

Target Market Determination

Elevate Insurance – Risk-only superannuation product

1. About this document

This Target Market Determination (TMD) contains information on the Elevate Insurance (Elevate) risk-only superannuation product (the product) as part of the National Mutual Retirement Fund (NMRF) ABN 76 746 741 299. This TMD provides consumers, distributors and staff with an understanding of the class of consumers for which the product has been designed, having regard to the likely objectives, financial situation and needs of the target market.

Although the life insurance and superannuation products are related (because the life insurance product is acquired via the superannuation product), they are distinct products with separate TMDs. Distributors must have regard to both this TMD and the TMDs prepared by Resolution Life Australasia Limited (Resolution Life) ABN 84 079 300 379 as issuer of the death/life, total and permanent disability (TPD) and income insurance cover in the Elevate risk-only superannuation product.

This document is not to be treated as a full summary of the product's terms and conditions and is not intended to provide financial advice. Consumers must refer to the Elevate Insurance Product disclosure statement and plan document (PDS), and any supplementary documents when making a decision about the product. The PDS can be located at resolutionlife.com.au/insurance/life-insurance.

2. Class of consumers that fall within the target market

The target market for the product comprises of a class of consumers who:

- Want to obtain life insurance cover within the superannuation environment including Death/Life Insurance, TPD Insurance and Income Insurance.
- Want to pay insurance premiums funded by personal contributions, spouse contributions, employer contributions or by rollover from another complying superannuation fund.
- Will have a sufficient superannuation balance or contributions to meet retirement objectives after premium payments have been made.

- 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 in accordance with superannuation law must be met before any benefit can be paid from the superannuation fund to the life insured or their nominated beneficiary.

Excluded class of consumers

The product is not suitable for a class of consumers:

- Seeking a superannuation product with an investment component.
- Wishing to nominate a beneficiary that is not a dependant under superannuation law or their estate.
- Wanting cover for business insurance purposes and intending to own the insurance through a business.
- Who cannot afford sufficient levels of cover to meet potential taxation consequences at claim.
- Who have insufficient retirement savings to meet retirement goals.

For a full list of excluded consumers and eligibility criteria, refer to the relevant insurance cover TMDs issued by Resolution Life at resolutionlife.com.au/target-market-determinations.

Product description

The product is for risk-only superannuation issued by Equity Trustees Superannuation Limited (ETSL) (the issuer and trustee) as trustee of the National Mutual Retirement Fund (NMRF) (the fund). It provides eligible consumers the ability to obtain life risk insurance cover within a superannuation environment and fund the premiums from superannuation contributions or rollovers from another complying superannuation fund.

The underlying policy is a contract of life insurance between Resolution Life and the issuer and does not govern a consumer's membership of the fund. Membership of the fund is governed by the fund's trust deed and superannuation laws.

Any benefits paid under the life insurance policy will be paid to the trustee. Premiums paid for the policy are paid by the trustee to Resolution Life after the trustee receives a sufficient contribution or rollover in respect of the member.

Key product attributes

Premium types

The product offers the following premium types:

- **Variable age-stepped premiums** (formerly ‘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.

A variable age-stepped premium structure is suitable for consumers who prefer a lower starting cost or are uncertain of how long their cover will be held. A variable age-stepped premium structure is not suitable for consumers who do not have the financial capacity to meet increasing premiums over time as a stepped premium structure will usually increase each year as the consumer gets older.

- **Variable premiums** (formerly ‘Level premiums’).

Variable premiums don’t increase each year as the insured person gets older and generally stay the same for each layer of cover during the term of your plan. However, they may increase and are not guaranteed to stay the same as when your policy commenced. For example, Variable premiums will increase if you increase the sum insured or you’ve selected automatic inflation increases for your plan or if we review the premium rates for your product as a whole. A layer of cover is made up of your initial sum insured and additional layers are made up of any increases in sum insured you apply for or increases due to plus any automatic inflation. Variable premiums change to Variable age-stepped premiums from the first extension date after the insured person turns 70 (or earlier if nominated). Variable premiums are not available for Income Insurance.

A variable premium structure is suitable for consumers who are comfortable with higher starting costs and those that consider that they will hold cover for a longer term as they will benefit from the cost that is averaged over time. This premium structure is not suitable for consumers who may consider early policy termination due to the cover attracting higher starting costs.

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

Tax

A consumer who becomes a member of the fund may be eligible to receive a range of tax concessions subject to eligibility. Further information and updated eligibility criteria are available at ato.gov.au.

Insurance

The product offers access to a range of life insurance cover including:

- Death/Life Insurance.
- Total and Permanent Disablement (TPD) Insurance.
- Income Insurance.

The table following sets out the target market suitability for each insurance attribute.

Insurance key attributes	Target market suitability
Death/Life Insurance	<p>Death/Life Insurance provides a lump sum payment if the insured person dies or is diagnosed with a terminal illness.</p> <p>This product is designed for a class of consumers who have outstanding debts or financial commitments that will need to be met in the event of the insured person’s death or terminal illness.</p>
TPD Insurance	<p>TPD Insurance provides a lump sum payment if the insured person becomes totally and permanently disabled.</p> <p>This product is designed for a class of consumers who have outstanding debts or financial commitments that will need to be met if the insured person was unable to work again because of total and permanent disablement.</p>
Income Insurance	<p>Income Insurance provides an ongoing monthly benefit (of up to 70% of pre-disability income) while the insured person is unable to work or in a reduced capacity because of injury or sickness.</p> <p>This product is designed for a class of consumers who have a need to replace a portion of their income in the event that the insured person is unable to earn their income (or are only able to earn a lower income) because of an injury or sickness.</p>

Note: The insurance products are 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 insurance products are not suitable for consumers who do not meet Resolution Life’s underwriting criteria or want cover specifically for a pre-existing condition.

