

# Income Protection and Accidental Income Protection Target Market Determination (TMD)

5 October 2021

## 1. Cover to which this TMD applies

ClearView ClearChoice:

- Income Protection (IP) Cover
- Accidental Income Protection (Accidental IP) Cover

ClearView Life Assurance Limited (ABN 12 000 021 581, AFS Licence No. 227682) as the issuer of IP and Accidental IP Cover under the ClearView ClearChoice Product Disclosure Statement (PDS) is responsible for the TMDs for these covers.

## 2. Description of target market

### Needs, objectives and financial situation

IP and Accidental IP Cover is designed for individuals who, in the event of disability as a result of:

- sickness or injury, for IP Cover, or
- injury, for Accidental IP Cover

require a monthly benefit, to be paid to them, to replace some of their lost income. A benefit will only be paid if policy terms and conditions are met.

### Target market criteria

#### When cover may be suitable

Target market criteria for IP and Accidental IP Cover	Additional criteria for Accidental IP Cover
May be suitable for individuals who: <ul style="list-style-type: none"><li>• meet the cover eligibility criteria</li><li>• are employed and have financial dependants, significant debt or other financial commitments and expect that they will be unable to meet these commitments in the event of their disability</li><li>• expect to be able to fund premiums over the life of the insurance contract</li></ul>	May be suitable for individuals who: <ul style="list-style-type: none"><li>• have a specific need for accident cover</li><li>• are not eligible for sickness and injury cover</li><li>• cannot afford sickness and injury cover and would like to hold accident cover rather than no income protection cover</li></ul>

## When cover may not be suitable

Target market criteria for IP and Accidental IP Cover	Additional criteria for Accidental IP Cover
<p>May not be suitable for individuals who:</p> <ul style="list-style-type: none"> <li>are unemployed or retired</li> <li>do not meet underwriting requirements</li> <li>are eligible to make a claim through Income Protection Cover, Total and Permanent Disability Cover or a statutory scheme such as Workers' Compensation or Motor Accident Scheme</li> <li>have sufficient cash or liquid assets which are likely to cover their financial commitments</li> <li>already hold sufficient IP or Accidental IP Cover</li> <li>are not able to fund premiums over the life of the insurance contract</li> </ul>	<p>May not be suitable for individuals who:</p> <ul style="list-style-type: none"> <li>require cover for disability as a result of sickness</li> </ul>

## Key customisable options

### When a customisable option may be suitable

Option	IP Cover	Accidental IP Cover
<b>IP Base Cover</b>	Income replacement needs are met with an income replacement ratio of up to 60%.	
<b>IP Flex Cover</b>	There is a need for a higher benefit in the first 24 months of a claim (or age 60 if earlier), with an income replacement ratio of up to 70%. After 24 months of claim the benefit reduces to the lesser of 85% of the insured monthly benefit or 60% of pre-disability earnings.	Flex Cover is not available with Accidental IP Cover.
<b>IP Flex Cover with extended income support option</b>	There is a need for a higher income replacement ratio of up to 70% to age 60.	
<b>Income support booster</b>	There is a need for a higher monthly benefit amount that is boosted by 20% during the first 6 months of a claim.	
<b>Waiting period</b>	<p><b>Shorter waiting periods</b></p> <p>There are limited savings or liquid assets available to meet expenses.</p> <p><b>Longer waiting periods</b></p> <p>Savings or liquid assets are available to meet expenses during the chosen waiting period.</p>	

Option	IP Cover	Accidental IP Cover
<b>Stepped and Level premiums</b>	<p><b>Stepped premiums</b></p> <p>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.</p> <p><b>Level premiums</b></p> <p>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.</p>	Level premiums are not available with Accidental IP.
<b>Specified event option</b>	<p>There is limited savings or liquid assets available to meet expenses during the waiting period.</p> <p>May not be suitable when savings or liquid assets which could be relied upon during the waiting period.</p>	Specified event option is not available with Accidental IP.
<b>Flexi-Linked Cover</b>	<p><b>SuperSolutions</b></p> <p>There is a preference to fund premiums partially through super, have access to benefits which cannot ordinarily be accessed through super, and do not require certainty as to which environment (super or non-super) a claim may be assessed and paid in.</p> <p><i>If cover is to be held through ClearView ClearChoice Super, you should refer to the ClearView ClearChoice Super TMD which will provide information on the target market criteria for holding cover inside super.</i></p>	

### Cover eligibility and underwriting criteria

Product eligibility and underwriting criteria apply to these covers. Refer to the PDS and Adviser Guide.

### Appropriateness

The Issuer has assessed the products and formed the view that the products, including its key attributes, are 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
<b>Complaints</b>	All complaints received by the licensee which relate to the product design or distribution of IP or Accidental IP 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 <b><a href="http://clearview.com.au/tmd">clearview.com.au/tmd</a></b>
<b>Significant dealings</b>	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.