

CRITICAL ILLNESS INSURANCE TARGET MARKET DETERMINATION



This Target Market Determination (TMD) describes who this product is designed for and how it's distributed. It also lays out the review and reporting processes we have in place, to make sure the TMD stays up to date.

This document is not a Product Disclosure Statement (PDS) or a summary of the terms and conditions or features of the product. This document does not take into account any person's individual objectives, financial situation or needs, so please read the Combined Product Disclosure Statement, Policy Document and Financial Services Guide available at hcf.com.au/lifeinfo carefully before making a decision on this product.

Target Market Determination

Critical Illness Insurance

Issuer of this TMD

HCF Life Insurance Company Pty Ltd,
ABN 37 001 831 250, AFSL 236 806 (HCF Life)

Effective date of TMD

30 April 2026

Version 1

KEY ATTRIBUTES

Critical Illness Insurance provides a lump sum payment if the insured person suffers a specified critical illness event. It is available in two levels of cover – **Cancer, Heart Attack & Stroke Cover** and **Extended Illness Cover**. The maximum benefit amount for each level of cover is set out in the table below. The benefit amount actually paid depends on the selected level of cover and the specified critical illness event covered under that level of cover. Certain illnesses, such as some early-stage cancers, covered under Extended Illness Cover will pay a partial benefit, allowing multiple claims up to the individual benefit amount selected.

LEVEL OF COVER	MAXIMUM BENEFIT AMOUNT
Cancer, Heart Attack & Stroke Cover	\$100,000
Extended Illness Cover	\$200,000

The specified critical illness events covered under each level of cover differ. Please refer to the full list of specified critical illness events for each level of cover as defined in the PDS.

Cover expires on the first policy anniversary date after the insured person turns age 65, or upon payment of the maximum benefit amount.

This product has the following benefit limitations and exclusions:

- A 90 day qualifying period applies in certain circumstances. A specified critical illness that first became apparent within 90 days of cover commencement or cover reinstatement is excluded, however, this exclusion does not apply to major head trauma, permanent loss of limbs, paralysis, blindness, deafness or severe burns.
- Cover is provided while travelling temporarily abroad for 90 days or less in total during a 12 month period. Cover excludes locations classified by the Department of Foreign Affairs and Trade as Advice Level 3 ('reconsider your need to travel') and Advice Level 4 ('do not travel').
- A critical illness directly or indirectly caused by drug or alcohol abuse or intoxication, other than prescribed drugs taken in accordance with directions of a registered medical practitioner, is excluded.
- A critical illness directly or indirectly caused by attempted suicide, or any intentional self-inflicted act by the insured person, is excluded.
- Diagnosis of the critical illness must occur in Australia and must not involve a medical procedure that is not undertaken in Australia.

This product does not cover:

- individuals who are unwilling or unable to participate in the underwriting process. Underwriting is part of the application process and is the process we use to assess individual risk — based on factors such as health, lifestyle, and occupation — to decide whether to offer cover, on what terms, and at what cost.
- individuals who don't meet the underwriting requirements – for example, exceed the underwriting criteria in relation to health and lifestyle factors, such as alcohol and drug consumption, individual and family medical history, and previous insurance history.

During the underwriting process, we may apply special conditions that are specific to the individual customer. These conditions can be related to a medical condition, a particular pastime or hobby, or an occupational duty. The purpose of these special conditions is to ensure that the cover provided accurately reflects the unique risks associated with each customer's personal circumstances.

When a medical condition is identified, additional terms such as a premium loading or exclusion might be applied to the policy to address the increased risk. Similarly, if a customer participates in certain pastimes or hobbies — such as extreme sports — or has occupational duties that present higher risks, the underwriting process will take these factors into account. As a result, the terms of coverage, including any exclusions or premium adjustments, will be tailored accordingly to reflect these specific risks.

This is only a summary of key attributes and it does not form part of the terms for this product. Please refer to the PDS for the terms and conditions for cover, including important definitions.

Any benefit paid is a fixed amount paid directly to the customer and does not cover the cost of medical treatments (in whole or in part). The customer can use the benefit amount we pay for any purpose.

TARGET MARKET

This target market has been specifically designed to address the key attributes of the policy by identifying the product eligibility requirements, as well as each of the objectives, financial situation and needs of persons for whom the product is likely to be appropriate.

This product is appropriate for customers who have or expect to have outstanding financial commitments that will not be met in the event of a specified illness covered under the policy. Additionally, these customers should have the capacity to pay premiums on an ongoing basis, even if they increase over time. This product is not appropriate for customers who do not meet the eligibility requirements and who do not have or expect to have outstanding financial commitments that will not be met in the event they suffer from a specified illness, or customers who do not have the capacity to pay premiums on an ongoing basis (including premiums as they may increase).

This product has been designed for retail clients with the following demographic features, objectives, financial situation and needs:

ELIGIBILITY

To be eligible for this product, customers need to be:

- aged between 18-59 when applying; and
- permanent residents of Australia.

Critical Illness Insurance is subject to a health and lifestyle assessment (known as 'underwriting') that may result in premium loadings, exclusions being applied to the cover, or cover not being offered.

OBJECTIVES

Seeking insurance cover to help support their financial position and maintain cash flow when they are diagnosed with a specified critical illness.

Purchasing a product on a general advice basis with underwriting and requiring easy to understand and concise terms.

This product may not be appropriate for:

- customers wanting higher sums insured than the maximum benefits offered; and
- customers wanting a fully featured product providing a wide range of ancillary benefits and value-add options linked to their life insurance cover.

