

Target Market Determination (TMD)

Funeral Insurance



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Product:	APIA Funeral Insurance (the product), offered in combined Product Disclosure Statement (PDS) and Financial Services Guide (FSG) with issue date 19 March 2024
Issuer:	TAL Life Limited ABN 70 050 109 450 AFSL 237848 (TAL Life)
Date of this TMD:	19 March 2024
Version:	1
Next TMD review date:	By 19 March 2025

Important information

This TMD sets out the key attributes, target market, distribution conditions, review periods and 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 any policy schedule (if applicable). 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 contact TAL Life.

The product is an insurance Policy, not a savings plan, which means consumers may pay more or less in premiums than the Cover Amount over the life of the Policy.

The product does not acquire a cash value. No premiums or refunds will be payable to the Life Insured in the event of Policy cancellation, except within the 30-day Cooling Off Period, or on claiming the Early Payout Benefit.

Key attributes	
Product description	<ul style="list-style-type: none">Provides a lump sum Funeral Insurance Benefit in the event of the Life Insured's Accidental Death in the first 12 months of cover, or the Life Insured's death from any cause after the first 12 months of cover.<ul style="list-style-type: none">If the Life Insured dies during the first 12 months of cover from any cause other than Accidental Death, the Funeral Insurance Benefit premiums that have been paid for the Life Insured are refunded. For death not by Accident in the first 12 months of cover the full Funeral Insurance Benefit amount is not payable.The claim payout will be the higher of the Funeral Insurance Cover Amount or the relevant Value Promise option selected.
Eligibility criteria	<ul style="list-style-type: none">Entry age 45 – 80; andAn Australian or New Zealand citizen or Australian permanent resident, currently residing in Australia who has received the PDS in Australia. If consumers are currently residing in Australia, received the PDS/FSG in Australia and are waiting for the outcome of their Australian citizenship or permanent residency application, they will be considered an eligible Australian Resident but only as a Life Insured under the Policy.
Value promise options	<p>Means at the time of a claim, for the Funeral Insurance Benefit, the claim payout for the Life Insured will be the higher of the Funeral Insurance Cover Amount then in place (plus any Bonus Cover, where applicable) or the Value Promise option selected. Consumers have a choice of:</p> <ul style="list-style-type: none">100% Value Promise: 100% of the total premiums paid for the Life Insured's Funeral Insurance Cover Amount from the cover Commencement Date.70% Value Promise: 70% of the total premiums paid for the Life Insured's Funeral Insurance Cover Amount from the cover Commencement Date.

Early Payout Benefit	<p>The Early Payout Benefit gives the Life Insured the option, after reaching age 85 to either:</p> <ul style="list-style-type: none"> • continue cover in respect of the Life Insured by continuing to pay premiums; or • cash in the Funeral Insurance Benefit early to receive an immediate payout of 120% of the Life Insured's average Funeral Insurance Cover Amount, excluding Bonus Cover. <p>Claiming the Early Payout Benefit cancels any Bonus Cover, Funeral Insurance Cover and Accidental Death Cover.</p>
Minimum Cover Amount	<ul style="list-style-type: none"> • \$3,000 (a minimum premium of \$2.75 a week applies).
Maximum Cover Amount	<ul style="list-style-type: none"> • Up to \$15,000 at application. • Up to \$25,000 once the Policy is in place.
Expiry age	<ul style="list-style-type: none"> • None.
Key exclusions and limitations	<ul style="list-style-type: none"> • No Funeral Insurance Benefit is payable if the Life Insured dies during the first 12 months of cover from any cause other than Accidental Death. • Accidental Death does not include, and TAL Life will not pay any Accidental Death Benefit for, a death caused by: <ul style="list-style-type: none"> – actual or attempted intentional self-injury or suicide; – participation in any criminal or unlawful activity; – being under the influence of alcohol (over the prescribed legal limit for driving a motor vehicle according to the relevant state or territory limit), illicit drugs in any dosage, or any pharmaceutical drug (whether or not prescribed by a Medical Practitioner) not taken in the correct dosage; – war, hostilities or war-like operations (whether war is declared or not), civil commotion, civil war or rebellion, but not terrorism, outside of Australia or New Zealand; – undertaking a Dangerous Occupation; or – participation in Dangerous Pursuits.
Premium structures	<p>Premiums are structured on a level basis.</p> <p>Level premiums are based on the Life Insured's age at the cover Commencement Date. Premiums will also depend on the Value Promise option that has been selected by the Life Insured.</p> <p>Level premiums are not guaranteed to remain the same each year. The amount consumers pay will change when any of the following events occur:</p> <ul style="list-style-type: none"> • the Life Insured makes changes to the Policy; • the Cover Amount is increased or decreased; • the Life Insured adds or removes a Benefit (such as Accidental Death Cover) or another Life Insured from the Policy; • the Policy has more than one Life Insured and cover ends as a result of the death or the removal of one or more Lives Insured, such that premiums remain payable only in respect of one Life Insured, then the discount for more than one Life Insured will no longer apply; • there are changes in government duty or taxes, and TAL Life chooses to pass on these additional costs; or • TAL Life chooses to increase the underlying premium rates on the APIA Funeral Insurance portfolio. <p>If premiums are not paid when due, the policy will end (subject to the required notice periods), and the Life Insured will no longer be covered and cannot claim for events occurring after the policy ends.</p>

