

St Andrew's Australia
Credit Protection Insurance
Target Market Determination

Effective Date: 5th October 2021

This target market determination (TMD) is for the St Andrew's Credit Protection insurance product (**Credit Protection**), product versions:

- BOQCPXDEC15
- GENCPXDEC15
- GENCPXJUN17
- GENCPXJUN19

It sets out the target market for the product, information about distribution conditions and the triggers for us to review this TMD.

Credit Protection is underwritten by St Andrew's Insurance (Australia) Pty Ltd (**St Andrew's Insurance**) (ABN 89 075 044 656, AFSL 239649) and St Andrew's Life Insurance Pty Ltd (**St Andrew's Life**) (ABN 98 105 176 243, AFSL 281731) (referred to in this document as **we, us or our**). St Andrew's Insurance is the issuer and underwriter of the Involuntary Unemployment Cover and, where the duration of the loan is 3 years or less, the Accident & Sickness Cover, and St Andrew's Life is the issuer and underwriter of the Life Cover and, where the duration of the loan is greater than 3 years, the Accident & Sickness Cover

This document is not a Product Disclosure Statement and is not a summary of the product terms and conditions. This document does not take into account any person's individual objectives, financial situation or needs. Please read the Product Disclosure Statement for Credit Protection before making a decision whether to continue to hold this product.

About Credit Protection

There are three levels of cover available under Credit Protection. These levels of cover are:

- Gold Cover: The key attributes of Gold Cover are that:
 - to be eligible, you must be in permanent employment; and
 - it provides cover for:
 - the outstanding balance of the loan if the policyholder dies;
 - loan repayments where the policyholder is unable to work for a continuous period of more than 30 days due to an accident or sickness; and
 - loan repayments where the policyholder is involuntarily unemployed for a period of more than 30 days.

- Silver Cover: The key attributes of Silver Cover are that:
 - to be eligible, you must be self-employed or employed; and
 - it provides cover for:
 - the outstanding balance of the loan if the policyholder dies; and
 - loan repayments where the policyholder is unable to work for a continuous period of more than 30 days due to an accident or sickness.
- Bronze Cover: The key attribute of Bronze Cover is that it provides cover for the outstanding balance of the loan if the policyholder dies.

Target market

The levels of cover available under Credit Protection are designed for consumers that have the following likely objectives, financial situation and needs:

- Gold Cover: Gold Cover is designed for people that are permanently employed and have a personal loan or mortgage and will need to continue to make loan repayments if they are unable to work due to accident or sickness or because they become involuntarily unemployed or, in the event of their death, will have an outstanding loan balance that cannot be satisfied by their estate.
- Silver Cover: Silver Cover is designed for people that are employed or self-employed and have a personal loan or mortgage and will need to continue to make loan repayments if they are unable to work due to accident or sickness or, in the event of their death, will have an outstanding loan balance that cannot be satisfied by their estate.
- Bronze Cover: Bronze Cover is designed for people who have a personal loan or mortgage (regardless of their employment status) and, in the event of their death, will have an outstanding loan balance that cannot be satisfied by their estate.

We have determined that Credit Protection is likely to be consistent with these likely objectives, financial situation and needs because the policy can provide cover for loan repayments if the policyholder dies, is unable to work due to accident or sickness or is made involuntarily unemployed.

We are no longer issuing Credit Protection to new policyholders but are continuing to offer renewals guaranteed under the terms of existing Credit Protection policies. This means the target market for Credit Protection policies issued after the Effective Date of this TMD is limited to existing policyholders who:

- have financed their premium into their mortgage for a set period; and
- have a mortgage that continues beyond the end of that set period (in which case the terms of their existing Credit Protection product provide for a guaranteed offer of renewal).

The below table further describes the types of consumers who form the target market for Credit Protection (for each level of cover), as well as the consumers who are outside the target market.

Suitable for a person who:	Unsuitable for a person who:
Gold cover	
<ul style="list-style-type: none"> • is listed as a ‘borrower’ on the loan documentation; • is aged 18 years or over and under 61 years of age when they first apply for cover; • is an Australian resident; and • is employed by an organisation carrying on business in Australia. 	<ul style="list-style-type: none"> • is self-employed or employed in work that is of a casual, temporary or seasonal nature; • is employed by, or by a company controlled by, their spouse, de facto spouse, parent, sibling or child; • needs cover for an outstanding loan balance that exceeds \$1,500,000; • needs cover for loan repayments that exceed \$12,000 per month; • needs cover for a pre-existing condition; • needs cover for a congenital condition; or • needs cover for a malignant cancer or cancer confirmed to be metastases (spreading) of the original primary cancer.
Silver cover	
<ul style="list-style-type: none"> • is listed as a ‘borrower’ on the loan documentation; • is aged 18 years or over and under 61 years of age when they first apply for cover; • is an Australian resident; and • is self-employed or employed by an organisation carrying on business in Australia and working for at least 20 hours per week. 	<ul style="list-style-type: none"> • needs cover for an outstanding loan balance that exceeds \$1,500,000; • needs cover for loan repayments that exceed \$12,000 per month; • needs cover for a pre-existing condition; • needs cover for a congenital condition; or • needs cover for a malignant cancer or cancer confirmed to be metastases (spreading) of the original primary cancer.
Bronze cover	
<ul style="list-style-type: none"> • is listed as a ‘borrower’ on the loan documentation; 	<ul style="list-style-type: none"> • needs cover for an outstanding loan balance that exceeds \$1,500,000; • needs cover for a pre-existing condition;

<ul style="list-style-type: none"> • is aged 18 years or over and under 61 years of age when they first apply for cover; and • is an Australian resident. 	<ul style="list-style-type: none"> • needs cover for a congenital condition; or • needs cover for a malignant cancer or cancer confirmed to be metastases (spreading) of the original primary cancer.
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Distribution conditions

Credit Protection is only offered as a renewal policy to existing policyholders. We manage all renewal offers and do not use third party distributors. Our employees can only offer renewals if they have received adequate training from us and they must follow any guidance we give them (including, for example, template letters and renewal processes).

Our renewal letters also give policyholders specific information about who the product is designed for, so that they can confirm the product remains suitable for them (we do not automatically renew Credit Protection policies).

These distribution conditions make it likely that Credit Protection will only be distributed to consumers that fall within the target market described in this TMD because our distribution is limited to renewal of existing policies (in circumstances where the customer is made aware of who the product is designed for) and our employees have knowledge of the policy terms and conditions.

Reviewing this TMD

We will review this TMD at least every three years, starting from the effective date of this TMD (meaning our first review will be completed by no later than 5th October 2024).

We will also review this TMD if any of the following occur (each being a ‘review trigger’):

- we make any material changes or updates to our Credit Protection product;
- we make any material changes to how we distribute Credit Protection, including if we recommence distributing Credit Protection to new policyholders;
- we receive a significant number of complaints regarding the design or distribution of Credit Protection;
- the performance of Credit Protection indicates that this TMD is no longer appropriate, having regard to relevant data such as claims ratios and cancellation rates; or
- we become aware that a significant dealing in Credit Protection that is not consistent with this TMD has occurred.

Our review will occur within 10 business days of the occurrence of a review trigger.

Reporting

As both the product issuer and distributor, we will collect information and prepare annual reports examining data relevant to the review triggers described above. This includes data regarding the number and type of complaints received about Credit Protection, the number of renewal offers

accepted and the number of Credit Protection policies varied or cancelled in the preceding reporting period. We will produce these reports within 10 business days of the end of the most recent reporting period.