



Target Market Determination (TMD):

- MLC Insurance
- MLC Insurance (Super)
- MLC Insurance (Wrap or SMSF)

Issuer:	MLC Limited
Date of TMD:	5 October 2021
Version:	1.0
APIR code:	MLC8464AU
IMI code:	AU450FI6179

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 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 product disclosure document before making a decision whether to buy this product.

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Target market

1. Likely objectives of consumers in the target market*

Life Cover	Total and Permanent Disablement	Critical Illness Note: Not available to MLC Insurance (Super) or MLC Insurance (Wrap or SMSF)	Occupationally Acquired HIV, Hepatitis B or C Note: Not available to MLC Insurance (Super) or MLC Insurance (Wrap or SMSF)	Income Protection	Business Expenses Note: Not available to MLC Insurance (Super) or MLC Insurance (Wrap or SMSF)
The consumer wants to reduce their exposure where they have (or envisage that in the future they will or may have) outstanding financial or financial-in-kind commitments and (for life cover) financial commitments of dependents or the Estate that will not be satisfied in the event/s listed below.				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 illness or injury.	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 that will not be able to meet if the life insured is incapable of engaging in meaningful gainful employment.
The life insured's: <ul style="list-style-type: none"> • Death • Terminal Illness • Accidental Injury (where applicable under the product terms). 	The life insured is incapable of engaging in: <ul style="list-style-type: none"> • meaningful gainful employment, or • independent living due to total and permanent disablement. 	The life insured suffers a specified critical illness.	The life insured is diagnosed with HIV or Hep B or C acquired through the workplace. The consumer is a listed medical professional.		
Stepped premiums are designed to cater for a consumer's shorter term need for the insurance.					
Level premiums are designed to cater for a consumer's longer term need for the insurance.					
The target market excludes those contemplating self-harm.					
For MLC Insurance (Super) and MLC Insurance (Wrap and SMSF)					
<p>An individual 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:</p> <ul style="list-style-type: none"> • the insurance premiums must be paid from a super fund or by making a contribution to a super account; • any insurance claim will be paid via the trustee of the super fund, who must also approve payment of the benefit; • if the consumer dies and has not made a valid binding death beneficiary nomination, the trustee of the super fund may determine the beneficiary or beneficiaries who will receive the death benefit; • the qualifying definitions under which an insurance claim can be paid must be consistent with legislated superannuation rules called 'conditions of release'; • the legislated 'conditions of release' must be satisfied before benefits, including an insurance claim, can be paid to the member, and • taxation may apply to benefit payments paid to the member or beneficiary. 					

2. Likely financial situation of consumers 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 potential relevant sources of financial capacity (consumer must have at least one) are:

- Is earning income;
- Has personal savings;
- Has superannuation; or
- Otherwise has financial capacity to pay premiums.

3. Demographic and eligibility requirements of consumers in the target market*

Requirements	Life Cover	Total and Permanent Disablement	Critical Illness Note: Not available to MLC Insurance (Super) or MLC Insurance (Wrap or SMSF)	Occupationally Acquired HIV, Hepatitis B or C Note: Not available to MLC Insurance (Super) or MLC Insurance (Wrap or SMSF)	Income Protection	Business Expenses Note: Not available to MLC Insurance (Super) or MLC Insurance (Wrap or SMSF)
MLC Insurance Entry age	For MLCI: Stepped: 11-70 Level: 16-60	16-60 (19-60 if taken as an extension to Critical Illness)	19-60	19-60	19-60	19-60
MLC Insurance (Super) MLC Insurance (Wrap or SMSF) Entry age	For MLC Insurance (Wrap or SMSF): Stepped: 16-65 Level: 16-60	16-60 (19-60 if taken as an extension to Critical Illness)	N/A	N/A	19-60	N/A
Australian permanent resident	✓	✓	✓	✓	✓	✓
Gainfully employed	-	✓ (Cover may be available for Home Duties)	-	✓	✓	✓

* A consumer, who previously held an MLC Insurance policy or was covered by a MLC Insurance (Super) policy that lapsed due to non-payment of premium, who has applied to have their policy reinstated within six months of the lapsation and has satisfied MLCL's reinstatement requirements, will still be within the target market, irrespective of whether they otherwise fall within the target market described above.

