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Legal disclaimer

This Target Market Determination (TMD) is required under section 994B of the *Corporations Act 2001* (Cth). It sets out the target market for the product, triggers to review the target market, how it is to be distributed and certain other information. It forms part of MLC Limited’s and NEOS Life’s design and distribution framework for the product.

This document is **not** a product disclosure statement and is **not** a summary of the product 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 product disclosure statement before making a decision whether to buy this product.

MLC Limited uses the MLC brand under licence. MLC Limited is part of the Nippon Life Insurance Group and is not part of the Insignia Financial Group. MLC Limited ABN 90 000 000 402 AFSL 230694 (MLC Life Insurance).

NEOS Life is a registered business name of Australian Life Development Pty. Ltd. ABN 96 617 129 914 AFSL 502759.

Target market

1. Likely objectives of consumers in the target market

Life Cover	Total and Permanent Disability (TPD) Cover	Critical Illness Cover	Income Protection Cover
The consumer wants to lower their financial risk from the event/s listed below.			The consumer wants to reduce their exposure where they have (or envisages that in future they will or may have) a need to replace their income if they are unable to earn income (or are only able to earn a lower income) due to sickness or injury.
Financial risks include financial commitments (personal and commercial) and financial-in-kind commitments (including Business Insurance purposes), where the consumer has a responsibility to pay money or provide goods or services to their dependants, estate or business. The consumer may currently be responsible, or anticipate being responsible, for these financial risks.			
The insured person's: <ul style="list-style-type: none">• Death• Terminal Illness	The insured person is incapable of engaging in: <ul style="list-style-type: none">• meaningful gainful employment, or• independent living due to total and permanent disability.	The insured person suffers a specified critical illness.	
The target market excludes those: <ul style="list-style-type: none">• who are not:<ul style="list-style-type: none">- Australian citizens- Australian permanent residents- New Zealand citizens residing in Australia; or- those with certain temporary visas who do not meet our underwriting terms and conditions in relation to residency• who do not meet the eligibility requirements (unless prior written approval has been provided)• who do not meet the underwriting requirements• in certain occupations for some benefit types• who want fixed or guaranteed premiums; or• contemplating self-harm.			

Encompass Protection cover inside super

For Encompass Protection cover within superannuation, an individual is in the target market for life insurance within the super environment if they accept that there are legislative restrictions that impact the insurance cover. These restrictions include:

- Insurance premiums must be paid from a super fund.
- Any insurance claim will be paid via the trustee of the super fund, who must also approve payment of the benefit.
- If the consumer dies and has not made a valid binding death beneficiary nomination, the trustee of the super fund may determine the beneficiary or beneficiaries who will receive the death benefit.
- The qualifying definitions under which an insurance claim can be paid must be consistent with legislated superannuation rules called 'conditions of release'.
- The legislated 'conditions of release' must be satisfied before benefits or insurance claims can be paid to the member.
- Taxation may apply to benefit payments paid to the member or beneficiary.
- Where super savings are used to pay premiums, this method of payment will reduce the super balance available to consumers in retirement, and consumers should consider whether payment of premiums via superannuation will inappropriately erode their retirement income.

2. Likely financial situation of consumers in the target market

As the premiums may vary from time to time (in accordance with the chosen premium structure), the consumer should have the financial capacity to pay the premiums over the period they intend to hold the product.

The consumer must have at least one of the following potentially relevant sources of financial capacity to pay the premiums:

- is earning income
- has personal savings
- has superannuation; or
- family or other relationships, either personal or business.

3. Demographic and eligibility requirements of consumers in the target market

Requirements	Life Cover	Total and Permanent Disability Cover	Critical Illness Cover	Income Protection Cover
Entry age	Variable age-stepped: 18-70 Level: 18-60^	18-60	18-60	18-60
<ul style="list-style-type: none">• Australian citizen• Australian permanent resident• New Zealand citizen residing in Australia; or• consumers with certain temporary visas subject to underwriting terms and conditions	✓	✓	✓	✓
Gainfully employed#	-	✓ (Cover may be available for Home Duties if unemployed at the time of application)	-	✓

^Level premium only applies if the policy was current as at 15 February 2024, or the insurance on level premium was transferred from a policy that was current as at 15 February 2024.

