



Accident & Health

GROUP PERSONAL
ACCIDENT & SICKNESS
TARGET MARKET
DETERMINATION

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Liberty
Specialty Markets



Target Market Determination

For the Liberty Group Personal Accident & Sickness Policy issued and insured by Liberty Mutual Insurance Company, Australia Branch (ABN 61 086 083 605) (referred to as **Liberty, we, us** or **our** in this document)

1. Product Disclosure Statement to which this TMD applies

This Target Market Determination (**TMD**) applies to the Liberty Group Personal Accident & Sickness Insurance Policy (**Product**) issued and underwritten by Liberty and referred to in the following *Product Disclosure Statement (PDS)*:

- *Liberty Group Personal Accident & Sickness Insurance PDS & Policy Wording*

2. Date from which this TMD is effective

5 October 2021 (**effective date**)

3. About this TMD

This TMD seeks to provide consumers, our Distributors and our staff with the appropriate information to understand the class of retail clients for whom this Product has been designed (comprising the Product's target market), having regard to the objectives, financial situation and needs of that target market. It has been prepared in accordance with the *Treasury Laws Amendment (Design and Distribution Obligations and Product Intervention Powers) Act 2019* and ASIC Regulatory Guide 274.

This document is not intended to be a complete summary of the Product's features, terms and conditions and is not intended to convey financial product advice. Consumers should refer to the PDS and any supplementary documents which outline the relevant terms and conditions of the Product when making a decision about this Product.

4. Class of consumers that fall within this target market

This Product has been designed for consumers whose likely objectives, financial situation and needs (as listed below) are aligned with the Product (including its key attributes).

Objectives, financial situation, and needs

The Product has been designed for businesses, entities, organisations and facilities who wish to provide their directors, employees, contractors, voluntary workers and members with group personal accident and sickness insurance protection. In general, the Product provides lump sum or weekly benefits to consumers if they suffer bodily injury, sickness or death, provided those consumers meet the Product's eligibility criteria.

5. Class of consumers for whom this Product has not been designed

This Product is not designed for consumers who do not meet the Product's underwriting criteria (due to the vocation of the consumer) or claims criteria (that is, at the time the Product is acquired, the consumer would be ineligible to make a claim or a policy exclusion would apply), including consumers who:

- have a *Pre-Existing Condition* (as defined in the PDS), such as a congenital heart condition (however, the Product is appropriate to the extent the consumer wishes to insure against risks that are un-related to their pre-existing condition);
- exceed the age limits noted in the Special Age Limit Provisions set out in the PDS applicable to the entire Product;
- engage or participate in professional sport (as defined in the PDS) of any kind (unless agreed to us by the issuing of an endorsement);
- undergo cosmetic, elective or plastic surgery, (except and to the extent that such procedures are necessary for the cure or alleviation of bodily injury to, or sickness suffered by, the insured person)
- engage or participate in naval, military or air force activities, or
- have a sexually transmitted or transmissible disease or any infection or virus derived from a sexually transmitted or transmissible disease or infection.

Additionally, the Product will be inappropriate for consumers who will otherwise derive lesser benefits, such as consumers who:

- are unemployed, or
- are already insured by another insurance policy covering substantially the same risks, but only to the extent both policies cover the same events and risks.

In the event of a claim for weekly benefits, consumers may also derive a lesser benefit under the Product if they are employed but earn a significant portion of their gross weekly income from salary through overtime payments, commissions, bonuses and allowances at the time of bodily injury, sickness or death.

6. Product description and key attributes

The following section sets out the key eligibility requirements and attributes of the Product.

The Product, which is an annual and renewable Product, provides dedicated assistance to businesses, entities, organisations and facilities whose directors, employees, contractors, voluntary workers and members suffer bodily injury, sickness or death during the *Operative Time* (as defined in the PDS), including in the following scenarios:

- *Loss of income due to temporary total or partial disablement;*
- *Surgical Benefits if undergoing surgery overseas due to a bodily injury or sickness;*
- *Dental Injury Benefits;*
- *Non-Medicare Medical Expenses incurred as a result of a bodily injury (where allowable by law);*
- *Accidental H.I.V. Infection Benefit/s;*
- *Incurring of Accommodation and Transport Expenses;*
- *An Aggravated Assault Benefit, and*
- *A Bed Care Benefit.*

7. Consistency between target market and the Product

The Product is likely to be consistent with the likely objectives, financial situation and needs of the class of consumers in the target market.

The determination of consistency is based on an analysis of the key terms, features and attributes of the Product and our view that these are consistent with the identified class of consumers.

8. How this Product is to be distributed

Distribution channels

This Product is designed to be distributed through our broker network and other third-party Distributors authorised by Liberty and possessing an Australian Financial Services Licence with appropriate authorisation levels, including in respect of the provision of financial product advice.

9. Distribution conditions

This Product should only be distributed under the following circumstances:

- to businesses, entities, organisations and facilities that meet eligibility requirements, by brokers and other third-party Distributors authorised by us to distribute the Product.

10. Adequacy of distribution conditions and restrictions

Liberty is confident that the distribution conditions and restrictions will make it likely that consumers who purchase the Product are in the class of consumers for which it has been designed. Our view is that those distribution conditions and restrictions are appropriate and will assist distribution in being directed towards the target market.

11. Reviewing this TMD

We will review this TMD in accordance with the cadence set out below:

Initial review	Within the first 12 months of the effective date.
Periodic reviews	At least every 2 years from the initial review.
Review triggers or events	<p>Any event or circumstance that would 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 the Product; • a significant dealing or dealings; • distribution conditions are found to be inadequate; • external events such as adverse media coverage or regulatory attention; • the discovery of a relevant and material deficiency in the Product's disclosure documentation; • systemic complaints and claims issues which indicate that the Product is no longer suitable for the described target market, and • material and relevant reductions in our key Product suitability metrics such as: consumer satisfaction, financial performance, benefits to consumers, Product value and affordability.

Where a review trigger has occurred, this TMD will be reviewed within 10 business days by our Legal, Risk and Governance functions and our key Accident & Health insurance practitioners.

12. Reporting and monitoring this TMD

We may collect the following information from our Distributors in relation to this TMD.

Complaints	Distributors will report all complaints in relation to the Product covered by this TMD in accordance with the contractual obligations of the Distributors to Liberty. This will include written details of the complaints.
Significant dealings	Distributors will report to us if they become aware of a significant dealing in relation to this TMD within 10 business days.
Other information required	Liberty and its Distributors will maintain records of the reasonable steps they have taken to ensure that this Product is sold in a manner consistent with this TMD, including transaction data and outcomes from sale practices monitoring.

13. The meaning of certain words

Consumer includes the following: businesses, entities, organisations or facilities; an individual insured; a third-party beneficiary or a potential customer.

Distributors means a 'regulated person', as defined in s994A(1) of the Corporations Act and includes Liberty's third-party Distributors.

Significant dealing

The term 'significant dealing' is not defined in the Corporations Act. However, in RG 274, ASIC articulate a list of non-exhaustive factors it expects will be relevant for issuers when determining whether a significant dealing has occurred, including:

- (a) the proportion of consumers who acquire the product who are not in the target market;
- (b) the actual or potential harm to consumers acquiring the Product who are not in the target market, and
- (c) the nature and extent of the inconsistency of distribution with the TMD.

Target market refers to the class of retail clients for whom this Product has been designed.

14. Other reading

ASIC Regulatory Guide 274