

## BT Insurance

# BT Protection Plans - Income Protection Assured 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 Assured 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 totally or partially disabled and unable to work at full capacity:
  - the product provides a total disability benefit, which is the lesser of the insured monthly benefit and a maximum of 70% 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 product is only available inside superannuation,
- premiums can only be paid on a stepped premium structure,
- 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 15 – 59 at the time of commencing cover or aged 17 – 65 for any replacement or reinstatement,
- 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 is available as an indemnity benefit, described in the table below:

TYPE OF COVER	DESCRIPTION	COVER AMOUNTS AVAILABLE
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) being the lesser of: <ul style="list-style-type: none"><li>the insured monthly benefit amount, and</li><li>a maximum of 70% of the Insured Person's monthly earnings prior to disablement.</li></ul>	<ul style="list-style-type: none"><li>Minimum cover when applying for cover is \$2,500 per month</li><li>Maximum when first applying for cover is \$30,000 per month.</li></ul>

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

BENEFIT TYPE	DESCRIPTION
Total Disability Monthly Benefit for the first 2 years of claim for policies with 30, 90 or 180 day waiting periods	<ul style="list-style-type: none"><li>Pays a monthly benefit based on the number of days in a month the insured person is totally disabled.</li><li>Totally disabled means (in broad terms) the insured person is, due to sickness or injury, unable to perform one or more of the important income-producing duties of their usual occupation. The insured must not be working, must undertake any suitable rehabilitation program and be under the regular care of a doctor.</li></ul>
Total Disability Monthly Benefit for the remaining years of claim and for policies with a 2-year waiting period	<ul style="list-style-type: none"><li>Pays a monthly benefit based on the number of days in a month the insured is totally disabled due to sickness or injury.</li><li>Totally disabled means (in broad terms) the insured person is, due to sickness or injury, unable to perform one or more of the important income-producing duties of any occupation the insured is suited to by education training or experience. The insured must not be working, must undertake any suitable rehabilitation program and be under the regular care of a doctor.</li></ul>
Partial Disability Benefit	<ul style="list-style-type: none"><li>Pays a monthly benefit if the insured is partially disabled.</li><li>Partially disabled means (in broad terms) the insured person is, due to sickness or injury, unable to perform some or 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. The insured must undertake any suitable rehabilitation program recommended by their doctor and be under the regular care of a doctor.</li></ul>

## Exclusions

Exclusions apply if the sickness or injury giving rise to the claim is caused by an act of war; by intentional self-inflicted injury; by attempted suicide; or by normal and uncomplicated pregnancy and childbirth.

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 of between \$2,500 and \$30,000 per month if the insured person is unable to work at full capacity, and are looking at using insurance inside super for tax-effectiveness and/or ease of cash flow.

## Needs, objectives and financial situation

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

- 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, benefit 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 super fund members:

- 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 60 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 holder of an eligible spouse/partner or work visa, or
- whose main reason for cover is for a pre-existing condition of the insured person, or
- who need cover for less than \$2,500 per month, or
- who need cover for more than \$30,000 per month, or
- who need cover for an insured person aged 16 or under, or
- where there is a requirement for an insured monthly benefit of greater than 70% of the annualised pre-disability monthly earnings of the insured person, or
- who need cover for death, terminal illness, TPD cover or trauma 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 member meet the relevant eligibility criteria for the product, and
- distribution to consumers other than new 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,
  - either:
    - the consumer previously held this product, and
    - 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:

<b>Periodic reviews</b>	At least every three years from the effective date.
<b>Review triggers or events</b>	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"><li>– significant changes in metrics. These include complaints, sales, policy cancellations, lapses, claims, and loss ratios,</li><li>– a material change to the design or distribution of the product, including an alteration in acceptance criteria or underwriting criteria,</li><li>– identified systemic issues across the product lifecycle,</li><li>– change in relevant law,</li><li>– occurrence of a significant dealing, and</li><li>– distribution conditions found to be inadequate.</li></ul>

## DISTRIBUTION INFORMATION

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

<b>Complaints</b>	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.
<b>Significant dealings</b>	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.