

Target Market Determination Income Insurance inside superannuation

Elevate Insurance

References to consumer in the TMD refer to the policy owner. When applying for the Income Insurance SMSF plan, the policy owner is the trustee of the SMSF, and the insured person is a member of the SMSF. When applying for insurance cover in the Income Insurance Superannuation plan, the policy owner is Equity Trustees Superannuation Limited (ETSL) (the issuer and trustee of this product) as trustee of the National Mutual Retirement Fund (NMRF), and the insured person is a member of the NMRF. Where the information is specific to the insured person, the term 'insured person' will be used.

For insurance cover in the Income Insurance Superannuation plan, distributors must have regard to both this TMD and the TMD for the Elevate Insurance – Risk Only Superannuation Product, issued by ETSL. Although the insurance and superannuation products are related (because the insurance product is acquired via the risk only superannuation product), they are distinct products with separate TMDs.

Product	The TMD applies to the following: <ul style="list-style-type: none"> Income Insurance SMSF plan insurance cover in the Income Insurance Superannuation plan referred to as the 'product' in this document
Issuer	Resolution Life Australasia Limited ABN 84 079 300 379 (Resolution Life) is the issuer of the TMD
Effective date	20 June 2022
Version number	2
PDS	Elevate Insurance Product disclosure statement and plan document. Please refer to this PDS for more information about the product before deciding whether to buy the product or continue to hold the product.
Product description and key attributes	<p>The Income Insurance SMSF plan and insurance cover in the Income Insurance Superannuation plan provide an ongoing monthly benefit while the insured person is unable to work because of injury or sickness. This cover is intended as an ongoing income replacement of up to 75% of the insured person's income.</p> <p>A benefit will not be paid if the insured person's injury or sickness was caused by the insured person or the consumer on purpose, an intentional criminal act, uncomplicated pregnancy, miscarriage, or childbirth, or an act of war. Other exclusions or limitations may apply, depending on the insured person's individual circumstances.</p> <p>The Income Insurance SMSF plan is owned by the trustee of the self-managed super fund or Small APRA Super Fund and the insured person must be a member of the self-managed super fund or Small APRA Super Fund.</p>

Product description and key attributes (continued)

Where the consumer applies to have insurance cover in the Income Insurance Superannuation plan, the risk only superannuation product issued by Equity Trustees Superannuation Limited (ETSL) as trustee of the National Mutual Retirement Fund (NMRF), the consumer applies to be a member of the NMRF.

The Income Insurance Superannuation plan is a distinct product with its own TMD which distributors should refer to regarding the design and distribution conditions.

Premiums paid for the Income Insurance SMSF plan are from superannuation contributions. Premiums paid for the Income Insurance Superannuation plan are from superannuation contributions and/or rollovers from another complying superannuation fund.

Any benefit is paid to the trustee, who will release the benefit in accordance with the relevant trust deed and superannuation law.

Premium type

The product offers the following premium types:

- **Stepped premiums:** Change each year on the plan extension date according to the age of the insured person. Generally, premiums increase as the insured person gets older.
- **Level premiums:** Don't increase each year due to the insured person getting older. Level premiums change to stepped premiums from the first extension date after the insured person turns 70 (or earlier if nominated).

Premiums (and any applicable fees or government charges) can change, regardless of the premium type. If Resolution Life review premium rates, any change in the premium rate will apply to all plans of the same type.

Eligibility criteria

- The consumer is an existing Resolution Life customer which is any individual or entity that is a policy owner or life insured under a life policy insured by Resolution Life and has an income protection policy with Resolution Life but requires a new plan for the purpose of reinstatement, change of ownership or other administrative reason.
- The insured person is a member of the self-managed super fund or Small APRA Super Fund applying for Income Insurance SMSF or eligible to become a member of the NMRF if applying for insurance cover in the Income Insurance Superannuation plan.
- The consumer is an Australian citizen, permanent Australian resident, New Zealand citizen or the holder of an eligible visa.
- The insured person is in regular paid work for at least 20 hours per week when applying for the product.
- The minimum and maximum entry age of the insured person when cover is applied for depends on the benefit period. Refer to the following table:

Benefit period	Minimum and maximum entry age of the insured person when cover is applied for	Premium type
Age 60	17 – 54	Stepped and level
Age 65, Age 70, 2 year, 5 year	17 – 59	Stepped and level

- The availability and combination of certain plans/options, benefit periods and waiting periods is dependent on the insured person's occupation.
- There is no minimum monthly benefit, however total cover for the insured person is subject to the minimum yearly premium of \$250 (including the plan fee).
- The maximum monthly benefit is up to \$30,000 (including superannuation contribution amounts insured).

