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ONECARE SUPER TARGET MARKET DETERMINATION

About this document

This document is a Target Market Determination (TMD). It sets out the target market for the OneCare Super product. This TMD also sets out how the product is distributed, review periods and triggers relating to the TMD, and reporting on and monitoring of the TMD. It forms part of OPC's design and distribution framework and is required under section 994B of the *Corporations Act 2001* (Cth).

This TMD has been prepared to give consumers and distributors an understanding of the target market for OneCare Super, based on the objectives, financial situation and needs of the class of consumer comprising the target market.

This document is not a Product Disclosure Statement (PDS) and does not set out all the 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 for OneCare and OneCare Super before making a decision to apply for this product. The PDS can be found at onepath.com.au.

Consumers may want to consider obtaining personal financial advice to ensure the cover they select is tailored to their personal objectives, financial situation and needs. At a minimum however, consumers must obtain personal or general financial advice in relation to any cover obtained through OneCare Super.

The issuer of OneCare Super is OPC. OPC is a part of the Insignia Financial Group of companies, comprising Insignia Financial Ltd ABN 49 100 103 722 and its related bodies corporate (Insignia Financial Group). Insurance in the OneCare Super product is underwritten by Zurich Australia Limited (Zurich, OnePath) ABN 92 000 010 195, AFSL 232510. Zurich is a company within the Zurich Financial Services Australia group of companies. OPC and Zurich are not related bodies corporate.

This document has 7 key sections:

- **Section 1:** The Target Market for OneCare Super
- **Section 2:** The product and key attributes including objectives, financial situation and needs of consumers in the Target Market for Life Cover
- **Section 3:** The product and key attributes including objectives, financial situation and needs of consumers in the Target Market for TPD Cover
- **Section 4:** The product and key attributes including objectives, financial situation and needs of consumers in the Target Market for Income Secure Cover
- **Section 5:** The product and key attributes including objectives, financial situation and needs of consumers in the Target Market for Extra Care Cover
- **Section 6:** Conditions and restrictions on distribution
- **Section 7:** OPC's TMD review process

Section 1: The Target Market for OneCare Super

The target market for OneCare Super is based on the four types of insurance cover that are available through the product. The target market for the OneCare Super product is:

- **Life Cover** – any person who has or expects to have dependants and has or expects to have outstanding financial commitments that will not be met in the event of their death or terminal illness diagnosis;
- **Total and Permanent Disability (TPD) Cover** – any person who has or expects to have outstanding financial commitments that will not be met in the event of their total and permanent disability;
- **Income Secure Cover** – any person who has or expects to have outstanding financial commitments that will not be met in the event they suffer an illness or injury which prevents them from earning income;
- **Extra Care Cover** – any person who has or expects to have dependants and has or expects to have outstanding financial commitments that will not be met in the event of their accidental death or terminal illness diagnosis.

Additionally, the below requirements apply to all the above cover types.

Persons within the OneCare Super target market must:

- want the option of Life, Total and Permanent Disablement and/or Income Protection insurance cover in superannuation (and meet the suitability criteria as described in the Eligibility requirements section of their preferred product);
- have capacity to pay premiums on an ongoing basis; and
- have received personal or general financial advice in relation to their insurance cover.

OneCare Super is not suitable for:

- those seeking a superannuation product with an investment component;
- those who are seeking automatic insurance cover without undergoing a medical or health assessment; and/or
- those who are seeking insurance cover but do not meet the suitability criteria as described in the Eligibility requirements of their preferred product.

The OneCare Super product provides insurance protection only, so that benefits are only payable if an insured event occurs. It is not a savings product and does not accumulate a cash or surrender value.

Section 2: Product and key attributes including objectives, financial situation and needs of consumers in the Target Market – Life Cover

2.1 Product Description

Life Cover is designed for consumers with the needs and objectives set out below. It pays either (but not both):

- a lump sum benefit if the life insured dies; or
- an early payment of the lump sum benefit in the case of terminal illness diagnosis, to help the life insured get their financial affairs in order.

The product allows for TPD Cover and/or Trauma Cover held outside superannuation to be linked to Life Cover. When covers are linked in this way, the Life Cover sum insured is reduced by claims for linked TPD or Trauma Cover. The product includes the option to buy back or reinstate at a later time, Life Cover reduced by a TPD or Trauma claim.

2.2 Target market

Objectives and needs

Life Cover is designed to provide financial protection for a personal consumer who has one or more of the following objectives and needs:

- has or expects to have dependants and wants to continue providing financial support for the dependants in the event of their death or terminal illness diagnosis.
- has or expects to have outstanding financial commitments that will not be satisfied by their estate and any other insurance, or superannuation benefits, in the event of their death or terminal illness diagnosis. The financial commitments may include (but are not limited to) mortgage and other debt-servicing costs, income replacement and funeral costs. In the case of a terminal illness diagnosis, they can also include medical costs, transport expenses and accommodation costs, and personal and palliative care.

When cover may be suitable

Life Cover may be suitable for consumers who:

- meet the eligibility requirements outlined below;
- seek an amount of cover that can be tailored to meet their individual needs or circumstances;
- are willing to undergo an assessment conducted by OnePath in relation to health and medical history, occupation, pursuits and pastimes to obtain insurance cover, and are willing to accept restrictions, loadings or exclusions determined by OnePath following that assessment; or who have an eligible existing OnePath insurance policy and may wish to transfer their existing cover to OneCare Super without the need for a health or medical assessment;
- are engaged in an occupation or a class of activity for which OnePath provides insurance cover; and
- have capacity to pay premiums on an ongoing basis over the timeframe identified for financial protection.

