

Target Market Determination (TMD): The Welfare Fund Limited trading as Fair Wealth Australia

Issuer of this TMD: The Welfare Fund Limited
Issuer ABN: 25 155 698 105
AFSL: 434065
Date of TMD: 14 December 2022
TMD version number: 2

About this document

This document is a Target Market Determination (TMD). It sets out the target market for the Funeral Cover 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 Funeral Cover 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 fairwealthaustralia.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 Funeral Cover product is a low cost product to assist consumers who may not qualify for a life insurance policy or be able to afford one. 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 a Term Life Policy.

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

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<p>Product description</p> <p>For full details regarding the product description and terms and conditions of this product, refer to the Product Disclosure Statement (PDS).</p>	<p>Funeral Insurance provides a lump sum payment in the event of death. Cover is for accidental death only for the first 12 months from the commencement date specified in the Policy Schedule. After the first 12 months, the life insured is covered for all causes of death.</p>
<p>Key attributes</p> <p>For full details on key attributes, refer to the PDS or contact us or your financial adviser for eligibility criteria, terms and conditions. Additional limitations may apply depending on your personal circumstances.</p>	<ul style="list-style-type: none"> • Cover is for accidental death only for the first 12 months or 24 months from the commencement date specified in the Policy Schedule depending upon the level of cover chosen. After the first 12 months or 24 months, the life insured is covered for all causes of death. • The payment of contributions – if contributions are not paid when due, the policy may lapse in which case the life insured would no longer be covered and cannot make a claim if the event occurs after the policy lapses. • Contribution structure – contributions can change over time. • Eligibility criteria – certain persons may be ineligible for cover if they do not meet the eligibility criteria for this product. Eligibility criteria for the life to be insured can include: <ul style="list-style-type: none"> • Membership of the Welfare Fund • residency status (Australian residents)
<p>Key attributes</p> <p>This product is insurance. The basic product is not a savings product. No refunds are provided when the plan ends, and it does not accumulate a cash value. Like other insurances, the premium you pay provides protection if the insured event happens.</p>	<p>Key attributes include</p> <p>The benefit is payable in the event of death.</p> <ul style="list-style-type: none"> • Cover is for accidental death only for the first 12 or 24 months from the commencement date specified in the Policy Schedule depending upon the level of cover chosen. • After the first 12 months, the life insured is covered for all causes of death. <p>Optional Extras</p> <ul style="list-style-type: none"> • The cover expires at age 80 however an application can be made for a Lifetime Funeral Benefit which would require additional contributions based on age.
<p>Likely objectives, financial situation and needs of consumers in the target market</p> <p>This product is insurance. It is not a savings product. No refunds are provided when the plan ends, and it does not accumulate a cash value. Like other insurances, the premium you pay provides protection if the insured event happens.</p>	<p>This product is suitable for consumers who have a need, or may in the future have a need, to help pay for outstanding financial commitments such as but not limited to funeral expenses.</p>
<p>Optional Extra</p> <p>While the basic product is protection only there is an ability to add a savings component to supplement the protection element.</p>	<p>Optional Extra</p> <ul style="list-style-type: none"> • You can make regular weekly contributions of a minimum of \$2.00 with no maximum and no obligation to continue them if your situation changes. These savings will not be forfeited. • The savings accrue compounding interest per annum. • The accrued amount may only be used to purchase another funeral product or towards the cost of a funeral upon death of the account holder.
<p>Financial situation of consumers in the target market which describes their financial capacity to meet the cost to consumers of retaining the Funeral Insurance, including any intention to hold the product cover over an extended period</p>	<p>This product is suitable for consumers who have the financial capacity to make contributions at their selected frequency (contributions can and do change) in accordance with the chosen contribution structure to retain the product for the period of time it is intended to be held. Consumers in the target market may pay the cost of contributions directly from either a bank account or salary deduction if the Employer has an arrangement with us.</p>

