



Target Market Determination for insurance cover under the Diversa Group Salary Continuance 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 Salary Continuance 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	DGSCP 3

Class of customers that fall within this target market

Class of customers

The customer (either the member or the Insured Person) wants to reduce their exposure where they have (or envisages that in future they will or may have) a need to replace their income if they are unable to earn income (or are only able to earn a lower income) due to illness or injury. Exposure and commitments include but are not limited to:

- Mortgage and other debt servicing costs, household and family expenses; and/or
- Medical costs, transportation and accommodation costs; 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
Salary Continuance	In the event of their inability to earn an income (or earn a reduced income) due to illness or injury: <ul style="list-style-type: none"> • to reduce the burden of financial commitments by receiving regular income stream.

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 *	Salary Continuance Cover
Minimum Entry Age	15
Maximum Entry Age	63
Regular working hours	Must be working at least 15 hours per week
Australian resident	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 Salary Continuance 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 an income stream of up to 75% of the Insured Person’s Monthly Income on the Total or Partial Disability of an Insured Person. Superannuation contributions can also be insured in addition to salary, up to a maximum of 15% of Monthly Income.</p> <p>The benefit is paid from the day after the selected Waiting Period has expired until either the Insured Person has returned to work or the end of the selected Benefit Period, whichever is sooner.</p>
Main Benefits	<ul style="list-style-type: none"> • Total Disability – an income stream paid on the total disablement of the Insured Person. • Partial Disability – a reduced income stream paid where the Insured Person is only able to earn a portion of their pre-disablement income. • Death whilst on claim – a lump sum payment of 3 times the Monthly Benefit upon the death of the Insured Person whilst they are in receipt of salary continuance benefits. • Accident Cover – salary continuance for accidental disablement for up to 90 days while a person is being underwritten. • Payment Indexation – Salary continuance benefits paid for longer than 12 months are indexed each year by up to 7.5% to allow for inflation. • Return to work during Waiting Period – An Insured Person may return to work full time for up to 10% of their Waiting Period, without the Waiting Period restarting.
Waiting and Benefit Periods	<p>Available Waiting Periods are:</p> <ul style="list-style-type: none"> • 30, 60, 90 or 180 days. (180 day waiting period is not available for employer and industry/professional association plans.) <p>Available benefit payment periods are:</p> <ul style="list-style-type: none"> • 2 years, 5 years and to age 65.
Ancillary Benefits	<ul style="list-style-type: none"> • Approved Rehabilitation Benefit – an amount paid, at the discretion of the Insurer, towards the cost of a rehabilitation program to assist the Insured Person to return to work. • Recurrent Disability Benefit – No Waiting Period applies where the same disability recurs within 6 months of returning to work full time.

	<ul style="list-style-type: none"> • Waiver of Premium – No Premiums are payable while an Insured Person is receiving benefit payments. • Benefit Indexation (optional) – Your insured benefit can be indexed annually to keep pace with inflation. • Employer Super Contribution Benefit – An optional additional benefit that provides for superannuation contributions to be paid, of up to 15% of an Insured Person’s Monthly Income.
Eligible Entry Ages	The Insured Person must be aged between 15 and 63 and working at least 15 hours per week to be eligible for cover.
Expiry Age	Cover and benefit payments cease when the Insured Person reaches age 65.
Membership Types	There are 3 types of Pool memberships available: <ul style="list-style-type: none"> • Individual; • Self-managed super funds (SMSF); • Employers, Industry and Professional Associations.
Automatic Cover	Automatic cover is 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	Individuals and SMSF members can elect to transfer other existing income protection 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.
Maximum Cover	A maximum Monthly Benefit of \$30,000 applies.
How Premiums are calculated	Premiums are calculated based on a number of factors including: <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, state of residence; • Personal pastimes and state of health; • Waiting Period and Benefit Payment Period selected; • Level 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>There are also situations where benefits will be restricted or will not be paid including:</p> <ul style="list-style-type: none"> • Self-inflicted harm or attempted suicide; • Normal and uncomplicated pregnancy; • Participation in a criminal act; • Service in the armed forces; • the Insured Person actively participating in Militant Activities; • where the Insured Person is in an occupation that is an excluded occupation and where the Insurer has not given their prior approval; and • any additional exclusion as advised by the Insurer during the underwriting process. <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).
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	<ul style="list-style-type: none"> • We can design automatic cover that is tailored for employers and their employees (requires a minimum of 10 staff). • Take advantage of ‘standard’ corporate group automatic acceptance levels without the need for underwriting.
Group takeover terms	Terms can be negotiated for the takeover of existing group insurance arrangements for employers and Associations.

Appropriateness explanation

Salary Continuance 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 (i.e. the Insured Person’s) sickness, illness or accident and who have the capacity to pay potentially variable premiums on an ongoing basis. As the product pays a periodical monthly benefit while disabled, 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.