When cover may not be suitable

Life Cover may not be suitable for consumers who:

- seek automatic insurance cover without health or medical assessment;
- are ineligible for underwritten cover on the basis of medical history, occupation (for example, hazardous occupations), high-risk pursuits or pastimes;
- already hold sufficient insurance cover or are otherwise able to meet financial commitments in the event that the life insured dies or is diagnosed with a terminal illness;
- are unable to fund premiums over the timeframe identified for financial protection; or
- are seeking cover for any benefit which is subject to any of the exclusions outlined on page 4.

Financial capacity

Life Cover is designed for consumers who have the financial capacity to purchase it and to hold it over the timeframe identified for financial protection, i.e. a consumer who has the financial capacity to pay premiums in accordance with the chosen premium structure, fees and government charges. This is important for two reasons:

- the cost of cover will generally increase over time;
- cover will be cancelled, and the life insured won't be covered, if premiums are not paid.

Appropriate consumers for Life Cover will thus be able to ensure payment of insurance premiums, which may be funded by personal contributions, spouse contributions, employer contributions or by rollover from another superannuation fund.

2.3 Product design and key attributes

Product value

Life Cover provides value to consumers because it provides a benefit in the event of the life insured's death or terminal illness diagnosis, that can be used to clear debts, assist family with living expenses or achieve family goals or estate planning.

Extra-cost options may be selected to tailor cover to consumers, based on their needs, cash-flow, willingness to self-insure and affordability.

Eligibility requirements

When applying for Life Cover, consumers must satisfy **all** of the following*:

- are aged between 15 and 74;
- are seeking a sum insured of least $50,000;
- are in Australia; and
- have Australian residency or are in the process of applying for permanent Australian residency.

* Where OnePath issues a new policy for one of the scenarios below, the consumer will still be considered eligible and within the target market:
– replacement of existing cover as a result of a change of ownership; or
– policy reinstatement after cancellation due to non-payment of premium; or
– exercising an option to continue, convert or buy back cover, under the policy terms outlined in the PDS.

Life Cover provides a lump sum benefit if the life insured dies or is diagnosed with a terminal illness and the above eligibility criteria provides parameters for consumers for whom Life Cover is likely to be suitable.

Life Cover is subject to OnePath's assessment of health, occupation, and pastimes and so:

- consumers with pre-existing health conditions may not be eligible for cover;
- consumers in certain occupations may not be eligible for cover;
- consumers who participate in high-risk pursuits or pastimes may not be eligible for cover.

Consumers who apply for this product are comfortable to provide OnePath with information about their health, financial situation, lifestyle, and pastimes for OnePath's assessment and they understand that the outcome of the assessment may impact the premiums, the sum insured and the terms of the insurance policy, or cover may be declined.

Premium structure

The product is suitable for consumers who have capacity to pay premiums on an ongoing basis over the timeframe identified for financial protection.

Stepped premiums generally increase each year based on rates for the consumer's age. Level premiums for the benefit amount at policy outset are based on the age of the consumer when cover begins.

Level premiums are 'averaged out' or smoothed, which means they are generally higher than stepped premiums during the initial years, but lower than stepped premiums in later years. Level premiums may be more cost effective than stepped premiums for a consumer's longer term need for insurance. Level premiums don't stay level for the life of the policy. Level premiums convert to stepped premiums on the policy anniversary when the life insured is 65.

Stepped premiums may be more suitable where there is a preference for lower upfront cost or there is uncertainty as to how long cover will be held. Level premiums may be more suitable where cover is to be held for a duration such that the level premiums are expected to result in lower overall cost than stepped premiums and where the consumer is comfortable with higher upfront costs, particularly in the event of early policy terminations.

Whether stepped or level premiums apply, premium rates aren't guaranteed and can change. Detailed information on understanding premiums, what factors impact them and why they change is available in the PDS.

Key exclusions

The following events are not covered under Life Cover:

- death caused by suicide in the first 13 months of any cover or any reinstated cover commencing. This also applies to any increases in cover (excluding indexation increases) after the cover starts and any cover bought back under buy-back options. This exclusion does not apply under certain circumstances as listed in the PDS where the product is replacing similar insurance under another policy issued by OnePath or another insurer; and
- for the Extended Terminal Medical Condition Benefit, terminal illness if the illness or injury is caused or arises, directly or indirectly, from the life insured's intentional self-inflicted act.

Life Cover may be subject to additional exclusions, based on OnePath's assessment of an application.

Full details regarding the terms and conditions of the product are available in the PDS.

2.4 Appropriateness of the product for the target market

The target market is consumers who:

- have or expect to have dependants;
- have or expect to have outstanding financial commitments that will not be met in the event of their death or terminal illness diagnosis; and
- have capacity to pay premiums on an ongoing basis.

As the product pays a lump sum on death or terminal illness diagnosis, it is likely to meet the needs, or go towards meeting the needs, of consumers in the target market.