#To be eligible for Income Protection Cover and Total and Permanent Disability Cover the insured person must be gainfully employed and working over 20 hours per week. Contractors, casual workers and those working less than 20 hours may be eligible for Income Protection Cover and/or Total and Permanent Disability Cover subject to underwriting terms and conditions.

A consumer will still be considered within the target market and to have met eligibility criteria if:

- MLC Life Insurance reinstates their policy within six months of the lapse date due to non-payment of premium, and they have satisfied MLC Life Insurance's reinstatement requirements
- they exercise an option to continue, convert or buy back cover under the policy terms in their PDS; or
- MLC Life Insurance allows them to replace their existing cover as a result of a change of ownership.

Product description

Cover types	Type of claim payment		Ownership
Encompass Protection offers cover for events listed below, in accordance with the terms and conditions outlined in the Encompass Protection Product Disclosure Statement and Policy Document (PDS).	Lump sum	Monthly payment/s	Available under Encompass Protection (Super)
Life Cover – In the event the insured person: <ul style="list-style-type: none"> dies; or is diagnosed with a terminal illness. Life Cover is available as stand-alone cover*.	✓	–	✓
Total and Permanent Disability Cover – In the event the insured person: <ul style="list-style-type: none"> suffers a permanent disability, meaning they cannot work again in their usual occupation, or any other occupation they are reasonably suited to (depending on whether own occupation, any occupation or super TPD is chosen); or suffers either a permanent cognitive deficit, a specified loss of use or for those performing home duties, a permanent inability to perform specified Domestic Duties Note: For Encompass Protection within super in all cases, the insured person must also be permanently incapacitated (as required by the <i>Superannuation Industry (Supervision) Act</i> (SIS)) and meet all other terms and conditions outlined in the PDS. Total and Permanent Disability Cover is available as attached cover and linked cover^..	✓	–	✓
Critical Illness Cover – In the event the insured person: <ul style="list-style-type: none"> is diagnosed with or suffers a specified critical illness (specified terms). Critical Illness Cover is available as stand-alone cover*, attached cover and linked cover^..	✓	–	–
Income Protection Cover – In the event the insured person is: <ul style="list-style-type: none"> unable to work due to illness or injury, or partially restricted in performing their duties and suffering a reduction in income due to illness or injury. Note: For Encompass Protection within super in all cases, the insured person must also have satisfied the SIS definition of temporary incapacity before any benefits are payable and meet all other terms and conditions outlined in the PDS.	–	✓	✓

*Stand-alone cover is independent of all other covers.

^Attached cover is attached to another cover. You pay less for this structure when compared to stand-alone cover because any claim payment on one cover will reduce the benefits of the covers they are attached to. Linked cover works the same way as attached cover, except the covers are held as separate policies. For example, cover inside super can be linked to cover outside super.

