligibility criteria</b>	<ul style="list-style-type: none"> <li>Entry age 18 – 60;</li> <li>In paid employment and working a minimum of 20 hours a week;</li> <li>An Australian or New Zealand citizen or Australian permanent resident, currently residing in Australia who has received the PDS in Australia; and</li> <li>Subject to TAL Life's Underwriting assessment, including relating to health and medical history, occupation, income, lifestyle, pastimes and current and past insurance.</li> </ul>
<b>Claim Payout Period options</b>	<ul style="list-style-type: none"> <li>6 months, 12 months, 24 months and 5 years.</li> </ul>
<b>Claim Waiting Period options</b>	<ul style="list-style-type: none"> <li>14 days, 28 days, 60 days and 90 days.</li> </ul>
<b>Maximum Benefit amount</b>	<ul style="list-style-type: none"> <li>Up to 75% of the Life Insured's income up to \$10,000 a month.</li> </ul>

<b>Expiry age</b>	<ul style="list-style-type: none"> <li>• On the Policy Anniversary immediately following the Life Insured's 65th birthday.</li> </ul>
<b>Key exclusions and limitations</b>	<ul style="list-style-type: none"> <li>• No Benefit will be payable under the Policy if the event giving rise to the claim is caused: <ul style="list-style-type: none"> <li>– by normal and uncomplicated pregnancy, childbirth or miscarriage. Normal and uncomplicated pregnancy includes but is not limited to morning sickness, backache, varicose veins, ankle swelling, bladder problems, multiple pregnancy, or participation in an IVF or similar program.</li> <li>– by any intentional act of self-harm. This includes the Life Insured exposing themselves to risk of Sickness or Injury for any reason.</li> <li>– by taking intoxicating liquor (however TAL Life will pay a claim if the Life Insured is at or under the legal blood alcohol limit for driving); taking drugs (unless prescribed to the Life Insured by a Medical Practitioner and taken in the correct dose).</li> <li>– while the Life Insured is visiting a country for which the Australian Department of Foreign Affairs and Trade (DFAT) issued a 'Do Not Travel' warning advice prior to the Life Insured's travel to that country, and which continues to be in force during the time of the Life Insured's stay in that country.</li> <li>– by any Sickness or Injury that occurs as a result, or during, committing or attempting to commit a criminal offence.</li> <li>– by any Sickness or Injury that occurs as a result, or during, the Life Insured being in jail or in lawful detention.</li> <li>– by terrorism, civil commotion or unrest; guerrilla or insurgent activities in countries outside Australia, if the Australian Government has advised the Life Insured to not travel to that country; war or an act of war.</li> </ul> </li> <li>• Benefit payments may be reduced if the Life Insured receives or is due to receive any Other Payment or Payments (including on a periodic or lump sum basis), which together with the Benefit exceed 75% of Monthly Income.</li> <li>• No Benefit is payable for Sicknesses or Injuries that occur within 7 days of the Cover Commencement Date.</li> <li>• No Benefit is payable for any Mental Health Related Condition that occurs during the first 6 consecutive months immediately following the Cover Commencement Date.</li> <li>• The Claim Payout Period for any Mental Health Related Condition is limited to 2 years in total over the life of the Policy or the Claim Payout Period for the Policy, whichever is shorter.</li> <li>• Special conditions determined and agreed to during Underwriting. If applicable, the special condition will be shown in the Policy Schedule.</li> <li>• Inability to work solely due to redundancy, unemployment, economic downturn or other reasons not solely related to sickness or injury.</li> </ul>
<b>Premium structures</b>	<p>Premiums are structured on a stepped basis.</p> <p>Stepped premiums are based on the Life Insured's age at each Policy Anniversary. This means the Life Insured's premium will generally increase at each Policy Anniversary.</p> <p>Stepped premiums are not guaranteed to remain the same each year. The amount consumers pay will change when any of the following events occur:</p> <ul style="list-style-type: none"> <li>• the Life Insured's premium will increase each year in accordance with their age and any increase to the Benefits, such as Inflation Protection increases in Cover amounts;</li> <li>• the Life Insured makes changes to the Policy;</li> <li>• the Life Insured's Benefit amount is increased or decreased;</li> <li>• the Life Insured adds or removes a Cover or option;</li> <li>• a discount no longer applies or changes because the Life Insured makes changes to the Policy;</li> <li>• there are any changes in government duty or taxes and TAL Life chooses to pass on these additional costs; or</li> <li>• TAL Life chooses to increase the underlying premium rates on the Insuranceline Income Protection portfolio.</li> </ul> <p>If premiums are not paid when due, the Policy will end (subject to the required notice periods) and the Life Insured will no longer be covered and cannot claim for events occurring after the Policy ends.</p>