Section 3: Product and key attributes including objectives, financial situation and needs of consumers in the Target Market – TPD Cover

3.1 Product Description

Total and Permanent Disability (TPD) Cover is designed for consumers with the needs and objectives set out below. It pays a lump sum if the life insured suffers a permanent disability that meets the selected or allocated TPD definition.

TPD cover can be selected as stand-alone cover or it can be linked to Life Cover under OneCare Super and/or Trauma Cover outside superannuation. When TPD Cover is linked to other covers, a TPD benefit payment reduces the sum insured of the other linked covers, and benefit payments under other linked covers will reduce the sum insured of the TPD Cover. The product includes the option to buy back or reinstate at a later time, Life Cover reduced by a TPD claim.

A life insured's TPD Cover can be supplemented with cover outside of superannuation.

There are four definitions of TPD available, as follows:

- Any occupation TPD
- SuperLink TPD
- Home-maker TPD
- Non-working TPD (a more severe level of disability).

These definitions are described briefly below, with full definitions available in the PDS.

3.2 Target market

Objectives and needs

TPD Cover is suitable for consumers who have one or more of the following objectives and needs:

- to cover existing or future outstanding financial commitments that will not be satisfied by any other insurance, or superannuation benefits, in the event they become totally and permanently disabled. The financial commitments may include (but are not limited to) mortgage and other debt-servicing costs, home modifications and mobility aids.
- to fund an income gap in the event of paid work changing or ceasing as a result of TPD.

The four definitions of TPD are designed for the needs of different consumers, as follows:

- 'Any occupation TPD' is a broad definition, designed for consumers in most occupations. It allows for TPD assessment against any occupation to which the life insured is suited by education, training, or experience.
- 'SuperLink TPD' provides 'Any occupation TPD' funded by and owned in OneCare Super which can be linked to 'Own occupation TPD' held outside superannuation. 'Own occupation TPD' does not form part of the life insured's TPD cover within OneCare Super.
- 'Home-maker TPD' is designed for consumers who describe their main occupation as maintaining the family home.
- 'Non-working TPD' provides a base level of TPD Cover, which pays for very severe illness or injury based on permanent day-to-day living functional impairment criteria. It is designed for consumers who meet one or more of the following criteria:
  - are unable to obtain more comprehensive cover due to health, occupation or pastimes;
  - elect to take a limited level of cover as a way of putting some low-cost cover in place;
  - wish to top-up existing cover.

When cover may be suitable

TPD Cover may be suitable for consumers who:

- meet the eligibility criteria outlined on page 7;
- seek an amount of cover that can be tailored to meet their individual needs or circumstances;
- are willing to undergo an assessment conducted by OnePath in relation to health and medical history, occupation, pursuits and pastimes to obtain insurance cover, and are willing to accept restrictions, loadings or exclusions determined by OnePath following that assessment; or who have an eligible existing OnePath insurance policy and may wish to transfer their existing cover to OneCare Super without the need for a health or medical assessment;
- are engaged in an occupation or a class of activity for which OnePath provides insurance cover; and
- have capacity to pay premiums on an ongoing basis over the timeframe identified for financial protection.

When cover may not be suitable

TPD Cover may not be suitable for consumers who:

- are engaged in an occupation for which OnePath does not provide insurance cover;
- seek automatic insurance cover without health or medical assessment;
- are ineligible for underwritten cover on the basis of medical history, occupation (for example, hazardous occupations), high-risk pursuits or pastimes;
- already hold sufficient TPD cover or are otherwise able to meet financial commitments in the event they become totally and permanently disabled;
- are unable to fund premiums over the timeframe identified for financial protection; or
- are seeking cover for any benefit which is subject to any of the exclusions outlined on page 7.

Financial capacity

TPD Cover is designed for consumers who have the financial capacity to purchase it and to hold it over the timeframe identified for financial protection, i.e. a consumer who has the financial capacity to pay premiums in accordance with the chosen premium structure, fees, and government charges. This is important for two reasons:

- the cost of cover will generally increase over time;
- cover will be cancelled, and the life insured won't be covered, if premiums are not paid.

Appropriate consumers for TPD Cover will thus be able to ensure payment of insurance premiums, which may be funded by personal contributions, spouse contributions, employer contributions or by rollover from another superannuation fund.

3.3 Product design and key attributes

Product value

TPD Cover provides value to consumers because it can help consumers cope financially in the event they suffer a permanent disability that meets the selected or allocated TPD definition. It provides a lump sum which can be used for various purposes, including but not limited to:

- paying for disability related costs, including treatment and rehabilitation;
- paying for changes to lifestyle, for example, to refit and modify the home as necessitated by the disability;
- enabling the life insured's partner to reduce their working hours to look after the life insured or, alternatively, to fund a carer;
- paying off or reducing mortgages or any other debts previously serviced by the life insured's income; and
- providing a reserve to use as an income replacement.

Extra-cost options may be selected to tailor cover to consumers, based on their needs, cash-flow, willingness to self-insure and affordability.

Consumers can select to have TPD Cover as stand-alone cover or linked to Life Cover under OneCare Super and/or Trauma Cover outside superannuation. Linking cover helps reduce overlap in cover and costs.

Eligibility requirements

When applying for TPD Cover, consumers must satisfy **all** of the following*:

- are aged between 15 and 60 (or between 15 and 74 for 'Non-working TPD');
- are seeking a sum insured of at least $50,000;
- are in Australia; and
- have Australian residency or are in the process of applying for permanent Australian residency.

