

# INCOME PROTECTION INSURANCE

Target Market Determination

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# TARGET MARKET DETERMINATION (TMD)

<b>Target Market Determination (TMD):</b>	AAMI Income Protection Insurance with Product Disclosure Statement (PDS) issue date 1 October 2021
<b>Issuer of this TMD:</b>	TAL Life Limited (TAL Life)
<b>AFSL:</b>	237848
<b>Issuer ABN:</b>	70 050 109 450
<b>Date of TMD:</b>	1 October 2021
<b>TMD version number:</b>	1
<b>Next review date:</b>	No later than <b>30 September 2024</b> (unless a review trigger occurs prior, in which case the review trigger will trigger an earlier review of this TMD).

This Target Market Determination (**TMD**) sets out the target market for AAMI Income Protection, triggers to review the target market and certain other information. This TMD forms part of the product design and distribution arrangements for AAMI Income Protection (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 AAMI Income Protection are set out in the AAMI Income Protection PDS, along with any Policy Schedule (if applicable) and persons interested in acquiring this product should carefully read those documents before deciding to purchase, or to continue to hold AAMI Income Protection.

This document does not take into account any person's individual objectives, financial situation or needs. If a person has any questions about AAMI Income Protection, please contact us on **13 22 44**.

<p><b>Product description</b></p> <p>For full details regarding the product description and terms and conditions of this product, refer to the Product Disclosure Statement (PDS).</p>	<p>Income Protection may replace a portion of income in the event an insured person is unable to work due to sickness or injury. Benefit payments start after the waiting period and may continue for the period the insured person remains unable to work, up to the end of the chosen Benefit Period.</p>
<p><b>Key attributes</b></p> <p>For full details on key attributes, refer to the PDS or contact us or your financial adviser for eligibility criteria, terms and conditions. Additional limitations may apply depending on your personal circumstances.</p>	<ul style="list-style-type: none"> <li>• The payment of premiums – if premiums are not paid when due, the policy may lapse in which case the policyowner would no longer be covered and cannot make a claim if the event occurs after the policy lapses.</li> <li>• Premium structure – premiums can change over time.</li> <li>• Eligibility criteria – certain persons may be ineligible for cover if they do not meet the eligibility criteria for this product. Eligibility criteria for the life to be insured can include:             <ul style="list-style-type: none"> <li>– the age,</li> <li>– employment status,</li> <li>– residency status (Australian residents) and</li> <li>– product specific exclusions (set out in the PDS).</li> </ul> </li> <li>• There may be exclusions and customisable benefits.</li> </ul> <p>Our underwriting process could also impact the price of the product, the sum insured and the terms and conditions of the insurance policy.</p>



<p><b>Key attributes</b></p> <p>This product is insurance. It is not a savings product. No refunds are provided when the plan ends, and it does not accumulate a cash value. Like other insurances, the premium you pay provides protection if the insured event happens.</p>	<p><b>Key attributes include</b></p> <ul style="list-style-type: none"> <li>• In the event of a claim, payments start after completion of the Waiting Period.</li> <li>• Benefits are payable for the duration of the specified Benefit Period while the insured person remains unable to work solely due to sickness or injury.</li> <li>• Multiple claims can be made during the life of the policy, subject to the limits of cover.</li> </ul>
<p><b>Likely objectives, financial situation and needs of consumers in the target market</b></p> <p>This product is insurance. It is not a savings product. No refunds are provided when the plan ends, and it does not accumulate a cash value. Like other insurances, the premium you pay provides protection if the insured event happens.</p>	<p>This product is suitable for consumers who have a need, or may in the future have a need, to replace a portion of their income in the event of being unable to work solely due to sickness or injury.</p>
<p><b>Financial situation of consumers in the target market which describes their financial capacity to meet the cost to consumers of retaining AAMI Income Protection, including any intention to hold the product cover over an extended period</b></p>	<p>This product is suitable for consumers who have the financial capacity to pay premiums at their selected frequency (premiums can and do change) in accordance with the chosen premium structure to retain the product for the period of time it is intended to be held. Income Protection requires that you are in paid employment at the time of application.</p> <p>Consumers in the target market may pay the cost of premiums either directly from a bank account or credit card.</p>
<p><b>Demographic and eligibility requirements</b></p> <p>For all products, acceptance is not guaranteed, and certain exclusions and limitations may apply following our underwriting process.</p>	<p>This product would be suitable for consumers within the relevant age requirements of 18 to 60 years of age and have the financial capacity to fund the costs of their cover. In addition, for Income Protection this product requires that you are in paid employment at time of application.</p> <p>Death, redundancy and unemployment are not covered by this product.</p>
<p><b>An explanation of the appropriateness of the product for the target market</b></p>	<p>Broadly, the target market comprises those who have or expect to have a need to replace their income should they be unable to earn an income due to an event which causes them to be unable to earn their pre-disability income, whether due to sickness, illness or accident.</p>

