



Target Market Determination (TMD)

MLC Protection *first* range (PF)

which includes:

- MLC Protection - Life
- MLC Protection - Recovery Money
- MLC Protection - Flexible Recovery Money
- MLC Protection - Stand Alone Recovery Money
- MLC Protection - Income Gold
- MLC Protection - Income Excell
- MLC Protection - Income Daily Living
- MLC Protection - Business Expenses

Issuer: MLC Limited (MLCL)

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Note: This product is closed to new customers.

About this document

The Target Market Determination (TMD) sets out who this product may and may not be suitable for, as well as the likely financial situation and needs of the consumer. It also outlines the triggers to review the target market, how it is to be distributed, and certain other information.

This document is not a Product Disclosure Statement (PDS) and is not a summary of the product features or terms of the product. Consumers interested in acquiring this product should read the PDS carefully before making a decision whether to buy this product.

Key things to know

	Lump sum products:				Income Protection and Business Expenses products:			
Product Name	MLC Protection – Life	MLC Protection - Recovery Money	MLC Protection - Flexible Recovery Money	MLC Protection – Stand Alone Recovery Money	MLC Protection –Income Gold	MLC Protection – Income Excell	MLC Protection – Income Daily Living	MLC Protection – Business Expenses
Cover type name	Death Benefit with optional TPD*	Death Benefit, Critical Illness Benefit and optional TPD*	Linked Critical Illness Benefit and/or optional TPD*	Critical Illness Benefit or/and optional TPD*	Income Protection		Income Daily Living	Business Expenses

*TPD refers to Disability Benefit Option/Total and Permanent Disability

This product is closed to new customers.

Who the product may be suitable for

The target market includes consumers who wish to purchase insurance personally (non-superannuation) or purchase Life (Death Benefit), TPD, or IP insurance within their SMSF or an eligible wrap account and:

- who meet eligibility, underwriting, and residency requirements
- who have the financial capacity to pay the premiums over the period they intend to hold the product, and
- who want to reduce their financial risk in the event of the life insured (either themselves or someone else) experiencing a claimable event (described under each cover type).

Who the product may not be suitable for

The target market excludes:

- those who are not:
 - Australian citizens
 - Australian permanent residents
 - New Zealand citizens residing in Australia, or
 - those with certain temporary visas who do not meet our underwriting terms and conditions in relation to residency.
- those that do not meet the eligibility requirements (unless prior written approval has been provided)
- those that do not meet the underwriting requirements
- certain occupations for some benefit types
- consumers who want fixed or guaranteed premiums, and
- those contemplating self-harm.

Likely financial situation of the consumer in the target market

As the premiums may vary from time to time (in accordance with the chosen premium structure), the consumer should have the financial capacity to pay the premiums over the period they intend to hold the product.

The consumer must have at least one of the following potentially relevant sources of financial capacity to pay the premiums:

- Earning income
- Personal savings
- Superannuation, or
- Family or other relationships, either personal or business.

Death Benefit

Who the benefit may be suitable for

The consumer wants to lower their financial risk if the life insured were to:

- die
- become terminally ill, or
- experience an accidental injury (where applicable under the product terms).

Financial risks include financial commitments (personal and commercial) and financial-in-kind commitments (including Business Insurance purposes), where the consumer has a responsibility to pay money or provide goods or services to their dependants, estate or business. The consumer may currently be responsible, or anticipate being responsible, for these financial risks.

Why the benefit will meet the needs of consumers in the target market

The target market broadly comprises of consumers who:

- have, or expect to have, outstanding financial commitments that will not be satisfied in the event of the life insured's death or terminal illness, and
- have the capacity to pay potentially variable premiums on an ongoing basis.

As the benefit pays a lump sum on death or terminal illness, it is therefore likely to meet the needs, or go towards meeting the needs, of those in the target market.

Benefit description

Death Benefit pays a lump sum if the life insured:

- dies
- is diagnosed with a terminal illness, or
- suffers an accidental injury (specified terms).

This benefit can also be held through a SMSF or an eligible wrap platform.

