

Target Market Determination (TMD): Protection *first* range (PF), which includes:

- MLC Protection - Life
- MLC Protection - Recovery Money
- MLC Protection - Flexible Recovery Money
- MLC Protection - Stand Alone Recovery Money
- MLC Protection - Income Gold
- MLC Protection - Income Excell
- MLC Protection - Income Daily Living
- MLC Protection - Business Expenses

Note: This product is not open to new customers.

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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 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.

Insurance is issued by MLC Limited ABN 90 000 000 402 AFSL 230694. MLC Limited uses the MLC brand under licence from the Insignia Financial Group. MLC Limited is part of the Nippon Life Insurance Group and is not a part of the Insignia Financial Group.

Target market for MLC Protection*first* range

1. Likely objectives of consumers in the target market

THIS PRODUCT IS CLOSED TO NEW CUSTOMERS.

Life Cover	Total and Permanent Disablement	Critical Illness [^]	Income Protection	Income Daily Living [^]	Business Expenses [^]
<p>The consumer wants to reduce their exposure where they have (or envisage that in future they will or may have) outstanding financial or financial-in-kind commitments (this includes for Business Insurance purposes), and (for life cover) financial commitments of dependents or the Estate or their Business that will not be satisfied in the event/s listed below.</p>			<p>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.</p>	<p>The consumer has (or envisages that in future they will or may have) outstanding financial commitments that will not be satisfied should they be substantially disabled due to illness or injury.</p>	<p>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 be met if the life insured is incapable of engaging in meaningful gainful employment.</p>
<p>The life insured's:</p> <ul style="list-style-type: none"> • Death • Terminal Illness • Accidental Injury (where applicable under the product terms). 	<p>The life insured is incapable of engaging in:</p> <ul style="list-style-type: none"> • meaningful gainful employment, or • independent living <p>due to total and permanent disablement.</p>	<p>The life insured suffers a specified critical illness.</p>	<p>Premium structure – premiums can change over time for both level and stepped premium options. Premium rates are not guaranteed.</p> <p>Stepped premiums are based on your age and will usually increase each year as you get older to reflect the increasing likelihood of claim.</p> <p>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 which increase as you get older.</p> <p>Your premiums will also change:</p> <ul style="list-style-type: none"> • If you add or remove an option; • If you change your benefit amount by indexation, exercise the Increases without further medical evidence feature or by requesting an increase; • If the government, makes changes to duties or charges; or • If we change the premium rates or policy fees. 		
<p>The target market excludes:</p> <ul style="list-style-type: none"> • Those contemplating self-harm. <p>Those who are not:</p> <ul style="list-style-type: none"> • Australian citizens, or • Australian permanent residents, or • New Zealand citizens residing in Australia, or • Those with certain temporary visas who do not meet our underwriting terms and conditions in relation to residency. 					

[^] Not available inside super

- Those that do not meet the eligibility requirements (unless prior written approval has been provided).
- Those that do not meet the underwriting requirements.
- Certain occupations for some benefit types.
- Consumers who want fixed or guaranteed premiums.

For Protection *first* range sitting inside super:

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:

- the insurance premiums must be paid from a super fund or by making a contribution or rollover to a super account;
- any insurance benefit will be paid via the trustee of the super fund, who must also independently review and approve payment of the benefit;
- if the consumer dies and has not made a valid binding death benefit nomination, the trustee of the super fund will determine the beneficiary or beneficiaries who will receive the death benefit;
- the qualifying definitions under which an insurance benefit can be paid must be consistent with legislated superannuation rules called 'conditions of release';
- the legislated 'conditions of release' must be satisfied before an insurance benefit can be released by the trustee of the super fund to the member; and
- taxation may apply to benefit payments paid to the member or beneficiary; and
- where superannuation savings are used to pay premiums, this will reduce the superannuation balance available to consumers in retirement and consumers should consider whether payment of premiums via superannuation will inappropriately erode their retirement income.

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:

- earning income;
- having personal savings; or
- having superannuation; or
- otherwise having financial capacity (e.g. family or other relationships either personal or business) to pay premiums to retain the product for the period of time it is intended to be held.