Key product attributes		Life Cover	Total and Permanent Disability Cover	Critical Illness Cover	Income Protection Cover
Available via super environment		✓	✓	–	✓
Premium type – there are two premium types: variable age-stepped premiums and level premiums. Premiums for both types can change over time and premium rates are not guaranteed. <ul style="list-style-type: none"> • Variable age-stepped premiums are calculated each year based on the insured person's age and will usually increase each year as they get older. This is the only premium type offered from 16 February 2024. • Level premiums (only applicable if the policy was current as at 15 February 2024 or the insurance on level premium was transferred from a policy that was current as at 15 February 2024) are calculated based on the sum insured and the insured person's age when they applied for that cover, and the applicable premium rate for that age at each policy anniversary. Level premiums have the cost of providing insurance spread out over a number of years. Level premiums generally start out higher than variable age-stepped premiums, but may become lower than variable age-stepped premiums at some point in the future. 		✓	✓	✓	✓
Premiums will also change if: <ul style="list-style-type: none"> • the cover changes, including if an option is added or removed • the sum insured changes, including because of the Indexation Benefit or the Future Increase Benefit is exercised • there are changes to stamp duty or other government charges; or • we change the premium rates, discounts or policy fees. 					
The payment of premiums –if premiums are not paid when due, the policy may lapse, in which case the insured person would no longer be covered and cannot make a claim.					
The consumer can pay premiums: <ul style="list-style-type: none"> • on a monthly or yearly basis; and • via direct debit or credit card. 		✓	✓	✓	✓
The product provides insurance benefits only and does not provide for any accumulation of savings.					
Eligibility criteria – certain persons may be ineligible for cover if they do not meet the eligibility criteria for this product. Eligibility criteria of the life to be insured could include: <ul style="list-style-type: none"> • age • employment status[^] • residency status; and • health status. 		✓	✓	✓	✓
[^] To be eligible for Income Protection Cover and Total and Permanent Disability Cover the insured person must be gainfully employed and working over 20 hours per week. Contractors, casual workers and those working less than 20 hours may be eligible for Income Protection Cover and Total and/or Permanent Disability Cover subject to underwriting terms and conditions.					
There are standard exclusions including, but not limited to:	Suicide exclusion for death or terminal illness in the first 13 months of policy start, reinstatement or increase.	✓	–	–	–
	Self-inflicted injury or attempted suicide.	–	✓	✓	✓
	War or war-like operations	–	–	–	✓
	90-day exclusion/qualifying periods for certain critical conditions.	–	–	✓	–
	Normal and uncomplicated pregnancy or childbirth.	–	–	–	✓
	Claims arising directly or indirectly from committing, or attempting to commit a criminal act where; a conviction is recorded, and a term of imprisonment is being, or has been, served.	–	–	–	✓
	A sickness or injury that first appeared, happened or was diagnosed before the consumer's insurance started, or was last reinstated (unless disclosed to and accepted by us as part of the application or reinstatement process).	✓	✓	✓	✓

There are customisable benefits.	✓	✓	✓	✓
Underwriting process could impact the price of the product, the sum insured, and the terms and conditions of the insurance policy.	✓	✓	✓	✓

Why the product attributes will make it more likely that the consumers who acquire the product are in the target market

Life Cover

The target market broadly comprises of consumers who:

- have, or expect to have, outstanding financial commitments that will not be satisfied in the event of the insured person's death or terminal illness; and
- have the capacity to pay potentially variable premiums on an ongoing basis.

As the product pays a lump sum on death or terminal illness, it is therefore likely to meet the needs, or go towards meeting the needs, of those in the target market.

Total and Permanent Disability Cover

The target market broadly comprises of consumers who:

- have, or expect to have, outstanding financial commitments that will not be satisfied in the event of the insured person's total and permanent disability; and
- have the capacity to pay potentially variable premiums on an ongoing basis.

As the product pays a lump sum on total and permanent disability, it is therefore likely to meet the needs, or go towards meeting the needs, of those in the target market.

Critical Illness Cover

The target market broadly comprises of consumers who:

- have, or expect to have, outstanding financial commitments that will not be satisfied if the insured person suffers a specified critical illness; and
- have the capacity to pay potentially variable premiums on an ongoing basis.

As the product pays a lump sum on the life insured suffering a specified critical illness, it is therefore likely to meet the needs, or go towards meeting the needs, of those in the target market.

Income Protection Cover

The target market broadly comprises of consumers who:

- have, or expect to have, outstanding financial commitments that will not be satisfied in the event of the insured person's sickness or injury; and
- have the capacity to pay potentially variable premiums on an ongoing basis.