Eligibility

Application age (next birthday) for outside super:

- Stepped Premium: 11 – 70
- Level Premium: 11 – 50

Application age (next birthday) for Wrap or SMSF:

- Stepped Premium: 18 – 70
- Level Premium: 18 – 50

Exclusions

The standard exclusions for this cover include but are not limited to a suicide exclusion for Death or Terminal Illness in the first 13 months of the benefit commencement, reinstatement or increase (for the increased amount).

Disability Benefit Option/Total and Permanent Disability

Who the benefit may be suitable for

The consumer wants to lower their financial risk if the life insured is incapable of engaging in:

- meaningful, gainful employment, or
- independent living

due to total and permanent disability.

Financial risks include financial commitments (personal and commercial) and financial-in-kind commitments (including Business Insurance purposes), where the consumer has a responsibility to pay money or provide goods or services to their dependants or business. The consumer may currently be responsible, or anticipate being responsible, for these financial risks.

Why the benefit will meet the needs of consumers in the target market

The target market broadly comprises of consumers who:

- have, or expect to have, outstanding financial commitments that will not be satisfied in the event of the life insured's permanent disability, and
- have the capacity to pay potentially variable premiums on an ongoing basis.

As the benefit pays a lump sum on total and permanent disability, it is therefore likely to meet the needs, or go towards meeting the needs, of those in the target market.

Benefit description

Total and Permanent Disability pays a lump sum if the life insured:

- suffers a total and permanent disability, meaning they cannot work again in their usual occupation, or any other occupation they are reasonably suited to (depending on whether own (conditions apply) or any occupation Total and Permanent Disability is chosen)
- suffers either a permanent cognitive deficit, a specified loss of use or for those performing home duties, a permanent inability to perform specified Domestic Duties, or
- after age 65, if they suffer a Loss of Independent Existence or diagnosed as 'being unable to perform the Activities of Daily Living' (specified terms).

Note: With insurance inside super in all cases, the life insured must also be Permanently Incapacitated (as required by the Superannuation Industry (Supervision) Act (SIS) where the cover commenced after 30 June 2014) and meet all other terms and conditions outlined in the PDS.

This benefit can also be held through a SMSF or an eligible wrap platform.

Eligibility

Application age (next birthday) for outside super:

- Stepped Premium: 17 – 64
- Level Premium: 17 – 60
- Stand Alone: 17 – 60

Application age (next birthday) for Wrap or SMSF:

- Stepped Premium: 18 – 65
- Level Premium: 18 – 60
- Stand Alone: 18 – 60

The consumer must be gainfully employed. (See employment status under Eligibility criteria). This cover may be available for Home Duties.

Exclusions

The standard exclusions for this cover include, but are not limited to:

- conditions pre-existing the insurance,
- participation in an insurrection,
- self-inflicted injury or attempted suicide.

Critical Illness Benefit

Who the benefit may be suitable for

The consumer wants to lower their financial risk if the life insured suffers a specified critical illness.

Financial risks include financial commitments (personal and commercial) and financial-in-kind commitments (including Business Insurance purposes), where the consumer has a responsibility to pay money or provide goods or services to their dependants or business. The consumer may currently be responsible, or anticipate being responsible, for these financial risks.

Why the benefit will meet the needs of consumers in the target market

The target market broadly comprises of consumers who:

- have, or expect to have, outstanding financial commitments that will not be satisfied if the life insured suffers a specified critical illness, and
- have the capacity to pay potentially variable premiums on an ongoing basis.

As the benefit pays a lump sum on the life insured suffering a specified critical illness, it is therefore likely to meet the needs, or go towards meeting the needs, of those in the target market.

Benefit description

Critical Illness Benefit pays a lump sum if the life insured is diagnosed with or suffers a specified critical condition (specified terms).

This benefit can only be held outside super.

Eligibility

Application age (next birthday):

- Stepped Premium: 17 – 64
- Level Premium: 17 – 60
- Stand Alone: 17 – 60

Exclusions

The standard exclusions for this cover include, but are not limited to:

- conditions pre-existing the insurance,
- self-inflicted injury or attempted suicide, and
- 90-day exclusion/qualifying periods for certain critical conditions.

Income Protection (Gold and Excell)

Who the benefit may be suitable for

The consumer wants to reduce their exposure where they have (or envisages that in future they will or may have) a need to replace their income if they are unable to earn income (or are only able to earn a lower income) due to sickness or injury. The consumer may currently be responsible, or anticipate being responsible, for these financial risks.