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

Requirements	Life Cover	Total and Permanent Disablement	Critical Illness^	Income Protection	Income Daily Living^	Business Expenses^
Protection ^{first} range Entry age (next birthday)	11-50 Level Premium 11-70 Stepped Premium	17-60 Level Premiums 17-64 Stepped Premiums 17-60 Stand Alone	17-60 Level Premiums 17-64 Stepped Premiums 17-60 Stand Alone	20-60	20-65	20-60
Protection ^{first} range inside super Entry age (next birthday)	18-50 Level Premium 18-70 Stepped Premium	18-60 Level Premiums 18-65 Stepped Premiums 18-60 Stand Alone	N/A	20-60	N/A	N/A
Australian citizen, or Australian permanent resident, or A New Zealand citizen residing in Australia, or Consumers with certain temporary visas subject to underwriting terms and conditions.	✓	✓	✓	✓	✓	✓
Gainfully employed	-	✓ (Cover may be available for Home Duties)	-	✓	✓ (Cover may be available to homemakers)	✓

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

- MLCL reinstate their policy within six months of the lapse date due to non-payment of premiums and have satisfied MLCL's reinstatement requirements.
- They exercise an option to continue, convert or buyback cover under the policy terms of their PDS.
- MLCL allow them to replace their existing cover as a result of a change of ownership.

^ Not available inside super

Product description

Cover types	Type of claim payment		Ownership
	Lump sum*	Monthly payment/s	Available under Super or eligible wrap platform
<p>MLC Protection <i>first</i> range offers cover for events listed below, in accordance with the terms and conditions outlined in the Product Disclosure Statement (PDS).</p> <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 or diagnosed as ‘being unable to perform the Activities of Daily Living’ (specified terms). <p>Note: With insurance inside super 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>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 insurance inside super 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>✓</p> <p>Note: MLC Protection - Income Gold is not available inside super</p>
<p>Income Daily Living – In the event the life insured is:</p> <ul style="list-style-type: none"> substantially disabled due to illness or injury. 	-	✓	-
<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. 	-	✓	-

*Lump sum covers can be purchased as

- Stand alone, these are independent of all other covers.
- Linked cover these are attached to another cover. You pay less for this structure because any claim payment on one cover will reduce the benefits of the covers they are attached to.

Key product attributes		Life Cover	Total and Permanent Disablement	Critical Illness	Income Protection	Income Daily Living	Business Expenses
Available via super environment.		✓	✓	-	✓ <small>Note: MLC Protection - Income Gold is not available inside super</small>	-	-
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 early years and lower in later years compared to stepped premiums.		✓	✓	✓	✓	✓	✓
<p>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.</p> <p>Premium payment frequency and method:</p> <ul style="list-style-type: none"> ability to pay premiums on a monthly, quarterly, half-yearly or annual basis ability to pay premiums via direct debit, credit card, BPay, eligible wrap account for applicable products. ability to pay premiums by rollover from external super fund for applicable products (Only annual premium frequency is allowed using this method). <p>The product provides insurance benefits only and does not provide for any accumulation of savings and has no future surrender value.</p>		✓	✓	✓	✓	✓	✓
<p>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:</p> <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 first 13 months of policy start, reinstatement or increase.	✓	-	-	-	-	-
	Participation in criminal activity or incarceration.	-	-	-	✓	✓	✓
	Self-inflicted injury or attempted suicide.	-	✓	✓	✓	✓	✓

Key product attributes		Life Cover	Total and Permanent Disablement	Critical Illness	Income Protection	Income Daily Living	Business Expenses
There are standard exclusions including but not limited to:	War, or an act of war.	-	-	-	✓	✓	✓
	Participation in an insurrection.	-	✓	-	-	-	-
	Normal and uncomplicated pregnancy or childbirth	-	-	-	✓	✓	✓
	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 cover

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 (ie 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 cover

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 (ie 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 cover

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 (ie 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.

Income Protection cover

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 (ie 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.

Income Daily Living cover

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 (ie the life insured's) disability and who have the capacity to pay potentially variable premiums on an ongoing basis. As the product pays a periodical monthly benefit while substantially disabled, it is therefore likely to meet the needs, or go towards meeting the needs, of those in the target market.

Business Expenses cover

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 (ie 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 (ie authorised in life risk products), 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.
- 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; and
- 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. Cancel from Inception rate b. Lapse rate c. Claim decline rate d. Claim withdrawn rate e. Product claim paid ratios. 	During the review period, the expected and actual: <ul style="list-style-type: none"> a. Cancel from Inception rate b. Lapse rate c. Claim decline rate d. Claim withdrawn rate e. Product claim paid ratios. <p>The product issuer has detailed specific assessments for each trigger.</p>	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 period

This TMD shall be reviewed as follows:

First review

Within 12 months from the date of this TMD.

Subsequent reviews

At least every three years after the end of the previous review.

This TMD may be reviewed more frequently if a Review Trigger occurs.

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. These should be reported as they are identified.