

Business Expense Cover Target Market Determination (TMD)

5 October 2021

1. Cover to which this TMD applies

ClearView ClearChoice Business Expense Cover

ClearView Life Assurance Limited (ABN 12 000 021 581, AFS Licence No. 227682) as the issuer of Business Expense Cover under the ClearView ClearChoice Product Disclosure Statement (PDS) is responsible for the TMD for this cover.

2. Description of target market

Needs, objectives and financial situation

Business Expense Cover is designed for self-employed or small businesses operators who, in the event of disability as a result of sickness or injury require a monthly benefit, to be paid to their business, to cover fixed operating expenses incurred by the business while they are unable to work at normal capacity. A benefit will only be paid if policy terms and conditions are met.

Target market criteria

When cover may be suitable

May be suitable for individuals who:

- meet the cover eligibility criteria
- are self-employed or run a small business
- have eligible fixed operating costs and expect that they will be unable to meet these costs in the event of their disability
- expect to be able to fund premiums over the life of the insurance contract

When cover may not be suitable

May not be suitable for individuals who:

- are unemployed or retired
- do not meet underwriting requirements
- are eligible to make a claim through Business Expense Cover, Income Protection Cover, Total and Permanent Disability Cover or a statutory scheme such as Workers' Compensation or Motor Accident Scheme
- have sufficient cash or liquid assets which are likely to cover business expenses
- already hold sufficient Business Expense Cover
- are not able to fund premiums over the life of the insurance contract

Key customisable options

When a customisable option may be suitable

Waiting period	Shorter waiting periods There is limited savings or liquid assets available to meet expenses. Longer waiting periods Savings or liquid assets are available to meet expenses during the chosen waiting period.
Stepped and level premiums	Stepped premiums There is a preference for a lower up-front cost or there is uncertainty as to how long cover will be held. In addition, there is capacity to meet increasing premiums over time due to age. Level premiums Cover is to be held for a duration such that Level premiums are expected to result in a lower cost than Stepped premiums. The customer should be comfortable with the higher upfront cost particularly in the event of early policy termination.
Specified event option	There is limited savings or liquid assets available to meet expenses during the waiting period. May not be suitable when savings or liquid assets could be relied upon during the waiting period.

Cover eligibility and underwriting criteria

Product eligibility and underwriting criteria apply to this cover. Refer to the PDS and Adviser Guide.

Appropriateness

The Issuer has assessed the product and formed the view that the product, including its key attributes, is likely to be consistent with the likely objectives, financial situation and needs of consumers in the target market.

3. Mandatory review periods

This TMD will be reviewed 3 years after the effective date.

4. Review triggers

We may review this TMD as a result of:

- us forming a view that the product is no longer consistent with the likely objectives, needs and financial situation of the retail clients in the target market
- product performance being materially inconsistent with our expectations
- product design changes which we consider to be material and impact the target market
- complaints or feedback which in our view indicate a material distribution or product design issue
- new or amending legislation which significantly impacts this product's design and/or distribution
- us becoming aware of significant dealings outside the target market
- regulator feedback that is likely to have a significant impact on the product

5. Distribution conditions

A distributor must:

- distribute the product in accordance with this TMD unless personal advice has been provided
- other than where personal advice is to be provided, provide us information about its distribution process in relation to the covers
- notify us of significant dealings outside the target market described in this TMD
- keep and provide us with the information outlined in section 6 of this TMD

We consider that by requiring distributors to meet the above conditions it will improve the likelihood that cover has been sold to customers within that target market.

6. Distributor reporting requirements

Information type	Specific requirements	Reporting period	How information can be provided
Complaints	All complaints received by the licensee which relate to the product design or distribution of Business Expense Cover.	The reporting period is the 6 months to 31 March and 30 September. Reports must be provided within 10 days of the end of each reporting period. ClearView strongly encourages distributors to submit complaints as they receive them.	For information on how to report complaints and significant dealings visit clearview.com.au/tmd
Significant dealings	All significant dealings that are not consistent with the TMD.	As soon as practicable but no later than 10 business days after the distributor becomes aware of the significant dealing.	

Note: This document is not a Product Disclosure Statement (PDS) and is not a summary of the product features or terms of the product. This document does not consider any person's individual needs, objectives, or financial situation. Persons interested in acquiring this product should carefully read the ClearView ClearChoice PDS before deciding to buy this product.