

ALLIANZ LIFE INSURANCE

LIFE COVER, CRITICAL ILLNESS COVER AND PERMANENTLY UNABLE TO WORK COVER

Target Market Determination (TMD)

Effective Date: 5 October 2021

About this document

This TMD applies to the **Life cover**, **Critical Illness cover** and **Permanently Unable to Work cover** described in the Product Disclosure Statements listed below (each a **PDS**) together with any updates, Supplementary Product Disclosure Statements or Summary of Policy Improvements document related to a PDS (each a **Supplemental Document**). Each PDS together with each Supplemental Document are collectively referred to as the **Policy Documentation**:

- Allianz Life Plan (POL268LIF);
- Allianz LifeCover Plus (POL392LIF);
- HSBC Easy Life Insurance (POL401FI/HSBC);
- TIO LifeCover Plus (POL1033TIO); and
- Medibank Life Insurance (MED2242),

that have been issued by Allianz Australia Life Insurance Limited ABN 27 076 033 782 AFS Licence No. 296559 (**Allianz Life**). 'We', 'us', and 'our' are references to Allianz Life.

The purpose of this TMD is to describe the class of customers for which the products described in the Policy Documentation have been designed, having regard to the likely needs, objectives and financial situation of that class of customers. Examples used in this TMD are illustrative only, and are not intended to be exhaustive.

This TMD is general information only and is not intended to provide any financial product advice, and does not consider any individual customer's personal needs, objectives or financial situation.

This TMD does not replace the terms and conditions, and disclosures made, in the Policy Documentation. A customer should refer to the applicable Policy Documentation before making a decision about a product, which are available from <https://www.allianz.com.au/lifeupdate>.

A customer may fall within the target market described in this TMD, but may not meet Allianz Life's underwriting criteria on application.

A. Target Market

Product description (including key attributes)

Main cover(s):	<p>Life cover provides financial protection in the form of a lump sum payment for the Life Insured if they die or are diagnosed with a Terminal Illness where death is likely to occur within 24 months (Life cover).</p> <p>In addition to Life cover, the Life Insured may also select Critical Illness cover and/or Permanently Unable to Work cover with their purchase of Life cover which provide a lump sum payment to the Life Insured:</p> <p>(a) under the Critical Illness cover, if they suffer a defined Critical Illness; and</p> <p>(b) under the Permanently Unable to Work cover, if they suffer a Sickness or Injury during the insured period that results in the Life Insured being:</p> <ul style="list-style-type: none">- unable to work for 90 consecutive days and unlikely to ever work again; or- suffers a defined Major Physical Impairment. <p>The Life Insured cannot select Critical Illness cover and/or Permanently Unable to Work cover without Life cover (excluding Individual cover see definition section below) or where the applicable Policy Documentation does not contain these benefits.</p>								
Definitions:	<p>The terms Cover Amount, Critical Illness cover, Expiry Date, Injury, Life cover, Life Insured, Major Physical Impairment, Permanently Unable to Work cover, Policy Anniversary, Policy Owner, Policy Schedule, Sickness and Terminal Illness are described in the Policy Documentation.</p> <p>Other terms such as PDS, Supplemental Document, Policy Documentation, Application Process, Exclusion period, and Stepped Premium are defined in this TMD.</p> <p>'Individual cover' applies to some Policy Documentation only, and refers to a type of cover which is independent of other types of cover. This means the Individual cover and its Cover Amount does not depend on, and is not affected by, other cover types or Cover Amounts held by the Life Insured under the policy.</p>								
Single/Joint Policy:	<p>Each of the main cover(s) can be held as either:</p> <p>(a) a single life policy which covers the person listed as the Life Insured in the Policy Schedule; or</p> <p>(b) a joint life policy which covers two persons which are each listed as a Life Insured in the Policy Schedule and insured separately.</p>								
Key eligibility criteria:	<p>Each Life Insured must:</p> <ul style="list-style-type: none">• live permanently in Australia at the time of their application and be:<ul style="list-style-type: none">o a citizen of Australia or New Zealand; oro hold an Australia Permanent Residency Visa;• own the policy as an individual;• work in an occupation that is accepted by Allianz Life. Examples of unacceptable occupations include occupations that require diving more than 35 metres, using explosives, dealing with dangerous chemicals or agricultural flyers;• meet our health and lifestyle requirements which form part of our Application Process;• for Permanently Unable to Work cover only, work on a permanent basis for at least 20 hours per week in an occupation accepted by us;• for Permanently Unable to Work cover and Critical Illness cover, the Life Insured must have a Life Cover Amount of equal or greater value (excluding Individual cover); and• be within the Age Range applicable to the cover at the time of application as set out below:								
	<table border="1"><thead><tr><th>Type of cover</th><th>Age Range</th></tr></thead><tbody><tr><td>Life cover</td><td>between and including 16 and 65</td></tr><tr><td>Critical Illness cover</td><td>between and including 16 and 55</td></tr><tr><td>Permanently Unable to Work cover</td><td>between and including 16 and 55</td></tr></tbody></table>	Type of cover	Age Range	Life cover	between and including 16 and 65	Critical Illness cover	between and including 16 and 55	Permanently Unable to Work cover	between and including 16 and 55
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	<p>The key eligibility criteria applies at the time a cover is initially purchased and at the time any application for an increase in cover or additional cover is made, or application to reinstate the policy (the Application Process).</p>								

