

TAL Accelerated Protection Child's Critical Illness Insurance Plan Target Market Determination (TMD)

TMD product:	TAL Accelerated Protection – Child's Critical Illness Insurance Plan (the product), offered in Combined Product Disclosure Statement and Policy Document (PDS) with issue date 8 September 2023.
Issuer of this TMD:	TAL Life Limited ABN 70 050 109 450 AFSL 237848 (TAL Life).
Date of this TMD:	8 September 2023
TMD version:	1
Last TMD review date:	Not applicable.
Initial review period:	The first review of this TMD will be completed by 8 September 2024, unless a review trigger requires a review to be completed at an earlier date.
Ongoing review period:	Each subsequent review of this TMD will be completed within two 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 and Policy Document, 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 speak with a financial adviser or contact TAL Life.

Accelerated Protection is an insurance policy, under which consumers can select a number of plans comprising of Life Insurance, Total and Permanent Disability Insurance, Critical Illness Insurance, Child's Critical Illness Insurance and Income Protection. Each of these plans contain included benefits and optional benefits that can be added at an additional cost. Each of these plans and optional benefits form a separate part of the policy. 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.

Accelerated Protection may be acquired via various distributors with or without personal advice. Not all options, benefits, sum insured limits may be available from the distributor. The distributor can inform consumers of any features (such as options, benefits or sum insured limits) that are not available.

Key attributes

Product description	Provides a lump sum payment in the event the Insured Child suffers a specified child's critical illness event of specified severity, such as heart conditions, neurological conditions, permanent conditions, cancer, organ disorder, aplastic anaemia, death, and terminal illness.
Eligibility criteria	<ul style="list-style-type: none">• Entry age (next birthday) for level premiums: 2 – 18 years of age.• Subject to TAL Life's underwriting assessment including relating to medical history, past and current health and residency status.
Maximum benefit amount	Up to \$200,000.
Expiry age	On the policy anniversary before the 23rd birthday of the Insured Child.
Key exclusions/limitations	<ul style="list-style-type: none">• Any intentional act of a person who stands to derive a benefit from the claim payment.• If the requisite level of severity of the specified child's critical illness event is not met the Child's Critical Illness benefit is not payable.• A three month qualifying period applies with respect to certain defined child's critical illness events which means a benefit is not paid for those events occurring during that qualifying period.• Special conditions determined and agreed to during underwriting. If applicable the special condition will be shown in the Policy Schedule.
Premium structures	<p>Premiums are structured on a level basis.</p> <p>Level premiums are based on the Life Insured's age at the plan start date.</p> <p>Level premiums are not guaranteed to remain the same each year. Premiums and the amount consumers pay will change if:</p> <ul style="list-style-type: none">• the Policy Owner and/or Life Insured varies the policy, for example when the Life Insured adds or removes a plan or benefit option;• there is a change in the Life Insured's benefit amount, for example when the Life Insured's benefit amount increases (including through the Inflation Protection benefit and Guaranteed Future Insurability benefit);• a discount no longer applies or changes because the Life Insured varied the policy, or another policy held with us;• government duties or charges change; or• TAL Life changes premium rates or policy fees. <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>
Insurance through superannuation	The product cannot be held through superannuation.

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.

Eligibility of consumers in the target market	<p>The target market for the product comprises of consumers who seek cover for children who:</p> <ul style="list-style-type: none">• are aged (next birthday) for level premiums 2 – 18 years of age.• are willing to go through the underwriting process. <p>Consumers who seek cover for children under 1, or over 18 years of age, or who do not want children to be underwritten are not part of the target market of the product.</p>
Objective of consumers in the target market	<p>The target market for the product comprises of consumers who are looking for cover that provides a lump sum payment in the event the Insured Child suffers a defined child's critical illness event of specified severity.</p> <p>Consumers who are not looking for cover that provides a lump sum payment in the event an Insured Child suffers a defined critical illness of specified severity are not part of the target market of the product.</p>
Financial situation of consumers in the target market	<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 chosen premium structure (for example; level premiums which is based on the Life Insured's age at the plan start date – level premiums are not guaranteed to remain the same each year), 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 are not part of the target market of the product.</p>
Needs of consumers in the target market	<p>The target market for the product comprises of consumers who have a need, or may in the future need, to cover ongoing living expenses in the event the Insured Child suffers a defined child's critical illness event of specified severity.</p> <p>Consumers who can cover ongoing living expenses in the event their Insured Child suffers a defined critical illness event of specified severity are not part of the target market of the product.</p>
Appropriateness of the product for the target market	<p>The target market comprises those who have or expect to have a need to cover ongoing living expenses in the event the Insured Child suffers a defined child's critical illness event of specified severity.</p> <p>As the product pays a lump sum when a defined child's critical illness event of specified severity is met 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 of 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 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	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.
Distribution conditions: general advice – online	<p>The following distribution conditions apply to any 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; and• 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. <p>Not all options, benefits, sum insured limits may be available from the distributor of the online channel.</p>
Appropriateness of the distribution conditions: general advice – online	<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; and• 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.
Distribution conditions: general advice – call centre	<p>The following distribution conditions apply to any 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 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; and• The call centre channel must make available a PDS of the product to consumers.

Appropriateness of the distribution conditions: general advice – call centre

The distribution conditions, will result in the product being issued to consumers who are likely to be in the target market because:

- 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; and
- 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

Review trigger 1

Description: 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.

Reporting information:

- Changes to relevant regulation, legislation and instruments.

Reporting period and review obligation:

- TAL Life must monitor and consider any significant relevant change in law that materially affects the design or distribution of the product.

Review trigger 2

Description: Product performance is materially inconsistent with TAL Life's expectations of the appropriateness of the product for consumers having regard to:

- claim ratios by cover type;
- the number of paid, denied and withdrawn claims;
- the number of policies sold;
- policy lapse rates; and
- percentage of applications not accepted.

Reporting information:

- Claims ratio by cover type;
- Number of paid, denied and withdrawn claims;
- Number of policies sold;
- Policy lapse rates; and
- Percentage of applications not accepted.

Reporting period and review obligation:

- TAL Life must collect the reporting information and review these factors every 6 months.
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Review trigger 3	<p>Description: 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> <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.
Review trigger 4	<p>Description: Significant change to the design or distribution of the product which TAL Life considers could result in a change to:</p> <ul style="list-style-type: none"> • whether the product is likely to be consistent with the objectives, financial situation or needs of the target market; or • 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.
Review trigger 5	<p>Description: TAL Life determines that a significant dealing in the product outside the target market (except for an excluded dealing) has occurred.</p> <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 trigger 6	<p>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.</p> <p>Reporting information:</p> <ul style="list-style-type: none"> • The making of any applicable product intervention order which affects the distribution or design of the product. <p>Reporting period and review obligation:</p> <ul style="list-style-type: none"> • TAL Life must promptly consider any product intervention order which affects the product.

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