

Income Protection

Target Market Determination (TMD)

TMD product:	Insuranceline Income Protection (the product), offered in combined Product Disclosure Statement (PDS) and Financial Services Guide (FSG) with issue date 1 October 2021
Issuer of this TMD:	TAL Life Limited ABN 70 050 109 450 AFSL 237848 (TAL Life)
Date of this TMD:	22 January 2024
TMD version:	3
Last TMD review date:	22 January 2024
Ongoing review period:	Each subsequent review of this TMD must be completed within 2 years after the completion of the prior review unless a review trigger requires a review to be completed at an earlier date.

Important information

This TMD sets out the product description and key attributes, target market, distribution conditions, review periods and review 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	
Product description	<ul style="list-style-type: none"> Replaces a portion of the Life Insured's income in the event the Life Insured is totally out of action or only able to return to work partially due to sickness or injury. Benefit payments start after the chosen waiting period and continue for the period the Life Insured remains totally out of action or partially returning to work, up to the chosen benefit period.
Eligibility criteria	<ul style="list-style-type: none"> Entry age 18 – 60. An Australian or New Zealand citizen or Australian permanent resident, currently residing in Australia who has received the PDS in Australia. Subject to TAL Life's underwriting assessment including relating to height, weight, medical history, past and current health, occupation, income, and pastimes. In paid employment and working a minimum of 20 hours a week at the time of application.
Benefit period options	<ul style="list-style-type: none"> 6 months, 12 months, 24 months and 5 years.

Key attributes

Waiting period options	<ul style="list-style-type: none"> • 14, 28, 60 and 90 days.
Maximum Benefit Amount	<ul style="list-style-type: none"> • Up to \$10,000 per month.
Expiry age	<ul style="list-style-type: none"> • On the Policy Anniversary after the Life Insured's 65th birthday.
Key exclusions and limitations	<ul style="list-style-type: none"> • No Benefit will be payable if the event giving rise to the claim is caused: <ul style="list-style-type: none"> – 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. – by any intentional act of self-harm. This includes the Life Insured exposing themselves to risk of sickness or injury for any reason. – 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 by the Life Insured's medical practitioner and taken in the correct dose). – 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. – by any sickness or injury that occurs as a result, or during, committing or attempting to commit a criminal offence. – by any sickness or injury that occurs as a result, or during, the Life Insured being in jail or in lawful detention. – by terrorism, civil commotion or unrest; guerrilla or insurgent activities in countries outside Australia; if the Australian Government has advised to not travel to that country; war or an act of war. • Benefit payments may be reduced if the Life Insured receives or is due to receive any other payment or other payments (including on a periodic or lump sum basis). • A six month qualifying period applies with respect to any mental health related condition which means a Benefit is not paid for any mental health related condition occurring during that qualifying period. The claim Benefit period for any mental health related condition is limited to 2 years in total over the life of the Policy or the claim Benefit period for the Policy, whichever is shorter. • A seven day qualifying period applies with respect to sickness and injury cover, after the cover commencement date, including after any increases in cover. • Special conditions determined and agreed to during underwriting. If applicable the special condition will be shown in the Policy Schedule. • Inability to work solely due to redundancy, unemployment, economic downturn or other reasons not solely related to sickness or injury.

Key attributes

<p>Premium structures</p>	<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"> • 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. • the Life Insured makes changes to the Policy. • the Life Insured's Benefit amount is increased or decreased. • the Life Insured adds or removes a cover or option. • the Life Insured makes changes to the Policy, any discount that applies may change, or cease to apply. • there are any changes in government duty or taxes and TAL Life chooses to pass on these additional costs. • TAL Life chooses to increase the underlying premium rates on the Insuranceline Income Protection portfolio. <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>
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Target market

The target market for the product comprises the class of consumers who satisfy each of the following criteria with respect to eligibility, objectives, financial situation and needs.

<p>Eligibility of consumers in the target market</p>	<p>The target market for the product comprises of consumers who are:</p> <ul style="list-style-type: none"> • aged 18 – 60. • an Australian or New Zealand citizen or Australian permanent resident, currently residing in Australia and who has received the PDS in Australia. • willing to go through the underwriting process (that is, answer questions about the consumer's health, lifestyle, occupation, income etc.). • In paid employment and working a minimum of 20 hours a week at the time of application. <p>Consumers who are under the age of 18 or over 60 years of age, or who are not an Australian or New Zealand citizen or Australian permanent resident, currently residing in Australia, or who do not want to be underwritten, or who are unemployed or working less than 20 hours per week, are not part of the target market of the product.</p>
<p>Objective of consumers in the target market</p>	<p>The target market for the product comprises of consumers who are looking for cover that replaces a portion of the Life Insured's income in the event the Life Insured is unable to work due to sickness or injury for longer than the chosen waiting period and for the period the Life Insured remains unable to work, up to the end of the chosen Benefit period.</p> <p>Consumers who are not looking for cover that replaces a portion of the Life Insured's income in the event the Life Insured is unable to work due to sickness or injury are not part of the target market of the product.</p>
<p>Financial situation of consumers in the target market</p>	<p>The target market for the product 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 who do not have the financial capacity to fund the costs of cover over the period they intend to hold the cover or are not in paid employment are not part of the target market of the product. Consumer will be required to form their own assessment on their capacity to fund premiums.</p>

