



INCOME PROTECT INSURANCE TARGET MARKET DETERMINATION

This Target Market Determination (TMD) describes who this product is designed for and how it's distributed. It also lays out the review and reporting processes we have in place, to make sure the TMD stays up to date.

This document is not a Product Disclosure Statement (PDS) or a summary of the terms and conditions or features of the product. This document does not take into account any person's individual objectives, financial situation or needs, so please read the Combined Product Disclosure Statement, Policy Document and Financial Services Guide available at hcf.com.au/lifeinfo carefully before making a decision on this product.

Target Market Determination

Income Protect Insurance

Issuer of this TMD

HCF Life Insurance Company Pty Ltd,
ABN 37 001 831 250, AFSL 236 806 (HCF Life)

Effective date of TMD

28 July 2023

Version 2

KEY ATTRIBUTES

Income Protect Insurance replaces up to 70% of pre-disability earnings (up to \$7,500 per month for up to 12 months) if the insured person can't work for more than 30 days because of sickness or injury.

Cover expires at age 65, or upon payment of the monthly benefit for 12 months.

This product has the following benefit limitations:

We will pay the monthly benefit, which is the lesser of:

- 70% of pre-disability earnings less any offsets; or
- selected level of cover, less offsets.

Pre-disability earnings are calculated as the average monthly earnings during the 12 months immediately prior to becoming totally disabled. This means that if the insured person's income has reduced from policy commencement, the full benefit amount on the policy may not be received.

This product does not cover:

- individuals who are in an ineligible occupation – for a full list of excluded occupations, please see hcf.com.au/lifeinfo or call us on **13 13 34**
- individuals who earn less than \$2,000 pre-tax per month
- total disability as a result of engaging in professional sport
- a pre-existing condition that existed within 5 years immediately prior to the cover commencement date
- a sickness which first became evident within 60 days from the cover commencement date, or a recurrence of the same or a related sickness.

This is only a summary of key attributes and it does not form part of the terms for this product. Please refer to the PDS for the terms and conditions for cover, including important definitions.



TARGET MARKET

This target market has been specifically designed to address the key attributes of the policy by identifying the product eligibility requirements, as well as each of the objectives, financial situation and needs of persons for whom the product is likely to be appropriate.

This product has been designed for retail clients with the following demographic features, objectives, financial situation and needs:

ELIGIBILITY

To be eligible for this product, customers need to be:

- aged between 18-60 when applying
- permanent residents of Australia
- employed in an eligible occupation – for a full list of excluded occupations, please see hcf.com.au/lifeinfo or call us on **13 13 34**
- earning at least \$2,000 pre-tax per month
- employed and working at least 21 hours per week
- employed by the same employer, or in the same occupation, for the 12 months before taking out cover.

OBJECTIVES

Seeking insurance cover to help support their financial position and maintain cash flow while recovering from an illness or injury.

Purchasing a product on a general advice basis, and requiring easy to understand and concise terms and conditions and no underwriting.

This product may not be appropriate for:

- customers suited to underwritten policies, such as those wanting high sums insured
- customers wanting a fully featured product providing a wide range of ancillary benefits and options that is targeted at customers with a financial adviser; and
- customers requiring benefit payments for more than 12 months.

FINANCIAL SITUATION

Have the financial capacity to pay ongoing premiums at their selected frequency and is expected to remain employed earning an income prior to disability. Earning at least \$2,000 pre-tax per month.

Income Protect Insurance premiums are based on a range of factors, including age, sex, occupation, weight to height ratio, smoking status and the selected level of cover.

The premium may increase with age, on the policy anniversary date.

The product may not be suited to customers:

- wanting a monthly benefit of more than \$7,500 while disabled
- that expect their monthly benefit be materially reduced by offset amounts, such as amounts payable by their employer or superannuation fund.