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Demographic and eligibility requirements	<p>This product would be suitable for consumers within the relevant age requirements of 20 to 79 years of age and have the financial capacity to fund the costs of their cover.</p> <p>Disability as a result of sickness or injury, Critical Illness, Income Protection, redundancy or unemployment are not covered by this product.</p>
An explanation of the appropriateness of the product for the target market	<p>Broadly, the target market comprises those who have or expect to have a need to help meet the expenses of a funeral. It is not for customers who wish to regularly save for the costs of a funeral. Like other insurances, the premium you pay provides protection if the life insured dies while the cover is in place.</p> <p>As the basic product pays a lump sum on death, it is therefore likely to meet the needs, or go towards meeting the needs, of those in the target market.</p>
Fair Wealth Funeral Insurance distribution requirements	
<p>Specify any conditions and restrictions on retail product distribution conducted in relation to the product (distribution conditions), other than a condition or restriction imposed by or under another provision.</p>	<p>This product is only available through Fair Wealth Australia by speaking with one of its staff or by downloading the PDS from the website and completing the online application. Fair Wealth does not provide persona advice in respect of the appropriateness of this product so you need to consider its appropriateness in respect of your own financial circumstances, personal situation and needs.</p>
<p>Why these distribution conditions and restrictions will make it more likely that the consumers who take up the product are in the target market.</p>	<ul style="list-style-type: none">• Entry criteria for Fair Wealth Funeral Insurance will broadly control how consumers in the target market may access the product.
Fair Wealth Funeral Insurance review triggers	
<p>Specify events and circumstances (review triggers) that would reasonably suggest that the determination is no longer appropriate.</p>	<p>Review trigger 1: The commencement of a significant change in law that materially affects the product design, distribution of the product or class of products that includes this product.</p> <p>Review trigger 2: Product performance is materially inconsistent with the product issuer's expectations of the appropriateness of the product to consumers having regard to:</p> <ol style="list-style-type: none">product claim ratiosthe number of paid, denied and withdrawn claimsthe number of policies soldpolicy lapse or cancellation ratespercentage of applications not acceptedeligibility requirements at inception of policy. <p>Review trigger 3: Significant or unexpectedly high number of complaints regarding product design, claims and distribution conditions that would reasonably suggest that this TMD is no longer appropriate.</p> <p>Review trigger 4: The product issuer determines that a significant dealing in the product outside the target market (except for an excluded dealing) has occurred.</p> <p>Review trigger 5: The use of Product Intervention Powers in relation to the distribution or design of this product where the product issuer considers this to be a reasonable indication that this TMD is no longer appropriate.</p>

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Fair Wealth Funeral Insurance review triggers

Specify the <i>maximum period</i> from the start of the day the determination is made to the start of the day the first review of the determination under section 994C is to finish.	Subject to intervening review triggers, no more than 3 years.
Specify the <i>maximum period</i> from the start of the day a review of the determination under section 994C is finished to the start of the day the next review of the determination is to finish.	Subject to intervening review triggers, no more than 3 years.
Specify a <i>reporting period</i> for reporting information about the number of <i>complaints</i> about the product. (See s994F(4)).	Reporting period for complaints is half yearly, with reports required within 10 business days of the reporting period.
Specify the kinds of information, event or circumstance that may arise and would reasonably suggest to the product issuer of this TMD that the <i>determination is no longer appropriate</i> . For each kind of information, specify: (i) The regulated person/s that are required to report the information to the insurer who made the determination. (ii) A reporting period for reporting the information under subsection 994F(5).	Fair Wealth (Issuer) <ul style="list-style-type: none">• Relevant regulation, legislation and/or ASIC instruments relating to the change in law.• During the review period, the actual measures and, where applicable, the actual relation to the expected measure of:<ul style="list-style-type: none">• product claims ratio• the number 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. Reporting period (for Issuer) <ul style="list-style-type: none">• Issuer holds this information and may access this when available.