As the product pays a periodical monthly benefit after the selected waiting period and while the insured person continues to be disabled, it is therefore likely to meet the needs, or go towards meeting the needs, of those in the target market.

Distribution conditions

For distribution via personal advice

An application for cover must be submitted by a suitably authorised financial adviser (i.e. authorised in life risk products and/or super), operating under an appropriate Australian Financial Services Licence (AFSL) who has accepted the NEOS Life Distribution Agreement and has attained a licensee code and adviser code.

For distribution via general advice

- The distributor must not sell to a customer who does not satisfy the demographic factors and eligibility requirements in the Target Market as set out above.
- The distributor must provide the customer with the PDS.
- The distributor has structured training and/or quality assurance standards.
- The customer meets application screening questions.
- Applications for cover must be submitted via an appropriate AFSL, with appropriate authorisation, who has accepted the NEOS Life Distribution Agreement and has attained a licensee and adviser code.
- From time to time, the product may be distributed under a general advice model in compliance with the distributor's authorised call scripts and processes.

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

For distribution via personal advice

Consumers that obtain personal advice from a qualified financial adviser are more likely to acquire an appropriate product and be in the target market because advisers have a duty to act in the consumer's best interest when providing personal advice.

For distribution via general advice

Consumers of life insurance are more likely to be in the target market if distributors:

- refrain from selling to customers that do not meet the relevant demographic and eligibility requirements; and
- provide customers with a PDS.

Review triggers and information to assess whether a review trigger has occurred

Review triggers	Assessment information	Timeframe	Who is responsible
1 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. Note: This trigger is a mandatory review. The product issuer may choose to undertake a review even if this review trigger is not met.	Any relevant regulation, legislation and/or ASIC instruments relating to the change in law.	As new changes are introduced.	MLC Life Insurance with information supplied.
2 Product performance is materially inconsistent with the product issuer's expectations, having regard to: a. the value of policies sold b. the number of policies cancelled c. the conversion rate d. the policy lapse rate e. the number of claims denied; and f. the number of claims withdrawn.	During the review period, the expected and actual: a. sales b. number of policies cancelled from inception c. conversion rate d. policy lapse rate e. number of claims denied; and f. number of claims withdrawn. MLC Life Insurance has detailed specific assessments for each trigger.	Aligned to TMD review period.	MLC Life Insurance.
3 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.	Complaints (as defined in section 994A(1) of the Act) and the nature of the complaints regarding product design, product availability, claims and distribution condition.	As soon as practicable, or in any event, within 10 business days after the end of the reporting period.	MLC Life Insurance and our distribution partners.
4 Material change to key product design, features, and/or fees that would reasonably suggest that this TMD is no longer appropriate.	Notification of proposed material change to key product design, features, and/or fees.	As material changes are made.	MLC Life Insurance.
5 Significant Dealing in the product which the regulated person becomes aware is not consistent with the TMD.	A dealing in the product which the distributor (as the regulated person) becomes aware is not consistent with this TMD.	As a significant dealing is identified.	MLC Life Insurance and our distribution partners.

TMD review periods

The review for this TMD occurs within 12 months from the date of this TMD. Subsequent reviews occur at least every three years after the end of the previous review.

This TMD may be reviewed more frequently if intervening review triggers occur.

Distributor reporting requirements

- Complaints (including the nature of the complaints) regarding product design, product availability, claims and distribution condition must be reported as soon as practicable, or in any event, within 10 business days after the end of March and September reporting periods each year.
- A significant dealing in the product which the regulated person becomes aware of is not consistent with the TMD should be reported as they are identified.



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Encompass Protection is issued by MLC Limited (MLC Life Insurance, the Insurer) ABN 90 000 000 402 AFSL 230694. NEOS Life (NEOS, the Administrator) is a registered business name of Australian Life Development Pty Ltd ABN 96 617 129 914 AFSL 502759. NEOS provides administration services (excluding the administration of claims) in relation to Encompass Protection on behalf of the Insurer.