

BT Insurance

BT Protection Plans - Income Protection as Superannuation

Reserve Income Protection as Superannuation

Target Market Determination Document

Effective date 1 April 2024



TARGET MARKET DETERMINATION (TMD)

This TMD is issued by: Mercer Superannuation (Australia) Limited ABN 79 004 717 533 AFSL 235906 (MSAL) and,
TAL Life Insurance Services Limited ABN 31 003 149 157 AFSL 233728 (TAL)

Product: This TMD applies to:

- Protection Plans Income Protection as Superannuation, and
- Protection Plans Reserve Income Protection as Superannuation

Effective date: 1 April 2024

TARGET MARKET CLASS OF CONSUMERS

Product description and key attributes

The key product attributes of this product are:

- the product provides a monthly benefit to cover costs (such as those outlined under 'Needs, objectives and financial situation' below) if the insured person is unable to work at full capacity due to total or partial disability:
 - the product provides a total disability benefit, which is the lesser of the insured monthly benefit and a maximum of 80% (including Superannuation Contribution Option) of annualised pre-disability monthly earnings of the insured person,
 - the product provides a partial disability benefit based on the insured person's proportionate loss of pre-disability earnings times the monthly total disability benefit,
- the policy is only available inside superannuation,
- this product is only available for alterations and replacements of existing policies.

Key eligibility requirements

The key eligibility requirements to acquire this product are:

- the insured person must be aged 17 – 59 at the time of commencing cover (or aged 17 – 70 for any replacement or reinstatement) or aged 17 – 69 for general cover income protection (or aged 17 – 80 for any replacement or reinstatement),
 - for ages 17 – 49 at the time of commencing cover, the insured person can choose to pay premiums by:
 - level premiums up to age 55, or
 - stepped premiums up to age 55, or
 - for Reserve Income Protection, level premiums for the life of the cover,
 - for ages 17 – 59 at the time of commencing cover, consumers can choose to pay premiums by:
 - level premiums up to age 65, with stepped premiums thereafter for the life of the cover, or
 - stepped premiums for the life of the cover, or
 - for Reserve Income Protection as Superannuation, level premiums for the life of the cover.
- the insured person must be an Australian citizen, a permanent resident of Australia or the holder of an eligible spouse/partner or work visa,
- the insured person must be working for at least 20 hours per week,
- the insured person must be working in an eligible occupation (for occupation eligibility please speak to a financial adviser or contact TAL through its customer contact centre),
- the insured person must not be an undischarged bankrupt.

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:

BENEFIT TYPE	DESCRIPTION
Indemnity	Means the amount of the Total Disability Benefit (which is relevant to calculating the benefit payable in the event of total disability and/or partial disability) may be reduced if the Insured Person's monthly earnings have reduced since the insurance commenced.

The product is available as a Home Duties Income Protection or Home Duties Income Protection Plus, as outlined in the table below:

PRODUCT TYPE	BENEFIT TYPES AVAILABLE	COVER AMOUNTS AVAILABLE
Income Protection as Superannuation	<ul style="list-style-type: none"> Indemnity benefit with an own occupation definition, Provides a number of included benefits (refer to Protection Plans PDS for details). 	<ul style="list-style-type: none"> Minimum cover when applying for cover is \$1,000 per month, Maximum cover when first applying for cover is \$60,000 per month (any benefit above \$30,000 per month is limited to a 2-year benefit period).
Reserve Income Protection as Superannuation	<ul style="list-style-type: none"> Indemnity benefit for total or partial disability with an own occupation definition, Provides a number of included benefits (refer to Protection Plans PDS for details). 	<ul style="list-style-type: none"> Minimum cover when applying for cover is \$30,000 per month, Maximum cover when first applying for cover is \$60,000 per month.

BENEFIT TYPE	DESCRIPTION
Total Disability Monthly Benefit	<ul style="list-style-type: none"> Pays a monthly benefit if the insured person is totally disabled. Totally disabled (in broad terms) is defined as the insured person being, due to sickness or injury, unable to perform one or more of the important income-producing duties of their usual occupation. The insured person must either be not working or not working for more than 10 hours per week in their usual occupation and under the regular care of a doctor.
Partial Disability Monthly Benefit	<ul style="list-style-type: none"> Pays a monthly benefit if the insured person is partially disabled. Partially disabled means (in broad terms) the insured person is, due to sickness or injury, unable to perform some or all of their important income-producing duties of their usual occupation, or is able to perform all of the important income-producing duties of their usual occupation but in a reduced capacity, and their monthly earnings are less than their pre-disability earnings and they are under the regular care of a doctor.

Exclusions

Exclusions apply if the sickness or injury giving rise to the claim is caused by an act of war (except for the Death Benefit where the insured person dies on war service); by intentional self-inflicted injury; by attempted suicide; or by normal and uncomplicated pregnancy and childbirth. Additional exclusions for Reserve Income Protection as Superannuation are: alcohol abuse; alcohol dependence; drug use; mental illness; and fatigue syndromes (These exclusions apply to the insured monthly benefit amounts exceeding \$40,000 and only after the insured monthly benefit has been paid for 24 months).

Exclusions may also apply depending on individual circumstances, which will be notified in writing.

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

The product is designed for super fund members who need a monthly benefit between \$1,000 and \$60,000 if the insured person is totally or partially disabled.

Needs, objectives and financial situation

This product provides insurance cover for the following costs and expenses as a result of the total or partial disability of the insured person:

- personal financial costs (e.g., regular household expenses, including mortgage repayments and rental payments, utilities and other regular bills, costs to cover out-of-pocket medical expenses not covered by Medicare or health insurance).

The super fund member has financial capacity to pay premiums annually or more frequently as agreed in accordance with the chosen monthly benefit, chosen 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 insured persons:

- if, when first taking out cover:
 - the insured person is not working in an eligible occupation, or
 - the insured person is working less than 20 hours per week, or
 - the insured person is aged 70 or over, or
 - the insured person is an undischarged bankrupt, or
 - the insured person is not an Australian citizen, a permanent resident of Australia or the holder of an eligible spouse/partner or work visa.
- whose main reason for cover is for a pre-existing condition of the insured person, or
- who need cover for less than \$1,000 per month, or
- who need cover for more than \$60,000 per month, or
- who need cover for an insured person aged 16 or under, or
- who need term life, terminal illness cover, TPD cover, trauma insurance or business expenses insurance, or
- who need health insurance.

This product is not designed for consumers who do not want to hold insurance through a superannuation fund.

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 TAL.

Distribution conditions and restrictions

This product should only be distributed under the following circumstances:

- the super fund members and the insured person meet the relevant eligibility criteria for the product, and
- distribution to consumers is provided by TAL 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 TAL or MSAL.

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 TAL 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 TAL, 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.