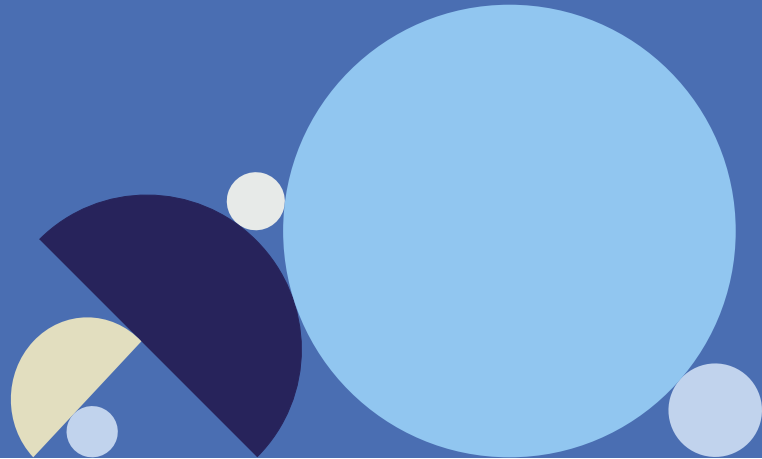


Target Market Determination for Total and Permanent Disablement Cover

Issued under Group Life Insurance
Product Disclosure Statement
and Policy Terms dated 1 April 2022



Issuer of this TMD:	OnePath Life Limited, a company of the Zurich Financial Services Australia Group
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About this document

This document is a Target Market Determination (TMD). It sets out the target market for total and permanent disablement cover under the Group Life Insurance 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 our 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 Group Life Insurance before making a decision to apply for this product. 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.

Group Life Insurance, and the TPD Cover that is available under it, can be a means to add value to employees' remuneration packages by offering competitive insurance. TPD Cover provides a lump sum benefit in the event of the insured's total and permanent disability.

Group Life Insurance allows you to tailor TPD Cover for a group of employees or superannuation fund members by choosing an appropriate benefit design. Consumers will need to be comfortable to undertake that tailoring of the TPD Cover either based on their own knowledge and analysis or by seeking the assistance of a broker, adviser or other consultant.

Consumers who apply for this product are comfortable to provide us with limited information about their employees' or superannuation fund members' health, financial situation, lifestyle, and pastimes for our assessment. They also understand that the outcome of the assessment may be that employees or superannuation fund members are not insurable or only insurable on additional terms or subject to payment of a premium loading.

Increases to an individual's sum insured under TPD Cover may also be sought by completing an application form for the increase. TPD Cover is suited to applicants with simple or complex needs, including applicants who either:

- have completed their own research, know what type of insurance they want and simply 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.

Product and key attributes

TPD Cover is designed for employers or superannuation fund trustees with the needs and objectives set out below. It pays a lump sum if the life insured suffers a total and permanent disability that meets the relevant TPD definition. The relevant TPD definition will be communicated prior to commencement of the policy.

There are four offerings for TPD definitions including:

- Standard TPD Definition
- TPD Definition Option 1 (Own Occupation)
- TPD Definition Option 2 (Incapable of ever)
- TPD Definition Option 3 (No minimum hours)
- Non-Standard TPD Definition available at request

Each TPD definition offers different parts applicable under each Standard or Non-Standard TPD definition and is set out in the following table:

Parts of TPD Definition applying to each TPD Definition

TPD Definition	Specific Medical Conditions	Part 1a Any Occupation	Part 1b Own Occupation	Part 1c Any Occupation No minimum hours	Part 2 Incapable of ever (Any Occupation)	Part 3 Activities of Daily Work	Part 4 Normal Domestic Duties	Part 5 Mental Health
Standard TPD Definition	✓	✓	✗	✗	✗	✓	✗	✓
TPD Definition Option 1 (Own Occupation)	✓	✗	✓	✗	✗	✓	✗	✓
TPD Definition Option 2 (Incapable of ever)	✓	✓	✗	✗	✓	✓	✗	✓
TPD Definition Option 3 (No minimum hours)	✓	✗	✗	✓	✗	✓	✗	✓
Non-Standard TPD Definition	*	*	*	*	*	*	*	*

* Non-Standard TPD Definition is available on request and will comprise the parts of the TPD Definition selected.

The Standard or Non-Standard TPD definitions are designed for the needs of different consumers, as follows:

- Specific Medical Conditions TPD is designed for a broad range of consumers in most occupations. It allows for TPD assessment against specific medical conditions and the waiving of the normal waiting period.
- Any Occupation TPD is a broad definition, designed for consumers in most occupations. It assesses TPD against the likelihood of ever working in any occupation to which the life insured is suited by education, training, or experience.
- 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.
- Any Occupation (Incapable of ever) TPD is designed for consumers in most occupations. It assesses TPD against the capability of ever working in any occupation to which the life insured is suited by education, training, or experience.
- Activities of Daily Work TPD (bending, communicating, vision (reading) walking, lifting and manual dexterity) TPD is designed for consumers in most occupations. It allows for TPD assessment against activities of daily work and assesses TPD against the capability of ever working in any occupation to which the life insured is suited by education, training, or experience.

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- Normal Domestic Duties TPD is designed for consumers who describe their main occupation as maintaining the family home.
- Mental Health TPD is designed for consumers in most occupations. It allows for TPD assessment against consumers with mental health conditions and assesses TPD against the capability of working in any occupation to which the life insured is suited by education, training, or experience.

