

Target Market Determination for insurance cover under the Diversa Group Life Pool

About this document

A 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 and certain other information. It forms part of Diversa Insurance Limited's design and distribution framework for the product.

It seeks to provide customers, distributors, and their staff with an understanding of the class of customer for which this product has been designed, having regard to the objectives, financial situation and needs of the target market generally.

This document is **not** a Product Disclosure Statement (PDS) 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 and is not intended to provide financial advice. People interested in acquiring or using this product should carefully read the PDS and any supplementary documents before deciding to buy this product.

Name of product	Diversa Group Life Pool
Issuer	Diversa Insurance Limited (ABN 77 107 165 962, AFSL 273321)
TMD Issue Date	1 November 2023
Maximum initial period before the TMD is reviewed	Subject to intervening review triggers, no more than 3 years.
Maximum subsequent period before this TMD is reviewed	Subject to intervening review triggers, no more than 3 years.
TMD Version	DGLP 3

Class of customers that fall within this target market

Class of customers

The customer (either the member or the Insured Person) has (or envisages that in future they will or 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 or their own resources in the event of their death, total and permanent disablement, or terminal illness. These financial or financial-in-kind commitments include but are not limited to:

- Mortgage and other debt servicing costs, final expenses, and income replacement; and/or
- Medical costs, transportation and accommodation costs, and personal palliative care; and/or



- Ensuring that their business continues with less financial disruption upon the loss of a key person, or to ensure business succession; and/or
- To provide an employment related benefit to staff, or members of an industry group.

Types of customers

This product is designed to be used by different types of customers including:

- Individuals
- Employers including: Companies, sole traders, partnerships, trusts
- Industry and Professional associations
- Superannuation fund trustees (SMSF)

Excluded class of customers

The insurance covers have **not** been designed for customers who:

- are not residing in Australia at the time of application; and/or
- are not Australian citizens or permanent residents; and/or
- are contemplating self-harm; and/or
- are superannuation trustees regulated by APRA; and/or
- do not meet the eligibility or underwriting requirements.

Likely needs and objectives

The insurance covers have been designed for customers who want to:

Cover Type	Likely Needs and Objectives
Death Cover	In the event of their terminal illness diagnosis or death (any of): <ul style="list-style-type: none"> • reduce the burden of financial commitments by receiving a lump sum payment; • protect their assets, and reduce exposure to financial liabilities; • leave a financial legacy or inheritance for their family or dependants in the event of their death; • support ongoing business management, succession, or retention strategies.
Total & Permanent Disablement Cover	In the event of their total and permanent disablement (any of): <ul style="list-style-type: none"> • reduce the burden of financial commitments by receiving a lump sum payment; • protect their assets, and reduce exposure to financial liabilities; • provide a lump sum to pay for medical expenses or support required lifestyle changes.

Financial Situation

The product has been designed for customers who are employed, have savings or access to other financial resources (e.g., family or other relationships, or income from business or commercial activities) to pay premiums (which may vary from time to time) in accordance with premium structure and benefits design in place for the period that the cover is in force.

Demographic and eligibility requirements

General eligibility and demographic requirements of customers in the target market are detailed in the table below.

Requirement *	Death Cover	Total & Permanent Disablement Cover
Minimum Entry Age	15	15
Maximum Entry Age	63	63
Australian resident	Required	Required

* Note that, as tailored cover terms can be negotiated for specific groups, these requirements may be different for those groups. These requirements will be detailed in our quotation and proposal documents at the time of application for cover.

Product design description & key attributes

Diversa Group Life Pool - Membership at a glance

General Features – All membership types

Product Description	<p>The Pool is a registered managed investment scheme, that provides insurance cover and benefits to members, under a group insurance policy issued to Diversa Insurance Limited by the Pool’s Insurer.</p> <p>There is no investment component to the Pool and as such, the Pool does not invest in any assets. Amounts collected from members are used to pay premiums to the Pool’s Insurer and the Pool’s expenses. All amounts paid to members from the Pool result from claims paid under the Pool’s insurance policy.</p> <p>The Pool pays a lump sum benefit to members on the death, Terminal Illness or Total & Permanent Disablement (TPD) of an Insured Person (depending on the cover selected).</p>
Benefits	<ul style="list-style-type: none"> • Death cover – a lump sum payment on the death of the Insured Person. • Terminal Illness – a lump sum payment on the diagnosis of the Insured Person with a Terminal Illness. This payment is an advanced payment of the death benefit. • Total & Permanent Disablement – a lump sum payment upon the Total & Permanent Disablement of the Insured Person.
Eligible Entry Ages	The Insured Person must be aged between 15 and 63 to be eligible for new cover.
Expiry Age	<ul style="list-style-type: none"> • Death cover ceases when the Insured Person turns 75 years old if they joined as an Individual member or age 70 if they joined as part of a superannuation fund, employer industry / professional association group. • TPD cover decreases by 10% each year from the 61st birthday and ceases