Consistency between target market and the product

The issuer considers that the product is likely to be consistent with the likely objectives, financial situation and needs of consumers within the target market because:

- The product has been designed to be distributed to consumers who receive personal advice.
- There is a range of life insurance options to cater for a broad range of life insurance needs (including type and level of cover).
- The product accepts the full range of contributions permitted under the law.
- The premiums (and any applicable fees or government charges) associated with the insurance products are consistent with market rates for the applicable insurance cover.

3. How the product is to be distributed

Distribution channels

- The product is distributed exclusively through financial advisers, who are authorised representatives of an Australian Financial Services Licensee (AFSL) authorised to distribute the product and through Resolution Life, for consumers who no longer have a financial adviser and go 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.
- Consumers can not apply for the product directly. Also, the product is only issued to a consumer whose application for insurance has been accepted by Resolution Life.

Distribution conditions

- The product may only be distributed to existing Resolution Life customers. This is defined as any individual or entity that is an existing policy owner or an insured person under a life insurance policy issued by Resolution Life.
- The consumer is an Australian citizen, permanent Australian resident, New Zealand citizen, or the holder of an eligible visa and eligible to contribute to superannuation.
- The consumer meets Resolution Life's underwriting criteria for the insurance products.
- The consumer must expect to have the financial capacity to pay contributions to fund premiums (and any applicable fees or government charges) when due, to retain the product for the period it is intended to be held.

Distributors must also ensure that they comply with all regulatory provisions relating to financial products including but not limited to the provision of financial advice, anti-hawking provisions and other legislative requirements within the *Corporations Act 2001* (Cth) and other relevant law.

Adequacy of distribution conditions and restrictions

The issuer has determined that the distribution conditions and restrictions will make it likely that consumers who purchase the product are in the class of consumers for which it has been designed. The issuer considers that the distribution conditions and restrictions are appropriate and will assist distribution in being directed towards the target market for whom the product has been designed.

In making this determination, the issuer has had particular regard to the following:

- A consumer must either have had direct contact with a financial adviser who is an authorised representative of an AFSL authorised to distribute the product or initiated contact with Resolution Life directly.

- The product will be issued to a consumer only if the consumer's application for insurance has been accepted by Resolution Life.
- A consumer must expect to have the financial capacity to pay contributions to fund premiums (and any applicable fees or government charges) when due, to retain the product for the period it is intended to be held.

4. Reviewing this TMD

The issuer will review this TMD in accordance with the below:

Periodic reviews

Three years from the effective date.

Review triggers or events

The specific events and circumstances (review triggers) that may reasonably suggest that the TMD is no longer appropriate include (but are not limited to):

- A business performance review or adverse finding from a member outcomes assessment.
- A material change to the design or distribution of the product, including related documentation.
- The occurrence of a significant dealing.
- Distribution conditions found to be inadequate.
- External events such as adverse media coverage or regulatory changes that affect the product or the distribution of the product.
- Significant changes in metrics, including (but not limited to) complaints, sales volumes or increase in cancellation rates during the cooling-off period.
- The use of a regulator's Product Intervention Powers in relation to the product.

Where a review trigger has occurred, the TMD will be reviewed within 10 business days.

Identifying review triggers

Resolution Life should promptly identify whether a Review trigger or other event of circumstance has occurred to suggest the TMD is no longer appropriate from the following kinds of information:

- the six monthly consumer complaint reports from distributors (see below),
- occurrence of a review trigger,
- concern from a regulator regarding the product or any element of the product,
- a number of adverse determinations from AFCA regarding the product or any element of the product.

5. Reporting and monitoring this TMD

Distributors have the obligation to report the following information to the issuer in relation to the product.

Complaints

Distributors must report all consumer complaints regarding the product or its distribution to the issuer at six monthly intervals (end of March and September). The report must be submitted within 10 business days following the end of the reporting period. This will include written details of the complaints.

Significant dealings

Distributors must report to the issuer in writing if they become aware of a significant dealing in relation to the product within 10 business days of becoming aware of the significant dealing.

Reporting for complaints and significant dealings should be sent to the issuer, care of Resolution Life:

email: ddoreporting@resolutionlife.com.au

mail: Resolution Life
PO Box 14330
MELBOURNE VIC 8001

Contact us

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

phone 133 731
email askus@resolutionlife.com.au
mail Resolution Life
PO Box 14330
MELBOURNE VIC 8001

What you need to know

The information contained in this target market determination is general information only and is not intended to be construed as either personal advice or a product recommendation. You should make your own enquiries as to the suitability of this product for your personal financial needs and circumstances and obtain and read a copy of the PDS for further information before making an investment and/or insurance decision.

This document is issued by Equity Trustees Superannuation Limited ABN 50 055 641 757, AFSL No. 229757, RSE Licence L0001458 (ETSL) as trustee of the National Mutual Retirement Fund (NMRF) ABN 76 746 741 299, the product issuer of the Elevate Insurance risk-only superannuation product.

For more information regarding the privacy policy of the trustee, ETSL, please visit eqt.com.au/global/privacystatement.