

Target Market Determination (TMD)

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

Product: This TMD applies to:

- **Protection Plans Income Protection,**
- **Protection Plans Income Protection Plus,**
- **Protection Plans Reserve Income Protection,**
- **Reserve Income Protection Plus, and**
- **General Cover Income Protection.**

Effective date: 5 October 2021

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.
- 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 – 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, policy owners 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, level premiums for the life of the cover.
- the policy may be owned by individuals, trustees (superannuation and non-superannuation) or business entities,
- 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,

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- insured person must be working in an eligible occupation (for occupation eligibility please speak to a financial adviser or contact St.George Life Insurance Customer Relations),
- 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 Severe Disability Benefit is the insured monthly benefit amount, which may be reduced if the insured person's monthly earnings have reduced since the insurance commenced.
Agreed value	Means that 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) or Severe Disability Benefit is an agreed amount and will not reduce when the Insured Person is disabled because their monthly earnings have reduced since taking out the insurance, provided income details were correctly disclosed at that time.
Endorsed agreed value	Means that 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) or Severe Disability Benefit will be a guaranteed amount.

Product type	Benefit types available	Cover Amounts Available
Home Duties Income Protection Assured	<ul style="list-style-type: none"> Indemnity, endorsed agreed value and agreed value benefits with an own occupation definition. 	<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).
Income Protection Plus	<ul style="list-style-type: none"> Indemnity, endorsed agreed value and agreed value benefits with an own occupation definition, Provides a greater range of support benefits than Income Protection (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	<ul style="list-style-type: none"> Indemnity benefit with an own occupation definition, Endorsed Agreed Value with an own occupation definition for up to \$40,000 monthly benefit, indemnity cover for any additional insured monthly benefit above \$40,000. 	<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.

	<ul style="list-style-type: none"> Provides a number of included and optional benefits (refer to Protection Plans PDS for details). 	
Reserve Income Protection Plus	<ul style="list-style-type: none"> Indemnity cover with an own occupation definition, with a greater range of inbuilt support benefits. Endorsed Agreed Value cover available with an own occupation definition for up to \$40,000 monthly benefit, Provides a greater range of support benefits than Reserve Income Protection (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.
General Cover Income Protection	<ul style="list-style-type: none"> Indemnity or Agreed Value cover available for a severe disability with a general cover definition only. 	<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) and \$5,000 per month if insured person is not gainfully employed.
Benefit	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. 	
Severe Disability Monthly Benefit	<ul style="list-style-type: none"> Pays a monthly benefit if the insured person is severely disabled. Severely disabled means (in broad terms) the insured person is, due to sickness or injury, unable to perform, without assistance, any two of the defined activities of daily living or is suffering from significant cognitive impairment. 	

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 and Reserve Income Protection Plus are: alcohol abuse; alcohol dependence; drug use; mental illness; and fatigue

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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 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 and super fund members who need a monthly benefit between \$1,000 and \$60,000 if the insured person is totally or partially disabled, or suffers a severe disability.

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 or severe 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); or
- business costs (e.g., replacement income for a business owner, or other expenses not covered by business expenses insurance).

The policy owner or super fund member has financial capacity to pay premiums from time to time 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 policy owners, insured persons and 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 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, or
- 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.

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 WLISL.

Distribution conditions and restrictions

This product should only be distributed under the follow circumstances:

- the policy owner, insured person or super fund member meet the relevant eligibility criteria for the product, and
- distribution to consumers is provided by WLISL 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 WLISL.

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 WLISL 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:

Initial review	Within one year of the effective date.
Periodic reviews	At least every three years from the last review.
Review triggers	<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, • material external events such as adverse media coverage or regulatory attention or 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 directly or indirectly 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 WLISL, with distributors reporting complaint volumes within 10 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 TMD that is inconsistent with the TMD within 10 business days.