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ONECARE EXTRA CARE COVER TARGET MARKET DETERMINATION

1. About this document

This document is a Target Market Determination (TMD). It sets out the target market for extra care cover under the OneCare product suite (Extra Care 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 OnePath's 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 Extra Care Cover, based on the objectives, financial situation and needs of the class of consumer comprising the target market.

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 OneCare and OneCare Super before making a decision to apply for this product. The PDS can be found at onpath.com.au. Consumers may want to consider obtaining personal financial advice to ensure the cover they select is tailored to their objectives, financial situation and needs.

Extra Care Cover is an intermediated insurance product that can suit consumers with simple or complex needs, including consumers who either:

- have completed their own research, including having received general advice, know what type of insurance they want and seek help with the application process; or
- want insurance that is tailored to their specific circumstances through a needs analysis and a fact find by a qualified financial adviser.

Consumers who apply for this product are comfortable to provide us with information about their health, financial situation, lifestyle, and pastimes for our assessment and they understand that the outcome of the assessment may be that they are not eligible for cover.

Extra Care Cover can be held in the superannuation environment or outside the superannuation environment.

2. Product Description

Extra Care Cover is designed for consumers with the needs and objectives set out below. It provides a way of supplementing OneCare cover with individual elements of Accidental Death Cover, Terminal Illness Cover or Extended Needle Stick Cover for medical professionals.

Extra Care Cover cannot be applied for on its own, and is only available with another product under the OneCare product suite (Life Cover, TPD Cover, Trauma Cover, Income Secure Cover, Living Expense Cover or Business Expense Cover).

Extra Care Accidental Death Benefit: pays a lump sum benefit if the life insured dies as a result of an accident.

Extra Care Terminal Illness Benefit: pays a lump sum benefit if the life insured is diagnosed with a terminal illness.

Extra Care Extended Needle Stick Benefit: pays a lump sum benefit if the life insured contracts either HIV or Hepatitis B or C from their occupation.

This product provides insurance protection only, so that benefits are only payable if an insured event occurs. It is not a savings product and does not accumulate a cash or surrender value.

If Extra Care Cover is held in the superannuation environment, it does not provide Extended Needle Stick Cover.

3. Target Market

Needs and objectives

Extra Care Cover is designed to complement other OneCare cover and provide additional financial protection for consumers, specifically:

Extra Care Accidental Death Benefit is designed to provide financial protection for consumers who have (or envisage that in the future they will or may have) outstanding financial commitments in the event of the life insured's accidental death. This could include financial support for the dependants or the immediate costs associated with a sudden death.

If the Extra Care Accidental Death Benefit is held in superannuation, the target market is more specifically consumers who also:

- want to obtain Extra Care Accidental Death Benefits within the superannuation environment; and
- understand and accept the additional requirement of satisfying a condition of release to receive a benefit amount from superannuation.

Extra Care Terminal Illness Benefit is designed to provide financial protection for consumers who have (or envisage that in the future they will or may have) outstanding financial commitments in the event the life insured is diagnosed with a terminal illness. The financial commitments may include (but are not limited to) mortgage and other debt-servicing costs, income replacement, medical costs, transport expenses and accommodation costs, personal and palliative care. They can also include future funeral costs.

If the Extra Care Terminal Illness Benefit is held in superannuation, the target market is more specifically consumers who also:

- want to obtain Extra Care Terminal Illness Benefits within the superannuation environment; and
- understand and accept the additional requirement of satisfying a condition of release to receive a benefit amount from superannuation.

Extra Care Extended Needle Stick Benefit is designed to provide financial protection for medical professionals in the situation that they accidentally acquire HIV or Hepatitis B or C at work. The benefit could be used to pay for medical expenses and treatment costs or provide the consumer financial support to seek alternate occupational opportunities or offset loss of earnings because of imposed occupational restrictions.

When cover may be suitable

Extra Care Accidental Death Benefit, Extra Care Terminal Illness Benefit and Extra Care Extended Needle Stick Benefit are suitable for consumers who:

- meet the eligibility requirements below;
- seek amounts of cover that can be tailored to their individual needs or circumstances;
- require additional insurance cover outside the scope of Life Cover, TPD Cover, Trauma Cover, Income Secure Cover, Living Expense Cover or Business Expense Cover;
- are seeking a sum insured of at least \$50,000;
- are engaged in an occupation or class of activity for which OnePath provides insurance cover;
- are willing to undergo an assessment conducted by OnePath in relation to health and medical history, occupation, pursuits and pastimes to obtain insurance cover, and are willing to accept restrictions, loadings or exclusions determined by OnePath following that assessment; or who have an eligible existing OnePath insurance policy and may wish to replace existing cover with this product without the need for a health or medical assessment; and
- have capacity to pay premiums on an ongoing basis over the timeframe identified for financial protection.

