

BT Protection Plans Key Person Income

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 Key Person Income

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 monthly benefit to cover costs (such as those outlined under 'Needs, objectives and financial situation' below) if the insured person, who is a key person in the business, is totally or partially disabled because of sickness and injury and is unable to work at full capacity,
- premiums can be paid by level premiums or stepped premiums for the life of the cover.
- the benefit period for the product is one year,
- this product is only available for alterations and replacements of existing policies.

Key eligibility requirements

The key eligibility requirements to purchase this product are:

- the insured person must be aged 17 – 59 at the time of commencing cover or aged 17 – 65 for any replacement or reinstatement,
- the business has been trading for more than two years and has been in a net profit position in the most recent two financial years,
- the business has no more than 40 full-time employees (or the equivalent),
- 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 in an eligible occupation and earning income (for occupation eligibility please speak to a financial adviser or contact TLISL through its customer contact centre),
- a maximum of five key people can be insured in the business,
- the policy must be owned by the business entity of which the key person is an employee or owner.

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
Total Disability Benefit	Pays a monthly benefit if (in broad terms) the insured person is, because of sickness or injury, unable to perform one or more of the important income-producing duties of their usual occupation in the key person business and unable to work more than 10 hours, is not working, and under the regular care of a doctor.
Partial Disability Benefit	Pays a monthly benefit when (in broad terms) the insured person is, due to sickness or injury, able to perform at least one of the important income-producing duties of their usual occupation but not all them, or able to perform all of those important income-producing duties, but in a reduced capacity, and is 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 or attempted suicide; or by normal and uncomplicated pregnancy and childbirth.

Exclusions may 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 policy owners or insured persons who need a monthly benefit of between \$1,000 and \$60,000 per month if the insured person is unable to work at full capacity.

Needs, objectives and financial situation

This product provides insurance cover for the loss of business income generated by a key employee of the business or a key business owner.

The policy owner has financial capacity to pay premiums from time to time in accordance with the 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 policy owners:

- if, when first taking out cover:
 - the policy owner has more than 40 full-time employees (or the equivalent), or
 - the insured person is working for less than 20 hours per week, or
 - the insured person is not in an eligible occupation, 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 the holder of an eligible spouse/partner or work visa, or
- who need cover for less than \$1,000 per month, or
- who need cover for more than \$60,000 per month, or
- whose main reason for cover is for a pre-existing condition of the insured person, or
- who need cover for an insured person aged 16 or under, or
- who already hold a Protection Plans Business Overheads policy, or
- who do not have any income-generating key people in their business, or
- who need cover for death, terminal illness, trauma insurance, income protection, or business expenses insurance, 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 follow circumstances:

- the policy owner and the insured person meet the relevant eligibility criteria for the product, and
- distribution to 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.

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	<p>The specific review triggers (that reasonably suggest the TMD is no longer appropriate) that may result in an earlier review of the TMD are:</p> <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.