Key exclusions
(where no benefit
is payable):

Life cover has specific exclusions, including:

- If the Life Insured's death is by suicide which occurs within 13 months of the commencement of, or reinstatement of, the policy and, in respect of any increased cover, the date of any increase in cover.
- To the extent that the Life Insured does not follow advice issued by the Australian government relating to an overseas location and does not take action to minimise or avoid any potential claim (but only if this exclusion appears in the applicable Policy Documentation).

Allianz Life may apply additional exclusions to the Life Insured based on Allianz Life's underwriting assessment of the Life Insured during the Application Process. These additional exclusions are specifically disclosed to, and agreed by, the Life Insured during the Application Process and are set out in the Policy Schedule.

Critical Illness cover has specific exclusions, including:

- If the Life Insured's condition was intentionally self-inflicted.
- To the extent that the Life Insured does not follow advice issued by the Australian government relating to an overseas location and does not take action to minimise or avoid any potential claim (but only if this exclusion appears in the applicable Policy Documentation).
- If within 90 days of the commencement, reinstatement or any increase of cover in respect of the increase only (an Exclusion Period), a Cancer of specified severity, Cardiac Surgery or Vascular Disease:
 - o occurs;
 - o is first diagnosed;
 - o symptoms leading up to the diagnosis become apparent; or
 - o a recommendation for surgery is made,and if that condition occurs again after the Exclusion Period and is related to the condition that first occurred during the Exclusion Period.

Allianz Life may apply additional exclusions to the Life Insured based on Allianz Life's underwriting assessment of the Life Insured during the Application Process. These additional exclusions are specifically disclosed to, and agreed by, the Life Insured during the Application Process and are set out in the Policy Schedule.

Permanently Unable to Work cover has specific exclusions, including:

- If the condition causing their permanent inability to work or Major Physical Impairment was intentionally self-inflicted.
- To the extent that a Life Insured does not follow advice issued by the Australian government relating to an overseas location and does not take action to minimise or avoid any potential claim (but only if this exclusion appears in the applicable Policy Documentation).

Allianz Life may apply additional exclusions to the Life Insured based on Allianz Life's underwriting assessment of the Life Insured during the Application Process. These additional exclusions are specifically disclosed to, and agreed by, the Life Insured during the Application Process and are set out in the Policy Schedule.

Limitations:

Maximum Cover Amounts – the maximum Cover Amounts a Life Insured can apply for or increase their existing policy to is based on their age during the Application Process. The Cover Amount of any Critical Illness or Permanently Unable to Work cover (excluding Individual cover) cannot exceed the Life Cover Amount. The Life Insured's maximum Cover Amount payable under the relevant types of cover (Life cover, Critical Illness cover or Permanently Unable to Work cover), is set out in the relevant Policy Schedule.

Critical Illness cover and Permanently Unable to Work cover claim(s) paid (excluding Individual cover) reduce the amount available under each other cover, including Life cover. If the amount available under a cover is reduced to zero as a result of a claim paid under that cover or any other cover, then that cover will cease. If a claim is paid under Life cover, then each cover under the Life Insured's policy will cease.


Life cover Buy Back (applies to some Policy Documentation only) – after a 12 month waiting period, the Life Insured (if eligible under the applicable Policy Documentation) will automatically have their Life Cover Amount reinstated by the amount it was reduced by a claim paid under Critical Illness cover or Permanently Unable to Work cover, unless opted out by the Life Insured. If the Life Insured does not opt out of Life cover Buy Back, premiums will increase in line with the increased Cover Amount after the additional Life cover is reinstated. Life cover Buy Back can only be activated once. It only allows for the reinstatement of the Life Cover Amount, not the Cover Amount for either Critical Illness or Permanently Unable to Work cover.