TPD cover provides a lump sum if the life insured is totally and permanently disabled due to illness or injury. It assists in meeting financial commitments and the above eligibility criteria provides parameters for consumers for whom TPD cover is likely to be suitable.

TPD Cover is subject to OnePath's assessment of health, financial information, occupation, and pastimes, and so:

- the 'Any occupation TPD' definition is only available to consumers who are gainfully employed for a minimum of 15 hours per week;
- not all occupations have a choice of definitions;
- not all occupations are eligible for cover;
- the 'Home-maker TPD' definition may be available if the primary role is as a home duties person;
- consumers with pre-existing health conditions may not be eligible for cover; and
- consumers who participate in high-risk pursuits or pastimes may not be eligible for cover.

Consumers who apply for this product are comfortable to provide OnePath with information about their health, financial situation, lifestyle, and pastimes for OnePath's assessment and they understand that the outcome of the assessment may impact the premiums, the sum insured and the terms of the insurance policy, or cover may be declined.

* Where OnePath issues a new policy for one of the scenarios below, the consumer will still be considered eligible and within the target market:
– replacement of existing cover as a result of a change of ownership; or
– policy reinstatement after cancellation due to non-payment of premium; or
– exercising an option to continue, convert or buy back cover, under the policy terms outlined in the PDS.

Premium structure

The product is suitable for consumers who have capacity to pay premiums on an ongoing basis over the timeframe identified for financial protection.

Stepped premiums generally increase each year based on rates for the consumer's age. Level premiums for the benefit amount at policy outset are based on the age of the consumer when cover begins.

Level premiums are 'averaged out' or smoothed, which means they are generally higher than stepped premiums during the initial years, but lower than stepped premiums in later years. Level premiums may be more cost effective than stepped premiums for a consumer's longer term need for insurance. Level premiums don't stay level for the life of the policy. Level premiums convert to stepped premiums on the policy anniversary when the life insured is 65.

Stepped premiums may be more suitable where there is a preference for lower upfront cost or there is uncertainty as to how long cover will be held. Level premiums may be more suitable where cover is to be held for a duration such that the level premiums are expected to result in lower overall cost than stepped premiums and where the consumer is comfortable with higher upfront costs, particularly in the event of early policy terminations.

Whether stepped or level premiums apply, premium rates aren't guaranteed and can change. Detailed information on understanding premiums, what factors impact them and why they change is available in the PDS.

Key exclusions and limitations

Key exclusions

The following events are not covered under TPD Cover:

- an intentional self-inflicted act;
- for the Limited Death benefit, if as a result of the life insured's self-inflicted act, the life insured dies during the first 13 months from the Cover start date for TPD Cover or any reinstated cover. This also applies to any increases in cover after the cover starts.

TPD Cover may be subject to additional exclusions, based on OnePath's assessment of an application.

Key limitations

- 'Non-working TPD' describes a more severe level of disability, for example the total and irreversible inability to perform at least two activities of daily living without the help of another person;
- All TPD definitions convert to 'Non-working TPD' from the policy anniversary following the life insured's 65th birthday. However:
  - if the life insured's occupation is classified as white collar and 'Any occupation TPD' applies, the consumer can apply to continue with the existing TPD definition (capped at $1 million) until the policy anniversary after the life insured is 70. The TPD definition of any insured amounts over $1 million will convert to 'Non-working TPD'.
  - if the life insured's occupation is classified as white collar and 'SuperLink TPD' applies, the consumer can apply to continue with the 'Any occupation TPD' definition (capped at $1 million) until the policy anniversary after the life insured is 70. The TPD definition of any insured amounts over $1 million will convert to 'Non-working TPD'.
- TPD cover over $3 million reduces automatically to $3 million on the policy anniversary after the life insured is 65 and the maximum benefit amount of $3 million will apply across all TPD policies issued by OnePath;
- When TPD Cover is stand-alone or linked to Trauma Cover (held outside superannuation), the life insured must survive without life support for at least 8 days after the date the TPD definition is satisfied;
- Benefit entitlements under 'SuperLink TPD' will first be assessed under the 'Any occupation TPD' definition and requirements of the OneCare Super policy;
- The TPD sum insured payable at claim time is the amount on the earlier of:
  - the date when the selected or allocated TPD definition is met; or
  - where there is a qualification period as part of the definition, the start of that period. This means the benefit amount is based on the date when the life insured stopped work because of the disability that led to the claim. It isn't when evidence confirms that the disability is permanent.

Full details of the terms and conditions of this product are available in the PDS.

3.4 Appropriateness of the product for the target market

The target market is consumers who have or expect to have outstanding financial commitments that will not be met in the event of their total and permanent disability, and who have capacity to pay premiums on an ongoing basis. As the product pays a lump sum on total and permanent disability, it is likely to meet the needs, or go towards meeting the needs, of consumers in the target market.

Section 4: Product and key attributes including objectives, financial situation and needs of consumers in the Target Market – Income Secure Cover

4.1 Product Description

Income Secure Cover is designed for consumers with the needs and objectives set out below. It provides a monthly benefit if the life insured is unable to work solely due to an illness or injury that causes ongoing restricted capacity for longer than the waiting period.

