

# Target Market Determination for MetLife Protect Super

MetLife Australia

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Issuer: Equity Trustees Superannuation Limited (ETSL) ABN 50 055 641 757 AFSL 229757



# Contents

About this document	3
Class of consumers that constitutes the target market	4
How this product is distributed	7
Reviewing the target market determination	8
Reporting and monitoring this target market determination	9

# About this document

This target market determination (TMD) contains information on the risk-only superannuation product, MetLife Protect Super – issued by Equity Trustees Superannuation Limited (the ‘Trustee’) as trustee for the MetLife Australia Superannuation Fund, which is a division of the Smart Future Trust (formerly known as the Aon Master Trust).

This TMD seeks to provide consumers, distributors and staff with an understanding of the class of consumers for which this product has been designed, having regard to the objectives, financial situation and needs of the target market.

This document is not a Product Disclosure Statement (PDS), is not to be treated as a full summary of the product’s terms and conditions, does not take into account any person’s individual financial objectives, situation and needs and is not intended to provide financial advice. Consumers must refer to the PDS and any supplementary documents when making a decision about this product.

Words that are capitalised in the TMD have a specific meaning, including:

- **Financial Commitment(s)** means the consumer has a responsibility to pay money. This may be because of debt, or because they have agreed to acquire products or services either now or a reasonable time in the future. Examples of financial commitments include:
  - A mortgage
  - A car loan
  - School fees
  - Utility bills
  - Medical bills.
- **Financial-in-kind Commitment(s)** means the consumer has a responsibility to provide goods or services now or at a reasonable time in the future. This may be because they have an obligation to provide some form of unpaid service. Examples of financial-in-kind commitments include:
  - Unpaid childcare responsibilities
  - Unpaid household responsibilities.

For all other capitalised terms, please refer to the definitions section of the PDS.

For the class of consumers for whom MetLife Protect is likely to be suitable, please refer to the MetLife Protect TMD (prepared by MetLife Insurance Limited (ABN 75 004 274 882, AFSL 238096) as issuer of the MetLife Protect product) at [www.metlife.com.au](http://www.metlife.com.au).

## Product Disclosure Statement to which this target market determination applies

This TMD applies to the risk only superannuation product that is distributed and marketed as MetLife Protect Super, referred to in the following PDS:

- MetLife Protect and MetLife Protect Super Product Disclosure Statement and Policy Terms.

Previous target market determination review date: 1 October 2021.

# Class of consumers that constitutes the target market

The Target Market for the product comprises of consumers who:

- **meet eligibility criteria selected:**
  - Australian Resident;
  - Australian or New Zealand citizen or Australian permanent resident;
  - Have a residential address in Australia;
  - Have received the current MetLife Protect and MetLife Protect Super PDS and be applying for cover while in Australia;
  - Must meet eligibility criteria for the insurance option selected (as defined in the PDS);
  - Must meet MetLife underwriting requirements; and
  - Must provide tax file number
- **want to obtain insurance cover within the superannuation environment including Death cover, Death and TPD cover and Income Protection cover**
- **want to pay insurance premiums funded by personal contributions, spouse contributions, employer contributions or by rollover from another superannuation fund**
- **will have a sufficient superannuation balance or are making adequate contributions to meet retirement objectives after premium payments have been made**
- **are eligible to contribute to or consolidate their superannuation account**

## Excluded class of consumers

The product is not suitable for a consumer:

- who does not meet the eligibility criteria (as described above)
- seeking a superannuation product with an investment component
- wishing to nominate a beneficiary that is not a financial dependant under superannuation law, or their estate
- intending to place cover through a business

## Consumers ineligible to claim

A consumer is ineligible to claim if they:

- Do not satisfy the SIS condition of release for the insurance option selected;
- Satisfy an exclusion applicable to the insurance option selected, as described in the PDS.

A consumer who is ineligible to claim cannot be identified at the point of sale and is therefore not considered to be outside of the product's target market.

## Product description

The product is a risk-only superannuation interest issued by Equity Trustees Superannuation Limited (Trustee) as trustee for the MetLife Australia Superannuation Fund, which is a division of the Smart Future Trust ('the Fund'). It provides eligible persons the ability to obtain insurance cover within a superannuation environment and funded from superannuation contributions or rollovers.

Any benefits paid under the policy will be paid to the Trustee and premiums paid for the policy are paid by the Trustee after it receives a sufficient contribution, or a rollover in respect of a member. Membership of the Fund is governed by the Fund's trust deed and superannuation laws. The underlying policy is a contract of insurance between MetLife Australia and the Trustee and does not govern a person's membership of the Fund.

Any entitlements to:

- be paid a benefit received by the Trustee under the policy, and
- pay contributions or rollover amounts to the Trustee for the Trustee to pay premiums to MetLife for the policy;

is subject to any restrictions or limitations that may apply under the Fund's trust deed and under superannuation law.

## Key Product Attributes

### Fees and Costs

The product provides competitive premiums that are primarily dependant on the type of insurance, age, smoker status, gender, stamp duty, medical history, occupation and level of insurance a person is applying for.

