



Target Market Determination (TMD)

MLC Essentials
NAB Essentials

Issuer of this TMD: 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

This product is closed to new customers.

MLC Essentials and NAB Essentials comprise of Essential Life (including terminal illness), Essential Accidental Death, Essential Critical Illness and Essential Injury.

The consumers in the target market are required to either be an Australian citizens, Australian permanent residents, or New Zealand citizens residing in Australia. They must have also received the PDS in Australia.

MLC Essentials and NAB Essentials offer cover for claimable events listed in this TMD, in accordance with the terms and conditions outlined in the PDS.

Who the product may be suitable for

The target market includes:

- consumers who meet underwriting, residency and other eligibility requirements
- consumers who have the financial capacity to pay the premiums over the period they intend to hold the product, and
- consumers 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, or
 - New Zealand citizens residing in Australia
- those that do not meet the eligibility requirements, including residency, and underwriting (where applicable)
- those who want fixed or guaranteed premiums
- those who have been diagnosed with osteoporosis (applicable to Essential Injury cover only), and
- those contemplating self-harm.

Likely financial situation of the consumer

As the premiums may vary from time to time, 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, or
- family or other relationships, either personal or business.

Essential Life

Who the product may be suitable for

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

- die, or
- become terminally ill.

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 product 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 product 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.

Product description

Essential Life pays a lump sum if the life insured:

- dies, or
- is diagnosed with a terminal illness.

Eligibility

Application age (inclusive):

- 18–64

Exclusions

Exclusions that may apply to this product include:

- Suicide, attempted suicide or intentional self-inflicted injury or illness within 13 months from starting, increasing (for the increased amount) or reinstating your Policy.
- Being under the influence of alcohol or drugs unless taken under the direction of a medical practitioner.
- Involvement in criminal activity.
- Participating in mountaineering, rock climbing, motor sports, scuba diving at a depth of more than 30* metres or flying other than as a passenger on a regularly scheduled flight of a licensed commercial airline.
- Working underground, with explosives or at heights greater than 10 metres.
- refer to your policy document for information on whether pre-existing conditions may be covered or excluded.

*40 metres for NAB Essentials

If the customer doesn't meet underwriting criteria for Essential Life, they may be offered Accidental Death.

Essential Accidental Death

Who the product may be suitable for

The consumer wants to lower their financial risk in the event of the life insured's accidental death.

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 product 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 accidental death, and
- have the capacity to pay potentially variable premiums on an ongoing basis.

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

Product description

Essential Accidental Death pays a lump sum if the life insured dies as a result of an accident.

Eligibility

Application age (inclusive):

- 18–64

Exclusions

Exclusions that may apply to this product include:

- Suicide, attempted suicide or intentional self-inflicted injury or illness within 13 months from starting, increasing (for the increased amount) or reinstating your Policy.
- Being under the influence of alcohol or drugs unless taken under the direction of a medical practitioner.
- Involvement in criminal activity.
- Participating in mountaineering, rock climbing, motor sports, scuba diving at a depth of more than 30* metres or flying other than as a passenger on a regularly scheduled flight of a licensed commercial airline.
- Working underground, with explosives or at heights greater than 10 metres.
- Working underground, offshore in the oil, gas or petroleum industry, with explosives, or at heights greater than 10 metres.
- Any disease, illness of any kind (including mental illness or surgical treatment).

*40 metres for NAB Essentials

Essential Critical Illness

Who the product 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 product 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 product 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.

Product description

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

Eligibility

Application age (inclusive):

- 18–54

Exclusions

To receive a benefit the insured will need to survive the critical condition for 14 days. Other exclusions include:

- Conditions pre-existing the insurance.
- Not meeting the definition of a listed condition.
- Intentional self-inflicted injury, illness or attempted suicide.
- Being under the influence of alcohol or drugs unless taken under the direction of a medical practitioner.
- Involvement in criminal activity.
- A condition which first appeared, happened or was diagnosed within 90 days of starting, increasing (for the increased amount) or reinstating your policy for certain conditions.
- Surgical procedures when the underlying condition requiring surgical intervention first appears, first happens, or is diagnosed within 90 days of starting, increasing (for the increased amount) or reinstating your policy for certain conditions.

In addition to the above no benefit is payable for Major Head trauma or Severe Burns caused by:

- War or warlike operations.
- Participating in mountaineering, rock climbing, motor sports, scuba diving at a depth of more than 30* metres or flying other than as a passenger on a regularly scheduled flight of a licensed commercial airline.
- Working underground, with explosives or at heights greater than 10 metres.

*40 metres for NAB Essentials

Essential Injury

Who the product may be suitable for

The consumer wants to lower their financial risk if:

- the life insured suffers an accidental injury, or
- the life insured's partner (if insured on the policy) suffers an accidental injury.