## Target market

<b>Eligibility of consumers in the target market</b>	<p>The target market comprises of consumers who are:</p> <ul style="list-style-type: none"> <li>• aged 18 – 60;</li> <li>• in paid employment and working a minimum of 20 hours a week;</li> <li>• an Australian or New Zealand citizen or Australian permanent resident, currently residing in Australia and who has received the PDS in Australia; and</li> <li>• meet TAL Life’s Underwriting assessment, including relating to health and medical history, occupation, income, lifestyle, pastimes and current and past insurance.</li> </ul>
<b>Objective of consumers in the target market</b>	<p>The target market comprises of consumers who are looking for cover that provides a monthly Benefit in the event the Life Insured is Out of Action or Returning to Work (on reduced Earnings) solely due to Sickness or Injury for longer than the chosen Claim Waiting Period and for the period the Life Insured remains Out of Action or Returning to Work (on reduced Earnings) or up to the end of the chosen Claim Payout Period.</p>
<b>Financial situation of consumers in the target market</b>	<p>The target market comprises of consumers who have the financial capacity to fund the costs of cover in accordance with the stepped premium structure, over the period they intend to hold the cover.</p> <p>Consumers will be required to form their own assessment on their capacity to fund premiums.</p>
<b>Needs of consumers in the target market</b>	<p>The target market comprises of consumers who have a need, or may in the future have a need, to pay for outstanding financial commitments in the event the Life Insured is Out of Action or Returning to Work (on reduced Earnings) solely due Sickness or Injury.</p>
<b>Appropriateness of the product for the target market</b>	<p>The target market comprises of those who have or expect to have outstanding financial commitments that will not be satisfied in the event the Life Insured is Out of Action or Returning to Work (on reduced Earnings) solely due to Sickness or Injury. The target market also comprises of those who have the financial capacity to fund the costs of cover in accordance with the stepped premium structure, over the period they intend to hold the cover.</p> <p>As the product provides a monthly Benefit in the event the Life Insured is Out of Action or Returning to Work (on reduced Earnings) solely due to Sickness or Injury, is only available for those meeting the eligibility criteria, and who have the financial capacity to fund the costs of cover (having formed their own assessment of such capacity); the product is therefore likely to be consistent with the objectives, financial situation, and needs of consumers in the target market.</p>
<b>Excluded consumers</b>	<p>The target market excludes consumers who;</p> <ul style="list-style-type: none"> <li>• are under 18 years of age;</li> <li>• are over 60 years of age;</li> <li>• are unemployed or working less than 20 hours per week at the time of application;</li> <li>• are not an Australian or New Zealand citizen or Australian permanent resident, currently residing in Australia and who have not received the PDS in Australia;</li> <li>• do not meet TAL Life’s Underwriting assessment;</li> <li>• are looking for cover that provides a monthly benefit in the event of unemployment or redundancy;</li> <li>• do not have the financial capacity to fund the costs of cover, in accordance with the stepped premium structure, over the period they intend to hold the cover; or</li> <li>• have the capacity to, and are willing to pay for outstanding financial commitments without the cover under this product.</li> </ul>

## Distribution conditions

<b>Distribution conditions: Personal advice</b>	<b>This product is not to be distributed through personal advice.</b>
<b>Distribution conditions: General advice</b>	<p>The following distribution conditions apply with respect to the provision of general advice:</p> <ul style="list-style-type: none"> <li>• Distributors must be authorised by TAL Life to distribute the product.</li> <li>• Distributors may only distribute this product to consumers under general advice. No personal advice is to be provided to consumers at any point in the distribution.</li> <li>• Distributors must obtain information required to determine whether the consumer is eligible for the product and must not permit a consumer to be issued the product if the consumer does not meet the eligibility criteria (provided that the consumer has provided all relevant information honestly and completely).</li> <li>• Distributors must draw the consumer's attention to the key features of the product, including an estimate of the applicable premium (based on the consumer's requested product Benefits), to enable the consumer to determine if the product is likely to be consistent with their objectives, financial situation and needs.</li> <li>• Distributors must have in place processes in relation to call scripts, training, monitoring and quality assurance designed to ensure the appropriate distribution of the product (call centres only).</li> <li>• Distributors must make available a PDS of the product to consumers.</li> </ul>
<b>Appropriateness of the distribution conditions: General advice</b>	<p>The distribution conditions will result in the product being issued to consumers who are likely to be in the target market because:</p> <ul style="list-style-type: none"> <li>• the requirement for Distributors to determine whether a consumer is eligible for the product and not permit consumers to be issued the product if they do not satisfy the eligibility criteria means the product cannot be issued to consumers who are not eligible for the product.</li> <li>• the requirement for Distributors to draw the consumer's attention to the key features of the product, including an estimate of the applicable premium (based on the consumer's requested product Benefits), is likely to prompt a consumer to either proceed or not to proceed with an application based on their financial capacity to afford the applicable premiums and determination of whether the product is consistent with their likely objectives, financial situation and needs.</li> </ul>

