

# Target Market Determination

*For Guaranteed Annuities Lifestream Guaranteed Income issued by Resolution Life Australasia Limited ABN 84 079 300 379, AFSL No. 233671*

1 July 2023

**Resolution Life**

## 1. About this document

### When to use this Target Market Determination

This Target Market Determination (TMD) provides customers, distributors and staff an understanding of the class of customers this product has been designed for, having regard to the likely objectives, financial situation and needs of the target market. Further, it sets out how the product is distributed, review periods and triggers relating to the TMD, and reporting and monitoring of the TMD.

This document is not a summary of the product's terms and conditions and is not intended to provide financial advice. Persons interested in acquiring this product should carefully read the Product Disclosure Statement (PDS), Policy Document and any applicable Supplementary Product Disclosure Statement(s) which outline the relevant terms and conditions before making a decision whether to buy this product.

### PDS to which this target market determination applies

This TMD applies to the Guaranteed Annuities product referred to in the following PDS:

- Guaranteed Annuities – Lifestream Guaranteed Income
- Guaranteed Annuities – Lifestream Guaranteed Income via Colonial First State FirstChoice

### Effective date

1 July 2023.

## 2. Class of customers that fall within this target market

The information below summarises the overall class of customers that fall within the target market for this product, and the likely objectives, financial situation and needs that each product variation has been designed to meet.

### Class of customers

This product is designed for the following class of customers:

- individuals or couples approaching retirement who want a guaranteed income using their superannuation or personal savings
- individuals or couples who want the certainty and security of a guaranteed income stream for a fixed term
- individuals who want to provide for their beneficiaries
- Australian companies, trusts or superannuation funds that want a guaranteed income.

## Excluded class of customers

This product is not designed for individuals that:

- are not residing in Australia at the time of application
- are under 18 years of age
- want to invest less than \$10,000
- want to invest more than \$1.6 million with superannuation monies into a fixed term annuity
- want to invest using a currency other than Australian dollars.

## Likely needs and objectives and target markets

The product offers a choice of fixed term annuities (1 to 30 years) for those wanting a guaranteed regular income for a fixed period. Customers will need to consider the time horizon of their investment per the options below.

The product has been designed for those that can afford to pay taxes and any agreed adviser service fees, over the investment period. **Refer to the PDS for more information.**

### Fixed Term Annuities – Short term (1–5 years) and long term (6–30 years) income

<b>Likely needs and objectives</b>	<p>This option has been designed for individuals who:</p> <ul style="list-style-type: none"> <li>• want a guaranteed return on their investment and regular income for a specified period and/or</li> <li>• would like the potential for tax benefits associated with regular payments based on the individual's age.</li> </ul>
<b>Financial situation</b>	<p>This option has been designed for individuals who:</p> <ul style="list-style-type: none"> <li>• seek to invest their superannuation or personal savings for a <b>specified period of time from one year to 30 years</b></li> <li>• not expecting access to their invested capital during this period and/or</li> <li>• can afford to pay taxes and any applicable agreed adviser service fees deducted over the investment period.</li> </ul>

## Appropriateness explanation

Broadly, the target market comprises those wanting a guaranteed income stream using superannuation or personal savings, for a fixed term. As the product provides a guaranteed return on their investment for a fixed term with payment frequency options; it is therefore likely to meet the needs, or go towards meeting the needs, of those in the target market.

## 3. Product design description

An annuity is a low risk investment product and has been designed to guarantee a regular income for a fixed term (fixed term annuities).

### Key product attributes

- Fixed term annuities – can be short term (one to five years) and long term (six to 30 years).
- Can invest with superannuation and non-superannuation monies in Fixed term annuities.

## 4. How this product is to be distributed

### Distribution channels

This product is designed to be distributed through the following channels:

- **Distribution under a personal advice model** – Australian Financial Services Licence (AFSL) holders authorised by Resolution Life to distribute the product has provided the consumer with personal advice in relation to the product. Under this model, the AFSL holder can also distribute the product via a platform, where an appropriate agreement between the platform provider and Resolution Life is in place.
- **Distribution directly by Resolution Life** – through completion of an application form.