Product description

Cover types	Type of claim payment		Ownership
MLC Insurance offers cover for events listed below, in accordance with the terms and conditions outlined in the Product Disclosure Statement (PDS).	Lump sum	Monthly payment/s	Available under MLC Insurance (Super) or MLC Insurance (Wrap or SMSF)
<p>Life Cover – In the event the life insured:</p> <ul style="list-style-type: none"> dies; or is diagnosed with a terminal illness; or suffers an accidental injury (specified terms). 	✓	-	✓
<p>Total and Permanent Disablement – In the event the life insured:</p> <ul style="list-style-type: none"> suffers a permanent disability, meaning they cannot work again in their usual occupation, or any other occupation they are reasonably suited to (depending on whether own or any occupation TPD is chosen); or 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 (specified terms). <p>Note: With MLC Insurance (Super) and MLC Insurance (Wrap or SMSF) in all cases, the Life Insured must also be Permanently Incapacitated (as required by SIS where the cover commenced after 30 June 2014) and meet all other terms and conditions outlined in the Product Disclosure Statement (PDS).</p>	✓	-	✓
<p>Critical Illness – In the event the life insured:</p> <ul style="list-style-type: none"> is diagnosed with or suffers a specified critical illness (specified terms). 	✓	-	-
<p>Occupationally Acquired HIV, Hepatitis B or C – In the event the life insured:</p> <ul style="list-style-type: none"> is exposed to HIV, Hep B or Hep C through their work as a listed medical professional. 	✓	-	-
<p>Income Protection – In the event the life insured is:</p> <ul style="list-style-type: none"> unable to work due to illness or injury; or partially restricted in performing their duties and suffering a reduction in income due to illness or injury. <p>Note: With MLC Insurance (Super) and MLC Insurance (Wrap or SMSF) in all cases, the Life Insured must also have satisfied a period of Temporary Incapacity and meet all other terms and conditions outlined in the Product Disclosure Statement (PDS).</p>	-	✓	✓
<p>Business Expenses – In the event the life insured is:</p> <ul style="list-style-type: none"> unable to work due to illness or injury; and is incurring listed/claimable ongoing business expenses in their absence. 	-	✓	-

Key product attributes		Life Cover	Total and Permanent Disablement	Critical Illness	Occupationally Acquired HIV, Hepatitis B or C	Income Protection	Business Expenses
Available via super environment, i.e. MLC Insurance (Super) or MLC Insurance (Wrap or SMSF)		✓	✓	-	-	✓	-
Premium structure – premiums can change over time for both level and stepped premium options. Level premiums are designed to spread the costs of the premiums over the life of the policy. Premiums are higher in the early years and lower in later years compared to stepped premiums.		✓	✓	✓	✓	✓	✓
The payment of premiums – if premiums are not paid when due, the policy may lapse, in which case the policy owner would no longer be covered and cannot make a claim. The product provides insurance benefits only and does not provide for any accumulation of savings.		✓	✓	✓	✓	✓	✓
Eligibility criteria – certain persons may be ineligible for cover if they do not meet the eligibility criteria for this product. Eligibility criteria of the life to be insured could include: <ul style="list-style-type: none"> • the age; • employment status; • residency status; and • health status. 		✓	✓	✓	✓	✓	✓
There are standard exclusions including but not limited to:	Suicide exclusion for Life or Terminal Illness in the first 13 months of policy start, reinstatement or increase.	✓	-	-	-	-	-
	Conditions pre-existing the insurance.	-	✓	✓	✓	✓	✓
	Self-inflicted injury or attempted suicide.	-	✓	✓	✓	✓	✓
	War or warlike operations.	-	-	-	-	✓	✓
	90-day exclusion/qualifying periods for certain critical conditions.	-	-	✓	-	-	-
There are ancillary and/or customisable benefits.		✓	✓	✓	✓	✓	✓
Underwriting process - could also impact the price of the product, the sum insured, and the terms and conditions of the insurance policy.		✓	✓	✓	✓	✓	✓