Target market

Needs of consumers in the target market	<p>The target market for the product comprises of consumers who have a need to replace a portion of their income in the event that of being unable to work solely due to sickness or injury.</p> <p>Consumers who can replace via their own financial resources or other sources a portion of their income in the event of being unable to work solely due to sickness or injury are not part of the target market of the product.</p>
Appropriateness of the product for the target market	<p>The target market comprises of those who have or expect to have a need to replace their income should they, be unable to earn their pre-disability income due to sickness or injury.</p> <p>As the product pays a Benefit when the Life Insured is totally out of action or only able to return to work partially due to sickness or injury (after the chosen waiting period and up to the specified Benefit period) and is only available for those meeting the eligibility criteria set out above, this product is therefore likely to be consistent with the objectives, financial situation and needs or consumers in the target market.</p> <p>The target market is also limited to consumers who have the financial capacity to pay premiums and as a result the product is likely to be consistent with the likely financial situation of consumers in the target market.</p>

Distribution conditions

Any regulated person who engages in retail product distribution conduct, other than excluded conduct (such as the provision of personal advice), must comply with the following distribution conditions for the product.

Distribution conditions: Personal advice	<p>Distribution conditions do not apply with respect to the provision of personal advice or to arranging for a consumer to apply for or acquire the product for the purpose of implementing personal advice. This is because regulated persons who provide personal advice have statutory and general law duties with respect to the provision of personal advice which apply instead of the distribution conditions.</p> <p>This product is not to be distributed through personal advice.</p>
Distribution conditions: General advice – online	<p>The following distribution conditions apply to any retail product distribution conduct, other than excluded conduct (such as the provision of personal advice) which occurs through an online channel:</p> <ul style="list-style-type: none"> • The distributor of the online channel must be approved by TAL Life. • The online channel 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). • The online channel 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. • The online channel must make available a PDS of the product to consumers. • If the online channel is licenced, used or white labelled via a distributor who makes accessible the online channel to consumers, that distributor must also be approved by TAL Life.

Distribution conditions

<p>Appropriateness of the distribution conditions: General advice – online</p>	<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"> the requirement for the online channel 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. the requirement for the online channel to display information on 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.
<p>Distribution conditions: General advice – call centre</p>	<p>The following distribution conditions apply to any retail product distribution conduct other than excluded conduct (such as the provision of personal advice) which occurs through a call centre channel:</p> <ul style="list-style-type: none"> The distributor of the call centre channel must be approved by TAL Life. The call centre channel must have in place processes in relation to call scripts, training, monitoring and quality assurance designed to ensure the appropriate distribution of the product. The call centre channel 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). The call centre channel must draw the consumer’s attention to the key features of the product, including an estimate of the applicable premium based on the consumers requested product Benefits, to enable the consumer to determine if the product is likely to be consistent with their objectives, financial situation and needs. The call centre channel must make available a PDS of the product to consumers.
<p>Appropriateness of the distribution conditions: General advice – call centre</p>	<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"> the requirement for the call centre channel 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. the requirement for the call centre channel to provide information on 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.

Review triggers

<p>Review trigger 1</p>	<p>Description:</p> <ul style="list-style-type: none"> 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. <p>Reporting information:</p> <ul style="list-style-type: none"> Changes to relevant regulation, legislation and instruments. <p>Reporting period and review obligation:</p> <ul style="list-style-type: none"> TAL Life must monitor and consider any significant relevant change in law that materially affects the design or distribution of the product.
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Review triggers

<p>Review trigger 2</p>	<p>Description:</p> <ul style="list-style-type: none"> • 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"> – claim ratios. – the number of paid, denied and withdrawn claims. – the number of policies sold. – Policy lapse rates. – percentage of applications not accepted. <p>Reporting information:</p> <ul style="list-style-type: none"> • Claims ratio. • Number of paid, denied and withdrawn claims. • Number of policies sold. • Policy lapse rates. • Percentage of applications not accepted. <p>Reporting period and review obligation:</p> <ul style="list-style-type: none"> • TAL Life must collect the reporting information and review these factors every 6 months.
<p>Review trigger 3</p>	<p>Description:</p> <ul style="list-style-type: none"> • 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. <p>Reporting information:</p> <ul style="list-style-type: none"> • The nature of each complaint and the total number of complaints received in relation to the product within the reporting period. <p>Reporting period and review obligation:</p> <ul style="list-style-type: none"> • TAL Life must review and consider complaints data every 6 months. • Distributors must report complaints data to TAL Life every 6 months, with reports required within 10 business days of the end of the reporting period.
<p>Review trigger 4</p>	<p>Description:</p> <ul style="list-style-type: none"> • 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"> – whether the product is likely to be consistent with the likely objectives, financial situation or needs of the target market. – the distribution conditions required to ensure that the product is likely to be issued to consumers who are within the target market. <p>Reporting information:</p> <ul style="list-style-type: none"> • Any significant changes to the design or distribution of the product. <p>Reporting period and review obligation:</p> <ul style="list-style-type: none"> • TAL Life must monitor and consider any significant change to the design or distribution of the product.
<p>Review trigger 5</p>	<p>Description:</p> <ul style="list-style-type: none"> • TAL Life determines that a significant dealing in the product outside the target market (except for an excluded dealing) has occurred. <p>Reporting information:</p> <ul style="list-style-type: none"> • Any dealing in the product which the regulated person becomes aware of is not consistent with this TMD. <p>Reporting period and review obligation:</p> <ul style="list-style-type: none"> • TAL Life must promptly review and consider any significant dealing reported to it. • TAL Life must also consider any dealing it considers to be a significant dealing in the product outside the target market. • Any dealing outside the target market must be reported by a distributor to TAL Life as soon as practicable, and in any case within 10 business days of the distributor becoming aware of the significant dealing.

Review triggers

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.