

Asteron Life Complete – Business Expenses Target Market Determination (TMD)

Product:	Asteron Life Complete – Business Expenses Cover (the products), offered in the Product Disclosure Statement (PDS) dated 1 April 2022 and Supplementary Product Disclosure Statements (SPDS) dated 1 June 2023 and 31 March 2025.
Issuer:	TAL Life Limited (TAL Life) ABN 70 050 109 450 AFSL 237848
Date of this TMD:	31 March 2025
Version:	4
Next TMD review date:	By 31 March 2027

Important information

This TMD sets out the product description and key attributes, target market, distribution conditions, review periods and review triggers for the product. This TMD forms part of the product design and distribution arrangements of the product.

This document is **not** a product disclosure statement, and is **not** a summary of the conditions, features or terms of the product. The terms and conditions of cover provided under the product are set out in the PDS, along with any policy schedule (if applicable). Consumers interested in acquiring this product should carefully read those documents before deciding to purchase, or to continue to hold the product. The PDS can be obtained from www.asteronlife.com.au.

There are terms in this TMD which have a particular meaning. Where a defined term is used in this TMD, the word is italicised (e.g., '*Commencement date*'). These terms are defined in the PDS.

This document does not take into account any consumer's individual objectives, financial situation or needs. If a consumer has any questions about the product, please speak with a financial adviser or contact TAL Life.

Asteron Life Complete through TAL Life is an insurance policy, under which consumers can select covers comprising of Life Cover, Total and Permanent Disablement Cover, Trauma Cover, Child Cover, Income Protection Cover and Business Expenses Cover. This TMD relates to the Business Expenses Cover.

The product is an insurance policy, not a savings plan, which means no financial benefit is payable from the policy unless claim eligibility conditions are met.

Asteron Life Complete may be acquired via various distributors with or without personal advice. Not all optional benefits and sum insured limits may be available from a distributor. A distributor can inform consumers of any features (such as optional benefits or sum insured limits) that are not available.

The products listed above are only available for consumers who are reinstating, replacing or repurchasing existing insurance cover (e.g. under a buy back or continuation option), as approved by TAL Life.

Product description and key attributes

Product description	Business Expenses Cover may replace a proportion of allowable business expenses in the event an insured person is totally <i>disabled</i> or <i>partially disabled</i> due to <i>sickness</i> or <i>injury</i> . Benefit payments start after the waiting period and may continue for the period the insured person remains disabled, up to the end of the <i>benefit period</i> . Multiple claims can be made during the life of the policy, subject to the limits of cover.
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Eligibility criteria	<ul style="list-style-type: none">• Entry age next birthday for stepped and level Premiums: 18-60;• Life insured owns all or part of the business in which they are employed; and• Where applicable subject to TAL Life's Underwriting assessment including relating to health and medical history, occupation, income, lifestyle, pastimes and current and past insurance.
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Benefit Period options	12 months If the life insured is still <i>disabled</i> at the end of the <i>benefit period</i> , and 12 times the business expenses <i>monthly benefit</i> has not been paid, the <i>benefit period</i> may be extended by up to 6 months.
Waiting Period options	14 days, 30 days, 60 days or 90 days.
Maximum Monthly Benefit	Up to \$60,000 per month at application, taking into account all insurances of a similar type held by the life insured. The above maximum benefit amount may be exceeded if a policy is being reinstated, replaced or repurchased (e.g. under a buy back or continuation), and had previously indexed above these amounts under the prior Policy.
Expiry age	On the Policy anniversary before the life insured's 65th birthday.
Key exclusions and limitations	<p>Business Expenses Cover provides a <i>monthly benefit</i> for the consumers share of Allowable Business Expenses. Allowable Business Expenses do not include:</p> <ul style="list-style-type: none"> • Salaries, fees or drawings and related costs paid to or for: you, or any member of your family unless they were a bona fide employee and were employed at least 30 days before you became disabled; • Repayments of loan principal; • Costs of equipment, books, fittings, fixtures, furniture, goods, implements, merchandise, stock or any other items of capital nature; • Expenses met or reimbursed under other insurance that were not disclosed to us at the time you applied for the policy, or • Depreciation expenses. <p>No payment will be made under Business Expenses Cover if the event giving rise to a claim is caused directly or indirectly by:</p> <ul style="list-style-type: none"> • A war or an act of war, whether or not war has been declared (this exclusion does not apply to the Death Benefit) • An intentional self-inflicted act; • Your voluntary participation in any <i>criminal activity</i>; • Pregnancy unless you're continuously <i>totally disabled</i> for longer than 90 days. Even if you're continuously <i>totally disabled</i> for longer than 90 days, benefits won't commence prior to the date your pregnancy finishes, or • Miscarriage or childbirth unless you're continuously <i>totally disabled</i> for longer than 90 days. <p>Cover for the Crisis Benefit under Business Expenses Covers won't apply to:</p> <ul style="list-style-type: none"> • <i>Medically acquired HIV</i> (contracted from a medical procedure or operation), where a cure for HIV or Acquired Immune Deficiency Syndrome (AIDS) has become available prior to the medical procedure giving rise to the claim, or • <i>HIV – occupationally acquired</i>, where a cure for HIV or Acquired Immune Deficiency Syndrome (AIDS) has become available prior to the accident or malicious act giving rise to the claim. • <i>Hepatitis B or C – occupationally acquired</i> where a cure for Hepatitis B or C has become available prior to the accident or malicious act giving rise to the claim. if the life insured is receiving other payments (including without limitation from another policy or from other sources derived from the Injury or Sickness). <p>If we have classified your occupation as MP We won't deem you to be <i>disabled</i> as a result of:</p> <ul style="list-style-type: none"> • Hepatitis B or C, where a cure for Hepatitis B or C has become available prior to your infection, and • HIV, where a cure for HIV or Acquired Immune Deficiency Syndrome (AIDS) has become available prior to your infection or prior to the onset of your AIDS. <p>Special conditions may be determined and agreed to during underwriting. If applicable, the special condition will be shown in the policy schedule.</p>