4.2 Target market

Objectives and needs

Income Protection is designed to provide financial protection for a consumer who has or expects to have regular and ongoing financial commitments that will not be met in the event of a temporary or long-term disability, which prevents them from earning income.

When cover may be suitable

Income Secure Cover may be suitable for consumers who:

- meet the eligibility requirements outlined on page 10;
- are employed and have or expect to have financial commitments that will not be met in the event they suffer an illness or injury;
- seek cover that can be tailored to meet their individual needs or circumstances (for example, by selecting the amount of cover, the benefit period and the waiting period that suits their needs);
- are working a minimum of 20 hours per week in their principal occupation;
- are willing to undergo an assessment conducted by OnePath in relation to health and medical history, occupation, pursuits and pastimes to obtain insurance cover, and are willing to accept restrictions, loadings or exclusions determined by OnePath following that assessment; or who have an eligible existing OnePath insurance policy and may wish to transfer their existing cover to OneCare Super without the need for a health or medical assessment;
- are engaged in an occupation for which OnePath provides insurance cover; and
- have capacity to pay premiums on an ongoing basis over the timeframe identified for financial protection.

When cover may not be suitable

Income Secure Cover may not be suitable for consumers who:

- are engaged in an occupation for which OnePath does not provide insurance cover;
- are working less than 20 hours a week in their principal occupation;
- seek automatic insurance cover without health or medical assessment;
- are ineligible for underwritten cover on the basis of medical history, occupation (for example, hazardous occupations), high-risk pursuits or pastimes;
- already hold sufficient income protection cover or are otherwise able to meet financial commitments in the event they suffer an illness or injury;
- are unable to fund premiums over the timeframe identified for financial protection; or
- are seeking cover for any benefit which is subject to any of the exclusions outlined on pages 10 and 11.

Financial capacity

Income Secure Cover is designed for consumers who have the financial capacity to purchase it and to hold it over the timeframe identified for financial protection, i.e. a consumer who has the financial capacity to pay premiums in accordance with the available premium structure, fees and government charges. This is important for two reasons:

- the cost of cover will generally increase over time;
- cover will be cancelled, and the life insured won't be covered, if premiums are not paid.

Appropriate consumers for Income Secure Cover will thus be gainfully employed and able to ensure payment of insurance premiums, which may be funded by personal contributions, spouse contributions, employer contributions or by rollover from another superannuation fund.

4.3 Product design and key attributes

Product value

Income Secure Cover insurance provides value to consumers because it replaces some lost income, so that the life insured can concentrate on recovery without having to worry about how to cover ongoing expenses.

The product offers a replacement income solution which can be tailored to consumer needs. Consumers can select an appropriate waiting period and benefit period, depending on the expected cash-flow impact of a temporary or long-term disability. This would also depend on accumulated savings, any other income replacement insurance and sick leave. Extra-cost options may be selected to tailor cover to consumers, based on their needs, cash-flow, willingness to self-insure and affordability.

Eligibility requirements

When applying for Income Secure Cover, consumers must satisfy **all** of the following*:

- are aged between 19 and 60;
- are in gainful employment for a minimum of 20 hours per week;
- are in Australia; and
- have Australian residency or are in the process of applying for permanent Australian residency.

Income Secure Cover provides a monthly benefit if the life insured is unable to work solely due to an illness or injury that causes ongoing restricted capacity for longer than the specified waiting period. It replaces some lost income and the above eligibility criteria provides parameters for consumers for whom Income Secure Cover is likely to be suitable.

Income Secure Cover is subject to OnePath's assessment of health, financial information, occupation, and pastimes and so:

- consumers in certain occupations may not be eligible for cover or may be subject to restrictions on the available benefit periods and the maximum monthly amount insured;
- consumers with pre-existing health conditions may not be eligible for cover; and
- consumers who participate in high-risk pursuits or pastimes may not be eligible for cover.

Consumers who apply for this product are comfortable to provide OnePath with information about their health, financial situation, lifestyle, and pastimes for OnePath's assessment and they understand that the outcome of the assessment may impact the premiums, the monthly amount insured and the terms of the insurance policy, or cover may be declined.

* Where OnePath issues a new policy for one of the scenarios below, the consumer will still be considered eligible and within the target market:
 – replacement of existing cover as a result of a change of ownership; or
 – policy reinstatement after cancellation due to non-payment of premium; or
 – exercising an option to continue, convert or buy back cover, under the policy terms outlined in the PDS.

Premium structure

The product is suitable for consumers who have capacity to pay stepped premiums on an ongoing basis over the timeframe identified for financial protection.

Stepped premiums generally increase each year based on rates for the consumer's age. They may be lower at the start of the policy, on the basis that the customer's health has been recently assessed.

Premium rates aren't guaranteed and can change. Detailed information on understanding premiums, what factors impact them and why they change is available in the PDS.

Key exclusions and limitations

Key exclusions

No benefits will be paid for illness or injury occurring as a direct or indirect result of any of the following:

- an intentional self-inflicted act;
- the life insured's uncomplicated pregnancy, miscarriage or childbirth. However, OnePath will pay benefits if the life insured is Totally Disabled for more than three months from the date pregnancy ends, and continues to be Totally Disabled;
- illicit drug use;
- anything happening to the life insured in war. This exclusion does not apply to any benefit paid on death; and
- participation in criminal activity (and during incarceration due to participation in criminal activity).

