

# Target Market Determination TPD Insurance inside superannuation

## *Elevate Insurance*

References to consumer in the TMD refer to the policy owner. When applying for the TPD Insurance SMSF plan, the policy owner is the trustee of the SMSF, and the insured person is a member of the SMSF. When applying for insurance cover in the TPD Insurance Superannuation plan, the policy owner is Equity Trustees Superannuation Limited (ETSL) (the issuer and trustee of this product) as trustee of the National Mutual Retirement Fund (NMRF), and the insured person is a member of the NMRF. Where the information is specific to the insured person, the term 'insured person' will be used.

For insurance cover in the TPD Insurance Superannuation plan, distributors must have regard to both this TMD and the TMD for Elevate Insurance – Risk Only Superannuation Product, issued by ETSL. Although the insurance and superannuation products are related (because the insurance product is acquired via the risk only superannuation product), they are distinct products with separate TMDs.

<b>Product</b>	The TMD applies to the following: <ul style="list-style-type: none"> <li>• TPD Insurance SMSF plan</li> <li>• insurance cover in the TPD Insurance Superannuation plan</li> </ul> referred to as the product in this document
<b>Issuer</b>	Resolution Life Australasia Limited ABN 84 079 300 379 (Resolution Life) is the issuer of the TMD
<b>Effective date</b>	20 June 2022
<b>Version number</b>	2
<b>PDS</b>	Elevate Insurance Product disclosure statement and plan document. Please refer to this PDS for more information about the product before deciding whether to buy the product or continue to hold the product.
<b>Product description and key attributes</b>	<p>The TPD Insurance SMSF plan and insurance cover in the TPD Insurance Superannuation plan provide a lump sum payment if the insured person becomes totally and permanently disabled.</p> <p>A benefit will not be paid if the insured person's total and permanent disability was caused directly or indirectly by the insured person or the policy owner on purpose or the insured person dies within eight days of becoming eligible for the total and permanent disability benefit. Other exclusions or limitations may apply, depending on the insured person's individual circumstances.</p> <p>The TPD Insurance SMSF plan is owned by the trustee of the self-managed super fund or Small APRA Super Fund and the insured person must be a member of the self-managed super fund or Small APRA Super Fund.</p> <p>Where the consumer applies to have insurance cover in the TPD Insurance Superannuation plan, the risk only superannuation product issued by Equity Trustees Superannuation Limited (ETSL) as trustee of the National Mutual Retirement Fund (NMRF), the consumer applies to be a member of the NMRF.</p>

## Product description and key attributes (continued)

The TPD Insurance Superannuation plan is a distinct product with its own TMD which distributors should refer to regarding the design and distribution conditions.

Premiums paid for the TPD Insurance SMSF plan are from superannuation contributions. Premiums paid for the insurance cover in the TPD Insurance Superannuation plan are from superannuation contributions or rollovers from another complying superannuation fund.

Any benefit is paid to the trustee, who will release the benefit in accordance with the relevant trust deed and superannuation law.

### TPD definition

The insured person is totally and permanently disabled if he or she:

- is unlikely to work in any occupation, or
- suffers a specific loss, or
- requires future care, or
- suffers significant cognitive impairment.

The insured person is also required to be considered as suffering from permanent incapacity.

### Premium type

The product offers the following premium types:

- **Stepped premiums.** Change each year on the plan extension date according to the age of the insured person. Generally, premiums increase as the insured person gets older.
- **Level premiums.** Don't increase each year due to the insured person getting older. Level premiums change to stepped premiums from the first extension date after the insured person turns 70 (or earlier if nominated).
- **Blended premiums.** Are stepped for the first 10 years followed by level until the insured person turns 60 and then stepped until the cover ends.

Premiums (and any applicable fees or government charges) can change, regardless of the premium type. If Resolution Life review premium rates, any change in the premium rate will apply to all plans of the same type.

