

Salary Continuance Insurance

TARGET MARKET DETERMINATION (TMD)

TMD product	TAL Group Plus - Salary Continuance Insurance (the product), offered in the Combined Product Disclosure Statement and Policy Document (PDS) with issue date 28 June 2024.
Issuer of this TMD	TAL Life Limited ABN 70 050 109 450 AFSL 237848 (the Insurer).
Date of this TMD	28 June 2024
TMD version	1
Last TMD review date	Not applicable.
Initial review period	The first review of this TMD will be completed by 28 June 2025 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, along with the Policy Schedule. 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 the Insurer.

TAL Group Plus – Salary Continuance Insurance is a group insurance policy, under which groups of eligible individuals are provided with temporary disability cover. The product contains included benefits and optional benefits that can be added at an additional cost. 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.

TAL Group Plus – Salary Continuance Insurance may be acquired via various distributors with or without personal advice. Not all options, benefits, sum insurance 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

TAL Group Plus – Salary Continuance Insurance is a group insurance policy which is owned by corporations or incorporated associations. It offers cover for groups of eligible employees and contractors of the corporation (or its related bodies corporate that are covered employers), groups of eligible members of incorporated associations and eligible spouses of employees, contractors and members.

Consumers of TAL Group Plus – Salary Continuance Insurance are corporations or incorporated associations that meet the eligibility criteria to acquire the product (Policy Owner). The group of persons whose lives may be covered under the product are employees and contractors of the corporation (or of its related bodies corporate that are covered employers), members of incorporated associations and, subject to the product design selected by the Policy Owner, spouses of employees and contractors or of members who are covered under the product, provided they meet the eligibility conditions for cover (Insured Persons). Insured Persons are not consumers.

Depending on the product design chosen by the Policy Owner, the product may provide the following types of insurance cover:

- temporary disability cover in the event an Insured Person is temporarily unable to work due to illness or injury. Benefit payments start after the chosen waiting period and continue for the period the Insured Person remains temporarily disabled, up to the end of the chosen benefit period or the Insured Person recovers.
- Ancillary benefits that include:
 - Specific injury benefit;
 - Trauma benefit;
 - Nursing care benefit;
 - Family care benefit; and
 - Accommodation benefit

There are three Total Disability definitions for the product that can be selected by a Policy Owner. These are:

- Part A – all material and substantial duties of usual occupation
- Part B – one material and substantial duty of usual occupation
- Part C – all material and substantial duties of usual occupation, any occupation switch

The following types of temporary disability cover are available:

- Cover on automatic acceptance terms (Automatic Cover). This cover is provided in respect of employees, contractors, members and spouses (as applicable) who meet the eligibility criteria to be automatically provided cover without the need to provide evidence of insurability. Cover is based on the product design selected by the Policy Owner. An automatic acceptance limit may place a cap on the amount of benefits payable in respect of an Insured Person without evidence of insurability. Employees, contractors, members and spouses, are unable to select the benefits offered under Automatic Cover.
- Cover on takeover terms (Takeover Terms cover). This cover is provided in respect of employees, contractors, members and spouses (as applicable) who meet the eligibility criteria to be automatically provided cover without the need to provide evidence of insurability. They must have been covered under a previous policy held by the Policy Owner and the Insurer must agree to take over that cover. Cover under the previous policy must be comparable to cover to be provided under the product by the Insurer.
- Cover by application (Underwritten Cover). This is cover or an additional amount of cover that is provided on acceptance by the Insurer of an application, including evidence of insurability, of an employee, contractor, member or spouse who meets the eligibility criteria. It includes cover provided to a person who is already an Insured Person and to a person who is not already an Insured Person (Voluntary Cover). It is based on the product design selected by the Policy Owner.

Different levels and types of cover may apply to different categories of employees, contractors, members or spouses.