Target market

Eligibility of consumers in the target market	<p>The target market comprises of consumers who are:</p> <ul style="list-style-type: none"> • aged 45 – 80; and • an Australian or New Zealand citizen or Australian permanent resident, currently residing in Australia who has received the PDS in Australia. If consumers are currently residing in Australia, received the PDS/FSG in Australia and are waiting for the outcome of their Australian citizenship or permanent residency application, they will be considered an eligible Australian Resident but only as a Life Insured under the Policy.
Objective of consumers in the target market	<p>The target market comprises of consumers who:</p> <ul style="list-style-type: none"> • are looking for cover that provides a lump sum Benefit in the event of the Life Insured's Accidental Death and/or death; • are looking for cover of up to \$15,000 at application; • are looking for fast payments usually within 24 hours of receiving the completed claim requirements¹; and • do not want to be underwritten.
Financial situation of consumers in the target market	<p>The target market comprises of consumers who have the financial capacity to fund the costs of cover, in accordance with the level premium structure, over the period they intend to hold the cover. This includes periods in which financial capacity may change such as, but not limited to, ceasing employment.</p> <p>Consumers will be required to form their own assessment of their capacity to fund premiums.</p>
Needs of consumers in the target market	<p>The target market comprises of consumers who have a need, or may in the future have a need, to pay for a funeral or other final expenses in the event of the Life Insured's Accidental Death and/or death.</p>
Appropriateness of the product for the target market	<p>The target market comprises of those who have or expect to have outstanding funeral costs or other final expenses, that will not be satisfied in the event of the Life Insured's Accidental Death and/or death. The target market also comprises of those who have the financial capacity to fund the cost of cover in accordance with the level premium structure, over the period they intend to hold cover.</p> <p>As this product pays a lump sum Benefit in the event of the Life Insured's Accidental Death and/or death, is only available for those meeting the eligibility criteria, and who have the financial capacity to fund the costs of cover (having formed their own assessment of such capacity); the product is therefore likely to be consistent with the likely objectives, financial situation and needs of consumers in the target market.</p> <p>Although this product does not pay a Funeral Insurance Benefit within the first 12 months of cover for death other than Accidental Death, the Funeral Insurance Benefit premiums that have been paid for the Life Insured are refunded in the event of death in the first 12 months of cover from any cause other than Accidental Death. If death occurs after the first 12 months of cover, the Value Promise option selected also helps ensure that the cover will be consistent with the objectives of consumers in the target market.</p>

¹ Some Accidental Death claims will take longer to assess. TAL Life will make sure to keep the claimant informed throughout the process.

Excluded consumers	<p>The target market excludes consumers who:</p> <ul style="list-style-type: none"> • are under 45 years of age; • are over 80 years of age; • are not an Australian or New Zealand citizen or Australian permanent resident, currently residing in Australia and have not received the PDS in Australia; • are looking for cover more than \$15,000 (at application); • want to be underwritten; • do not have the financial capacity to fund the costs of cover, in accordance with the level premium structure, over the period they intend to hold the cover; or • have the capacity to, and are willing to pay for outstanding funeral costs or other final expenses without the cover under this product.
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Distribution conditions	
Distribution conditions: Personal advice	This product is not to be distributed through personal advice.
Distribution conditions: General advice	<p>The following distribution conditions apply with respect to the provision of general advice:</p> <ul style="list-style-type: none"> • Distributors must be authorised by TAL Life to distribute the product. • Distributors may only distribute this product to consumers under general advice. No personal advice is to be provided to consumers at any point in the distribution. • Distributors must obtain information required to determine whether the consumer is eligible for the product and must not permit a consumer to be issued the product if the consumer does not meet the eligibility criteria (provided that the consumer has provided all relevant information honestly and completely). • Distributors must draw the consumer’s attention to the key features of the product, including: <ul style="list-style-type: none"> – that only Accidental Death is covered for the first 12 months of cover or the first 12 months from the effective date of any increase to the Cover Amount to the extent of the increase amount; – an estimate of the applicable premium (based on the consumer’s requested product Benefits including the Value Promise option selected); <p>to enable the consumer to determine if the product is likely to be consistent with their objectives, financial situation and needs.</p> • Distributors must require the consumer to select a Value Promise option, which will affect the minimum Cover Amount payable and the applicable premium. • Distributors must have in place processes in relation to call scripts, training, monitoring and quality assurance designed to ensure the appropriate distribution of the product (call centres only). • Distributors must make available a PDS of the product to consumers.
Appropriateness of the distribution conditions: General advice	<p>The distribution conditions will result in the product being issued to consumers who are likely to be in the target market because:</p> <ul style="list-style-type: none"> • the requirement for Distributors to determine whether a consumer is eligible for the product and not permit consumers to be issued the product if they do not satisfy the eligibility criteria means the product cannot be issued to consumers who are not eligible for the product; and • the requirement for Distributors to draw the consumer’s attention to the key features of the product, including an estimate of the applicable premium based on the consumer’s requested product Benefits (which consumers may customise based on their own preference and needs, namely the amount of cover and the Value Promise option selected), is likely to prompt a consumer to either proceed or not to proceed with an application based on their financial capacity to afford the applicable premiums and determination of whether the product is consistent with their likely objectives, financial situation and needs.