Why the benefit will meet the needs of consumers in the target market

The target market broadly comprises of consumers who:

- have, or expect to have, outstanding financial commitments that will not be satisfied in the event of the life insured's sickness or injury, and
- have the capacity to pay potentially variable premiums on an ongoing basis.

As the benefit pays a periodical monthly benefit after the selected waiting period and while the life insured continues to be disabled, it is therefore likely to meet the needs, or go towards meeting the needs, of those in the target market.

Benefit description

Income Protection pays one or more monthly payments if the life insured is:

- unable to work due to sickness or injury, or
- partially restricted in performing their duties and suffering a reduction in income due to sickness or injury.

Note: With insurance inside super in all cases, the Life Insured must also have satisfied the SIS definition of Temporary Incapacity before any benefits are payable and meet all other terms and conditions outlined in the Product Disclosure Statement (PDS).

Income Protection Excell can also be held through a SMSF or an eligible wrap platform.

Eligibility

Application age (next birthday): 20 – 60

The consumer must be gainfully employed. (See employment status under Eligibility criteria).

Exclusions

The standard exclusions for this cover include, but are not limited to:

- conditions pre-existing the insurance
- participation in criminal activity or incarceration.
- self-inflicted injury or attempted suicide
- war, or an act of war, and
- normal and uncomplicated pregnancy or childbirth.

Income Daily Living

Who the benefit may be suitable for

The consumer has (or envisages that in future they will or may have) outstanding financial commitments that will not be satisfied if they become substantially disabled due to sickness or injury. The consumer may currently be responsible, or anticipate being responsible, for these financial risks.

Why the benefit will meet the needs of consumers in the target market

The target market broadly comprises of consumers who:

- would not be generally able to obtain income protection such as those in hazardous occupations, homemakers and retirees.
- have, or expect to have, outstanding financial commitments that will not be satisfied in the event of the life insured's disability, and
- have the capacity to pay potentially variable premiums on an ongoing basis.

As the benefit pays a periodical monthly benefit after the selected waiting period and while the life insured continues to be substantially disabled, it is therefore likely to meet the needs, or go towards meeting the needs, of those in the target market.

Benefit description

Income Daily Living pays one or more monthly payments if the life insured is substantially disabled due to sickness or injury.

This benefit can only be held outside super.

Eligibility

Application age (next birthday): 20 – 65

The consumer may need to be gainfully employed (See employment status under Eligibility criteria). This cover may also be available to homemakers and retirees.

Exclusions

The standard exclusions for this cover include, but are not limited to:

- participation in criminal activity or incarceration.
- self-inflicted injury or attempted suicide
- war, or an act of war, and
- normal and uncomplicated pregnancy or childbirth.

Business Expenses

Who the benefit may be suitable for

The consumer wants to reduce their exposure where they have (or envisage that in future they will or may have) certain ongoing financial business expenses they will not be able to be met if the life insured is incapable of engaging in meaningful gainful employment. The consumer may currently be responsible, or anticipate being responsible, for these financial risks.

Why the benefit will meet the needs of consumers in the target market

The target market broadly comprises of consumers who:

- have, or expect to have, outstanding financial commitments that will not be satisfied in the event of the life insured's sickness or injury, and
- have the capacity to pay potentially variable premiums on an ongoing basis.

As the benefit pays a periodical monthly benefit after the selected waiting period and while the life insured continues to be disabled, it is therefore likely to meet the needs, or go towards meeting the needs, of those in the target market.

Benefit description

Business Expenses pays one or more monthly payments if the life insured is:

- unable to work due to sickness or injury, and
- is incurring listed/claimable ongoing business expenses in their absence.

This benefit can only be held outside super.

Eligibility

Application age (next birthday): 20 – 60

The consumer must be gainfully employed. (See employment status under Eligibility criteria).

Exclusions

The standard exclusions for this cover include, but are not limited to:

- conditions pre-existing the insurance,
- participation in criminal activity or incarceration
- self-inflicted injury or attempted suicide
- war or warlike operations, and
- normal and uncomplicated pregnancy or childbirth.