	when the Insured Person turns 70 years old.
Membership Types	<p>There are 3 types of Pool memberships available:</p> <ul style="list-style-type: none"> • Individual; • Self-managed super funds (SMSF); • Employers, Industry and Professional Associations.
Automatic Cover	<ul style="list-style-type: none"> • Up to \$300,000 death and TPD cover is provided automatically (Default Cover) to individual members joining the Pool. • Automatic cover is also available for employer groups and industry/professional associations by arrangement with us.
Underwritten Cover	Cover can be increased by the Insured Person providing medical and personal information (by being underwritten by the Insurer).
Transfer Cover	<p>Individuals and SMSF members can elect to transfer other existing insurance cover to the Pool if they are insured for the same type and amount of cover under an Australian group insurance policy or Australian personal retail policy subject to meeting certain eligibility criteria.</p> <p>Insured and transferred cover combined cannot exceed a maximum total of \$1.5 million death & TPD.</p>
Maximum Cover	<ul style="list-style-type: none"> • Death cover – Unlimited. • Terminal Illness – \$3,000,000. • Total & Permanent Disablement – \$3,000,000. TPD cover can't exceed death cover.
How Premiums are calculated	<p>Premiums are calculated based on a number of factors including:</p> <ul style="list-style-type: none"> • Whether cover is provided on an individual basis or as part of a group; • Current age, occupation, gender, smoking status, premium payment frequency; • Personal pastimes and state of health; • Level and type of cover.
Premium Payments	<ul style="list-style-type: none"> • Premiums can be paid monthly, quarterly, or annually. • Failure to pay premiums when they are due may result in cover lapsing, in which case cover will cease and a claim cannot be made.
Exclusions / Limitations	<p>Automatic cover for individuals (not part of a group) is Limited Cover for 2 years. There are also situations where benefits will be restricted or will not be paid including:</p> <ul style="list-style-type: none"> • the Insured Person actively participating in Militant Activities; • war whether declared or not, military activity or insurrection; • where the Insured Person is in an occupation that is an excluded occupation and where the Insurer has not given their prior approval; • for TPD, intentional self-inflicted injury or illness or intended self-harm; and • for death, the Insured Person committing suicide within 13 months of the date of cover or increased cover commencing or recommencing. <p>Refer to the PDS for further details.</p>

Superannuation Fund Members

Membership Eligibility	<ul style="list-style-type: none"> • Self-managed super funds (SMSFs).
Automatic Cover	<ul style="list-style-type: none"> • Up to \$300,000 death and TPD cover is provided automatically (Default Cover) where all SMSF members are insured via the Pool.
Superannuation Laws	<ul style="list-style-type: none"> • If cover is provided to a superannuation fund trustee, fund members will need to meet relevant superannuation law conditions of release before the trustee of the fund can make a payment of the claim proceeds to them. • Fund trustees should make sure they are aware of any tax or other regulatory impacts or requirements that impact the provision of insured benefits within a super fund.

Employer (and Industry/Professional Association) Groups

Membership Eligibility	<ul style="list-style-type: none"> • Small, medium, large employers, and Professional or Industry Associations.
Automatic Cover for Groups	<p>Two automatic insurance options are available:</p> <ul style="list-style-type: none"> • For employers with less than 10 employees, take advantage of our individual Default Cover of up to \$300,000 death and TPD; or • Group Cover, tailored (at corporate group premium rates) for employer groups of 10 or more employees.
Group takeover terms	<p>Terms can be negotiated for the takeover of existing group insurance arrangements for employers and Associations.</p>

Appropriateness explanation

Death Cover

Broadly, the target market comprises those who have or expect to have outstanding financial commitments that will not be satisfied in the event of their own or another person’s (i.e., the Insured Person’s) death or terminal illness and who 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 & Permanent Disablement Cover

Broadly, the target market comprises those who have or expect to have outstanding financial commitments that will not be satisfied in the event of their own or another person’s (i.e., the Insured Person’s) permanent disability, and who have the capacity to pay potentially variable premiums on an ongoing basis. As the product pays a lump sum on permanent disability it is therefore likely to meet the needs, or go towards meeting the needs, of those in the target market.