Extra Care Accidental Death Benefit	Extra Care Terminal Illness Benefit	Extra Care Extended Needle Stick Benefit
<p>In addition, suitable consumers for Extra Care Accidental Death Benefit may:</p> <ul style="list-style-type: none"> • expect to have financial commitments that will not be met in the event they die due to an accident; • seek a cost-effective solution to provide a lump sum benefit in the event of accidental death; • seek a higher amount of overall death cover that won't trigger additional medical tests; • wish to access cover for accidental death which will not be impacted by medical loadings; or • wish to access cover for death which would otherwise not be available to them due to their health. 	<p>In addition, suitable consumers for Extra Care Terminal Illness Benefit may:</p> <ul style="list-style-type: none"> • expect to have financial commitments that will not be satisfied by their estate and any other insurance in the event of a terminal illness diagnosis; or • expect to require financial support to cover the expenses associated with a terminal illness. 	<p>In addition, suitable consumers for Extra Care Extended Needle Stick Benefit may:</p> <ul style="list-style-type: none"> • expect to have financial commitments or additional costs in the event they contract HIV or Hepatitis B or C at work; or • expect that in the event they contract HIV or Hepatitis B or C at work, their future earnings capacity will be impacted.

When cover may not be suitable

Extra Care Accidental Death Benefit	Extra Care Terminal Illness Benefit	Extra Care Extended Needle Stick Benefit
<p>Extra Care Accidental Death Benefit may not be suitable for consumers who:</p> <ul style="list-style-type: none"> • are engaged in an occupation for which OnePath does not provide insurance cover; • do not require additional cover outside the scope of Life Cover, TPD Cover, Trauma Cover, Income Secure Cover, Living Expense Cover or Business Expense Cover; • are unable to fund premiums over the timeframe identified for financial protection; or • are seeking cover for any benefit which is subject to any of the exclusions outlined below. 	<p>Extra Care Terminal Illness Benefit may not be suitable for consumers who:</p> <ul style="list-style-type: none"> • are engaged in an occupation for which OnePath does not provide insurance cover; • do not require additional cover outside the scope of Life Cover, TPD Cover, Trauma Cover, Income Secure Cover, Living Expense Cover or Business Expense Cover; • are unable to fund premiums over the timeframe identified for financial protection; or • are seeking cover for any benefit which is subject to any of the exclusions outlined below. 	<p>Extra Care Extended Needle Stick Benefit may not be suitable for consumers who:</p> <ul style="list-style-type: none"> • do not work in a medical occupation which OnePath recognises; • do not require additional cover outside the scope of Life Cover, TPD Cover, Trauma Cover, Income Secure Cover, Living Expense Cover or Business Expense Cover; • are unable to fund premiums over the timeframe identified for financial protection; or • are seeking cover for any benefit which is subject to any of the exclusions outlined below.

Financial capacity

Extra Care Cover is designed for consumers who have the financial capacity to purchase it and to hold it over the timeframe identified for financial protection, i.e. a consumer who has the financial capacity to pay premiums in accordance with the chosen premium structure, fees and government charges. This is important for two reasons:

- the cost of cover will generally increase over time; and
- cover will be cancelled, and the life insured won't be covered, if premiums are not paid.

Appropriate consumers for Extra Care Cover held outside of superannuation will thus meet some or all of the following criteria:

- be earning income*;
- have personal savings;
- have other means to fund premiums, fees and government charges, such as family or other relationships.

Appropriate consumers for Extra Care Cover held in superannuation will thus be able to ensure payment of insurance premiums, which may be funded by personal contributions, spouse contributions, employer contributions or by rollover from another superannuation fund.

*In a medical occupation recognised by OnePath, for Extra Care Extended Needle Stick Benefit only.

4. Product design and key attributes

Product value

Extra Care Cover provides value to consumers due to its design which limits cover to specific situations. Consumers with these specific needs are not required to pay for broad cover which may exceed their needs. Extra Care Cover can be added (subject to OnePath's assessment) and removed to suit the consumer's need without impacting the OneCare cover (Life Cover, TPD Cover, Trauma Cover, Income Secure Cover, Living Expense Cover or Business Expense Cover) it supplements.

Eligibility requirements

When applying for Extra Care Cover, consumers must satisfy all of the following*:

- are aged between 15 and 60;
- are applying for, or already holding, other OneCare cover under the same policy;
- are in Australia; and
- have Australian residency or are in the process of applying for permanent Australian residency.

