

# U-Plus Group Income Protection

## Target Market Determination

---

TMD Effective Date: 20 February 2023

Policy Name: UPlus by Coverforce

Version: 3.0

Product Code: CGSC0002

**UPlus**<sup>U</sup>  
by COVERFORCE

This document is a Target Market Determination (**TMD**). It sets out the target market for the UPlus by Coverforce group income protection insurance product (the **Product**) under section 994B of the *Corporations Act 2001* (Cth) (**Corporations Act**). This TMD also sets out how the Product is distributed, review periods and triggers relating to the TMD, and reporting on and monitoring the TMD.

This TMD has been prepared to provide consumers, distributors and staff with an understanding of the target market for group income protection cover based on consumer objectives, financial situations and needs.

This document summarises the key attributes of the Product but does not describe all of its features. This document is not a PDS. This document should not be used to make a decision on whether or not to purchase the Product. This document does not take into account any person's individual objectives, financial situation or needs. Persons interested in acquiring the Product should carefully read the Product PDS before making a decision to apply for the Product. The PDS can be found at <https://www.coverforce.com.au/ss/documents/Uplus-PDS.pdf>

This TMD is issued by Integrity Life Australia Limited (ABN 83 089 981 073, AFSL 245492) (Integrity).

## **ABOUT THE PRODUCT**

Integrity is a specialist provider of group life and group income protection insurance to employers and , superannuation funds in Australia. Integrity is the underwriter of the Product which is managed by U-Plus Pty Ltd (ACN 164 305 284) as trustee for the U-Plus Trust (ABN 30 779 952 012) (**UPlus**).

## **PRODUCT AND KEY ATTRIBUTES**

The Product is a special purpose life insurance product purchased by employers for their employees. The Product is underwritten by Integrity and managed by U-Plus Pty Ltd. U- Plus is also the Policy owner. Participating Employers acquire an interest in the master policy by completing an application form and paying monthly premiums. The Product provides building and construction industry employees with income protection insurance for injuries and sickness as well as workers compensation top-up insurance in New South Wales which complements lump sum awards made under the *Workers Compensation Act* (NSW) 1987 (**WCA**).

The Product provides a replacement income for employees who cannot work at full capacity or at all due to sickness or injury. The Product provides additional cover such as death cover, total, partial or recurring disability benefit, lump sum workers compensation top up benefits, rehabilitation assistance and return to work assistance.

The Product provides a monthly benefit if the Insured is unable to work solely due to sickness or injury that causes ongoing restricted capacity for longer than the specified waiting period. The Product replaces some lost income, so that the Insured can concentrate on recovery without having to worry about how to cover ongoing expenses.

## **THE TARGET MARKET FOR THE PRODUCT**

As Coverforce is the exclusive distributor of the Product the persons in the target market will be the employees of the employers that choose to take out this Product on behalf of their employees.

To be eligible for coverage under the Product an employee must be:

- > an Australian Resident;
- > aged:
  - at least 15 and not more than 65 years old in relation to Standard Cover; or
  - at least 15 and not more than 69 years old in relation to Premium Cover;
- > gainfully employed by and nominated for cover by a Participating Employer; and
- > covered by a Workers Compensation Policy.

For cover to start a person must also be At Work.

## **CUSTOMERS NOT WITHIN THE TARGET MARKET**

A person is not within the target market for the Product if:

- > they are not an Australian Resident;
- > they are aged:
  - younger than 15 or more than 65 years old in relation to Standard Cover; or
  - younger than 15 or more than 69 years old in relation to Premium Cover;
- > they are not gainfully employed by and nominated for cover by a Participating Employer; or
- > they are not covered by a Workers Compensation Policy.

## **NEEDS AND OBJECTIVES OF THE TARGET MARKET**

The objective of consumers in the target market is to reduce their exposure to the following situation:

- > The consumer, being the Employer or business owner, envisages that in future their employees may have a need to replace their income in the event that they are unable to earn their income (or are only able to earn a lower income) due to an event which causes them to be unable to earn their pre-disability income, due to Illness or Injury.

## **APPROPRIATENESS FOR THE TARGET MARKET**

Broadly, the target market is consumers who have employees that they wish to cover in the event of the above outlined scenario; who are employed and earning an income from the Participating Employer; and where the Employer can pay the premiums (which may vary from time to time). As the product pays a regular income benefit it is likely to meet the needs, or go towards meeting the needs, of consumers in the target market.