Premium structures

The premium structures available are stepped premiums, level premiums or mixed premiums.

Stepped premiums are based on the life insured's age at each policy anniversary. Stepped premiums generally increase as you age. The increases will generally be more significant as you get older. This means stepped premium will generally increase at each policy anniversary. The yearly cost for stepped premiums will generally be lower than level premiums but may become higher than level premiums in later years.

Level premiums are based on the Life Insured's age at the start of the cover under the policy document. Each additional amount of cover, or if you request to increase your cover, will be priced based on the life insured's age at the date of increase. This additional cover will generally have a higher premium rate than the original cover. The yearly cost for level premiums will generally be higher than stepped premiums but may become lower than stepped premiums in later years.

Mixed premiums are a mixture of stepped and level to age 65 premium.

Stepped level and mixed premiums are not guaranteed to remain the same each year.

In addition to variations due to a stepped premium basis, premiums may vary if:

- we're requested to change the benefits or options under the policy
- we're requested to change the level of cover for any of the benefits or options under the policy
- we're requested to change the premium payment frequency on the policy
- premium discounts no longer apply (e.g. you no longer hold multiple policies with us), or
- we review and change the premium rates.

If premiums are not paid when due, the policy will end (provided notice is given as required by law) and the life insured will no longer be covered and cannot claim for events occurring after the policy ends.

Target market

Eligibility of consumers in the target market

The target market for the product comprises of consumers who:

- Are aged 18 – 60 (next birthday).
- Own all or part of the business in which they are employed and have allowable business expenses which they wish to insure and are working at least 30 hours per week.
- Where applicable, meet TAL Life's underwriting assessment, including relating to health and medical history, occupation, income, lifestyle, pastimes and current and past insurance.

If a policy is being reinstated, replaced or repurchased (e.g. under a buy back or continuation), the consumer may still be eligible for the product if they satisfied the eligibility criteria when the prior Policy first commenced.

Objective of consumers in the target market

This product is suitable for consumers who have a need, or may in the future have a need, to replace a portion of their business expenses in the event of being unable to work solely due to *sickness* or *injury*.

Financial situation of consumers in the target market

Consumers should consider if they have the financial capacity to fund the costs of cover, in accordance with the premium structure, over the period they intend to hold the cover. This includes periods in which, financial capacity may change such as, but not limited to, changing employment circumstances, entering retirement or another change in your financial situation. Consumers should form their own assessment of their capacity to fund premiums.

The premium structures available are stepped premium, level premium and mixed premiums. These premium structures are described in the “Product description and key attributes” section above. In deciding what premium structure may be appropriate, consumers will need to consider what premium structure suits their financial situation.

The yearly cost for stepped premiums will generally be lower than level premiums but may become higher than level premiums in later years.

The yearly cost for level premiums will generally be higher than stepped premiums but may become lower than stepped premiums in later years.

Regardless of the premium structure consumers choose premium rates for stepped, level and mixed premium types can increase.

Needs of consumers in the target market

Broadly, the target market comprises of Business owners who have or expect to have a need to replace their business expenses should they be unable to earn an income due to an event which causes them to be unable to earn their pre-disability income, whether due to sickness, illness or accident.

Appropriateness of the product for the target market

The target market comprises of those who have or expect to have outstanding fixed business expenses that will not be satisfied in the event the life insured is *totally disabled* or *partially disabled* due to sickness or injury and unable to earn an their *pre-disability* income. The target market also comprises of those who have the financial capacity to fund the costs of cover in accordance with their chosen premium structure, over the period they intend to hold cover.

As the product pays a *monthly benefit amount* in the event the life Insured is *totally disabled* or *partially disabled* solely because of *sickness* or *injury*, is only available for those consumers who meet the eligibility criteria, and who have the financial capacity to fund the costs of cover (having formed their own assessment of such capacity), the product is therefore likely to be consistent with the likely objectives, financial situation, and needs of consumers in the target market.