KEY ATTRIBUTES

Eligibility criteria	<p>To apply for cover as a Policy Owner, a consumer must be a corporation or an incorporated association:</p> <ul style="list-style-type: none"> • that is Australian-registered and that receives the PDS in Australia; and • seeking to insure a minimum of 5 lives at the policy commencement date. <p>A person can only become an Insured Person under a policy held by a Policy Owner if they are an Eligible Person. An Eligible Person is someone who:</p> <ol style="list-style-type: none"> is an employee or contractor of a corporation that is the Policy Owner (or related body corporate of the Policy Owner), member of an incorporated association that is the Policy Owner or spouse (who is working) of an employee, contractor or member who is an Insured Person; is an Australian Resident; is within the entry age range specified below; and satisfies any further eligibility criteria and any other requirements agreed to between the Insurer and the Policy Owner from time to time. <p>An Eligible Person may also apply for Underwritten Cover by application. This is subject to providing the Insurer with evidence of insurability, including relating to height, weight, medical history, past and current health, occupation, pastimes and residency status.</p>
Maximum Cover Limit	<p>Up to \$30,000 per month.</p>
Eligible Age Range	<p>Eligible Persons aged 16 – 65 or 70</p>
Benefit Ceasing Age	<p>Depending on the options selected by the Policy Owner, an Insured Person attaining age 65 or age 70.</p>
Insured Percentage options	<ul style="list-style-type: none"> • 50% • 60% • 75%; • 75% for the first 2 years on claim, reducing to 50% thereafter; • 87% (including 12% superannuation contribution benefit); or • 87% (including 12% superannuation contribution benefit) for the first 2 years on claim, reducing to 62% thereafter.
Benefit Periods available	<ul style="list-style-type: none"> • 2 years; • 5 years; • 10 years • To age 60; and • To Age 65.
Waiting Periods available	<ul style="list-style-type: none"> • 30 days; • 60 days; • 90 days; and • 180 days.
Key exclusions / limitations	<ul style="list-style-type: none"> • Cover will be limited cover if the Insured Person is not at work on the date their Automatic Cover commences (including the date any new Automatic Cover commences on transfer between different categories to the extent it exceeds their previous amount of Automatic Cover). • Underwritten Cover may include exclusions, loadings, restrictions or conditions. • If an Eligible Person is eligible for, has received, or is claiming a total and permanent disablement or terminal illness type benefit from any life insurance policy prior to the commencement of their Automatic Cover under the policy, then the Insured Person is not eligible for Automatic Cover. • No benefits will be payable if the claim is caused by, or in any way is contributed to by: <ul style="list-style-type: none"> – an intentional self-inflicted injury; – normal pregnancy or childbirth unless temporary disability continues for longer than 3 months after the pregnancy ends, in which case the temporary disability will be considered to have commenced at the date the pregnancy ends; – war; – service in the armed forces of any national or international organisation (other than non-active service within Australian armed forces reserve units within Australia); – any exclusions outlined in the Special Conditions of the schedule that applies to the Insured Person; or – any exclusions or restrictions the Insurer may apply to an Insured Person as a condition of acceptance of cover. • The Insurer will not make a payment under the policy if the payment would cause it to infringe any health insurance legislation.

KEY ATTRIBUTES

Premium Structure

Premiums for salary continuance cover are structured on an age rate or unit rate basis.

Policies, or categories with an age rate basis will mean that generally premium rates increase as the Insured Person ages.

Policies, or categories on a unit rate basis have the same premium per \$1,000 sum insured for all Insured Persons.

Policies may have different categories covering different cohorts of Insured Persons within the same Policy. Depending on the eligibility criteria of each category, members may move between categories.

Age-based Premium Rates are calculated based on the Policy Owner's occupation profile and historical claims experience.

Unit-based Premium Rates are calculated based on the Policy Owner's occupation profile, historical claims experience, gender and age profile of the Insured Persons.

Any rate guarantee period outlined in the schedule, will set the period during which rates will not change, unless one of the below triggers occurs.

Premium rates are not guaranteed to remain the same each year and can change. Premiums and the amount the Policy Owner pays may change if:

- any rate guarantee period ends;
- the Insurer agrees to a request from the Policy Owner for a change in the terms or conditions of the policy;
- Australia is involved in war, whether declared or not, or the armed invasion of Australia, and the Insurer provides the Policy Owner written notice of such a change;
- there has been a change of 25% or more in the number and/or occupational profile of Insured Persons under the product or particular category since the start of the rate guarantee period;
- a change to the premium rates is required in respect of cover provided for any or all Insured Persons due to any change to past, current or future government charges relating to the product (any change would be effective from the effective date of the change in government charges);
- the number of Insured Persons under the product falls below 5;
- in the Insurer's reasonable opinion, the information the Policy Owner provided for a quotation is not accurate;
- the premium for the product is not paid by the Policy Owner;
- the Insurer's pricing assumptions are impacted by the requirements of any:
 - code of practice applicable to the Insurer; or
 - directions issued by a regulatory body with supervisory/licensing authority over the Insurer; or
- there is an alert, advisory, notification, declaration, formal announcement, proclamation or other similar publication issued in relation to a pandemic in Australia from:
 - the Australian Government (including a relevant Australian Government department, authority, minister or officer);
 - the government of a State or Territory of Australia (including a relevant State or Territory government department, authority, minister or officer); or
 - the World Health Organisation,and there are more than 10,000 reported cases of the illness in Australia.