Extra Care Cover is subject to our assessment of health, financial information, occupation, and pastimes and so:

- consumers in certain occupations may not be eligible for cover;
- consumers with pre-existing health conditions may not be eligible for cover;
- consumers who participate in high risk pastimes may not be eligible for cover; and
- the outcome of the assessment may impact the premiums, the sum insured and the terms of the insurance policy, or cover may be declined.

*Where we issue a new policy for one of the scenarios below, a consumer will still be considered eligible and within the target market:

- replacement of existing cover as a result of a change of ownership;
- policy reinstatement after cancellation due to non-payment of premium; or
- exercising an option to continue, convert or buy back cover, under the policy terms outlined in the PDS.

Premium structure

The product is suitable for consumers who have capacity to pay premiums on an ongoing basis over the timeframe identified for financial protection.

Extra Care Accidental Death Benefit and Extra Care Terminal Illness Benefit are priced using a stepped premium structure. Stepped premiums generally increase each year based on rates for the consumer's age. Premium rates are not guaranteed and can change. Detailed information on understanding premiums, what factors impact them and why they change are available in the PDS.

Extra Care Accidental Needlestick Benefit: Premiums vary with the sum insured. Premium rates aren't guaranteed and can change. Detailed information on understanding premiums, what factors impact them and why they change are available in the PDS.

Key exclusions and limitations

Key exclusions

Extra Care Accidental Death Benefit	Extra Care Terminal Illness Benefit	Extra Care Extended Needle Stick Benefit
<p>We will not pay an Extra Care Accidental Death Benefit if, as a result of the life insured's intentional self-inflicted act, they die during the first 13 months of any cover or any reinstated cover. This also applies to any increases in cover (excluding indexation increases) after the cover starts.</p> <p>This product may be subject to additional exclusions, based on our assessment of an application.</p>	<p>This product may be subject to additional exclusions, based on our assessment of an application.</p>	<p>The following events are not covered under the Extra Care Extended Needle Stick Benefit:</p> <ul style="list-style-type: none"> if the life insured suffers HIV or Hepatitis B or C, as a result of their intentional self-inflicted act; for Hepatitis B or C, if any Australian Government approved medical treatment is developed for Hepatitis B or C (as applicable), which renders Hepatitis B or C (as applicable) inactive and non-infectious; for HIV, if a medical treatment is developed that prevents AIDS occurring or if a medical 'cure' is found for AIDS or the effects of HIV. 'Cure' means any Australian Government approved treatment, which renders HIV inactive and non-infectious. <p>This product may be subject to additional exclusions, based on our assessment of an application.</p>

Key limitations

Extra Care Accidental Death Benefit	Extra Care Terminal Illness Benefit	Extra Care Extended Needle Stick Benefit
<ul style="list-style-type: none"> A benefit is only payable in the event of accidental death. The cover does not provide a benefit for any other cause of death, for example, illness. 	<ul style="list-style-type: none"> The life insured must survive 8 days after diagnosis of the terminal illness. 	<ul style="list-style-type: none"> Contracting HIV or Hepatitis B or C, from sources other than the life insured's medical occupation is not covered (for example, contracted via a medical procedure e.g. blood transfusions).

- Any benefit is paid as a lump sum only (including where the instalment benefit type applies to other covers on the policy).
- Only one Extra Care Cover benefit payment for a life insured will be made within any 12-month period, even if the life insured suffers from or is diagnosed with more than one of the insured events under this Cover.
- Covers will end on the date there ceases to be any other cover types on the policy except Extra Care Cover.

Full details regarding the terms and conditions of this product are available in the PDS.

5. Appropriateness of the product for the target market

Extra Care Accidental Death Benefit

The target market is consumers who have or expect to have outstanding financial commitments that will not be met in the event of their accidental death. As the product pays a lump sum benefit on accidental death, it is likely to meet the needs, or go towards meeting the needs, of consumers in the target market.

Extra Care Terminal Illness Benefit

The target market is consumers who have or expect to have outstanding financial commitments that will not be met in the event they are diagnosed with a terminal illness. As the product pays a lump sum benefit on terminal illness diagnosis, it is likely to meet the needs, or go towards meeting the needs, of consumers in the target market.

Extra Care Extended Needle Stick Benefit

The target market is consumers in a medical occupation recognised by OnePath, who have or expect to have outstanding financial commitments that will not be met in the event they contract Hepatitis B or C or HIV. As the product pays a lump sum benefit for medically acquired HIV or Hepatitis B or C, it is likely to meet the needs, or go towards meeting the needs, of consumers in the target market.