### Eligibility criteria

- The consumer is an existing Resolution Life customer which is any individual or entity that is a policy owner or insured person under a life policy insured by Resolution Life.
- The insured person is a member of the self-managed super fund or Small APRA Super Fund applying for the TPD Insurance SMSF plan or eligible to become a member of the NMRF if applying for insurance cover in the TPD Insurance Superannuation plan.
- The consumer is an Australian citizen, permanent Australian resident, New Zealand citizen or the holder of an eligible visa.
- The age of the insured person when the product is applied for must be between:
  - 10 and 69 for stepped premium structure
  - 10 and 64 for level premium structure
  - 24 and 49 for blended premium structure.
- The minimum sum insured is \$50,000. The maximum sum insured is up to \$5,000,000 for an income earning insured person (from all sources, including insurance cover of a similar type issued by any insurer, including Resolution Life).
- The minimum yearly premium is \$250 (including the plan fee).
- The insured person meets Resolution Life's underwriting criteria.
- The policy expiry age of the insured person is 75 (or earlier if nominated).

The product is generally underwritten, which means full details about the insured person's health, medical history, occupation, income, sports, and pastimes must be provided in the personal statement. The product is not suitable for consumers who do not meet Resolution Life's underwriting criteria or want cover specifically for a pre-existing condition.

## Class of consumers

### Class of consumers

The product is designed for a class of consumers who meet the eligibility criteria listed above and expect to have the financial capacity to pay premiums (and any applicable fees or government charges) when due, to retain the product for the period it is intended to be held, subject to policy expiry.

Because the product is held inside superannuation, the class of consumers in the target market for the product must:

- Want to obtain insurance cover within superannuation and fund the premiums via superannuation contributions for the Life Insurance SMSF plan or superannuation contributions and/or rollovers, if applying for insurance cover in the TPD Insurance Superannuation plan.
- Have a sufficient superannuation balance or contributions to meet the premiums and their retirement objectives.
- Can afford sufficient levels of cover to allow for potential taxation consequences at claim or can afford to receive a reduced benefit amount after allowing for potential taxation consequences at claim.
- Understand and accept that a condition of release under superannuation law must be met before any benefit can be paid to the insured person.

### Likely objectives, financial situation and needs

The product is designed for a class of consumers who have outstanding debts or financial commitments of a personal nature in the event the insured person was unable to work again because of total and permanent disablement.

Outstanding debts and financial commitments of a personal nature include but are not limited to mortgage and other debt servicing costs (eg personal loan and credit card), replacement income of the insured person, medical treatment, rehabilitation costs, home modification, and personal care.

The objective of consumers in the target market is to replace the income the insured person would have earned if they had not become totally and permanently disabled.

### Appropriateness of the product for the class of consumers

Broadly, the class of consumers in the target market have outstanding debts or financial commitments of a personal nature in the event of the insured person's total and permanent disability. Resolution Life has assessed the product and formed a view that because the product pays a lump sum benefit on the total and permanent disability of the insured person, it is likely to meet the likely objectives, financial situation and needs of consumers in the target market.

### Excluded class of consumers

The product is not suitable for a class of consumers who:

- Want a superannuation product with an investment component.
- Want to nominate a beneficiary that is not a dependant under superannuation law or their estate.
- Want cover for business insurance purposes that is owned by the business.
- Cannot afford sufficient levels of cover to meet potential taxation consequences at claim.
- Have insufficient retirement savings to meet their retirement goals.