## Review periods and triggers

<b>Review periods</b>	<p><b>Initial review period</b> Must be completed within 2 years from the date of this TMD, subject to any intervening review triggers.</p> <p><b>Ongoing review period</b> Must be completed every 2 years from the initial review period, subject to any intervening review triggers.</p>
<b>Review trigger 1</b>	<p><b>Description:</b></p> <ul style="list-style-type: none"> <li>• The commencement of a significant change in law that materially affects the product design, distribution of the product or class of products that includes this product.</li> </ul> <p><b>Reporting information:</b></p> <ul style="list-style-type: none"> <li>• Changes to relevant regulation, legislation and instruments.</li> </ul> <p><b>Reporting period and review obligation:</b></p> <ul style="list-style-type: none"> <li>• TAL Life must monitor and consider any significant relevant change in law that materially affects the design or distribution of the product.</li> </ul>

<b>Review trigger 2</b>	<p><b>Description:</b></p> <ul style="list-style-type: none"> <li>• Product performance is materially inconsistent with TAL Life’s expectations of the appropriateness of the product for consumers having regard to: <ul style="list-style-type: none"> <li>– claim ratios;</li> <li>– the number of admitted, declined and withdrawn claims;</li> <li>– the number of policies sold;</li> <li>– policy lapse rates; and</li> <li>– the number of applications not accepted.</li> </ul> </li> </ul> <p><b>Reporting information:</b></p> <ul style="list-style-type: none"> <li>• Claims ratio;</li> <li>• Number of admitted, declined and withdrawn claims;</li> <li>• Number of policies sold;</li> <li>• Policy lapse rates; and</li> <li>• The number of applications not accepted.</li> </ul> <p><b>Reporting period and review obligation:</b></p> <ul style="list-style-type: none"> <li>• TAL Life must collect the reporting information and review these factors twice a year at the end of March and September.</li> </ul>
<b>Review trigger 3</b>	<p><b>Description:</b></p> <ul style="list-style-type: none"> <li>• Significant or unexpectedly high number of complaints regarding product design, claims and distribution conditions that would reasonably suggest that this TMD is no longer appropriate.</li> </ul> <p><b>Reporting information:</b></p> <ul style="list-style-type: none"> <li>• The nature of the complaints and the total number of complaints received in relation to the product.</li> </ul> <p><b>Reporting period and review obligation:</b></p> <ul style="list-style-type: none"> <li>• TAL Life must review and consider the complaints and the total number of complaints twice a year at the end of March and September; and</li> <li>• Distributors must report the complaints and the total number of complaints to TAL Life, with reports required within 10 business days of the end of March and September.</li> </ul>
<b>Review trigger 4</b>	<p><b>Description:</b></p> <ul style="list-style-type: none"> <li>• Significant change to the design or distribution of the product which TAL Life considers could result in a change to: <ul style="list-style-type: none"> <li>– whether the product is likely to be consistent with the likely objectives, financial situation or needs of the target market; or</li> <li>– the distribution conditions required to ensure that the product is likely to be issued to consumers who are within the target market.</li> </ul> </li> </ul> <p><b>Reporting information:</b></p> <ul style="list-style-type: none"> <li>• Any significant changes to the design or distribution of the product.</li> </ul> <p><b>Reporting period and review obligation:</b></p> <ul style="list-style-type: none"> <li>• TAL Life must monitor and consider any significant change to the design or distribution of the product.</li> </ul>
<b>Review trigger 5</b>	<p><b>Description:</b></p> <ul style="list-style-type: none"> <li>• TAL Life determines that a significant dealing in the product outside the target market (except for an excluded dealing) has occurred.</li> </ul> <p><b>Reporting information:</b></p> <ul style="list-style-type: none"> <li>• Any dealing in the product which the regulated person becomes aware of is not consistent with this TMD.</li> </ul> <p><b>Reporting period and review obligation:</b></p> <ul style="list-style-type: none"> <li>• TAL Life must promptly review and consider any significant dealing reported to it;</li> <li>• TAL Life must also consider any dealing it considers to be a significant dealing in the product outside the target market; and</li> <li>• Any dealing outside the target market must be reported by Distributors to TAL Life as soon as practicable, and in any case within 10 business days of the Distributor becoming aware of the significant dealing.</li> </ul>

**Review trigger 6****Description:**

- The use of a Product Intervention Power in relation to the distribution or design of this product where TAL Life considers this to be a reasonable indication that this TMD is no longer appropriate.

**Reporting information:**

- The making of any applicable product intervention order which affects the distribution or design of the product.

**Reporting period and review obligation:**

- TAL Life must promptly consider any product intervention order which affects the product.