MLC Protection *first* range owned by SMSFs

Who the product may be suitable for

A consumer is in the target market for life insurance within the super environment if they accept that there are legislative restrictions that impact the insurance cover, including:

- the insurance premiums must be paid from a super fund
- any insurance benefit will be paid via the trustee of the super fund, who must also independently review and approve payment of the benefit
- if the consumer dies and has not made a death benefit nomination, the trustee of the super fund will determine the beneficiary or beneficiaries who will receive the death benefit
- the qualifying definitions under which an insurance benefit can be paid must be consistent with legislated superannuation rules called 'conditions of release'
- the legislated 'conditions of release' must be satisfied before an insurance benefit can be released by the trustee of the super fund to the member
- taxation may apply to benefit payments paid to the member or beneficiary, and
- where superannuation savings are used to pay premiums, this will reduce the superannuation balance available to consumers in retirement and consumers should consider whether payment of premiums via superannuation will inappropriately erode their retirement income.

Product attributes (applies to all benefits)

Premiums

There are two premium structures – Stepped and Level. The premiums for both structures can change over time and premium rates are not guaranteed.

1. **Stepped premiums** are calculated each year based on the life insured's age and will usually increase each year as they get older.
2. **Level premiums** are calculated based on the benefit amount and the life insured's age when they applied for that benefit amount and the applicable premium rate for that age each year. Level premiums have the cost of providing insurance spread out over a number of years. Level premiums start out higher than stepped premiums but may become lower than stepped premiums at some point in the future. Level premiums do not increase because of the life insured's age, however level premiums may still change due to other factors.

Premiums will change for several reasons, including if:

- the cover changes, including if there is an automatic change to the terms of the cover when the life insured reaches a particular age, or an option is added or removed.
- the benefit amount changes, including because of indexation increases or through exercising an option such as the Future Insurability Option or the Guaranteed Insurability Option
- there are changes to stamp duty or other charges, or
- we change the premium rates, discounts or policy fees.

The consumer may nominate an amount of insurance which is tailored to their own individual circumstances. If successfully underwritten, specific occupation and/or pastimes loadings and/or medical and/or pastimes exclusions may apply. Premium rates will be based on age and gender. The consumer's premiums may be higher or lower depending on their occupation and any medical loadings, and in the case of income protection will vary based on the waiting period and benefit period.

Payments

If premiums are not paid, the policy may lapse, in which case the life insured would no longer be covered and cannot make a claim.

The consumer has the ability to pay premiums:

- on a monthly, quarterly, half-yearly or annual basis
- via direct debit, credit card, cheque, BPAY or eligible wrap account¹, and
- via rollover from external super fund (only annual premium frequency is allowed using this method).

¹ The full list of eligible accounts and which type of premiums can be deducted from those accounts are available on our [website](#).

Eligibility criteria

A consumer wanting to obtain this coverage through one or more of these benefits need to meet the eligibility criteria. The eligibility criteria of the life to be insured could include:

- their age
- employment status[^]
- residency status, and
- health status.

[^]To be eligible for Income Protection, Business Expenses and Total and Permanent Disability insurance, the life insured must be permanently gainfully employed and working over 25* hours per week. Contractors, casual workers and those working less than 25 hours may be eligible for TPD and/or IP insurance subject to underwriting terms and conditions.

A consumer will still be considered within the target market and to have met eligibility if:

- MLCL reinstate their policy within six months of the lapse date due to non-payment of premium and they have satisfied MLCL's reinstatement requirements.
- They exercise an option to continue, convert or buyback cover under the policy terms of their PDS.
- MLCL allow them to replace their existing cover as a result of a change of ownership.

Benefit customisability

All benefits under the product include additional and customisable options.

Underwriting process

The underwriting process could impact the price of the product, the sum insured, and the terms and conditions of the insurance policy.

Residency

This product is available to:

- Australian permanent residents
- Australian citizens
- New Zealand citizens residing in Australia, and
- consumers with certain temporary visas (subject to underwriting terms and conditions).

Benefit type

The product provides insurance benefits only. It does not provide for any accumulation of savings and has no future surrender value.

