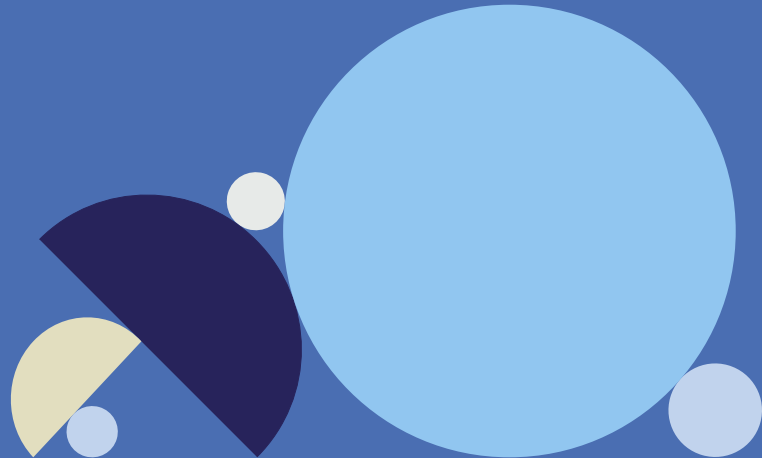


Target Market Determination for TPD cover

issued under
Zurich Wealth Protection



Issuer of this TMD:	Zurich Australia Limited (ZAL)
ABN:	92 000 010 195
Date TMD is effective:	27 September 2021
Policy name:	Zurich Protection Plus
TMD version:	1

About this document

This document is a Target Market Determination (TMD). It sets out the target market for total and permanent disability cover under the Zurich Wealth Protection product suite (TPD cover). 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 ZAL'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, distributors, and staff an understanding of the target market for TPD cover, based on consumer objectives, financial situation and needs.

This document is not a Product Disclosure Statement (PDS) and is not a summary of 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 Zurich Wealth Protection before making a decision to apply for this product. The PDS can be found at zurich.com.au/pds. Consumers may want to consider obtaining personal financial advice to ensure the cover they select is tailored to their personal needs, objectives, and financial situation.

TPD cover is an intermediated insurance product that can suit consumers with simple or complex needs, including consumers who either:

- have completed their own research, know what type of insurance they want and seek help with the application process
- want insurance that is tailored to their specific circumstances through a needs analysis and a fact find by a qualified financial adviser.

Consumers who apply for this product are comfortable to provide us with information about their health, financial situation, lifestyle, and pastimes for our assessment and they understand that the outcome of the assessment may be that they are not eligible for cover.

TPD cover can be held in the superannuation environment or outside of the superannuation environment.

Product and key attributes

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.

If TPD cover is held in the superannuation environment, it can also be supplemented with cover outside.

There are four definitions of TPD available, as follows:

- own occupation TPD (non-superannuation only)
- any occupation TPD
- domestic duties TPD
- modified TPD.

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

- own occupation TPD provides the most comprehensive cover and is designed for consumers in specialised occupations with very specific occupational duties, where inability to perform all or some of those duties could prevent them from working in the same occupation ever again. This definition is not available if the product is held within the superannuation environment
- 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
- domestic duties TPD is designed for consumers who describe their main occupation as maintaining the family home
- modified TPD provides a base level of TPD cover which pays for very severe sickness 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 to put some low-cost cover in place
 - wish to top-up existing cover.

Product variations

- Platinum TPD and TPD pay a lump sum benefit in the event of total and permanent disability.
- Platinum TPD will also make partial payments at earlier stages of disablement and for less severe conditions via the partial impairment benefit. As platinum TPD provides more generous terms at claim time in return for a higher premium, it is designed for consumers who want more comprehensive cover and are prepared to pay the additional premium for that cover.

Platinum TPD is not available if the product is structured within the superannuation environment.

Needs and objectives

TPD cover is designed to provide financial protection for personal and business consumers.

For personal consumers	A consumer who has one or more of the following objectives and needs: <ul style="list-style-type: none">• has (or envisages that in future they will or may have) 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, mobility aids, and income replacement• wants to fund a long-term income gap to maintain lifestyle in the event that their partner must change or leave paid work in order to care for them• wants a financial buffer in the event of an early-stage disablement to reduce financial return-to-work pressure or to help fund extended recovery leave or changes in future working capacity.
For consumers who are a business (not for TPD cover held in superannuation)	A business that has either of the following objectives and needs: <ul style="list-style-type: none">• has (or envisages that in future it will or may have) financial commitments, where the fulfilment of those commitments ensures that the business continues with less financial disruption upon the loss of a key-person due to total and permanent disability• wants to ensure business succession if a business owner leaves the business due to becoming totally and permanently disabled.