<p>Product description and key attributes (continued)</p>	<ul style="list-style-type: none"> • The insured person meets Resolution Life's underwriting criteria. • The policy expiry age of the insured person is dependent on the benefit period selected. <p>The product is generally underwritten, which means full details about the insured person's health, medical history, occupation, income, sports, and pastimes must be provided in the personal statement. The product is not suitable for consumers who do not meet Resolution Life's underwriting criteria or want cover specifically for a pre-existing condition.</p>
<p>Class of consumers</p>	<p>Class of consumers</p> <p>The product is designed for a class of consumers who meet the eligibility criteria listed above and expect to have the financial capacity to pay premiums (and any applicable fees or government charges) when due, to retain the product for the period it is intended to be held, subject to policy expiry.</p> <p>Given this product is held inside superannuation, the class of consumers in the target market for the product must:</p> <ul style="list-style-type: none"> • Want to obtain insurance cover within the superannuation environment and fund the premiums via superannuation contributions for the Income Insurance SMSF plan or superannuation contributions and/ or rollovers, if applying for insurance cover in the Income Insurance Superannuation plan. • Have a sufficient superannuation balance or contributions to meet the premiums and their retirement objectives. • Can afford sufficient levels of cover to allow for potential taxation consequences at claim or can afford to receive a reduced benefit amount after allowing for potential taxation consequences at claim. • Understand and accept that a condition of release under superannuation law must be met before any benefit can be paid to the insured person. <p>Likely objectives, financial situation and needs</p> <p>The product is designed for a class of consumers who have a need to replace their income in the event that the insured person is unable to earn their income (or are only able to earn a lower income) because of an injury or sickness.</p> <p>The objective of consumers in the target market is to reduce their financial burden in the event of the insured person's total or partial disability.</p> <p>Appropriateness of the product for the class of consumers</p> <p>Broadly, the class of consumers in the target market have a need to replace their income in the event that the insured person is unable to earn their income (or are only able to earn a lower income) because of an injury or sickness. Resolution Life has assessed the product and formed a view that because the product pays an ongoing monthly benefit while the insured person is totally or partially disabled, it is likely to meet the likely objectives, financial situation and needs of consumers in the target market.</p> <p>Excluded class of consumers</p> <p>The product is not suitable for a class of consumers who:</p> <ul style="list-style-type: none"> • Want a superannuation product with an investment component. • Want to nominate a beneficiary that is not a dependant under superannuation law or their estate. • Want cover for business insurance purposes that is owned by the business. • Cannot afford sufficient levels of cover to meet potential taxation consequences at claim. • Have insufficient retirement savings to meet their retirement goals.

<p>Distribution conditions</p>	<p>The product is designed to be distributed by:</p> <ul style="list-style-type: none"> • Financial advisers, who are authorised representatives of an Australian Financial Services Licensee (AFSL) authorised to distribute the product. • Resolution Life, for consumers who no longer have a financial adviser and come direct to Resolution Life via the contact centre or website. This will only occur where the consumer has initiated contact with Resolution Life and the consumer falls within the target market for the product. <p>Distribution conditions and restrictions</p> <ul style="list-style-type: none"> • The product may only be distributed to Resolution Life customers. This is defined as any individual or entity that is a policy owner or an insured person under a life policy insured by Resolution Life. • The consumer must meet the eligibility criteria for the product. <p>Appropriateness of the distribution conditions and restrictions</p> <p>Resolution Life are of the view that the distribution conditions and restrictions will make it more likely that the consumers who acquire the product are in the target market.</p> <p>Consumers who obtain personal advice via a financial adviser are more likely to be in the target market for the product because financial advisers consider the consumer's individual objectives, financial situation and needs.</p>
<p>Review triggers</p>	<p>The specific events and circumstances (review triggers) that may reasonably suggest that the TMD is no longer appropriate include:</p> <ul style="list-style-type: none"> • The commencement of a significant change in the law that materially affects the design and/or distribution of the product. • Product performance is materially inconsistent with Resolution Life's expectations having regard to sales, policy lapses and cancellation, claims and loss ratios. • The use of a regulator's Product Intervention Powers in relation to the design and/or distribution of the product. • Significant or unexpectedly high number of complaints (as defined in section 994A(1) of the Act) regarding product design, product availability, claims, and distribution of the product. • Resolution Life determines that a significant dealing in the product has occurred.
<p>Review period</p>	<p>Subject to intervening review triggers, the initial TMD will be reviewed within the three year period after 5 October 2021 . Ongoing TMD reviews will be completed within a maximum period of three years from the date of the last review.</p>

Distribution reporting

Complaints

Distributors must report all consumer complaints (as defined in section 994A(1) of the Act) regarding the product to Resolution Life every six months. The report must be submitted within 10 business days following the end of March and September.

Note: The first report is due 30 September 2022 and will cover the period from 5 October 2021 to 30 September 2022.

Significant dealings

Distributors must report any significant dealing in the product to Resolution Life in writing within 10 business days of becoming aware of the dealing.

Contact us

If you would like to know more about how Resolution Life can help you, please visit resolutionlife.com.au, or contact one of the following:

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What you need to know

This document is issued by Resolution Life Australasia Limited ABN 84 079 300 379, AFSL No. 233671 (Resolution Life) the product issuer of the Income Insurance SMSF plan and insurance cover in the Income Insurance Superannuation plan. The Income Insurance Superannuation plan is issued by Equity Trustees Superannuation Limited (ETSL) ABN 50 055 641 757, AFSL No. 229757, RSE Licence L0001458 as trustee for the National Mutual Retirement Fund (NMRF) ABN 76 746 741 299.

The 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 Resolution Life'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.

Any advice or information in this document is general in nature and is provided by Resolution Life. It does not consider your personal objectives, financial situation or needs. Therefore, before acting on this advice or information, you should consider the appropriateness of the advice or information having regard to those matters as well as the relevant PDS, available from Resolution Life at resolutionlife.com.au or by calling **133 731**, before making a decision about the product. Consider speaking to a financial adviser if you have any concerns. If you decide to purchase or vary a financial product, Resolution Life will receive fees and other benefits, which will be a dollar amount or a percentage of either the premium you pay or the value of your investments. You can ask Resolution Life for more details.

Resolution Life's privacy policy covers how it handles your personal information and is available at resolutionlife.com.au/privacy or by calling **133 731**. For more information regarding the privacy policy of the trustee, ETSL, please visit eqt.com.au/global/privacystatement.