

# FUNERAL 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 Schedule and Financial Services Guide available at [hcf-funeralinsurance.com.au](https://hcf-funeralinsurance.com.au) carefully before making a decision on this product.

**Target Market Determination**  
Funeral 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**  
31 October 2025

**Version 1**

## KEY ATTRIBUTES

### SCOPE OF COVER

HCF Funeral Insurance provides a cash payment to help cover the costs of a funeral or other end-of-life expenses in the event of the insured person's death or diagnosis with a terminal illness.

The insured person can choose from 3 insured benefit amounts: \$7,500, \$10,000, or \$15,000.

There is a 12-month waiting period from the cover start date. During this period, the insured benefit is only payable in the event of the insured person's accidental death.

After the waiting period, the insured benefit is payable in the event of the insured person's death from any cause or a diagnosis of terminal illness with a life expectancy of less than 12 months.

A premium promise benefit may also be available. If the total premiums paid exceed the insured benefit, an additional payment that represents the amount of premiums paid in excess of the insured benefit will be made (except under the Early Cash Out option).

The insured person also has the option to cash out 75% of the total premiums paid, after they turn 85. The premium promise benefit is not available under this option.

The policy expires at age 100. If the policy is still active when the insured person turns 100, the insured benefit and any applicable premium promise benefit will be paid to the insured person, and the policy will end.

The policy requires that the insured person nominate a single beneficiary.

In order to support a claim, the insured person or their beneficiary will need to provide evidence that any death is recognised in Australia and that any terminal illness diagnosis has been confirmed by a medical practitioner registered in Australia.

This HCF Funeral Insurance Policy is a life insurance product and not a pre-paid funeral plan. Any benefits paid under this Policy are designed to provide a support payment and may not cover all the costs associated with a funeral.

### COST OF COVER

Premiums are not dependent on the health status of the insured person. Premiums are based on a range of factors, including:

- the insured person's age at the cover start date
- the insured benefit amount
- any applicable discounts
- our operating costs, specifically our costs of capital, our operating expenses and government charges that apply to this insurance, such as stamp duty.

After the cover starts, premiums do not change with the insured person's age. Premiums will only change when:

- the insured person changes their insured benefit
- the insured person changes their premium frequency, or
- we change our premium rates for all policies of the same kind.

The premium rates are not guaranteed and may change at any time, if it is reasonably necessary in order to protect our legitimate interests and on the condition that the change only applies prospectively, to all contracts of the same kind.

### BENEFIT LIMITATIONS

This policy has a waiting period. For the 12 months from the cover start date, no benefit will be payable in the event of:

- death by any cause other than accidental death, or
- terminal illness.

This waiting period also applies to increases to the insured benefit. We won't pay a benefit as a result of the following:

- death due to acts of war, whether declared or not, hostilities, civil commotion, terrorism or insurrection

- death that happens as a result of being under the influence of alcohol, or taking illicit drugs or taking medication in a way not as directed by a medical practitioner
- death that happens as a result of the insured person's involvement in an illegal act.

The insured benefit does not increase to keep pace with inflation.

If the insured person holds the policy for a long time, the benefit amount may therefore cover a lower portion of the funeral expenses.

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 of cover, including important definitions.

## TARGET MARKET

HCF Funeral Insurance has been designed for distribution to customers within the following target market:

### ELIGIBILITY

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

- aged between 50-79 when applying and
- permanent residents of Australia.

### OBJECTIVES AND NEEDS

**This product will be appropriate for customers who are:**

- seeking insurance cover to help cover funeral or other end-of-life expenses, through a fixed financial payout, in the event of death or terminal illness
- looking to purchase a product on a general advice basis, without needing to share or disclose health information and without premiums having regard to their health, and requiring easy-to-understand and concise terms and conditions.

**This product will not be appropriate for:**

- customers with a terminal illness or other health complications who are expected to die within 12 months
- customers who expect to be able and willing to pay the costs associated with their funeral without insurance cover
- customers seeking a pre-paid funeral plan
- customers who prefer non-digital sales and support channels for their insurance, such as hard-copy documents, and telephone or in-person support.

### FINANCIAL SITUATION

This insurance product suits individuals who can afford ongoing premiums at their chosen payment frequency and benefit level, and who intend to maintain their policy over the long term.

This product is appropriate for customers who expect to have funeral and end-of-life expenses and either don't have the financial capacity to cover these expenses or don't want to rely on other sources of funds to cover these expenses.

### SUITABILITY OF THE TARGET MARKET

This product is likely to be consistent with the objectives, financial situation and needs of retail clients in the target market.