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 product 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 accidental injury, and
- have the capacity to pay potentially variable premiums on an ongoing basis.

As the product pays a benefit upon an accidental injury, it is therefore likely to meet the needs, or go towards meeting the needs, of those in the target market.

Product description

Essential Injury pays lump sum payments if the life insured suffers one or more listed fractures as a result of an accidental injury. Essential Injury can also pay one or more instalment payments if, as a result of an accidental injury, you are unable to perform certain activities of daily living without assistance from a full-time caregiver, with additional lump sum payments available to contribute towards reasonable expenses for home assistance and travel to and from medical appointments.

Eligibility

Application age (inclusive):

- 18–64

Injury has customisable benefits, so the customer can choose from different plan options for Injury cover.

Exclusions

Exclusions that may apply to this product include:

- Conditions pre-existing the insurance.
- Intentional self-inflicted injury, illness or attempted suicide.
- Being under the influence of alcohol or drugs unless taken under the direction of a medical practitioner.
- Involvement in criminal activity.
- War or warlike operations.
- Participating in professional sports, or dangerous pursuits including mountaineering, rock climbing, boxing, caving, motor sports, yacht-racing, horse-racing, jet-skiing, martial arts, off-piste skiing, potholing, skydiving, scuba diving at a depth of more than 30* metres or diving in a cave.
- Flying other than as a passenger on a regularly scheduled flight of a licensed commercial airline.
- Working underground, offshore in the oil, gas or petroleum industry, with explosives, or at heights greater than 10 metres.
- Any disease, illness of any kind (including mental illness or surgical treatment).
- Osteoporosis exclusion on Fracture benefits if the condition has been diagnosed before the start of the policy.

In addition, no Living Assist Benefit will be paid if the insured's inability to perform three Activities of Daily Living does not start within 90 days of the Accident.

*40 metres for NAB Essentials

Product attributes (applies to all covers)

Premiums

Premium rates are not guaranteed, so premiums can change over time.

Your premiums are calculated each year based on various factors. For Essential Life and Essential Critical Illness, your premium is based on the benefit amount and the life insured's gender, smoking status, and age. The premium will usually increase each year as the benefit amount increases with indexation, and as the life insured gets older.

For Essential Injury and Essential Accidental Death, your premium is based on the benefit amount and the life insured's age on the date the policy began. The premium will usually increase each year as your benefit amount increases with indexation, but the premium does not increase with age.

Premiums will also change if

- you change your benefit amount by changes, including because of indexation increases or by requesting an increase;
- the government, makes changes to duties or there are changes to stamp duty or other charges, or
- we change the premium rates, discounts or policy fees.

Note: Essentials Injury and Accidental Death premiums do not increase by age each year.

Payment of premiums

Premiums can be paid by credit card or direct debit from a nominated bank account. If premiums are not paid when due, the policy may lapse, in which case the life insured would no longer be covered and cannot make a claim.

Eligibility criteria

A consumer may be ineligible for cover if they don't meet the eligibility criteria for this product. Eligibility criteria of the life to be insured could include their:

- age
- residency status, and
- health status.

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

- MLCL reinstates their policy within 30 days of the lapse date due to non-payment of premium, and
- they have satisfied MLCL's reinstatement requirements.

Distribution conditions

For direct (non-advised) market

- 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 must have a license and accepted the MLCL Distribution Agreement.
- The distributor must have approved call scripts, training and processes.

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

For direct (non-advised) market

Consumers of 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 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 and information to assess whether a review trigger has occurred

Review triggers	Assessment information	Timeframe	Who is responsible
<p>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.</p> <p>Note: this trigger is a mandatory review. The product issuer still may choose to undertake a review even if the above review trigger is not met.</p>	<p>Any relevant regulation, legislation and/or ASIC instruments relating to the change in law.</p>	<p>As new changes are introduced.</p>	<p>MLCL</p>
<p>2 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.</p>	<p>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.</p>	<p>As soon as practicable, or in any event, within 10 business days after the end of each calendar quarter.</p>	<p>MLCL and our distribution partners.</p>
<p>3 Material change to key product design, features, and/or fees that would reasonably suggest that this TMD is no longer appropriate.</p>	<p>Notification of proposed material change to key product design, features, and/or fees.</p>	<p>As material changes are made.</p>	<p>MLCL</p>
<p>4 Significant dealing in the product which the regulated person becomes aware is not consistent with the TMD.</p>	<p>A dealing in the product which the distributor (as the regulated person) becomes aware is not consistent with this TMD.</p>	<p>As a significant dealing is identified.</p>	<p>MLCL and our distribution partners.</p>
<p>5 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.</p>	<p>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.</p>	<p>As soon as practicable, or in any event, within 10 business days after the end of each calendar quarter.</p>	<p>MLCL and our distribution partners.</p>

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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