

AIA AUSTRALIA'S MERCER MARSH BENEFITSONE GROUP LIFE INSURANCE

1 April 2024



HEALTHIER, LONGER,
BETTER LIVES

This Target Market Determination (TMD) is for AIA Australia's Mercer Marsh BenefitsOne Group Life Insurance product. It sets out the target market, triggers to review the target market and certain other information. It forms part of the design and distribution framework for this product.

This document is not a Product Disclosure Statement (PDS) and is not a summary of the product features or terms of AIA Australia's Mercer Marsh BenefitsOne Group Life Insurance. This document does not consider any person's individual objectives, financial situation or needs. Persons interested in acquiring this product should carefully read the PDS for AIA Australia's Mercer Marsh BenefitsOne Group Life Insurance before deciding whether to apply for this product.

This Target Market Determination (TMD) is issued by AIA Australia Limited (ABN 79 004 837 861, AFSL 230043) ('AIA Australia' or 'us').

Target Market Determination (TMD)

Distribution of this product

This is an intermediated product which must be sold to employers (either the Policy Owner or the Life Insured) by Marsh Pty Ltd, who is under an Australian Financial Services Licensees and their Representatives (the Distributors) via general advice.

The Distributor must ensure:

- The employer's employees meet the eligibility requirements
- Must provide a copy of the PDS to the employer

Employers that acquire the product are more likely to be in the target market where the Distributor has met the distribution conditions because they satisfy the eligibility requirements in the TMD and have been provided a PDS. Distributors who distribute via general advice must keep accurate and complete records of the steps they have taken to ensure distribution is in accordance with this TMD.

Reviewing this TMD

This TMD will be reviewed at least every 3 years. The first review will be completed by 31 March 2027. This TMD may be reviewed more frequently if a Review Trigger occurs.

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- Review triggers include:**
- 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.
 - If we make a material change to the cover, product features or the distribution of the product.
 - A change in our acceptance criteria that impacts the product target market.
 - Consumer complaints which indicate that the product is no longer suitable for the target market.
 - Material and relevant changes in our:
 - claims ratios;
 - number or rate of paid, denied and withdrawn claims;
 - number of policies sold;
 - Policy lapse or cancellation rates; or
 - percentage of applications not accepted.
 - The use of Product Intervention Powers in relation to the distribution or design of this product that reasonably suggests that this TMD is no longer appropriate.
 - A significant dealing in the product outside the target market occurring.
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Reviews arising due to a Review Trigger will be completed within 10 business days of the Review Trigger being identified. AIA Australia will notify Distributors that a review is underway and to cease distribution of this product until the review has been completed.

Reporting and monitoring

For us to monitor these Review Triggers, Distributors are required to provide us with the following key information:

- All complaints involving this product, submitted half yearly. Complaints are to be submitted within 10 business days of the end of the calendar half year. Submissions shall include details the nature of the complaints regarding product design, product availability, claims and distribution conditions.
- Any significant dealing in this product (that is not consistent with this TMD) within 10 business days of becoming aware of the dealing.

The following information is also needed by us for Review Triggers and to determine when this TMD is no longer appropriate:

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- Required information:**
- Relevant regulation, legislation and/or ASIC instruments relating to the change in law.
 - Complaint data and the nature of the complaints regarding product design, product availability, claims and distribution conditions.

During the Review Periods, the expected and actual number of:

- Product claims ratio.
 - 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.
 - Information from internal product governance/incident management process which determines that a significant dealing has occurred.
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Mercer Marsh BenefitsOne Group Life Cover

Mercer Marsh BenefitsOne Group Life Insurance provides a lump sum payment to the Insured Person in the event the Life Insured dies, is terminally ill, or meets the definition of Total and Permanent Disability in accordance with the terms and conditions outlined in the Mercer Marsh BenefitsOne Group Life Insurance Product Disclosure Statement (PDS).

Target market

This cover is suitable when:

- The Policy Owner is a client of Marsh Pty Ltd.
- The Policy Owner is an Australian entity.
- The employees to be insured are aged between 15 and 64 for TPD and 69 for Death.
- The employees to be insured are employed by the Policy Owner (or a related entity).
- The employees to be insured are Australian Residents or holders of a Visa that allows them to be gainfully employed in Australia; or Residents or New Zealand Visa holders in New Zealand in certain circumstances.

This product would not be appropriate for employers where:

- The Policy Owner is not a client of Marsh Pty Ltd.
- The Policy Owner is not an Australian entity.
- The employees to be insured are not permanent employees or employed under a contract for less than 12 months.

Needs and objectives of the target market

The objectives of employers in the target market are to reduce their exposure to the following financial situations:

- Being the employer or business owner who envisages that in future their employees may have outstanding financial commitments that will not be satisfied should those employees be incapable of engaging in their own/any meaningful gainful employment; or independent living, due to Total and Permanent Disablement. These financial or financial-in-kind commitments include, but are not limited to mortgage and other debt servicing costs, income or revenue replacement, medical and rehabilitation costs, transportation and accommodation costs, personal care; and/or
- Being the employer or business owner, envisages that in future their employees may have outstanding financial or financial-in-kind commitments (including financial commitments to dependents such as spouse or children) that will not be satisfied by their estate in the event of their death or Terminal Illness. These financial or financial-in-kind commitments include but are not limited to:
 - mortgage and other debt servicing costs, final expenses, income replacement; and/or
 - medical costs, transportation and accommodation costs, and personal and palliative care costs.

Appropriateness for the target market

The target market is an employer who has employees that they wish to cover in the event of the above outlined scenarios; who are employed and earning an income from the Policy Owner; and where the employer can pay the premiums (which may vary from time to time). As the product pays a death or Terminal Illness benefit it is likely to meet the needs or go towards meeting the needs of employers in the target market.

Mercer Marsh BenefitsOne Group Life Cover features and attributes

Built-in benefits:

- The product provides life and Terminal Illness and Total and Permanent Disability cover for eligible employees of the Policy Owner.
- Premium structure – age or unit rates.
- Eligibility criteria – certain employees of the Policy Owner may be ineligible for cover if they do not meet the eligibility criteria for this product. Eligibility criteria could include:
 - Age;
 - Residency; and
 - Employment type – as determined by the Policy Owner.
- Automatic cover – cover usually provided to eligible employees automatically with no underwriting.
- Interim Accident Cover – cover provided when an Eligible Person applies for cover or an Insured Person applies for additional cover.
- Cover whilst on unpaid leave and employment overseas cover.
- Extended Cover – for 60 days following cessation of employment.
- Continuation Option.

Customisable benefits:

- Sum Insured.
- Some eligibility terms e.g. categories of employee to be insured.
- Insured Income definition.
- Automatic Acceptance cover amount.
- Maximum Insured Age.
- TPD definition.
- Cover/increased cover for individuals may be available via underwriting.

Exclusions:

- Where cover commences or increases for reasons other than Automatic Acceptance or Takeover Terms, no benefit will be payable where the direct or indirect cause of the claim is suicide, attempted suicide or intentional self-inflicted Injury occurring in the first 13 months after the date that cover commences.
- No benefit will be payable due to circumstances in respect of which we have applied an exclusion to an Insured Person under Takeover Terms and/or as a condition of acceptance of cover.

We're here to help.

Check out [aia.com.au](https://www.aia.com.au)

For more information about AIA Australia and our products.

Connect with us

For assistance with customer service and claims enquiries, please contact us on the below details:

Phone: 1800 333 613