- The target market includes customers whose objectives and needs are focused on obtaining cover that pays a cash benefit upon death or terminal illness. Subject to limited exceptions, HCF Funeral Insurance pays a cash benefit upon death or terminal illness, so it is likely to be consistent with the likely objectives and needs of retail clients who obtain cover.
- The target market includes customers who have the financial capacity to pay premiums on an ongoing basis over the long term. If a customer has this financial capacity, then HCF Funeral Insurance is likely to be consistent with their financial situation.

## DISTRIBUTION CONDITIONS

HCF Funeral Insurance is distributed via our digital platform and must comply with the following requirements when engaging in retail product distribution conduct (distribution) in relation to HCF Funeral Insurance:

- i. HCF Life must ensure that all promotional and advertising material is consistent with the target market
- ii. HCF Funeral Insurance can be obtained only through the website [hcf-funeralinsurance.com.au](https://hcf-funeralinsurance.com.au), which must, as part of the digital purchase process, clearly and prominently explain key information about the scope, inclusions and exclusions of cover
- iii. The digital purchase process must include questions designed to determine whether the person
  - is eligible for cover
  - has a condition where they expect to die within 12 months
  - has considered their ability to afford premiums on an ongoing basis over the long term
  - confirms they are comfortable with a digital-only service without hard-copy documents or telephone or in-person support.

- iv. The digital purchase process must not permit cover to be provided in circumstances where the person is not eligible for cover or is not otherwise within this target market.

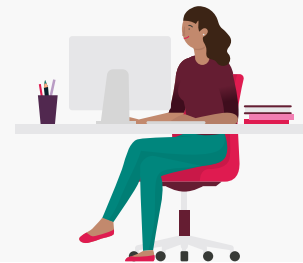
If HCF Funeral Insurance is provided to a retail client in accordance with these distribution conditions, it is likely that the retail client would be within the target market. This is because HCF Funeral Insurance is designed to meet the likely objectives, financial situation and needs of customers who purchase it. We have made it simple to understand by offering:

- fixed benefits and a simple premium structure
- no medical questions or underwriting
- very few exclusions.

The insurance is only available through our website [hcf-funeralinsurance.com.au](https://hcf-funeralinsurance.com.au), which includes questions designed to assess whether customers are within the target market, and our straightforward purchase process and clear policy terms are designed to help customers understand the cover and decide if it's right for their needs.

## REVIEWING THIS TMD AND MONITORING OBLIGATIONS

We will review this TMD within 1 year of its effective date, and then every 2 years after the first review. We will also review this TMD earlier if any of the following review triggers occur, which reasonably suggest that the TMD is no longer appropriate.



	REVIEW TRIGGER EXPLANATION	OUR MONITORING OBLIGATIONS
<b>1. Regulatory environment</b>	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.	We must monitor relevant regulation, legislation and/or ASIC instruments relating to the change in law, as required.
<b>2. Product performance</b>	Product performance is inconsistent with our expectations for appropriate product distribution, having regard to: <ul style="list-style-type: none"><li>▪ the number of policies sold</li><li>▪ policy lapse and cancellation rates</li><li>▪ the product claims ratio</li><li>▪ the number or rate of paid, denied, and withdrawn claims or</li><li>▪ average claims duration.</li></ul>	Product issuer to monitor product performance metrics on a quarterly basis against targets and expectations.
<b>3. Product changes</b>	Material changes in the product design or distribution which in our view could change: <ul style="list-style-type: none"><li>▪ the retail clients for whom the product is likely to be appropriate or</li><li>▪ the distribution conditions necessary to ensure that the product is likely to be issued to retail clients who are within the target market.</li></ul>	We must assess changes to product terms or distribution to determine if they trigger a review.
<b>4. Product intervention powers</b>	ASIC's use of its Product Intervention Powers in relation to the distribution or design of this product where we consider that this reasonably suggests that this TMD is no longer appropriate.	We must monitor the terms of any Product Intervention Order made or proposed to be made by ASIC which affects the product, as required.
<b>5. Complaints</b>	Significant or unexpectedly high number of complaints regarding product design, claims or distribution where we consider that this reasonably suggests that the TMD is no longer appropriate.	We record and monitor all complaints relating to HCF Funeral Insurance.
<b>6. Significant dealings</b>	We determine that a significant dealing in the product outside the target market (except for an excluded dealing) has occurred.	We will monitor for any dealing in the product to a person which we become aware is not consistent with the TMD.