Distribution Conditions and Restrictions

Distribution channels

The product must only be distributed through the following means:

- **Distribution under a personal advice model** – Australian Financial Services Licence (AFSL) holders that have arrangements in place with Diversa Insurance Limited to distribute the product will provide customers with personal advice in relation to the product
- **Distribution under general advice** – AFSL holders that have arrangements in place with Diversa Insurance Limited to distribute the product under general advice. This includes online and telephone direct channels, including online aggregators.

Distribution conditions

This product must only be distributed under the following circumstances.

Distribution under Personal Advice:

Distributors must:

- ensure the product is distributed under an appropriate AFSL (having the necessary authorisations)
- ensure their staff are appropriately trained in the products features, benefits, and key attributes
- provide the customer personal financial product advice in relation to the product
- provide the customer a copy of the current PDS prior to them deciding to purchase the product; and
- ensure the customer meets the product's age, residency, and eligibility requirements.

Customers that obtain personal advice under these conditions are more likely to be in the target market for this product because advisers have a duty to act in their best interest when providing personal advice and have adequate product knowledge making it more likely that the product will meet the customer's needs.

Distribution under General Advice:

Distributors must:

- ensure the product is distributed under an appropriate AFSL (having the necessary authorisations)
- ensure their staff are appropriately trained in the products features, benefits, and key attributes
- provide the customer a copy of the current PDS prior to them deciding to purchase the product; and
- ensure the customer meets the product's age, residency, and eligibility requirements.

Customers 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.



Reviewing this TMD

We will review this TMD in accordance with the below:

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.	Any relevant regulation, legislation and/or ASIC instruments relating to the change in law.	As new changes are introduced.	Diversa Insurance Limited
2	Product performance is materially inconsistent with the product issuer's expectations, having regard to: a) product claim ratios; b) the number of paid, denied, and withdrawn claims; and c) cover lapse rates.	During the review period, the expected and actual: a) claims ratio; b) number of paid, declined, and withdrawn claims; c) number of lives insured with lapsed cover.	Aligned to the TMD review period.	Diversa Insurance Limited and the Pool's Insurer
3	The use of Product Intervention Powers in relation to the distribution or design of this product where the product issuer considers this reasonably suggests that this TMD is no longer appropriate.	Relevant Product Intervention order.	As Product Intervention order is made.	Diversa Insurance Limited
4	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.	Complaint data and the nature of the complaints regarding product design, product availability, claims and distribution conditions.	As soon as practicable, or in any event, within 10 business days after the end of each calendar quarter.	Diversa Insurance Limited and our distribution partners (as relevant).
5	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.	Diversa Insurance Limited and the Pool's Insurer (as relevant)
6	The product issuer determines that a significant dealing in the product outside, inconsistent with the TMD has occurred.	Either: <ul style="list-style-type: none"> • Reports of significant dealings provided by distributors; or • Breach / incident report where the process identifies that a significant dealing has occurred. 	As significant dealing is identified.	Diversa Insurance Limited and our distribution partners (as relevant).

Distributor reporting requirements

Distributors are required to report relevant information to the product issuer in accordance with the below:

Reporting Event	Information Required	Reporting Deadline
Complaints	Distributors must record and report all complaints that relate to the product or its distribution. The record should include the substance of complaints in relation to the product covered by this TMD.	As soon as practicable, or in any event, within 10 business days after the end of each calendar quarter.
Significant Dealings	A significant dealing in the product which the regulated person becomes aware of is not consistent with the TMD.	As soon as practicable but no later than 10 business days after the distributor becomes aware of the significant dealing.

Distributors must report to Diversa Insurance Limited using the reporting spreadsheet that can be accessed online at <https://diversainsurance.com.au/resources/>.

The information contained in this TMD is general information only and is not intended to be construed as either personal advice or a product recommendation. You should make your own enquiries as to the suitability of this product for your personal financial needs and circumstances and obtain and read a copy of the PDS for further information on how it operates before deciding to buy this product.