Premiums for all cover, including Underwritten Cover, are paid for by the Policy Owner in respect of Insured Persons.

If premiums are not paid when due, the policy will end (subject to the required notice periods) and Insured Persons will no longer be covered and cannot claim for events occurring after the policy ends.

Insurance through superannuation

The product can only be held outside of the superannuation environment.

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 consumers who are corporations or incorporated associations:</p> <ul style="list-style-type: none">• that are Australian-registered and that receive the PDS in Australia;• are seeking insurance for a minimum of 5 lives at the policy start date and each review date;• want to provide Automatic Cover, Takeover Terms cover (if applicable) and, on application, Underwritten Cover for eligible employees, contractors, members or spouses who are Eligible Persons;• want to provide Eligible Persons the opportunity to obtain Underwritten Cover. <p>The product may not be suitable for consumers who are:</p> <ul style="list-style-type: none">• seeking insurance for less than 5 lives;• located outside Australia;• seeking cover for employees, contractors, members or spouses who are not eligible for Automatic Cover as they do not meet the eligibility criteria or are claiming a TPD or terminal illness type benefit from any life insurance policy prior to the commencement of any Automatic Cover (or Takeover Terms cover, if applicable) under the policy.
Objectives of consumers in the target market	<p>The target market for the product comprises consumers who are corporations or incorporated associations that meet the eligibility criteria and are looking to add value to remuneration packages or membership arrangements through group cover (in the form of Automatic Cover, Takeover Terms cover (if applicable) and, on application, Underwritten Cover) that provides Insured Persons or their legal personal representative or dependents (as applicable) an income replacement in the event the Insured Person becomes temporarily disabled.</p> <p>Consumers who are corporations or incorporated associations who do not meet the eligibility criteria or are not looking for group cover that provides Insured Persons or their legal personal representative or dependents (as applicable) an income replacement in the event the Insured Person becomes temporarily disabled 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 consumers who are corporations or incorporated associations that meet the eligibility criteria and that can pay the cost of Automatic Cover, Takeover Terms cover and Underwritten Cover (as applicable) in accordance with their chosen premium structure and payment frequency over the period they intend to hold cover. Premium rates are not guaranteed to remain the same each year.</p> <p>Eligible Persons applying for Underwritten Cover must have the support of the Policy Owner of the product under which they are seeking Underwritten Cover to cover the cost of that Underwritten Cover.</p> <p>Consumers who are corporations or incorporated associations who do not have the capacity or do not wish to fund the cost of Automatic Cover and any Takeover Terms cover and Underwritten 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 consumers who are eligible corporations or incorporated associations that envisage their eligible employees, contractors, members and any eligible spouses, as having a need, or potentially having a need in the future, to provide additional financial protection to:</p> <ul style="list-style-type: none">• pay for outstanding financial commitments, or provide for dependents in the event of their temporary disability;• protect against the temporary loss of future income in the event of they become temporarily unable to work due to illness or injury, and/or;• ensure that outstanding financial commitments, the needs of dependents and ongoing living expenses can be covered in the event of them being temporarily unable to work due to illness or injury. <p>Consumers who are eligible corporations or incorporated associations that envisage their eligible employees, contractors, members and any eligible spouses are likely to be able to pay for outstanding financial commitments and provide for dependents in the event of temporary disability are not part of the target market of the product.</p>

TARGET MARKET

Appropriateness of the product for the target market

The target market comprises those eligible corporations or incorporated associations that envisage their eligible employees, contractors, members or any eligible spouses have, or expect to have, outstanding financial commitments or a need to provide for themselves or their dependents that will not be satisfied in the event of their temporary disability. Corporations or associations in the target market must have a capacity to pay their chosen premium structure for Automatic Cover, Takeover Terms cover and Underwritten Cover (as applicable) on an ongoing basis.