Broadly, 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.

If TPD cover is held in superannuation, the target market is more specifically consumers who also:

- want to obtain TPD cover within the superannuation environment
- understand and accept the additional risk of needing to meet a SIS condition of release to receive a benefit amount.

Eligibility requirements

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

- are aged between 18 and 63
- are in Australia
- have Australian residency or are in the process of applying for permanent Australian residency.

TPD cover is subject to our assessment of health, financial information, occupation, and pastimes:

- the own occupation and any occupation definitions are only available to consumers who are gainfully employed for a minimum of 16 hours per week
- not all occupations have a choice of definitions
- not all occupations are eligible for cover
- consumers with pre-existing health conditions may not be eligible for cover
- consumers who participate in high risk pastimes may not be eligible for cover.

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, ie. a consumer who has the financial capacity to pay premiums in accordance with the chosen premium structure, management fees and government charges. This is important for these 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 held outside of superannuation will thus meet some or all of the following criteria:

- be earning income
- have personal savings
- have superannuation
- have other means to fund premiums, management fees and government charges, such as family or other relationships.

Appropriate consumers for TPD cover held in superannuation will thus meet the following criteria:

- can pay insurance premiums funded by personal contributions, spouse contributions, employer contributions or by rollover from another superannuation fund.

Key exclusions

Intentional self-inflicted act and attempted suicide are not covered.

This product may be subject to additional exclusions, based on our assessment of an application.

Conditions and restrictions on distribution

In light of the obligations under Part 7.8A of the Corporations Act (product design and distribution obligations), an application for TPD cover must be submitted by a Distributor who is operating under an AFSL with appropriate authorisations. The Distributor may only submit applications for consumers who satisfy all of the following:

- have received a current Zurich Wealth Protection PDS
- have been given personal or general financial advice
- are in Australia
- have Australian residency or are in the process of applying for permanent Australian residency.

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

These distribution conditions for TPD cover are appropriate and will assist in distribution being directed towards the target market.

Personal advice

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

The Distributor is expected to take into account any relevant information obtained about the consumer's financial situation, to ensure that TPD cover 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 if Distributors distribute the product in alignment with the issuer's distribution conditions relating to the relevant distribution channel, ie.

- consumer has been provided with general advice in relation to this product
- this product is only distributed to consumers who have completed their own research, know what type of insurance they want and seek help with the application process.

ZAL'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.

- 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. This triggers a mandatory review. ZAL may choose to undertake a review even if this review trigger is not met.
- Product performance is materially inconsistent with the product issuer's expectations of the appropriateness of the product to consumers having regard to:
 - product claims ratio
 - 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 this product where ZAL considers this reasonably suggests that this TMD is no longer appropriate.
- 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.
- ZAL determines that a significant dealing in the product outside the target market (except for an excluded dealing) has occurred.
- Changes in medical advances impact product design or the market for the product.
- Distribution conditions set out in the TMD are otherwise no longer appropriate.

Maximum TMD lifespan

This TMD will be reviewed every 2 years. Any of the above review triggers will bring forward the 2 yearly review.

Reporting period for any complaints about this product

Distributors should report complaints to us half-yearly (end of March and September), within 10 business days of the end of the relevant half-year. The first complaints report is due for the period ending March 2022.

Complaints data should include sufficient information to understand the substance of each complaint but should not include personal information.

How ZAL will decide if this TMD is no longer appropriate

ZAL's product manager will review the information set out below on a regular basis to ensure that the TMD is still appropriate.

- Relevant regulation, legislation and/or ASIC instruments relating to the change in law.
- During the review period, expected and actual data for the following:
 - product claims ratio
 - 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.
- Relevant Product Intervention order.
- Complaints and the nature of the complaints regarding product design, claims and distribution condition.
- A significant dealing in the product which ZAL's product manager becomes aware is not consistent with the TMD (within 10 business days of becoming aware of the dealing).

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

- Complaints and the nature of the complaints regarding product design, claims and distribution condition (within 10 business days of the end of the half-year).
- A significant dealing in the product which the Distributor becomes aware is not consistent with the TMD (within 10 business days of becoming aware of the dealing).

Submitting data to ZAL

Distributors may submit data to ZAL in any of the accepted formats. Refer to our website for more information: zurich.com.au/tmd.