

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 Total and Permanent Disablement (TPD), including non-superannuation TPD cover linked to Protection Plans Term Life or Term Life as Superannuation policies, and**
- **Protection Plans Reserve TPD**

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 cover in the event of total and permanent disablement or partial and permanent disability of the insured person,
- the policy may be owned by individuals, trustees (superannuation and non-superannuation) or businesses,
- outside superannuation, there is a maximum of five policy owners, who would jointly own the policy,
- the product provides a lump sum benefit to cover costs (such as those outlined under 'Needs, objectives and financial situation' below) incurred if the insured person becomes totally and permanently or partially and permanently disabled.

Key eligibility requirements

The key eligibility requirements to purchase this product are:

- the insured person must be aged 15 – 69 at the time of commencement of the cover or aged 15 – 99 for any replacement or reinstatement (any replacements or reinstatements after age 65 will be on general cover TPD terms):
 - for insured persons aged 15 – 69, policies may be taken with stepped premiums for the life of the cover,
 - for insured persons aged 15 – 59, policies may be taken with level premiums until age 65, with stepped premiums thereafter for the life of the cover,
 - for insured persons aged 15 – 49, policies may be taken with level 55 premiums until age 55, with stepped premiums thereafter for the life of the cover,
- the insured person must be an Australian citizen, a permanent resident of Australia or the holder of an eligible spouse/partner or work visa,
- if the insured person is seeking an own or any occupation definition, they must be working in an eligible occupation and working for 20 hours or more per week (for occupation eligibility please speak to a financial adviser or contact St.George Life Insurance Customer Relations), and
- 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 |
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| TPD Benefit | Pays a lump sum benefit if the insured person becomes totally and permanently disabled. |

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| TPD Partial Benefit | Pays a partial benefit if the insured person is partially and permanently disabled. |
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Depending on occupation eligibility of the insured person, policy owners can choose between TPD definitions outlined in the table below:

| Definition | Description | Cover Amounts Available |
|-----------------------|---|---|
| Own Occupation | <p>The own occupation TPD definition covers an insured person who (in broad terms)</p> <ul style="list-style-type: none"> • is unlikely to do their own occupation ever again; or • suffers loss of limbs and/or sight, or • is unable to look after themselves ever again, or • suffers permanent loss of intellectual capacity. <p>When an insured person turns 65, cover with an own occupation definition is automatically replaced with general cover TPD until the expiry of the policy, unless the TPD Continuation Benefit applies.</p> | <ul style="list-style-type: none"> • Minimum cover when applying for cover is \$25,000 • Maximum cover when first applying for cover is \$5 million. |
| Any Occupation | <p>The any occupation TPD definition covers an insured person who (in broad terms):</p> <ul style="list-style-type: none"> • is unlikely to do a suited occupation ever again, or • is able to do a suited occupation but total remuneration for any occupation is less than 25% of the person’s earnings in their last 12 months of work before the sickness or injury before the injury, or • suffers loss of limbs and/or sight, or • is unable to look after themselves ever again, or • suffers permanent loss of intellectual capacity. <p>When an insured person turns 65, cover with an any occupation definition is automatically replaced with general cover TPD definition until the expiry of the policy, unless the TPD Continuation Benefit applies.</p> | <ul style="list-style-type: none"> • Minimum cover when applying for cover is \$25,000 • Maximum cover when first applying for cover is \$5 million for Protection Plans TPD and \$10 million for Protection Plans Reserve. |
| General Cover | <p>The general cover TPD definition covers an insured person who (in broad terms):</p> <ul style="list-style-type: none"> • suffers loss of limbs and/or sight, or • is unable to look after themselves ever again, or • suffers permanent loss of intellectual capacity. | <ul style="list-style-type: none"> • Minimum cover when applying for cover is \$25,000 • Maximum cover when first applying for cover is \$5 million for Protection Plans TPD and \$15 million for Protection Plans Reserve. |

Exclusions

Exclusions apply if the sickness or injury giving rise to the claim is caused by intentional self-inflicted injury or attempted suicide. Additional exclusions apply to Protection Plans Reserve TPD level of cover if the sickness or injury giving rise to the claim was caused by alcohol abuse, alcohol dependence, drug use, mental illness or fatigue syndromes.

Target Market Determination (TMD)

Exclusions may also 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

This product is designed for policy owners and super fund members who need a lump sum benefit of between \$25,000 and \$5 million (under Protection Plans TPD) or between \$25,000 and \$15 million (with Protection Plans Reserve TPD) if the insured person suffers a sickness or injury and is totally and permanently disabled according to an any or own occupation TPD definition, or a general cover TPD definition, as specified in the policy.

Needs, objectives and financial situation

This product provides insurance to cover the following costs due to the total and permanent disablement of the insured person:

- personal financial costs (e.g., funeral and final expenses, transportation and accommodation costs) or personal capital requirements (e.g., to allow a full or partial reduction of mortgage and other debt and/or an amount to meet a family's ongoing income needs), or
- business costs where the insured person is a key person in the business or business capital requirements when the insured person is a business owner.

The policy owner or super fund member has financial capacity to pay premiums from time to time in accordance with the chosen sum insured, 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 not working for 20 hours or more per week, 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 holder of an eligible spouse/partner or work visa, or
- who need cover for less than \$25,000, or
- who need cover for more than \$15 million, 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 14 or under, or
- where there is a need for more than five policy owners, or
- who need cover for death, terminal illness, trauma insurance or 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 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 new consumers is provided by a financial adviser who is appropriately authorised, trained and qualified to provide financial advice about life insurance products, or
- distribution to consumers other than new 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.

Westpac Banking Corporation may also refer consumers to WLISL.

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:

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| 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.

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| 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. |