As the product pays an income replacement, it is therefore likely to be consistent with the likely objectives or needs of consumers in the target market wishing to provide additional financial protection through cover for their eligible employees, contractors, members or any eligible spouses.

The target market is also limited to consumers who can pay premiums for Automatic Cover, Takeover Terms cover and Underwritten Cover (as applicable). As a result, the product is likely to be consistent with the likely financial situation of consumers in the target market.

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, or for an eligible person to apply for underwritten cover, 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: distributor operating under an Australian Financial Services Licence (AFSL) distributing the product

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 distributor other than the Insurer:

- The distributor must be approved by the Insurer and enter a distribution agreement with the Insurer;
- The distributor holds a current AFSL that includes appropriate authorisations to arrange or deal in life risk products and, if providing general advice, provide general advice about life risk products to retail clients;
- The distributor must obtain information required to determine whether the consumer is eligible for the product and must not request a quotation or make an application for the product on behalf of the consumer if the consumer does not meet the eligibility criteria (provided that the consumer has provided all relevant information honestly and completely);
- The distributor must draw the consumer's attention to key features of the product, including the Insurer's quote of the estimated premium for Automatic Cover or Takeover Terms cover (as applicable) based on the consumer's requested product benefits and group of persons to be covered and the basis for calculating the cost of any Underwritten Cover an Eligible Person may apply for that will be payable by the consumer, to enable the consumer to determine if the product is likely to be consistent with their objectives, financial situation and needs and the likely objectives, financial situation and needs of Eligible Persons; and
- The distributor must make available a PDS of the product to consumers.

Not all options, benefits, sum insured limits may be available from the distributor.

Appropriateness of the distribution conditions: distributor operating under an AFSL distributing the product

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

- holders of an AFSL operate under regulatory requirements that require the AFSL holder to act efficiently, honestly and fairly and have in place arrangements to manage conflicts of interest, ensure compliance with financial services laws and supervise representatives acting under their AFSL to ensure adherence to financial services laws;
- the requirement for the distributor to determine whether a consumer is eligible for the product and not request a quotation or make an application for the product on behalf of the consumer if they do not satisfy the eligible criteria means the product cannot be issued to consumers who are not eligible for the product and therefore, not within the target market;
- the requirement for the distributor 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 or willingness to cover the applicable premiums (including premiums for Underwritten Cover) and determination of whether the product is consistent with their likely objectives, financial situation and needs; and
- the annual collection and review of data will inform the Insurer's assessment of whether cover and certain features of cover, such as automatic acceptance limits, will continue to be offered to consumers who fall within the target market.

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:

- The Insurer 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 the Insurer'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.

Reporting information:

- Claims ratio by cover type;
- Number of paid, denied and withdrawn claims.

Reporting period and review obligation:

- The Insurer must collect the reporting information and review these factors every 6 months.

Review trigger 3

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.

Reporting information:

- The nature of each complaint and the total number of complaints received in relation to the product within the reporting period.

Reporting period and review obligation:

- The Insurer must review and consider complaints data every 6 months.
- Distributors must report complaints data to the Insurer every 6 months, with reports required within 10 business days of the end of the reporting period.

Review trigger 4

Description:

- Significant change to the design or distribution of the product which the Insurer considers could result in a change to:
 - 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.

Reporting information:

- Any significant changes to the design or distribution of the product.

Reporting period and review obligation:

- The Insurer must monitor and consider any significant change to the design or distribution of the product.

Review trigger 5

Description:

- The Insurer determines that a significant dealing in the product outside the target market (except for an excluded dealing) has occurred.

Reporting information:

- Any dealing in the product which the regulated person becomes aware of is not consistent with this TMD.

Reporting period and review obligation:

- The Insurer must promptly review and consider any significant dealing reported to it.
- The Insurer 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 the Insurer as soon as practicable, and in any case within 10 business days of the distributor becoming aware of the significant dealing.

REVIEW TRIGGERS

Review trigger 6

Description:

- The use of a product intervention power in relation to the distribution or design of this product where the Insurer considers this to be a reasonable indication that this TMD is no longer appropriate.

Reporting information:

- The making of any applicable product intervention order which affects the distribution or design of the product.

Reporting period and review obligation:

- The Insurer must promptly consider any product intervention order which affects the product.
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