Benefits will also not be paid in the following circumstances:

- where the claim arises from a cause other than illness or injury. For example, loss of a professional qualification;
- if the life insured is unemployed when the Illness or injury occurs, unless the life insured is unemployed because of an illness or injury for which they are on claim. However, the life insured will receive complimentary Income Protection cover outside superannuation to cover them if they are in this situation.

Life insurers cannot pay any expenses which:

- the law does not permit life insurers to reimburse; and
- are regulated by the *National Health Act 1953* (Cth) or the *Private Health Insurance Act 2007* (Cth).

Income Secure Cover may be subject to additional exclusions, based on OnePath's assessment of an application.

Key limitations

- This product provides indemnity cover, which means that the monthly benefit payable is based on the life insured's annual income at the time of the claim. The monthly benefit received may be less than the insured monthly benefit if the life insured's income has reduced, or they have periods of unemployment prior to claim. Regular review of insurance cover is important to help ensure it continues to meet consumer needs and objectives, which may change over time.
- Any Income Secure Cover benefits payable cease at the end of the selected benefit period, even if the life insured's disability continues after the end of the benefit period.
- Any Income Secure Cover benefits payable cease at the policy anniversary when the life insured is 65. This includes benefit periods of two and six years, even if the life insured continues to be disabled and the benefit period for the payment has not ended at that time.
- For policies with a two year waiting period or after 24 months on claim, the occupation OnePath uses to assess working capacity is any gainful occupation the life insured is suited for by their education, training, or experience, rather than assessment against their primary occupation.
- To receive a monthly benefit, the life insured must:
  - follow the advice and recommended treatment of a medical practitioner; and
  - actively participate in a rehabilitation or retraining program that they have the capacity to undertake.
- To receive a partial disability benefit, the life insured must have a reduction in income of at least 15% of pre-claim earnings in addition to meeting the other requirements of the partially disabled definition.
- After 24 months on claim, benefit payments will stop when the life insured has a capacity to either:
  - earn an annual income of $300,000 and is working at full capacity in any gainful occupation; or
  - work at full capacity for 40 hours in their primary occupation.
- Monthly benefits will be adjusted to reflect income the life insured receives or is entitled to receive, as well as other payments received in the month because of illness or injury. For example, where a life insured is on claim and is receiving an ongoing income, this will reduce the monthly benefit.

Full details regarding the terms and conditions of this product are available in the PDS.

4.4 Appropriateness of the product for the target market

The target market is consumers who have or expect to have outstanding financial commitments that will not be met in the event they suffer an illness or injury which prevents them from earning income, and who have capacity to pay premiums on an ongoing basis. As the product pays a regular income benefit, it is likely to meet the needs, or go towards meeting the needs, of consumers in the target market.

Section 5: Product and key attributes including objectives, financial situation and needs of consumers in the Target Market – Extra Care Cover

5.1 Product Description

Extra Care Cover is designed for consumers with the needs and objectives set out below. It provides a way of supplementing OneCare Super cover with individual elements of Accidental Death Cover or Terminal Illness Cover.

Extra Care Cover cannot be applied for on its own, and is only available with another product under the OneCare Super product suite (Life Cover, TPD Cover or Income Secure Cover).

Extra Care Accidental Death Benefit: pays a lump sum benefit if the life insured dies as a result of an accident.

Extra Care Terminal Illness Benefit: pays a lump sum benefit if the life insured is diagnosed with a terminal illness.

5.2 Target market

Objectives and needs

Extra Care Cover is designed to complement other OneCare Super cover and provide additional financial protection for consumers, specifically:

- **Extra Care Accidental Death Benefit** is designed to provide financial protection for consumers who have or expect to have outstanding financial commitments in the event of the life insured's accidental death. This could include financial support for the dependents, or the immediate costs associated with a sudden death.
- **Extra Care Terminal Illness Benefit** is designed to provide financial protection for consumers who have or expect to have outstanding financial commitments in the event the life insured is diagnosed with a terminal illness. The financial commitments may include (but are not limited to) mortgage and other debt-servicing costs, income replacement, medical costs, transport expenses and accommodation costs, personal and palliative care. They can also include future funeral costs.

When cover may be suitable

Extra Care Accidental Death Benefit and Extra Care Terminal Illness Benefit are suitable for consumers who:

- meet the eligibility criteria outlined on page 13;
- seek amounts of cover that can be tailored to meet their individual needs or circumstances;
- require additional insurance cover outside the scope of Life Cover, TPD Cover or Income Secure Cover;
- are seeking a sum insured of at least $50,000;
- are willing to undergo an assessment conducted by OnePath in relation to health and medical history, occupation, pursuits and pastimes to obtain insurance cover, and are willing to accept restrictions, loadings or exclusions determined by OnePath following that assessment; or who have an eligible existing OnePath insurance policy and may wish to transfer their existing cover to OneCare Super without the need for a health or medical assessment;
- are engaged in an occupation or a class of activity for which OnePath provides insurance cover; and
- have capacity to pay premiums on an ongoing basis over the timeframe identified for financial protection.