<p><b>Distribution conditions and restrictions</b></p>	<p><b>Distribution channels</b></p> <p>The product is designed to be distributed by:</p> <ul style="list-style-type: none"> <li>• Financial advisers, who are authorised representatives of an Australian Financial Services Licensee (AFSL) authorised to distribute the product.</li> <li>• Resolution Life, for consumers who no longer have a financial adviser and come direct to Resolution Life via the contact centre or website. This will only occur where the consumer has initiated contact with Resolution Life and the consumer falls within the target market for the product.</li> </ul> <p><b>Distribution conditions and restrictions</b></p> <ul style="list-style-type: none"> <li>• The product may only be distributed to Resolution Life customers. This is defined as any individual or entity that is a policy owner or an insured person under a life policy insured by Resolution Life.</li> <li>• The consumer must meet the eligibility criteria for the product.</li> </ul> <p><b>Appropriateness of the distribution conditions and restrictions</b></p> <p>Resolution Life is of the view that the distribution conditions and restrictions will make it more likely that the consumers who acquire the product are in the target market.</p> <p>Consumers who obtain personal advice via a financial adviser are more likely to be in the target market for the product because financial advisers consider the consumer's individual objectives, financial situation and needs.</p>
<p><b>Review triggers</b></p>	<p>The specific events and circumstances (review triggers) that may reasonably suggest that the TMD is no longer appropriate include:</p> <ul style="list-style-type: none"> <li>• The commencement of a significant change in the law that materially affects the design and/or distribution of the product.</li> <li>• Product performance is materially inconsistent with Resolution Life's expectations having regard to sales, policy lapses and cancellation, claims and loss ratios.</li> <li>• The use of a regulator's Product Intervention Powers in relation to the design and/or distribution of the product.</li> <li>• Significant or unexpectedly high number of complaints regarding product design, product availability, claims, and distribution of the product.</li> <li>• Resolution Life determines that a significant dealing in the product has occurred.</li> </ul>

<b>Review period</b>	Subject to intervening review triggers, the initial TMD will be reviewed within the three year period after 5 October 2021. Ongoing TMD reviews will be completed within a maximum period of three years from the date of the last review.
<b>Distribution reporting</b>	<p><b>Complaints</b></p> <p>Distributors must report all consumer complaints (as defined in section 994A(1) of the Act) regarding the product to Resolution Life every six months. The report must be submitted within 10 business days following the end of March and September.</p> <p><b>Note:</b> The first report is due 30 September 2022 and will cover the period from 5 October 2021 to 30 September 2022.</p> <p><b>Significant dealings</b></p> <p>Distributors must report any significant dealing in the product to Resolution Life in writing within 10 business days of becoming aware of the dealing.</p>

## Contact us

If you would like to know more about how Resolution Life can help you, please visit [resolutionlife.com.au](https://resolutionlife.com.au), or contact one of the following:

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### What you need to know

This document is issued by Resolution Life Australasia Limited ABN 84 079 300 379, AFSL No. 233671 (Resolution Life) the product issuer of the TPD Insurance SMSF plan and insurance cover in the TPD Insurance Superannuation plan. The TPD Insurance Superannuation plan is issued by Equity Trustees Superannuation Limited (ETSL) ABN 50 055 641 757, AFSL No. 229757, RSE Licence L0001458 as trustee for the National Mutual Retirement Fund (NMRF) ABN 76 746 741 299.

The 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 and certain other information. It forms part of Resolution Life'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.

Any advice or information in this document is general in nature and is provided by Resolution Life. It does not consider your personal objectives, financial situation or needs. Therefore, before acting on this advice or information, you should consider the appropriateness of the advice or information having regard to those matters as well as the relevant PDS, available from Resolution Life at [resolutionlife.com.au](https://resolutionlife.com.au) or by calling **133 731**, before making a decision about the product. Consider speaking to a financial adviser if you have any concerns. If you decide to purchase or vary a financial product, Resolution Life will receive fees and other benefits, which will be a dollar amount or a percentage of either the premium you pay or the value of your investments. You can ask Resolution Life for more details.

Resolution Life's privacy policy covers how it handles your personal information and is available at [resolutionlife.com.au/privacy](https://resolutionlife.com.au/privacy) or by calling **133 731**. For more information regarding the privacy policy of the trustee, ETSL, please visit [eqt.com.au/global/privacystatement](https://eqt.com.au/global/privacystatement).