6. Conditions and restrictions on distribution

Distribution conditions

In light of the obligations under Part 7.8A of the Corporations Act (product design and distribution obligations), an application for Extra Care Cover must be submitted by a Distributor who is operating under an AFSL with appropriate authorisations. The Distributor must be authorised by OnePath to distribute the product as per the terms of the distribution agreement. The Distributor may only submit applications for consumers who:

- have received a current OneCare and OneCare Super PDS;
- have been given personal or general financial advice; and
- meet the eligibility criteria set out in this TMD.

The Distributor must consider when the cover may be suitable and when the cover may not be suitable as set out in this TMD.

The Distributor should not sell this product to a consumer who is unlikely to ever be eligible to claim the benefits under the policy.

Where the product is distributed under general advice, the Distributor must also have in place, where appropriate, processes relating to general advice scripting, training, monitoring and quality assurance.

These distribution conditions for Extra Care Cover are appropriate and will assist in distribution being directed towards the target market.

Why these distribution conditions and restrictions will make it more likely that the consumers who acquire the product are in the target market

Personal advice

Consumers that obtain personal advice are more likely to be in the target market for Extra Care Cover because financial advisers have a duty to comply with the statutory best interests duty when providing personal advice.

The Distributor is expected to consider any relevant information obtained about the consumer's financial situation, to ensure that Extra Care Cover is sold in accordance with this TMD. Relevant information could include (but is not limited to):

- dependants
- other insurance
- debts.

General advice

Consumers that obtain general advice are more likely to be in the target market providing Distributors follow OnePath's distribution conditions regarding:

- eligibility criteria;
- having considered the suitability of the product; and
- having provided general advice.

In addition, for every application, OnePath's application process will require information covering the key eligibility criteria. If the eligibility criteria is not satisfied, cover will not be provided for those applicants. This will improve the likelihood that cover has been sold to consumers within that target market.

7. OnePath's 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. OnePath may choose to undertake a review even if this review trigger is not met.
- Product performance is materially inconsistent with the product issuer's expectations of the appropriateness of the product to consumers having regard to:
 - product claims ratio (i.e. the proportion of premiums returned to consumers as benefits)
 - the number or rate of paid, denied, and withdrawn claims
 - the number of policies sold
 - policy lapse or cancellation rates
 - percentage of applications not accepted.
- The use of Product Intervention Powers in relation to the distribution or design of this product where OnePath considers 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.
- OnePath determines that a significant dealing in the product outside the target market (except for an excluded dealing) has occurred.
- Changes in medical advances impact product design or the market for the product.
- Distribution conditions set out in the TMD are otherwise no longer appropriate.
- OnePath makes a material change to the insurance product terms.

Maximum TMD lifespan

Subject to intervening review triggers, this TMD will be reviewed no more than two years after the effective date of the TMD. Any of the above review triggers will bring forward the two-yearly review.

Reporting period for any complaints about this product

Distributors must report complaints to us 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.

How OnePath will decide if this TMD is no longer appropriate

OnePath's product manager will review the information set out below on a regular basis to ensure that the TMD is still appropriate.

- Relevant regulation, legislation and/or ASIC instruments relating to the change in law.
- During the review period, compare expected and actual data for the following:
 - product claims ratio (i.e. the proportion of premiums returned to consumers as benefits)
 - the number or rate of paid, denied, and withdrawn claims
 - the number of policies sold
 - policy lapse or cancellation rates
 - percentage of applications not accepted.
- Relevant Product Intervention order.
- Complaints and the nature of the complaints regarding product design, claims and distribution condition.
- A significant dealing in the product which OnePath's product manager becomes aware is not consistent with the TMD (within 10 business days of becoming aware of the dealing).

Where relevant, OnePath's product manager will consider actual data against expected amounts, with thresholds around the expected position. Thresholds are set at green, amber and red levels and results in the amber or red thresholds are analysed and monitored more closely and escalated for action as considered appropriate. Metrics are also monitored for trends and step changes.

The following information collected from Distributors will be considered as part of the review:

- Complaints and the nature of the complaints regarding product design, claims and distribution condition (must be reported to us by Distributors within 10 business days of the end of the half-year).
- A significant dealing in the product which the Distributor becomes aware is not consistent with the TMD (must be reported to us by Distributors within 10 business days of becoming aware of the dealing).

Submitting data to OnePath

Distributors may submit data to OnePath in any of the accepted formats.

Refer to our OnePath website for more information:
onepath.com.au/tmd