Supporting Evidence – before a claim is payable, the Life Insured must take reasonable steps to provide proof, at their expense, that the insured event has occurred. Where reasonable, Allianz Life may require the Life Insured to undergo, at our expense, examinations or other tests to confirm the occurrence of an insured event. For a claim in the event of the Life Insured's death, reasonable proof of death and cause of death, such as a death certificate, is required.


Limitations (cont.):	<p>Nominated beneficiary – a Life Insured cannot nominate a named beneficiary to receive a lump sum payment in the event of the Life Insured’s death. Rather, the lump sum payment will be made directly to either the Life Insured’s estate, or the surviving Policy Owner (in the case of a joint life policy, the surviving Life Insured) if this applies.</p> <p>Expiry Date – the expiry date for each cover and the policy is set out in your Policy Schedule. The Expiry Date is the Policy Anniversary after the Life Insured’s:</p>								
	<table border="1"> <thead> <tr> <th>Type of cover</th> <th>Expiry Date</th> </tr> </thead> <tbody> <tr> <td>Life cover</td> <td>99th birthday</td> </tr> <tr> <td>Critical Illness cover</td> <td>70th birthday</td> </tr> <tr> <td>Permanently Unable to Work cover</td> <td>65th birthday</td> </tr> </tbody> </table>	Type of cover	Expiry Date	Life cover	99th birthday	Critical Illness cover	70th birthday	Permanently Unable to Work cover	65th birthday
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Premium:	<p>Cover is subject to the payment of premium which must be paid on or before its due date.</p> <p>Premiums increase each anniversary due to:</p> <ul style="list-style-type: none"> - the Life Insured’s increase in age (Stepped Premium); and - an Inflation Proofing Increase to Cover Amount(s), unless the Life Insured opts out in accordance with the applicable Policy Documentation. 								
Other Key Term(s):	<p>Inflation Proofing Increase – Inflation Proofing Increases will continue, even where the maximum Cover Amount is met or exceeded, up until the Life Insured reaches 65 years of age. The Life Insured has the option on each anniversary of the policy to not apply an Inflation Proofing Increase to increase their Cover Amount(s) in a given year.</p>								

Likely needs, objectives and financial situation


Life cover is designed for:

	<p>Likely needs and objectives</p> <p>Persons that have (or envisage in future they will or may have) outstanding financial liabilities or other financial commitments that will not be satisfied or met:</p> <ul style="list-style-type: none"> - by their estate in the event of their death; or - in the event of their Terminal Illness. <p>These financial liabilities and commitments may include (without limitation) mortgage repayments, commitments to dependants such as a spouse or children, school fees, bills, other living expenses, funeral costs, medical costs, transportation and accommodation costs, and personal and palliative care.</p>	<p>Likely financial situation</p> <p>A person who has the financial capacity (whether from income, savings, or other sources) to pay premiums to continue to retain Life cover which increases annually in accordance with the:</p> <ul style="list-style-type: none"> - Stepped Premium Increase; and - Inflation Premium Increase (unless opted out by the Life Insured).
	<p>Based on our assessment of the key terms, features and attributes, Life cover is likely to be consistent with the needs, objectives and financial situation of customers in the target market.</p>	

Critical Illness cover is designed for:


	<p>Likely needs and objectives</p> <p>Persons that have (or envisage in future they will or may have) outstanding financial liabilities or other financial commitments that will not be satisfied or met in the event they suffer from a Critical Illness.</p> <p>These financial liabilities and commitments may include (without limitation) mortgage repayments, commitments to dependants such as a spouse or children, school fees, bills, other living expenses, medical costs, or any associated costs related to lifestyle changes.</p>	<p>Likely financial situation</p> <p>A person who has the financial capacity (whether from income, savings, or other sources) to pay premiums to continue to retain Critical Illness cover which increases annually in accordance with the:</p> <ul style="list-style-type: none"> - Stepped Premium Increase; and - Inflation Premium Increase (unless opted out by the Life Insured).
	<p>Based on our assessment of the key terms, features and attributes, Critical Illness cover is likely to be consistent with the needs, objectives and financial situation of customers in the target market.</p>	

Permanently Unable to Work cover:


	<p>Likely needs and objectives</p> <p>Persons that have (or envisage in future they will or may have) outstanding financial liabilities or other financial commitments that will not be satisfied or met in the event they suffer from a Sickness or Injury that results in loss of income due to:</p> <ul style="list-style-type: none">- being permanently unable to work; or- having a Major Physical Impairment. <p>These financial liabilities and commitments may include (without limitation) mortgage repayments, commitments to dependants such as a spouse or children, school fees, bills, other living expenses, medical costs, ongoing care, or to pay for any home modifications required.</p>	<p>Likely financial situation</p> <p>A person who has the financial capacity (whether from income, savings, or other sources) to pay premiums to continue to retain Permanently Unable to Work cover which increases annually in accordance with the:</p> <ul style="list-style-type: none">- Stepped Premium Increase; and- Inflation Premium Increase (unless opted out by the Life Insured).
<p>Based on our assessment of the key terms, features and attributes, Permanently Unable to Work cover is likely to be consistent with the needs, objectives and financial situation of customers in the target market.</p>		