NEEDS

Looking for cover that provides a portion of the customer's monthly income as financial support, if the customer is unable to work due to illness or injury covered under the product. Looking for a policy that provides supplementary financial support rather than only a policy that covers all or a percentage of actual expenses associated with the impairment or illness.

DISTRIBUTION CONDITIONS

Any person who engages in retail product distribution conduct (distribution) in relation to this product must comply with the following requirements, which have been specifically designed to make it likely that the product will be issued to retail clients within the target market:

- distribute the product only under a general advice or information-only model
- distribute the product only through
 - online channels approved by HCF Life
 - HCF's contact centres, including those operated by HCF Life's authorised representatives
 - HCF's branch network
 - corporate channels approved by HCF Life
- arrange for the product to be issued only to eligible customers after the customer has completed an online, telephone or branch onboarding

process approved by HCF Life, which has been designed to ensure that potential customers would be eligible for cover under the policy

- comply with written pre-issuing processes approved by HCF Life, including authorised conversation tools, which draw the customer's attention to product eligibility requirements, premiums (including terms which allow premium variation) and cover exclusions, which increase the likelihood that the customer is in the target market and eligible for the product
- are subject to HCF Life's distribution monitoring and assessment processes and criteria.

Any distributor of this product must also make sure that website, promotional and advertising material is accurate, has clear and up-to-date product information, and is approved by HCF Life.

These factors help determine if the product is likely to suit a retail customer, which makes it more likely that retail customers who are issued the product will be within the target market.

REVIEWING THIS TMD AND REPORTING OBLIGATIONS

Certain events or circumstances may happen which reasonably suggest that this TMD isn't appropriate any more or needs to be reviewed. We're committed to reviewing this TMD within one year of the effective date, and then every 2 years after the first review.

It may be reviewed earlier if an intervening review trigger happens. These triggers, and the type of reporting information needed to help with our review, are explained in the table below.



	REVIEW TRIGGER EXPLANATION	OBLIGATIONS
1. Regulatory environment	The commencement of a significant change in law that materially affects the product design or distribution of the product or class of products that includes this product.	Product issuer to monitor relevant regulation, legislation and/or ASIC instruments relating to the change in law, as required.
2. Product performance	The product performance is inconsistent with HCF Life's expectations for appropriate product distribution, having regard to: <ul style="list-style-type: none"> ▪ the number of policies sold ▪ policy lapse and cancellation rates ▪ product claim ratios ▪ the number or rate of paid, denied and withdrawn claims ▪ average claims duration. 	Product issuer to monitor product performance metrics on a quarterly basis against targets and expectations.
3. Product changes	A material change to product design or product distribution which, in HCF Life's view, could change: <ul style="list-style-type: none"> ▪ the retail clients for whom the product is likely to be appropriate; or ▪ the conditions necessary to ensure that the product is likely to be issued to retail clients who are within the target market for the product. 	Product issuer to conduct an assessment of whether this review trigger would be enlivened by any change to product terms or distribution.
4. Product intervention powers	The use of Product Intervention Powers in relation to the distribution or design of this product where HCF Life considers that this reasonably suggests this TMD is no longer appropriate.	Product issuer to monitor the terms of any Product Intervention Order made or proposed to be made by ASIC which affects the product, as required.
5. Complaints	Significant or unexpectedly high number of complaints regarding product design, claims, or distribution where HCF Life considers that this reasonably suggests the TMD is no longer appropriate.	Distributors must report to the product issuer all complaints data from retail customers in relation to the TMD, on a quarterly basis, and include: <ul style="list-style-type: none"> ▪ the total number of complaints received by the distributor during the review period ▪ the substance of each complaint. Reports must be shared within 10 business days of the end of the reporting period.
6. Significant dealings	The product issuer determines that a significant dealing in the product outside the target market (except for an excluded dealing) has occurred.	Distributors must report to the product issuer any dealing in the product to a retail customer which the regulated person becomes aware is not consistent with the TMD (within 10 business days of becoming aware of the dealing).