Review period and triggers

Review periods	<p>Initial review period Must be completed within 1 year from the date of this TMD, subject to any intervening review triggers.</p> <p>Ongoing review period Must be completed within 1 year from the initial review period, subject to any intervening review triggers.</p>
Review trigger 1	<p>Description:</p> <ul style="list-style-type: none"> 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>Reporting information:</p> <ul style="list-style-type: none"> Changes to relevant regulation, legislation and instruments. <p>Reporting period and review obligation:</p> <ul style="list-style-type: none"> TAL Life must monitor and consider any significant relevant change in law that materially affects the design or distribution of the product.
Review trigger 2	<p>Description:</p> <ul style="list-style-type: none"> Product performance is materially inconsistent with TAL Life's expectations of the appropriateness of the product for consumers having regard to: <ul style="list-style-type: none"> claim ratios; the number of admitted, declined and withdrawn claims (including within the first 12 months of Cover Commencement, during which cover is only provided for Accidental Death); the number of policies sold; and policy lapse rates. <p>Reporting information:</p> <ul style="list-style-type: none"> Claims ratios; Number of admitted, declined and withdrawn claims; Number of policies sold; and Policy lapse rates. <p>Reporting period and review obligation:</p> <ul style="list-style-type: none"> TAL Life must collect the reporting information and review these factors twice a year at the end of March and September.
Review trigger 3	<p>Description:</p> <ul style="list-style-type: none"> 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>Reporting information:</p> <ul style="list-style-type: none"> The nature of the complaints and the total number of complaints received in relation to the product, including where applicable indicators of vulnerability. <p>Reporting period and review obligation:</p> <ul style="list-style-type: none"> TAL Life must review and consider the complaints and total number of complaints twice a year at the end of March and September; and Distributors must report the complaints and total number of complaints to TAL Life, with reports required within 10 business days of the end of March and September.

<p>Review trigger 4</p>	<p>Description:</p> <ul style="list-style-type: none"> • Significant change to the design or distribution of the product which TAL Life considers could result in a change to: <ul style="list-style-type: none"> – whether the product is likely to be consistent with the likely 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. <p>Reporting information:</p> <ul style="list-style-type: none"> • Any significant changes to the design or distribution of the product. <p>Reporting period and review obligation:</p> <ul style="list-style-type: none"> • TAL Life must monitor and consider any significant change to the design or distribution of the product.
<p>Review trigger 5</p>	<p>Description:</p> <ul style="list-style-type: none"> • TAL Life determines that a significant dealing in the product outside the target market (except for an excluded dealing) has occurred. <p>Reporting information:</p> <ul style="list-style-type: none"> • Any dealing in the product which the regulated person becomes aware of is not consistent with this TMD. <p>Reporting period and review obligation:</p> <ul style="list-style-type: none"> • TAL Life must promptly review and consider any significant dealing reported to it; • TAL Life must also consider any dealing it considers to be a significant dealing in the product outside the target market; and • Any dealing outside the target market must be reported by Distributors to TAL Life as soon as practicable, and in any case within 10 business days of the Distributor becoming aware of the significant dealing.
<p>Review trigger 6</p>	<p>Description:</p> <ul style="list-style-type: none"> • The use of a Product Intervention Power in relation to the distribution or design of this product where TAL Life considers this to be a reasonable indication that this TMD is no longer appropriate. <p>Reporting information:</p> <ul style="list-style-type: none"> • The making of any applicable product intervention order which affects the distribution or design of the product. <p>Reporting period and review obligation:</p> <ul style="list-style-type: none"> • TAL Life must promptly consider any product intervention order which affects the product.