Consumers who are outside of the target market

The target market does not include consumers who:

- Are under 18 years of age;
- Are 60 years of age or older;
- Are unemployed (at time of application);
- Do not meet TAL Life’s underwriting assessment;
- Do not have the financial capacity to fund the costs of cover, in accordance with their chosen premium structure, over the period they intend to hold the cover; or
- Have the capacity to and are willing to pay for outstanding fixed business expenses without the cover under this product.

Distribution conditions

Distribution conditions: Personal advice

Distribution conditions do not apply with respect to the provision of personal advice or to arranging for a consumer to apply for or acquire the product for the purpose of implementing personal advice. This is because regulated persons who provide personal advice have statutory and general law duties with respect to the provision of personal advice which apply instead of the distribution conditions.

Distribution conditions: General advice

The following distribution conditions apply with respect to the provision of general advice:

- Distributors must be authorised by TAL Life to distribute the product;
- Distributors must obtain the information required to determine whether the consumer is eligible for the product and must not permit a consumer to be issued the product if the consumer does not meet the eligibility criteria (provided that the consumer has provided all relevant information honestly and completely);
- Distributors must draw the consumer's attention to the key features of the product, including an estimate of the applicable premium (based on the consumer's requested product benefits) to enable the consumer to determine if the product is likely to be consistent with their objectives, financial situation and needs;
- Distributors must have in place processes in relation to call scripts, training, monitoring and quality assurance designed to ensure the appropriate distribution of the product (call centres only); and
- Distributors must make the PDS of the product available to consumers.

Appropriateness of the distribution conditions: General advice

The distribution conditions will result in the product being issued to consumers who are likely to be in the target market because:

- The requirement for distributors to determine whether a consumer is eligible for the product and not permit consumers to be issued the product if they do not satisfy the eligibility criteria means the product cannot be issued to consumers who are not eligible for the product; and
- The requirement for distributors to draw the consumer's attention to the key features of the product including an estimate of the applicable premium (based on the consumer's requested product benefits), is likely to prompt a consumer to either proceed or not to proceed with an application based on their financial capacity to afford the applicable premiums and determination of whether the product is consistent with their likely objectives, financial situation and needs.

Review Periods and Review triggers

Review period

The next review of this TMD must be completed within 2 years after completion of the prior review, subject in each case to any intervening review triggers requiring an earlier review of this TMD.

Review trigger 1

Description: The commencement of a significant change in law that materially affects the product design, distribution of the product or class of products that includes this product.

Reporting information:

- Changes to relevant regulation, legislation and instruments.

Reporting period and review obligation:

- TAL Life must monitor and consider any significant relevant change in law that materially affects the design or distribution of the product.

Review trigger 2

Description: Product performance is materially inconsistent with TAL Life's expectations of the appropriateness of the product for consumers having regard to the following **Reporting Information:**

- Claim ratios by cover type
- The number of admitted, declined and withdrawn claims;
- The number of policies sold;
- Policy lapse rates; and
- The number of applications not accepted

Reporting period and review obligation:

- TAL Life must collect the reporting information and review these factors at least every 12 months from the date of this TMD (this product is only available for certain transactions for existing customers).

Review trigger 3

Description: Significant or unexpectedly high number of complaints regarding product design, claims and distribution conditions that would reasonably suggest that this TMD is no longer appropriate.

Reporting information:

- The nature of complaints and the total number of complaints received in relation to the product within the reporting period.

Reporting period and review obligation:

- TAL Life must review and consider the nature of complaints and the total number of complaints twice a year at the end of March and September; and
- Distributors must report the complaints and the total number of complaints to TAL Life, with reports required within 10 business days of the end of March and September.

Review trigger 4

Description: Significant change to the design or distribution of the product which TAL Life considers could result in a change to:

- Whether the product is likely to be consistent with the likely objectives, financial situation or needs of the target market; or
- The distribution conditions required to ensure that the product is likely to be issued to consumers who are within the target market.

Reporting information:

- Any significant changes to the design or distribution of the product.

Reporting period and review obligation:

- TAL Life must monitor and consider any significant change to the design or distribution of the product.

Review trigger 5

Description: TAL Life determines that a significant dealing in the product outside the target market (except for an excluded dealing) has occurred.

Reporting information:

- Any dealing in the product which the regulated person becomes aware of, that is not consistent with this TMD.

Reporting period and review obligation:

- TAL Life must promptly review and consider any significant dealing reported to it;
- TAL Life must also consider any dealing it considers to be a significant dealing in the product outside the target market; and
- Any dealing outside the target market must be reported by distributors to TAL Life as soon as practicable, and in any case within 10 business days of the distributor becoming aware of the significant dealing.

Review trigger 6

Description: The use of a product intervention power under the law in relation to the distribution or design of this product where TAL Life considers this to be a reasonable indication that this TMD is no longer appropriate.

Reporting information:

- The making of any applicable product intervention order which affects the distribution or design of the product.

Reporting period and review obligation:

- TAL Life must promptly consider any product intervention order which affects the product.