## **KEY BENEFITS OF THE PRODUCT**

- > Death benefit
- > Accidental Death benefit
- > Enhanced Death benefit
- > Total Disability and Partial Disability benefit
- > Superannuation benefit
- > Lump Sum Workers Comp Top Up benefit (for Insured Persons covered under the NSW Workers Compensation Act only)
- > Cover Whilst Changing Jobs
- > Mental Health benefit.

## **KEY EXCLUSIONS**

No benefit will be paid under the Policy where the Injury or Sickness which is the cause of the claim is in relation to/ or caused directly or indirectly by:

- a. an Injury or Sickness which an Insured Person suffered from prior to their cover starting under the Policy or the Previous Policy;
- b. if on the date cover should have started for an Insured Person, they were not At Work;
- c. an intentional self-inflicted Injury or Sickness;
- d. uncomplicated pregnancy or childbirth;
- e. war or acts of war whether declared or not, hostilities or rebellion, civil war, revolution, insurrection, military or usurped power, invasion, or act of a foreign enemy;
- f. service in the armed forces of any national or international organisation including active service and training exercises within national or international armed reserve units; or
- g. the Insured Person is suffering from a Mental Illness.

This clause (g) does not apply if the Mental Health benefit has been selected.

If the Mental Health benefit applies, and the cause of the claim is a Mental Illness, benefits are only payable in relation to New Mental Health Events.

## **DISTRIBUTION OF THIS PRODUCT**

In light of the obligations under Part 7.8A of the Corporations Act (product design and distribution obligations), an application for the Product must be submitted by a distributor who is operating under an Australian financial services licence with appropriate authorisations.

The distributor should not sell the Product to someone who is unlikely to ever be eligible to claim the benefits under the policy.

The Product is administered and distributed by Coverforce Pty Ltd (**Coverforce**) on behalf of UPlus who holds Australian Financial Services Licence no. 238874.

Only Coverforce is authorised to distribute the Product.

Integrity will make risk-based decisions to determine its acceptance criteria about insurance cover that they can offer and the costing that will be applied. Some of the key acceptance criteria relating to this target market determination may include:

- > Age of Insured Persons.
- > Occupation of Insured Persons.
- > Activities undertaken during the cover period.
- > Previous claims experience for this type of risk.
- > Risk location.
- > The Benefits and Sum Insured required.

The cost of the Policy is made up of premium, administration fees and government taxes (such as Goods & Services Tax [GST] and Stamp Duty), where applicable.

## **REVIEWING THIS TMD**

This TMD will be reviewed within 2 years from the effective date to ensure it remains appropriate. This TMD will also be reviewed if any event or circumstances (called 'review triggers') occur that would reasonably suggest that the determination is no longer appropriate, such as:

- > Integrity makes a material change to the cover provided by the Product.
- > A change in the acceptance criteria that impacts on the suitability of the Product for the target market.
- > A material change to the distribution of the Product.
- > The discovery of a relevant and material deficiency in the Product's disclosure documentation (e.g. an unfair contract term).
- > Systemic complaints and claims issues which indicate that the Product is no longer suitable for the described target market.
- > Material and relevant reductions in the key Products suitability metrics such as:
  - Customer satisfaction.
  - Product acceptance.
  - Financial performance.

- Benefits to customers.
- > Product value and affordability.
- > Significant dealing/s in the Product outside the target market as defined in this TMD.

This TMD will be reviewed within ten (10) business days of the occurrence of any review trigger.

Following the initial review and subject to the intervening 'review triggers' the maximum subsequent review period will be 2 years for this TMD.

## **REPORTING**

In order to monitor Review Triggers, Coverforce as the sole Distributor of this Product, will provide Integrity with the following information:

- > All complaints involving this Product, submitted monthly;
- > Incident-based reporting on key metrics, including but not limited to sales and lapse data, financial performance, and benefits to customers; and
- > Any Significant Dealings in this Product (that is not consistent with this TMD), submitted within 10 business days of becoming aware of the dealing.

## **RECORD KEEPING**

Coverforce and Integrity will maintain records of the reasonable steps they have taken to ensure that the Product is sold in a manner consistent with this TMD.

Coverforce and Integrity will also prepare and maintain complete and accurate records of our decisions, and the reasons for those decisions, in relation to:

- > all target market determinations for this Product;
- > identifying and tracking review triggers;
- > setting review periods;
- > distribution conditions and restrictions on distribution;
- > when subsequent reviews of the TMD should take place;
- > the information that must be reported to identify whether a review trigger has occurred or another event that would reasonably suggest that the TMD is no longer appropriate; and
- > the matters documented in this TMD.