## AAMI Income Protection distribution requirements

<p>Specify any conditions and restrictions on retail product distribution conducted in relation to the product (distribution conditions), other than a condition or restriction imposed by or under another provision.</p>	<p><b>Distribution of product with personal advice</b></p> <ul style="list-style-type: none"> <li>Financial advisers will typically consider a customer's personal circumstances, needs and objectives when making a recommendation to purchase or to continue to hold AAMI Income Protection.</li> </ul> <p><b>Distribution of product without personal advice</b></p> <ul style="list-style-type: none"> <li>AAMI Income Protection may be distributed without personal financial product advice (AAMI Income Protection may be purchased online or over the phone in this manner). For distribution without personal advice, distributors should have in place, where appropriate, processes as applicable, relating to call scripts (e.g. call centres), training, monitoring and quality assurance).</li> <li>Certain features of AAMI Income Protection are not available for certain straight through online purchases.</li> </ul>
<p>Why these distribution conditions and restrictions will make it more likely that the consumers who take up the product are in the target market.</p>	<p><b>Distribution under a personal advice model</b></p> <ul style="list-style-type: none"> <li>Consumers that obtain personal advice are more likely to be in the target market for this product because advisers have a duty to act in their best interest when providing personal advice.</li> </ul> <p><b>Distribution not under personal advice</b></p> <ul style="list-style-type: none"> <li>Consumers are more likely to be in the target market if distributors distribute the product in alignment with the issuer's distribution conditions relating to the relevant distribution channel, including where applicable and appropriate having processes in place in relation to scripting, training, monitoring and quality assurance.</li> <li>Entry criteria for AAMI Income Protection will broadly control how consumers in the target market may access the product.</li> </ul>

## AAMI Income Protection review triggers

<p>Specify events and circumstances (<b>review triggers</b>) that would reasonably suggest that the determination is no longer appropriate.</p>	<p><b>Review trigger 1:</b> 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.</p> <p><b>Review trigger 2:</b> Product performance is materially inconsistent with the product issuer's expectations of the appropriateness of the product to consumers having regard to:</p> <ol style="list-style-type: none"> <li>a. product claim ratios</li> <li>b. the number of paid, denied and withdrawn claims</li> <li>c. the number of policies sold</li> <li>d. policy lapse or cancellation rates</li> <li>e. percentage of applications not accepted</li> <li>f. eligibility requirements at inception of policy.</li> </ol> <p><b>Review trigger 3:</b> 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><b>Review trigger 4:</b> The product issuer determines that a significant dealing in the product outside the target market (except for an excluded dealing) has occurred.</p> <p><b>Review trigger 5:</b> The use of Product Intervention Powers in relation to the distribution or design of this product where the product issuer considers this to be a reasonable indication that this TMD is no longer appropriate.</p>
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## AAMI Income Protection review triggers

<p>Specify the <i>maximum period</i> from the start of the day the determination is made to the start of the day the first review of the determination under section 994C is to finish.</p>	<p>Subject to intervening review triggers, no more than 3 years.</p>
<p>Specify the <i>maximum period</i> from the start of the day a review of the determination under section 994C is finished to the start of the day the next review of the determination is to finish.</p>	<p>Subject to intervening review triggers, no more than 3 years.</p>
<p>Specify a <i>reporting period</i> for reporting information about the number of complaints about the product. (See s994F(4)).</p>	<p>Reporting period for complaints is half yearly, with reports required within 10 business days of the reporting period.</p>
<p>Specify the kinds of information, event or circumstance that may arise and would reasonably suggest to the product issuer of this TMD that the <i>determination is no longer appropriate</i>. For each kind of information, specify:</p> <p>(i) The regulated person/s that are required to report the information to the insurer who made the determination.</p> <p>(ii) A reporting period for reporting the information under subsection 994F(5).</p>	<p><b>TAL Life (Issuer)</b></p> <ul style="list-style-type: none"> <li>• Relevant regulation, legislation and/or ASIC instruments relating to the change in law.</li> <li>• During the review period, the actual measure and, where applicable, the actual relation to the expected measure of: <ul style="list-style-type: none"> <li>– product claims ratio</li> <li>– the number of paid, denied and withdrawn claims</li> <li>– the number of policies sold</li> <li>– policy lapse or cancellation rates</li> <li>– percentage of applications not accepted.</li> </ul> </li> <li>• Relevant Product Intervention order.</li> </ul> <p><b>Reporting period (for Issuer)</b></p> <ul style="list-style-type: none"> <li>• Issuer holds this information and may access this when available.</li> </ul> <p><b>Distributor</b></p> <ul style="list-style-type: none"> <li>• Complaints and the nature of the complaints regarding product design, product availability, claims and distribution conditions (<b>complaints information</b>).</li> <li>• Any dealing in the product which the regulated person becomes aware of is not consistent with the TMD, including dealings which are significant dealings (<b>Outside TMD dealing</b>).</li> </ul> <p><b>Reporting period (for Distributor)</b></p> <ul style="list-style-type: none"> <li>• Complaints information: Six monthly, with reports required within 10 business days of the reporting period.</li> <li>• Outside TMD dealing: Within 10 business days of becoming aware of any Outside TMD dealing if the distributor becomes aware of any Outside TMD dealing.</li> </ul>