Extra Care Accidental Death Benefit	Extra Care Terminal Illness Benefit
In addition, suitable consumers for Extra Care Accidental Death Benefit may: • expect to have financial commitments that will not be met in the event they die due to an accident; • seek a cost-effective solution to provide a lump sum benefit in the event of accidental death; • seek a higher amount of overall death cover that won't trigger additional medical tests; • wish to access cover for accidental death which will not be impacted by medical loadings; or • wish to access cover for death which would otherwise not be available to them due to their health.	In addition, suitable consumers for Extra Care Terminal Illness Benefit may: • expect to have financial commitments that will not be satisfied by their estate and any other insurance in the event of a terminal illness diagnosis; or • expect to require financial support to cover the expenses associated with a terminal illness.

When cover may not be suitable

Extra Care Accidental Death Benefit & Terminal Illness Benefit may not be suitable for consumers who:

- do not require additional cover outside the scope of Life Cover, TPD Cover or Income Secure Cover;
- seek automatic insurance cover without health or medical assessment;
- are ineligible for underwritten cover on the basis of medical history, occupation (for example, hazardous occupations), high-risk pursuits or pastimes;
- are engaged in an occupation for which OnePath does not provide insurance cover;
- are unable to fund premiums over the timeframe identified for financial protection; or
- are seeking cover for any benefit which is subject to any of the exclusions outlined on page 14.

Financial capacity

Extra Care Cover is designed for consumers who have the financial capacity to purchase it and to hold it over the timeframe identified for financial protection, i.e. a consumer who has the financial capacity to pay premiums in accordance with the chosen premium structure, fees and government charges. This is important for two reasons:

- the cost of cover will generally increase over time; and
- cover will be cancelled, and the life insured won't be covered, if premiums are not paid.

Appropriate consumers for Extra Care Cover will thus be able to ensure payment of insurance premiums, which may be funded by personal contributions, spouse contributions, employer contributions or by rollover from another superannuation fund.

5.3 Product design and key attributes

Product value

Extra Care Cover provides value to consumers due to its design which limits cover to specific situations. Consumers with these specific needs are not required to pay for broad cover which may exceed their needs. Extra Care Cover can be added (subject to OnePath's assessment) and removed to suit the consumer's need without impacting the OneCare Super cover (Life Cover, TPD Cover and Income Secure Cover) it supplements.

Eligibility requirements

When applying for Extra Care Cover, consumers must satisfy **all** of the following*:

- are aged between 15 and 60;
- are applying for, or already holding, other OneCare Super cover under the same policy;
- are in Australia; and
- have Australian residency or are in the process of applying for permanent Australian residency.

Extra Care Cover is subject to OnePath's assessment of health, occupation and pastimes, and consumers with pre-existing health conditions or who participate in high-risk occupations or high-risk pursuits or pastimes may not be eligible for cover.

Consumers who apply for this product are comfortable to provide OnePath with information about their health, financial situation, lifestyle, and pastimes for OnePath's assessment and they understand that the outcome of the assessment may impact the premiums, the sum insured and the terms of the insurance policy, or cover may be declined.

* Where OnePath issues a new policy for one of the scenarios below, the consumer will still be considered eligible and within the target market:
– replacement of existing cover as a result of a change of ownership; or
– policy reinstatement after cancellation due to non-payment of premium; or
– exercising an option to continue, convert or buy back cover, under the policy terms outlined in the PDS.

Premium structure

The product is suitable for consumers who have capacity to pay stepped premiums on an ongoing basis over the timeframe identified for financial protection.

Stepped premiums generally increase each year based on rates for the consumer's age. They may be lower at the start of the policy, on the basis that the customer's health has been recently assessed.

Premium rates aren't guaranteed and can change. Detailed information on understanding premiums, what factors impact them and why they change is available in the PDS.

Key exclusions and limitations

Key exclusions

An Extra Care Accidental Death Benefit will not be paid if, as a result of the life insured's intentional self-inflicted act, they die during the first 13 months of any cover or any reinstated cover commencing. This also applies to any increases in cover (excluding indexation increases) after the cover starts.

Extra Care Cover may be subject to additional exclusions, based on OnePath's assessment of an application.

Key limitations

- An Extra Care Accidental Death Benefit is only payable in the event of accidental death. The cover does not provide a benefit for any other cause of death, for example, illness.
- For Extra Care Terminal Illness Benefit, the life insured must survive 8 days after diagnosis of the terminal illness.
- Only one Extra Care Cover benefit payment for a life insured will be made within any 12-month period, even if the life insured suffers from or is diagnosed with more than one of the insured events under this Cover.
- Covers will end on the date there ceases to be any other Cover types on the policy except Extra Care Cover.

Full details regarding the terms and conditions of this product are available in the PDS.

5.4 Appropriateness of the product for the target market

Extra Care Accidental Death Benefit

The target market is consumers who have or expect to have outstanding financial commitments that will not be met in the event of their accidental death. As the product pays a lump sum benefit on accidental death, it is likely to meet the needs, or go towards meeting the needs, of consumers in the target market.

Extra Care Terminal Illness Benefit

The target market is consumers who have or expect to have outstanding financial commitments that will not be met in the event they are diagnosed with a terminal illness. As the product pays a lump sum benefit on terminal illness diagnosis, it is likely to meet the needs, or go towards meeting the needs, of consumers in the target market.

