



Target Market Determination (TMD)

MLC Term Insurance

(formerly part of a product suite issued by National Australia Financial Management) which includes:

- National Term Life
- National Staff Term Life
- National Business Life
- National Yearly Renewable Term
- National TraumaCare

Issuer of this TMD: MLC Limited (MLCL)

Date of TMD: 26 March 2025

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Note: These products are 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 disclosure document and is not a summary of the product features or terms of the product.

Key things to know

These products are closed to new customers.

Who the product may be suitable for

The target market includes:

- consumers who meet eligibility, underwriting, and residency 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), in accordance with the terms and conditions of the policy.

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

- MLCL reinstates their policy within 12 months of the lapse date due to non-payment of premium, and
- they have satisfied MLCL's reinstatement requirements.

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 whose home or personal loan is not with a Creditor registered with an Australian regulatory authority approved by us
- those that do not meet the eligibility requirements (unless prior written approval has been provided)
- those that do not meet the underwriting requirements
- consumers who want fixed or guaranteed premiums, 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.

Life / Death

Who the benefit may be suitable for

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

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

Financial risks include financial and financial-in-kind commitments, where the consumer has a responsibility to pay money or provide goods or services. The consumer may currently be responsible, or anticipate being responsible, for these financial risks.

These financial or financial-in-kind commitments include, but are not limited to:

- mortgage and other debt servicing costs
- income or revenue replacement
- medical and rehabilitation costs
- transportation and accommodation costs
- personal care
- palliative care
- business commitments, and/or
- business succession funding costs.

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 life insured's 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

Life / Death pays a lump sum if the life insured:

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

Eligibility

Entry age (entry ages may vary depending on original application terms) is between 15–69, on stepped premiums.

Exclusions

Exclusions that may apply to this benefit include, but are not limited to:

- Suicide exclusion for Life or Terminal Illness in first 13 months of starting, reinstating or increasing (for the increased amount) the policy.
- Intentional self-inflicted injury or attempted suicide (applicable to Terminal Illness).

Total and Permanent Disablement

Who the benefit may be suitable for

The consumer wants to lower their financial risk if the life insured becomes totally and permanently disabled and incapable of engaging in:

- meaningful gainful employment, or
- independent living.

Financial risks include financial and financial-in-kind commitments, where the consumer has a responsibility to pay money or provide goods or services. The consumer may currently be responsible, or anticipate being responsible, for these financial risks.

These financial or financial-in-kind commitments include, but are not limited to:

- mortgage and other debt servicing costs
- income or revenue replacement
- medical and rehabilitation costs
- transportation and accommodation costs
- personal care
- palliative care
- business commitments, and/or
- business succession funding costs.

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 total and 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 Disablement pays a lump sum if the life insured:

- suffers a total and permanent disability, meaning they cannot work again in their normal occupation, or any similar occupation they are reasonably suited to by education, training or experience
- suffers either a specified loss of use for those performing Home Duties, a permanent inability to perform at least two Activities of Daily Living, or
- after age 65, if they suffer a Loss of Independent Existence.

Eligibility

Entry age (entry ages may vary depending on original application terms) is between 15–59, on Stepped premiums.

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

Exclusions

Exclusions that may apply to this benefit include, but are not limited to:

- intentional self-inflicted injury or attempted suicide,
- 90-day exclusion/qualifying periods for certain critical conditions

Critical Illness / Trauma

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 and financial-in-kind commitments, where the consumer has a responsibility to pay money or provide goods or services. The consumer may currently be responsible, or anticipate being responsible, for these financial risks.

These financial or financial-in-kind commitments include, but are not limited to:

- mortgage and other debt servicing costs
- income or revenue replacement
- medical and rehabilitation costs
- transportation and accommodation costs
- personal care
- business commitments, and/or
- business succession funding costs.

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 / Trauma pays a lump sum if the life insured is diagnosed with or suffers a specified critical illness.

Eligibility

Entry age (entry ages may vary depending on original application terms) between 15–59, on Stepped premiums.

Exclusions

Exclusions that may apply to this product include, but are not limited to, intentional self-inflicted injury or attempted suicide.

Product attributes (applies to all benefits)

Premiums

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

These benefits have stepped premiums. Stepped premiums are calculated each year based on the life insured's age and will usually increase each year as they get older.

Premiums may change for several reasons, including if:

- the benefit changes, including if there is an automatic change to the terms of the benefit 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 the increases without further medical evidence feature (or its equivalent) is exercised
- there are changes to stamp duty or other charges, or
- we change the premium rates, discounts or policy fees.

Payment of premiums

Premiums can be paid on a monthly, half-yearly or annual basis via direct debit or credit card.

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.

Benefit type

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

Eligibility criteria

Certain persons may be ineligible for benefit if they do not meet the eligibility criteria for this product. The eligibility criteria of the life to be insured could include their:

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

[^]Subject to the terms of your policy, to be eligible for Total and Permanent Disablement benefit 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 subject to underwriting terms and conditions. Where the life insured does not meet minimum working hours, the circumstances where they are able to claim may be different.

Benefit customisability

The products include additional options and customisable benefits.

Total and Permanent Disablement and Critical Illness / Trauma may be added to a Term Insurance policy, subject to terms and conditions of the product.

Underwriting process

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

Distribution conditions

For distribution via personal advice

Alterations to cover must be submitted by a suitably authorised financial adviser (ie authorised in life risk products), operating under an appropriate Australian Financial Services Licence (AFSL) who has accepted the MLCL Distribution Agreement and has 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 relevant disclosure document.
- 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 MLCL Distribution Agreement 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 the consumers' 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 consumers who do not meet the relevant demographic and eligibility requirements, and
- provide consumers with a relevant disclosure document.

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		Assessment information	Timeframe	Who is responsible
1	<p>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 may choose to undertake a review even if the above review trigger is not met.</p>	Any relevant regulation, legislation and/or ASIC instruments relating to the change in law.	As new changes are introduced.	MLCL
2	<p>Product performance is materially inconsistent with the product issuer's expectations, having regard to:</p> <ul style="list-style-type: none"> a. Lapse rate b. Claim decline rate c. Claim withdrawn rate d. Product claim paid ratios 	<p>During the review period, the expected and actual:</p> <ul style="list-style-type: none"> a. Lapse rate b. Claim decline rate c. Claim withdrawn rate d. Product claim paid ratios <p>The product issuer has detailed specific assessments for each trigger.</p>	Aligned to TMD review period.	MLCL
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.	MLCL and our Distribution Partners.
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.	MLCL
5	Significant dealing in the product which the regulated person becomes aware is not consistent with the TMD.	Any relevant regulation, legislation and/or ASIC instruments relating to the change in law.	As new changes are introduced.	MLCL

Distributor reporting requirements

- Complaints and the nature of the complaints regarding product design, product availability, claims and distribution conditions. 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 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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