B. Ineligible Persons


Life cover is not designed for persons that:

	<ul style="list-style-type: none">- are younger than 16 or older than 65 at the time of application;- work in occupations not accepted by us. For example, certain occupations are not accepted, such as occupations requiring workers to dive more than 35 metres, use explosives or deal with dangerous chemicals, or an agricultural flyer;- do not meet our health and lifestyle assessment as part of our Application Process;- seek cover owned by a superannuation or self-managed superannuation fund or the trustee of a superannuation or self-managed superannuation fund; or- seek personal advice from Allianz Life in arranging their Life cover.
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Critical Illness cover is not designed for persons that:

	<ul style="list-style-type: none">- are younger than 16 or older than 55 at the time of application;- seek cover for conditions other than a Critical Illness conditions as defined in the Policy Documentation;- do not meet our health and lifestyle assessment as part of our Application Process;- exceed a total cover amount of \$2 million for all critical illness, trauma or equivalent policies held with Allianz and other insurers; or- seek personal advice from Allianz Life in arranging their Critical Illness cover.
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Permanently Unable to Work cover is not designed for persons that:

	<ul style="list-style-type: none">- are younger than 16 or older than 55 at the time of application;- seek cover for conditions other than the Permanently Unable to Work benefit or Major Physical Impairment conditions as defined in the Policy Documentation;- do not meet our health and lifestyle and/or occupation assessment as part of our Application Process;- are unemployed or do not work on a permanent basis;- are homemakers;- work less than 20 hours per week; or- seek personal advice from Allianz Life in arranging their Permanently Unable to Work cover.
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C. Distribution

Distribution channels

Products under this TMD may be distributed through any of the following means:

- online through relevant websites
- through our contact centres
- factual information (no advice) model

All of these channels are monitored by Allianz Life with the assistance of Allianz Australia Insurance Limited ABN 15 000 122 850 (**AAIL**) and staffed by persons who have been trained in the distribution of the Products covered by this TMD and the Application Process.

Distribution conditions and restrictions

Products under this TMD can only be issued to customers that are eligible for that cover in accordance with the application criteria that has been designed by Allianz Life (**Application Process**).

The Application Process has been designed to identify the Target Market described in this TMD and the use of the Application Process would make it more likely that a Product covered by this TMD will be acquired by persons in the Target Market.

Products under this TMD will be distributed directly by Allianz Life with the assistance of AAIL. The distribution systems and processes are assessed and monitored by Allianz Life with the assistance of AAIL, and therefore distribution directly by Allianz Life would make it more likely that the distribution will comply with the terms of this TMD.

Distribution information

We require AAIL to provide the following information in relation to the products covered by this TMD:

Complaints	All complaints in relation to this TMD, within 10 business days after the end of each calendar quarter. This will include written details of the complaints.
Sales data	Report relevant sales and customer data in relation to this TMD, within 10 business days after the end of each calendar quarter.
Significant dealings	Notification, within 10 business days, if they become aware of a significant dealing in relation to this TMD that is inconsistent with this TMD.

Other

In addition to the distribution conditions, restrictions and information set out above, Allianz Life may include other conditions, restrictions and information on the distribution of products under this TMD.

D. TMD reviews

This TMD shall be reviewed as follows:

First review	Within 12 months from the date of this TMD.
Subsequent reviews	At least every three years after the end of the previous review.
Review triggers	<p>Where an event or circumstance is identified by us or is notified to us that would reasonably suggest the TMD is no longer appropriate. This may include (but is not limited to):</p> <ul style="list-style-type: none">• a material change to the design or distribution of a product, including material changes to the Policy Documentation;• a material alteration to acceptance criteria or underwriting criteria, and the Application Process;• identified systemic issues in the product or the distribution of the product;• relevant material external events such as relevant litigation or adverse media coverage;• relevant feedback, information or notification received from a distributor, regulator such as ASIC or APRA or other interested parties;• significant changes in metrics. These include sales, policy cancellations, claims, complaints and loss ratios; and• any significant dealings that are inconsistent with the TMD, <p>to the extent these events or circumstances reasonably suggest the TMD is no longer appropriate.</p>