

# LIFE 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](https://hcf.com.au/lifeinfo) carefully before making a decision on this product.

**Target Market Determination**

Life 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**

26 July 2024

**Version 3**

## KEY ATTRIBUTES

Life Protect Insurance pays a lump sum cash benefit of up to \$1.5m if the insured person passes away or is diagnosed with a terminal illness with a life expectancy of less than 24 months. Cover is available from \$100K to \$1.5M, with the maximum cover amount based on age at the time of application.

Cover expires at age 99, or upon payment of the full benefit amount.

### **This product has the following benefit limitations:**

- claims must be made and will only be paid in Australia. We also require evidence that the death is recognised in Australia and that the terminal illness diagnosis occurred in Australia
- cover is provided while travelling temporarily abroad.

### **This product does not cover:**

- individuals who are unwilling or unable to participate in the underwriting process
- individuals who don't meet the underwriting requirements – for example, exceed the underwriting criteria in relation to health and lifestyle factors, such as alcohol and drug consumption, individual and family medical history, and previous insurance history.

During the underwriting process, special conditions specific to the insured person may be applied, (for example, participation in or practice of skydiving). These special conditions are set out in the policy schedule provided to the insured person and no benefit will be payable for any participation in or practice of the listed activities.

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 is appropriate for customers who have or expect to have outstanding financial commitments that will not be met in the event of their death or terminal illness diagnosis and who have capacity to pay premiums on an ongoing basis (including premiums as they may increase). This product is not appropriate for customers who do not meet the eligibility requirements and who do not have or expect to have outstanding financial commitments that will not be met in the event of their death or terminal illness, or customers who do not have the capacity to pay premiums on an ongoing basis (including premiums as they may increase).

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 18-65 when applying
- permanent residents of Australia
- holding less than a combined total of \$2.5m life cover including any cover held with superannuation or any other company.

Life Protect Insurance is subject to a health and lifestyle assessment (known as 'underwriting') that may result in premium loadings, exclusions being applied to the cover, or cover not being offered.

### **OBJECTIVES**

Seeking insurance cover to help support their financial position and financial commitments if diagnosed with a terminal illness, or to support loved ones in the case of death.

Purchasing a product on a general advice basis, and requiring easy to understand and concise terms.

### **FINANCIAL SITUATION**

Have the financial capacity to pay ongoing premiums at their selected frequency.

Hold less than a combined total of \$2.5m life cover including any cover held with superannuation or any other company.

Life Protect Insurance premiums will generally increase with age, with increases typically getting larger as the customer gets older. The premium is based on factors like age, gender, smoking status, insured benefit amount, inflation and health and lifestyle factors as assessed at the time of application.

The premium rates are not guaranteed and may change at anytime.

If the premiums are not paid, cover will be cancelled after a period of 3 months following written notice of cancellation, and the insured person will no longer be covered under the policy. A customer can request to reinstate their policy by contacting us within 30 days of the date stated on the written notice of cancellation. Within that 30 days, we must receive all outstanding premiums prior to the policy being reinstated.

### **NEEDS**

Looking for cover that provides a fixed amount of financial support if the customer passes away or is diagnosed with a terminal illness 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 terminal illness or death.

## 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
- customers must undergo the underwriting process including medical and financial underwriting assessment, as applicable, to satisfy our underwriting criteria
- 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, which is to be displayed in simple and clear language to support the customer in making a purchase with adequate explanations of the product's premium structure, how the premiums are expected to change over time and the product's exclusions
- 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
- initial and ongoing training must be provided to staff members with ongoing monitoring and quality assurance processes in place
- 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
<b>1. Regulatory environment</b>	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.
<b>2. Product performance</b>	The product performance is inconsistent with HCF Life's expectations for appropriate product distribution, having regard to: <ul style="list-style-type: none"> <li>the number of policies sold</li> <li>the percentage of applications not accepted</li> <li>policy lapse and cancellation rates</li> <li>product claim ratios</li> <li>the number or rate of paid, denied and withdrawn claims</li> <li>average claims duration.</li> </ul>	Product issuer to monitor product performance metrics on a quarterly basis against targets and expectations.
<b>3. Product changes</b>	A material change to product design or product distribution which, in HCF Life's view, could change: <ul style="list-style-type: none"> <li>the retail clients for whom the product is likely to be appropriate; or</li> <li>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.</li> </ul>	Product issuer to conduct an assessment of whether this review trigger would be enlivened by any change to product terms or distribution.
<b>4. Product intervention powers</b>	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.
<b>5. Complaints</b>	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"> <li>the total number of complaints received by the distributor during the review period</li> <li>the substance of each complaint.</li> </ul> Reports must be shared within 10 business days of the end of the reporting period.
<b>6. Significant dealings</b>	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).