### Premium Types

The product offers the following premium types for consideration:

#### Stepped premium

The premium is recalculated on each Policy Anniversary, based on the Life Insured's age at that time

#### Level premium

The premium is calculated on an age-based premium rate determined by the Life Insured's age as at the cover start date. The product offers a number of level premium options:

- Level to age 65
- Level age 70
- 5-year Fixed Term Option (not available for Income Cover (IP))
- 10-year Fixed Term Option (not available for Income Cover (IP))

### Tax

A person who becomes a member of the Fund may be eligible to receive a range of tax concessions subject to eligibility. Further information and updated eligibility are available from [www.ato.gov.au](http://www.ato.gov.au).

### Insurance

The product offers access to a range of insurance options including;

- Death/Life cover (including Terminal Illness cover)
- Total & Permanent Disablement (TPD) cover
- Income Cover (Income Protection (IP) cover), including a range of waiting periods and benefit payment periods

The table below sets out the class of consumer for each insurance attribute.

Insurance Key Attributes	Target Market Suitability
<b>Life Cover</b>	The target market for Standard Life Cover is consumers who have (or envisage that in future they will or may have) outstanding Financial Commitments or Financial-in-kind Commitments as defined in section 1 (including, but not limited to, financial commitments to dependants such as spouse or children) in the event of the Life Insured's death or Terminal Illness (as defined in the PDS).
<b>Total and Permanent Disablement (TPD) Cover</b>	The target market for Standard TPD Cover is consumers who are looking to reduce their exposure to outstanding Financial Commitments or Financial-in-kind Commitments as defined in section 1 (including, but not limited to, financial commitments to dependants such as spouse or children) in the event of the Life Insured's Total and Permanent Disablement (as defined in the PDS).
<b>Income Cover</b>	The target market for Standard Income Cover is consumers who have (or envisage that in the future they will or may have) a need to replace their income in the event that they are unable to earn their income (or are only able to earn a lower income) due to an Illness or Injury (as defined in the PDS).

### Consistency between target market and the product

The Trustee considers that the product is likely to be consistent with the likely objectives, financial situation and needs of consumers within the target market because:

- there is a range of insurance options to cater for a broad range of insurance needs (including type and level of cover); and
- the product accepts the full range of contributions permitted under the law; and
- the costs associated with the product are consistent with market rates

# How this product is distributed

## Distribution channels

The product is distributed exclusively through approved financial advisers under personal and general advice. Consumers cannot apply for this product directly. Also, the superannuation product is issued only to a consumer whose application for insurance has been accepted by the insurer.

## Distribution conditions

This product should only be distributed under the following circumstances:

- Distributors must:
  - Have a Distribution Agreement in place with MetLife; and
  - Have a current Australian Financial Services licence.
- where the product is distributed via general advice, the consumer must be able to confirm a Financial Commitment or Financial-in-kind Commitment.

Distributors must also ensure that they comply with all regulatory provisions relating to financial products including but not limited to the provision of financial advice, Anti-Hawking Provisions and other legislative requirements within the Corporations Act and other relevant law.

## Adequacy of distribution conditions and restrictions

The Trustee has determined that the distribution conditions and restrictions will make it likely that customers who purchase the product(s) are in the class of customers for which it has been designed. The Trustee considers that the distribution conditions and restrictions are appropriate and will assist distribution in being directed towards the target market for whom the product has been designed.

In making this determination, the Trustee has had particular regard to the following:

- a consumer must receive personal or general advice from an adviser in order to apply for the product; and
- the superannuation product will be issued to a consumer only if the consumer's application for insurance has been accepted by the insurer

# Reviewing the target market determination

We will review this target market determination in accordance with the below:

## Periodic reviews

- Annually in April

## Review triggers or events

Any event or circumstances arise that would suggest the TMD is no longer appropriate. This may include (but not limited to):

- Business performance review or adverse finding from a member outcomes assessment;
- a material change to the design or distribution of the product, including related documentation;
- occurrence of a significant dealing;
- distribution conditions found to be inadequate;
- external events such as adverse media coverage which would significantly impact the sustainability of the Fund or regulatory changes that affect the product or the distributions of the product;
- significant or unexpectedly high numbers of
  - complaints regarding product design, product availability, claims and distribution;
  - lapses or cancellations;
  - accepted, declined and withdrawn claims that would reasonably suggest that the TMD is no longer appropriate
- the use of a Regulator's Product Intervention Powers in relation to the product.

Where a review trigger has occurred, this target market determination will be reviewed within 10 business days.



# Reporting and monitoring this target market determination

Distributors have the obligation to report the following information to us in relation to this TMD.

## Complaints

Distributors must record and report all complaints that relate to product design, product availability, claims or its distribution that are received during the reporting period. The record should include the substance of complaints in relation to the product covered by this TMD. Where a complaint is received, the distributor must report this complaint information to the issuer at six monthly intervals (end of March and September). This will include written details of the complaints.

## Significant dealings

Distributors must report if they become aware of a significant dealing in the product outside of the TMD within 10 business days.



**For more information**

Call 1800 523 523 Monday to Friday 9:00am to 5:00pm AEST/AEDT

**metlife.com.au**

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The information contained in this target market determination is general information only and is not intended to be construed as either personal or general advice or a product recommendation. You should make your own enquiries as to the suitability of this product for your personal financial needs and circumstances and obtain and read a copy of the PDS for further information on how it before making an insurance decision.



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