If a life insured is aged 67 at the date of the TPD event occurring, they will be ineligible for Part 1 and Part 2 of the TPD Definition and are only eligible for Part 3, Part 4, or Part 5. The more restrictive TPD benefits from age 67 apply when the TPD benefit expiry age exceeds 67 years.

For employees or superannuation fund members that acquire additional insurance on application, they will need to seek information from their employer or the trustee on the applicable TPD definition that applies to their cover. It may be one of the above definitions or a non-standard TPD definition that has been agreed with their employer or superannuation trustee at that time.

Needs and objectives

TPD Cover is designed to provide a lump sum benefit to employees or superannuation fund members who have one or more of the following objectives and needs:

- have financial dependents and want to continue providing financial support for the dependents in the event of their total and permanent disability diagnosis
- have (or envisage 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 of their total and permanent disability diagnosis. The financial commitments may include (but are not limited to) mortgage and other debt-servicing costs, income replacement and can also include medical costs, transport expenses and accommodation costs.

Broadly, the target market is employers or superannuation fund trustees that have a desire or feel a need to provide a uniform or tailored lump sum to employees or superannuation fund members on the basis that they have or expect to have outstanding financial commitments that will not be met in the event of their total and permanent disability diagnosis.

The target market for employees or superannuation fund members that acquire additional insurance on application is those who have or expect to have outstanding financial commitments that will not be met in the event of their total and permanent disability diagnosis and who have capacity to pay premiums on an ongoing basis.

As the product pays a lump sum on a total and permanent disability diagnosis it is likely to meet the needs, or go towards meeting the needs, of the target markets.

Eligibility requirements

When applying for TPD Cover, employees/members of employer/superannuation fund trustees to be covered by TPD Cover:

- generally, must reside in Australia unless the insured person is either on paid or unpaid leave or covered while working outside of Australia under the policy
- must satisfy the eligibility rules in the policy schedule
- generally, will be an Australian citizen, a New Zealand citizen, or a permanent resident within the meaning of the Migration Act 1958 (Cth) or the holder of a visa permitting permanent residence or employment in Australia issued in accordance with the Migration Act 1958 (Cth)
- must be aged between 15 and 69
- by negotiation with the life insured or policy owner, additional or amended eligibility requirements/exclusions might be applied for a particular plan.

Employees or superannuation fund members that acquire additional insurance on application may be subject to our assessment of health, occupation, and pastimes and as such:

- those with pre-existing health conditions may not be eligible for additional insurance
- not all occupations are eligible for additional insurance
- those who participate in high-risk pastimes may not be eligible for additional insurance.

Group Life Insurance is only available to an employer or superannuation fund trustee that is insuring not less than 20 employees or superannuation fund members.

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Financial capacity

Employees or superannuation fund members that acquire additional insurance must have the financial capacity to purchase it and to hold it over the timeframe identified for financial protection.

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 by a certain number of days from the due date.

Such persons will need to meet some or all of the following criteria:

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

They will be provided with an initial premium estimate. However, these persons will be required to form their own assessment on their capacity to fund premiums or alternatively through a needs analysis and a fact find by a qualified financial adviser

Key exclusions

The following events are not covered under TPD Cover:

- total and permanent disability of the insured person occasioned by war or an act of war occurring in Australia or New Zealand
- total and permanent disability of the insured person which engaged in war service
- where the life insured only holds new events cover under TPD Cover, total and permanent disability caused by an injury that first occurs, or an illness which first became apparent, or a related condition, prior to holding TPD Cover.

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 the Part 78A of the Corporations Act 2001 (Cth) (product design and distribution obligations), an application for TPD Cover must be submitted by a Distributor.

The Distributor may only submit applications for TPD Cover which satisfy all of the following:

- have received a current Group Life Insurance PDS
- have provided information on employees and superannuation fund members as may be required for the purpose of understanding the lives to be provided with TPD Cover
- have received and agreed to a current quote and premium estimate for TPD Cover
- generally, be in Australia.

There are no distribution conditions or restrictions on employees or superannuation fund members that acquire additional insurance other than that the Distributor has provided them with a current Group Life Insurance PDS and the relevant application form. Each individual application will be subject to review and acceptance in each case.

Our 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. We may choose to undertake a review even if this review trigger is not met.
- The use of Product Intervention Powers in relation to the distribution or design of this product where we consider 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.
- Where we determine that a significant dealing in the product outside the target market (except for an excluded dealing) has occurred.
- When changes in medical advances impact product design or the market for the product.
- When 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

We will seek feedback from Distributors regarding complaints half-yearly (end of March and September), within 10 business days of the end of the relevant half-year.

Complaints data should include sufficient information to understand the substance of each complaint but should not include personal information. If no complaints are received, half-yearly reporting should confirm no complaints have been received in the period.

How we will decide if this TMD is no longer appropriate

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

- Relevant legislation, regulations and ASIC instruments for changes in relevant law.
- Relevant Product Intervention order.
- Complaints records for complaints regarding product design, claims and distribution condition.
- Any significant dealing in the product which we become 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 reporting and the nature of the complaints regarding product design, claims and distribution condition (within 10 business days of the end of the calendar quarter).
- Reporting on any 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 Zurich

Distributors may submit data in any of the accepted formats. Refer to our website for more information:
zurich.com.au/group-insurance/cover