### Distribution conditions

This product must only be distributed under the following circumstances:

#### **Distribution under personal advice:**

Distributors must ensure:

- the product is distributed under an appropriate AFSL and authorised by Resolution Life to distribute the product per the terms of a Distribution Agreement
- to provide the customer personal financial advice in relation to the product
- to provide the customer a copy of the current PDS prior to making a decision to purchase the product, and
- the customer meets the product's age, residency and eligibility requirements.

Customers that obtain personal advice are more likely to be in the target market for this product because advisers have a duty to act in their best interest when providing personal advice.

#### **Distribution directly by Resolution Life:**

- to customers who meet the age, residency, identity and other eligibility requirements and
- to customer that have been provided with the PDS, completed the application and tax file number declaration forms in full, have a valid quote and other items outlined in the application checklist.

Customers are more likely to be in the target market if they have completed the items outlined in the application checklist and as part of the application process the Issuer has checked that they are not an excluded class of customer.

## 5. Reviewing this target market determination

We will review this target market determination in accordance with the below:

<b>Initial review</b>	Within 12 months after the effective date.
<b>Periodic reviews</b>	At least every three years from the initial review.
<b>Review triggers or events</b>	<p><b>Review trigger 1:</b> The commencement of a significant change in law that materially affects the product design and/or distribution of the product or class of products that includes this product:</p> <p><b>Review trigger 2:</b> Product performance is materially inconsistent with the product issuer's expectations of the appropriateness of the product to consumers having regard to:</p> <ol style="list-style-type: none"> <li>The number of policies sold</li> <li>Policy lapse or cancellation rates</li> <li>Percentage of applications not accepted.</li> </ol> <p><b>Review trigger 3:</b> The use of Product Intervention Powers in relation to the distribution or design of this product where the product issuer considers this reasonably suggests that this TMD is no longer appropriate.</p> <p><b>Review trigger 4:</b> Significant or unexpectedly high number of complaints regarding product design, product availability, guarantee claims, and distribution condition that would reasonably suggest that the TMD is no longer appropriate.</p> <p><b>Review trigger 5:</b> The product issuer determines that a significant dealing in the product outside the target market (except for an excluded dealing) has occurred.</p>
<b>Information needed for review triggers or events</b>	<p><b>Issuer:</b></p> <p><b>Review trigger 1:</b> Relevant regulation, legislation and/or ASIC instruments relating to the change in law.</p> <p><b>Review trigger 2:</b> During the review period, the expected and actual number of:</p> <ol style="list-style-type: none"> <li>The number of policies sold</li> <li>Policy lapse or cancellation rates</li> <li>Percentage of applications not accepted.</li> </ol> <p><b>Review trigger 3:</b> Relevant Product Intervention order.</p> <p><b>Review trigger 4:</b> Complaint data and the nature of the complaints regarding product design, product availability, claims and distribution conditions.</p> <p><b>Review trigger 5:</b> The product governance/incident management process determines that a significant dealing has occurred.</p> <p><b>All distributors</b></p> <p><b>Review trigger 4:</b> Reports of complaints and the nature of complaints regarding product design, product availability, claims and distribution conditions.</p> <p><b>Review trigger 5:</b> Reports of significant dealings to the issuer.</p>

Where a review trigger has occurred, this target market determination will be reviewed within 10 business days.

## 6. Reporting and monitoring this target market determination

We may collect the following information:

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### Complaints

We will receive reports from the distributors on all complaints in relation to this financial product half-yearly (within 10 business days at the end of March and September). If any such complaints have been received by distributors in the reporting period, we require the number of complaints received.

In addition, where complaints are received during the reporting period that relate to product design, product availability, claims or distribution conditions, we require for each complaint:

- the date complaint was received
- a description of the complaint.

Resolution Life may request additional information from the distributor to further understand the underlying complaint issue.

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### Significant dealings

We will receive reports if our distributors become aware of a significant dealing in the product that is inconsistent with the TMD within 10 business days.

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