Section 6: Conditions and restrictions on distribution

Distribution conditions

In light of the obligations under Part 7.8A of the Corporations Act (product design and distribution obligations), an application for OneCare Super for any of the types of insurance cover available through the product must be submitted by a Distributor who is operating under an Australian Financial Services Licence with appropriate authorisations. The Distributor must be authorised by OnePath to distribute the product as per the terms of the distribution agreement. The Distributor may only submit applications for consumers who:

- have received a current OneCare and OneCare Super PDS;
- have been given personal or general financial advice; and
- meet the eligibility criteria set out in this TMD.

The Distributor must consider when the cover may be suitable and when the cover may not be suitable as set out in this TMD.

The Distributor should not sell this product to a consumer who is unlikely to ever be eligible to claim the benefits under the policy.

Where the product is distributed under general advice, the Distributor must also have in place, where appropriate, processes relating to general advice scripting, training, monitoring and quality assurance.

The distribution conditions for OneCare Super are appropriate and will assist in distribution being directed towards the target market.

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

Personal advice

Consumers that obtain personal advice are more likely to be in the target market for OneCare Super because financial advisers have a duty to comply with the statutory 'best interests duty' when providing personal advice.

The Distributor is expected to consider any relevant information obtained about the consumer's financial situation, to ensure that OneCare Super is sold in accordance with this TMD. Relevant information could include (but is not limited to):

- dependants
- employment and income
- other insurance
- debts.

General advice

Consumers that obtain general advice are more likely to be in the target market for OneCare Super providing Distributors follow OnePath's distribution conditions regarding:

- eligibility criteria;
- having considered the suitability of the product; and
- having provided general advice.

In addition, for every application, OnePath's application process will require information covering the key eligibility criteria. If the eligibility criteria are not satisfied, cover will not be provided for those applicants. This will improve the likelihood that cover has been sold to consumers within that target market.

Section 7: OPC's TMD review process

Review triggers

The following events and circumstances (review triggers) will trigger a review of this TMD as they may mean that it is no longer appropriate:

- A significant change in law that materially affects the product design or distribution of the product or class of products that includes this product. This triggers a mandatory review. A review may be undertaken even if this review trigger is not met.
- A significant breach of law by the product issuer.
- Product performance is materially inconsistent with expectations of the appropriateness of the product to consumers having regard to:
  - product claims ratio (i.e. the proportion of premiums returned to members as benefits)
  - average claims handling time
  - the number or rate of paid, denied, and withdrawn claims
  - the number of policies sold
  - policy lapse or cancellation rates
  - percentage of applications not accepted.
- The use of Product Intervention Powers in relation to the distribution or design of the product where this reasonably suggests that the TMD is no longer appropriate.
- Significant or unexpectedly high number of complaints regarding product design, product availability, claims and distribution conditions that would reasonably suggest that the TMD is no longer appropriate.
- A significant dealing in the product outside the target market (except for an excluded dealing) has occurred.
- Changes in medical advances which impact product design or the market for the product.
- Distribution conditions set out in the TMD are otherwise no longer appropriate, such as distribution to consumers that do not meet insurance eligibility requirements.
- The issuer makes a material change to the insurance product terms.

Maximum TMD lifespan

Subject to intervening review triggers, this TMD will be reviewed no more than one year after the effective date of the TMD. Any of the above review triggers will bring forward the annual review.

Reporting period for any complaints about this product

Distributors must report complaints to OPC half-yearly (end of March and September), within 10 business days of the end of the relevant half-year. Complaints data must include sufficient information to understand the substance of each complaint but should not include personal information.

How OPC will decide if this TMD is no longer appropriate

OPC will review the information set out below on a regular basis to ensure that the TMD is still appropriate:

- Regulation and/or ASIC/APRA instruments relating to any change in the law and interpretation.
- Comparison of expected and actual data for the following:
  - product claims ratio (i.e. the proportion of premiums returned to members as benefits)
  - the number or rate of paid, denied, and withdrawn claims
  - the number of policies sold
  - policy lapse or cancellation rates
  - percentage of applications not accepted.
- Any Product Intervention order.
- Complaints regarding product design, claims and distribution conditions.
- A significant dealing in the product of which OPC becomes aware is not consistent with the TMD (within 10 business days of becoming aware of the dealing).

- A determination, made as part of the member outcomes assessment, that the applicable product is not promoting the financial interests of the members of the fund
- The insurance strategy is appropriate for the membership, and that the cost of cover does not inappropriately erode members' retirement savings.

Where relevant, OnePath's product manager will consider actual data against expected amounts, with thresholds around the expected position. Thresholds are set at green, amber and red levels and results in the amber or red thresholds are analysed and monitored more closely and escalated for action as considered appropriate. Metrics are also monitored for trends and step changes.

The following information collected from Distributors will be considered as part of the review:

- Complaints regarding product design, claims and distribution conditions (must be reported to OPC by Distributors within 10 business days of the end of March and September).
- A significant dealing in the product of which the Distributor becomes aware is not consistent with the TMD (must be reported to OPC by Distributors within 10 business days of becoming aware of the dealing).

Contact details

Contact details and reporting instructions are available at **onepath.com.au/tmd**. You can also email us at client.onepath@zurich.com.au

Submitting data to OPC

Distributors may submit data in any of the accepted formats. Refer to the OnePath website for more information: **onepath.com.au/tmd.** OnePath will receive submitted data on behalf of OPC.