

BT Protection Plans Children's Benefit

Target Market Determination Document

Effective date 1 August 2022

TARGET MARKET DETERMINATION (TMD)

This TMD is issued by TAL Life Insurance Services Limited (TLISL) ABN 31 003 149 157

PRODUCT: This TMD applies to Protection Plans Children's Benefit

EFFECTIVE DATE: 1 August 2022

TARGET MARKET CLASS OF CONSUMERS

Product description and key attributes

The key product attributes of this product are:

- the product provides a lump sum benefit to cover costs (such as those outlined under 'Needs, objectives and financial situation' below) if an insured child dies, becomes terminally ill or suffers a specified children's trauma event,
- premiums can only be paid on a stepped premium structure,
- the product is only available outside superannuation but can be linked to policies inside or outside superannuation.

Key eligibility requirements

The key eligibility requirements to acquire this product are:

- the product cannot be taken as a standalone policy and must be linked to another Protection Plans policy owned by the natural parent or legal guardian of the insured child, with the following minimum benefit amounts:
 - \$50,000 for Term Life, Term Life as Superannuation, standalone Living Insurance or standalone Total and Permanent Disablement policies, or
 - \$2,500 per month for Income Protection Assured and Income Protection Assured as Superannuation policies, or
 - \$1,000 per month for Income Protection, Income Protection Plus, Business Overheads Assured and Business Overheads policies,
- the insured child must be aged 2 – 14 at the commencement of the cover, or aged 2 – 16 for any replacement or reinstatement, and cover expires on the policy anniversary on or following the insured child's 16th birthday,
- if the policy owner is an individual, they must be the natural parent or legal guardian of the child insured,
- if the policy owner is a trust or business entity, the child's natural parent or guardian must have direct control of that trust or business entity.

If the product is being acquired via reinstatement or replacement, the insured person will be eligible for the product if they satisfied the above requirements when cover first commenced.

Benefits and definitions

The product's key benefits are outlined in the table below:

Type of cover	Description	Cover Amounts Available
Children's Benefit	Pays a lump sum benefit on the death or terminal illness of the insured dependent child.	<ul style="list-style-type: none">• Minimum cover is \$10,000• Maximum cover when first applying for cover is \$200,000.

Exclusions

Exclusions apply if the specified children's event is caused directly or indirectly by a congenital condition or, for cancer and stroke, the specified children's event occurs within three months of the commencement or last reinstatement of the policy.

Only sicknesses or injuries that occur after policy commencement are covered by the policy.

Refer to the Protection Plans PDS for full terms and conditions, including exclusions and limitations.

Class of consumers

This product is designed for policy owners or super fund members who need a lump-sum benefit of between \$10,000 and \$200,000 if the insured child dies, suffers a terminal illness or suffers a specified children's trauma event.

Needs, objectives and financial situation

This product provides insurance to cover the following costs due to the insured child dying, becoming terminally ill or suffering a specified children's event:

- personal financial costs (e.g., palliative care costs, medical expenses not covered by Medicare or private health insurance, funeral and final expenses, rehabilitation costs, an overseas holiday for the insured child, rental payments), or
- cover for leave (e.g., parental leave or carer leave) and expenses.

The policy owner or super fund member has financial capacity to pay premiums from time to time in accordance with the chosen sum insured, premium structure, policy fees and government charges; and to be able to continue to pay premiums for the chosen policy term if premiums increase over time.

This product is not designed for policy owners, insured persons, super fund members, or insured children:

- if, when first taking out cover:
 - the insured child is aged 15 or over, or
- whose main reason for cover is for a pre-existing condition of the insured child, or
- who need cover for less than \$10,000, or
- who need cover for more than \$200,000, or
- who need cover for an insured child aged 1 or under, or
- where the Children's Benefit is not linked to another Protection Plans policy owned by the natural parent or legal guardian of the insured child, or that policy does not have the required level of cover, or
- where the policy owner, if an individual, is not the natural parent or legal guardian of the child insured, or
- where if the policy owner is a trust or business entity, the child's natural parent or guardian does not have direct control of that trust or business entity, or
- who need health insurance.

Alignment to target market

This product is likely to be consistent with the likely objectives, financial situation and needs of the class of consumers in the target market. This is based on an assessment of the key terms, features and attributes of the product and a determination that these are consistent with the identified class of consumers.

DISTRIBUTION CONDITIONS AND RESTRICTIONS

Distribution channels

This product is designed to be sold via the following means:

- by financial advisers, who hold or operate under an Australian Financial Services Licence, or
- by TLISL.

Distribution conditions and restrictions

This product should only be distributed under the following circumstances:

- the policy owner, insured person, super fund member and insured child meet the relevant eligibility criteria for the product,
and
- distribution to new consumers is provided by a financial adviser who is appropriately authorised, trained and qualified to provide financial advice about life insurance products, or
- distribution to consumers other than new consumers is provided by TLISL through its customer contact centre or a financial adviser who is appropriately authorised, trained and qualified to provide financial advice about life insurance products in the following circumstances:
 - the consumer falls within the target market for this product,
 - and either:
 - the consumer previously held this product, or
 - this product is being acquired to replace a product that the consumer holds which had been issued by TLISL.

Although the product may be advertised or compared on third party comparison websites, consumers may only make an application for the product to the issuer through a financial adviser or TLISL as described above.

Appropriateness of distribution conditions and restrictions

We have assessed that the distribution conditions and restrictions will make it likely that consumers who acquire the product are in the target market. We consider that the distribution conditions and restrictions are appropriate and will facilitate distribution be directed towards the class of consumer for whom the product has been designed.

TMD REVIEWS

We will review this TMD in accordance with the below:

Periodic reviews	At least every three years from the effective date.
Review triggers or events	The specific review triggers (that reasonably suggest the TMD is no longer appropriate) that may result in an earlier review of the TMD are: <ul style="list-style-type: none">– significant changes in metrics. These include complaints, sales, policy cancellations, lapses, claims, and loss ratios,– a material change to the design or distribution of the product, including an alteration in acceptance criteria or underwriting criteria,– identified systemic issues across the product lifecycle,– change in relevant law,– occurrence of a significant dealing, and– distribution conditions found to be inadequate.

DISTRIBUTION INFORMATION

We will collect the following information from our distributors in relation to this TMD.

Complaints	Distributors will report all complaints in relation to the product(s) covered by this TMD on a 6-monthly basis to TLISL, with distributors reporting complaint volumes within 10 business days of the end of each reporting period. This will include written details of the complaints.
Significant dealings	Distributors will report if they become aware of a significant dealing in relation to this product that is inconsistent with the TMD within 10 business days.