FINANCIAL SITUATION

This product is appropriate for customers that have the financial capacity to pay ongoing premiums at their selected frequency.

Critical Illness Insurance premiums will generally increase with age, with increases typically getting larger as the customer gets older. The premium is based on factors like age, gender, smoking status, insured benefit amount, inflation and health and lifestyle factors as assessed at the time of application.

The premium rates are not guaranteed and may change at any time, provided such change applies to all policyholders under the product series.

If the premiums are not paid, cover will be cancelled after a period of 90 days with written notice of cancellation provided, and the insured person will no longer be covered under the policy. A customer can request to reinstate their policy by contacting us within 30 days of the date stated on the written notice of cancellation. Within those 30 days, we must receive all outstanding premiums prior to the policy being reinstated.

NEEDS

Looking for cover that provides a fixed amount of financial support, if the customer is diagnosed with a specified critical illness covered under the product.

Looking for a policy that provides supplementary financial support rather than a policy that covers all or a percentage of actual expenses associated with the impairment or illness.

DISTRIBUTION CONDITIONS

Any person who engages in retail product distribution conduct (distribution) in relation to this product must comply with the following requirements, which have been specifically designed to make it likely that the product will be issued to retail clients within the target market:

- distribute the product only under a general advice or information-only model
- distribute the product only through:
 - online channels approved by HCF Life
 - HCF's contact centres, including those operated by HCF Life's authorised representatives
 - HCF's branch network
 - corporate channels approved by HCF Life
- customers must undergo the underwriting process including medical and financial underwriting assessment, as applicable, to satisfy our underwriting criteria
- arrange for the product to be issued only to eligible customers after the customer has completed an online, telephone or branch onboarding process approved by HCF Life, which has been designed to ensure that potential customers would be eligible for cover under the policy, which is to be displayed in simple and clear language to support the customer in making a purchase with adequate explanations of the product's premium structure, how the premiums are expected to change over time and the product's exclusions
- comply with written pre-issuing processes approved by HCF Life, including authorised conversation tools, which draw the customer's attention to product eligibility requirements, premiums (including terms which allow premium variation) and cover exclusions, which increase the likelihood that the customer is in the target market and eligible for the product

- initial and ongoing training must be provided to staff members with ongoing monitoring and quality assurance processes in place
- are subject to HCF Life's distribution monitoring and assessment processes and criteria.

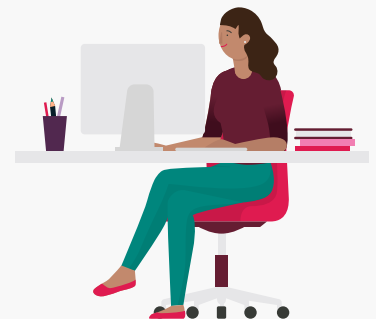
Any distributor of this product must also make sure that website, promotional and advertising material is accurate, has clear and up-to-date product information, and is approved by HCF Life.

These factors help determine if the product is likely to suit a retail client, which makes it more likely that retail clients who are issued the product will be within the target market.

REVIEWING THIS TMD AND REPORTING OBLIGATIONS

Certain events or circumstances may happen which reasonably suggest that this TMD isn't appropriate any more or needs to be reviewed. We're committed to reviewing this TMD within one year of the effective date, and then every 2 years after the first review.

It may be reviewed earlier if an intervening review trigger happens. These triggers, and the type of reporting information needed to help with our review, are explained in the table below.



	REVIEW TRIGGER EXPLANATION	OBLIGATIONS
1. Regulatory environment	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.	Product issuer to monitor relevant regulation, legislation and/or ASIC instruments relating to the change in law, as required.
2. Product performance	The product performance is inconsistent with HCF Life's expectations for appropriate product distribution, having regard to: <ul style="list-style-type: none"> ▪ the number of policies sold ▪ the percentage of applications not accepted ▪ policy lapse and cancellation rates ▪ product claim ratios ▪ the number or rate of paid, denied and withdrawn claims ▪ average claims processing time. 	Product issuer to monitor product performance metrics on a quarterly basis against targets and expectations.
3. Product changes	A material change to product design or product distribution which, in HCF Life's view, could change: <ul style="list-style-type: none"> ▪ the retail clients for whom the product is likely to be appropriate; or ▪ the conditions necessary to ensure that the product is likely to be issued to retail clients who are within the target market for the product. 	Product issuer to conduct an assessment of whether this review trigger would be enlivened by any change to product terms or distribution.
4. Product intervention powers	The use of Product Intervention Powers in relation to the distribution or design of this product where HCF Life considers that this reasonably suggests this TMD is no longer appropriate.	Product issuer to monitor the terms of any Product Intervention Order made or proposed to be made by ASIC which affects the product, as required.
5. Complaints	Significant or unexpectedly high number of complaints regarding product design, claims, or distribution where HCF Life considers that this reasonably suggests the TMD is no longer appropriate.	Distributors must report to the product issuer all complaints data from retail clients in relation to the TMD, on a quarterly basis, and include: <ul style="list-style-type: none"> ▪ the total number of complaints received by the distributor during the review period ▪ the substance of each complaint. Reports must be shared within 10 business days of the end of the reporting period.
6. Significant dealings	The product issuer determines that a significant dealing in the product outside the target market (except for an excluded dealing) has occurred.	Distributors must report to the product issuer any dealing in the product to a retail client which the regulated person becomes aware is not consistent with the TMD (within 10 business days of becoming aware of the dealing).