Why the product attributes will make it more likely that the consumers who acquire the product are in the target market

Life benefit

Broadly, the target market comprises those who have or expect to have outstanding financial commitments that will not be satisfied in the event of their own or another person's (i.e. the life insured's) death or terminal illness and who 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.

Total and Permanent Disablement benefit

Broadly, the target market comprises those who have or expect to have outstanding financial commitments that will not be satisfied in the event of their own or another person's (i.e. the life insured's) permanent disability, and who have the capacity to pay potentially variable premiums on an ongoing basis. As the product pays a lump sum on permanent disability it is therefore likely to meet the needs, or go towards meeting the needs, of those in the target market.

Critical Illness benefit

Broadly, the target market comprises those who have or expect to have outstanding financial commitments that will not be satisfied if they or another person (i.e. the life insured's) suffer a critical illness, and who 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 critical illness, it is therefore likely to meet the needs, or go towards meeting the needs, of those in the target market.

Occupationally Acquired HIV, Hepatitis B or C benefit

Broadly, the target market comprises medical professionals who have or expect to have outstanding financial commitments that will not be satisfied if they or another person (i.e. the life insured) acquires HIV or Hep B or C through the workplace, and who have the capacity to pay potentially variable premiums on an ongoing basis. As the product pays a lump sum on the life insured acquiring HIV, Hep B or Hep C in the workplace, it is therefore likely to meet the needs, or go towards meeting the needs, of those in the target market.

Income Protection benefit

Broadly, the target market comprises those who have or expect to have outstanding financial commitments that will not be satisfied in the event of their own (i.e. the life insured's) sickness, illness or accident and who have the capacity to pay potentially variable premiums on an ongoing basis. As the product pays a periodical monthly benefit while disabled, it is therefore likely to meet the needs, or go towards meeting the needs, of those in the target market.

Business Expenses benefit

Broadly, the target market comprises those who have or expect to have outstanding financial commitments that will not be satisfied in the event of their own (i.e. the life insured's) sickness, illness or accident and who have the capacity to pay potentially variable premiums on an ongoing basis. As the product pays a periodical monthly benefit while disabled, it is therefore likely to meet the needs, or go towards meeting the needs, of those in the target market.

Distribution conditions

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 AFSL who has accepted the MLCL Distribution Agreement and has attained a licensee code and adviser code.

For distribution via general advice

- 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;
- Distributor must provide the customer with the PDS;
- Distributor has structured training and/or quality assurance standards;
- The customer meets application screening questions; and
- 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 acquire a Product cover and 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 that do not meet the relevant demographic and eligibility requirements;
- provide customers with a PDS.

Review triggers and information to assess whether a review trigger has occurred

Review triggers		Assessment information	Timeframe	Who is responsible
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.	MLC Limited with information supplied.
2	Product performance is materially inconsistent with the product issuer's expectations, having regard to: <ul style="list-style-type: none"> a. product claim ratios; b. the number of paid, denied and withdrawn claims; c. the number of policies sold; and d. policy lapse rates. 	During the review period, the expected and actual: <ul style="list-style-type: none"> a. claims ratio; b. number of paid, declined and withdrawn claims; c. number of policies sold; d. number of policies lapsed. 	Aligned to TMD Review Period.	MLC Limited.
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.	MLC Limited 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.	MLC Limited.
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.	MLC Limited and our Distribution Partners.

TMD review periods

The maximum initial period before this TMD is reviewed (initial review period)

Subject to intervening review triggers, no more than three years.

The maximum period before this TMD is reviewed (after initial review period)

Subject to intervening review triggers, no more than three years.

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.