Linking benefits

Lump sum benefits can be purchased as:

- stand alone – these are independent of all other covers.
- linked cover – these are attached to another cover. The consumer pays less for this structure because any claim payment on one cover will reduce the benefits of the covers they are attached to.

Distribution conditions

Distribution channels

This product may be distributed to consumers in the following ways:

- with the aid of a Licensee or their Authorised Representative (as defined by law) who provides personal financial advice or general advice
- by direct application to us, in relation to existing customers (e.g. where the application is for a reinstatement), or
- by direct application to us, in relation to a continuation option.

For distribution via personal advice

Application for cover must be submitted by a suitably authorised financial adviser (i.e. authorised in life risk products and/or super), operating under an appropriate Australian Financial Services Licence AFSL. The financial adviser must have accepted the Distribution Agreement Acenda Products (Retail) and attained a licensee code and adviser code.

For distribution via general advice

- The distributor must not sell to a customer who does not satisfy the demographic factors and eligibility requirements in the Target Market as set out above.
- The distributor must provide the customer with the PDS.
- The distributor has structured training and/or quality assurance standards.
- The customer meets application screening questions.
- Application for cover must be submitted via an appropriate AFSL, with appropriate authorisation, who has accepted the Distribution Agreement Acenda Products (Retail) and has attained a licensee and adviser code.

Why these distribution conditions and restrictions will make it more likely that the consumers who acquire the product are in the target market

For distribution via personal advice

Consumers that obtain personal advice from a qualified financial adviser are more likely to be in the target market because advisers have a duty to act in their best interest when providing personal advice.

For distribution via general advice

Consumers of life insurance are more likely to be in the target market if distributors:

- refrain from selling to customers who do not meet the relevant demographic and eligibility requirements, and
- provide customers with a PDS.

When we review this document

The first review for this TMD occurs within 12 months from the date of this TMD. Subsequent reviews occur at least every three years after the end of the previous review. This TMD may be reviewed more frequently if a review trigger occurs.

Review triggers		Assessment information	Timeframe
1	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. Note: This trigger is a mandatory review. The product issuer may choose to undertake a review even if the above review trigger is not met.	Any relevant regulation, legislation and/or ASIC instruments relating to the change in law.	As new changes are introduced.
2	Product performance is materially inconsistent with the product issuer's expectations, having regard to: a. Cancel from Inception rate b. Lapse rate c. Claim decline rate d. Claim withdrawn rate, and e. Product claim paid ratios.	During the review period, the expected and actual: a. Cancel from Inception rate b. Lapse rate c. Claim decline rate and number d. Claim withdrawn rate and number, and e. Product claim paid ratios. The product issuer has detailed specific assessments for each trigger.	Aligned to TMD Review Period.
3	Significant or unexpectedly high number of complaints regarding product design, product availability, claims and distribution condition that would reasonably suggest that the TMD is no longer appropriate.	Complaints (as defined in section 994A(1) of the Act) and the nature of the complaints regarding product design, product availability, claims and distribution condition.	As soon as practicable, or in any event, within 10 business days after the end of each calendar quarter.
4	Material change to key product design, features, and/or fees that would reasonably suggest that this TMD is no longer appropriate.	Notification of proposed material change to key product design, features, and/or fees.	As material changes are made.
5	Significant Dealing in the product which the regulated person becomes aware is not consistent with the TMD.	A dealing in the product which the distributor (as the regulated person) becomes aware is not consistent with this TMD.	As a significant dealing is identified.

Distributor reporting requirements

- Complaints and the nature of the complaints regarding product design, product availability, claims and distribution condition. Complaints must be reported as soon as practicable, or in any event, within 10 business days after the end of each calendar quarter.
- A significant dealing in the product which the regulated person becomes aware of is not consistent with the TMD. These should be reported as they are identified.

Legal disclaimer

This Target Market Determination (TMD) is required under section 994B of the Corporations Act 2001 (Cth). It sets out the target market for the product, triggers to review the target market, how it is to be distributed and certain other information. It forms part of MLC Limited's design and distribution framework for the product.

This document is not a Product Disclosure Statement (PDS), and is not a summary of the product features or terms of the product. This document does not take into account any person's individual objectives, financial situation or needs. Persons interested in acquiring this product should carefully read the PDS before making a decision whether to buy this product.

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