

TARGET MARKET DETERMINATION (TMD)

Issuer of this TMD:	The Welfare Fund Limited trading as Fair Wealth Australia (FWA)
ABN:	25 155 698 105
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Policy name:	MISCELLANEOUS FINANCIAL FACILITY – FINANCIAL RISK PRODUCT
TMD version:	1

About this document

This document is a Target Market Determination (TMD). It sets out the target market for the discretionary mutual risk product issued by FWA. This TMD also sets out how the product is distributed, review periods and triggers relating to the TMD, and reporting on and monitoring of the TMD. It forms part of FWA's design and distribution framework and is required under section 994B of the Corporations Act 2001 (Cth).

This TMD has been prepared to give consumers, distributors, and staff an understanding of the target market for this discretionary mutual risk product, based on consumer objectives, financial situation and needs.

This document is not a Product Disclosure Statement (PDS) and is not a summary of the features or terms of the product. This document does not take into account any person's individual objectives, financial situation or needs. Persons interested in acquiring this product should carefully read the PDS for the FWA product before making a decision to apply for this product. The PDS can be found at fariwealthaustralia.com. Consumers may want to consider obtaining personal financial advice to ensure the cover they select is tailored to their personal needs, objectives, and financial situation.

FWA Discretionary Risk product is a low cost product to assist consumers who need short term assistance when they have suffered an accident or illness. It can suit consumers with simple needs, including consumers who either:

- have completed their own research, know what type of insurance they want and seek help with the application process
- want some form of insurance but cannot afford income protection.

Consumers who apply for this product must be members of the Mutual Company. This product can only be held as a non-superannuation product.

Product and key attributes

As this product is discretionary it means that paying the regular fee allows you to request a payment when eligible however it does not guarantee that you will receive a payment; the decision on whether or not to make a payment is at the sole discretion of the Board or its delegate.

Needs and objectives

This product is designed to provide emergency financial assistance resulting from accident or sickness. It is not a replacement of income. There is a maximum limit for a 12 month period that can be paid out to a consumer.

There are no additional benefits that may be purchased with this discretionary product; it is basic, and this is reflected in the cost.

Broadly, the target market is consumers who have or expect to have outstanding financial commitments that will not be met in the event they suffer financial distress from a sickness or injury but do not have the financial capacity to pay premiums for an income protection or income replacement policy. Its aim is to assist in the short term.

Eligibility requirements

When applying for this discretionary risk product, consumers must be:

- a member of the Mutual Fund
- have Australian residency or are in the process of applying for permanent Australian residency.

Financial capacity

- for the benefit to continue a consumer must have the financial capacity to continue to pay the contribution for the level of benefit chosen
- cover will be cancelled, and the consumer won't be eligible to request a benefit, if contributions are not paid.

Appropriate consumers will thus meet some or all of the following criteria:

Target Market Determination for Discretionary Risk Product

- be earning income
- have personal savings
- have superannuation
- have other means to fund contributions and government charges, such as family or other relationships.

Key exclusions

We will not pay any benefits for financial distress resulting from sickness or injury occurring as a direct or indirect result of any of the following:

- an intentional self-inflicted act
- attempted suicide
- illicit drug use
- an act of war, whether declared or not. War doesn't include acts of terrorism
- participation in criminal activity (and during incarceration due to participation in criminal activity)
- a cause other than sickness or injury. For example, loss of a professional qualification.

Conditions and restrictions on distribution

This product is only available to members of the Mutual Fund and is distributed by employees of FWA under the AFSL that it holds. Applications for consumers may only be submitted when all of the following have been satisfied:

- the consumer has received a current PDS for FWA
- have been given general financial advice and the necessary warnings
- are in Australia
- have Australian residency or are in the process of applying for permanent Australian residency.

The Distributor should not sell this product to a consumer who is unlikely to ever be eligible to claim the benefits under the policy.

These distribution conditions are appropriate and will assist in distribution being directed towards the target market.

Personal advice

Consumers that obtain personal advice are more likely to be in the target market for Income protection because advisers have a duty to comply with the statutory best interests duty when providing personal advice.

The Distributor is expected to take into account any relevant information obtained about the consumer's financial situation, to ensure that Income protection is sold in accordance with this TMD. Relevant information could include (but is not limited to):

- dependants
- employment and income
- other insurance
- debts.

General advice

Consumers that obtain general advice are more likely to be in the target market if Distributors distribute the product in alignment with the issuer's distribution conditions relating to the relevant distribution channel, ie.

- consumer has been provided with general advice in relation to this product
- this product is only distributed to consumers who have completed their own research, know what type of insurance they want and seek help with the application process.

FWA's TMD review process

Review triggers

The following events and circumstances (review triggers) will trigger a review of this TMD as they may mean that it is no longer appropriate.

- 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. This triggers a mandatory review. FWA may choose to undertake a review even if this review trigger is not met.
- Product performance is materially inconsistent with the product issuer's expectations of the appropriateness of the product to consumers having regard to: – product claims ratio
 - the number or rate of paid, denied, and withdrawn claims
 - the number of products sold
 - the lapse or cancellation rates
- The use of Product Intervention Powers in relation to the distribution or design of this product where FWA considers this reasonably suggests that this TMD is no longer appropriate.
- 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.
- FWA determines that a significant dealing in the product outside the target market (except for an excluded dealing) has occurred.
- Distribution conditions set out in the TMD are otherwise no longer appropriate.

Maximum TMD lifespan

This TMD will be reviewed every 2 years. Any of the above review triggers will bring forward the 2 yearly review.

Reporting period for any complaints about this product

Distributors should report complaints to us half-yearly (end of March and September), within 10 business days of the end of the relevant half-year. The first complaints report is due for the period ending December 2022.

Complaints data should include sufficient information to understand the substance of each complaint but should not include personal information.

How FWA will decide if this TMD is no longer appropriate

FWA's management will review the information set out below on a regular basis to ensure that the TMD is still appropriate.

- Relevant regulation, legislation and/or ASIC instruments relating to the change in law.
 - During the review period, expected and actual data for the following: – 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.
 - Complaints and the nature of the complaints regarding product design, claims and distribution condition.
 - A significant dealing in the product which FWA's Board becomes aware is not consistent with the TMD (within 10 business days of becoming aware of the dealing).
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