

Zurich FutureWise

Statement of Advice

Product information helper



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This document is provided to assist with your preparation of a Statement of Advice (SOA). Zurich makes no recommendation about whether the products may be appropriate for your clients, or whether the information contained in this document is suitable or appropriate for inclusion in an SOA.

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Introduction

This document is designed to provide some product information which may be relevant in your Statement of Advice (SOA) when one or more products are being recommended from the Zurich product range.

Of course, the content and form of the SOA is a matter for you to determine. This document includes information about Zurich FutureWise, as set out in the 1 October 2016 PDS which may be useful to you when preparing an SOA. The text included is suggested text only, and you must make a determination about whether it is appropriate for inclusion in your SOAs.

 **Instructions for cutting & pasting**

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In some sections, there are several options for wording to allow advisers to tailor the advice to the client’s circumstances. Instructions for tailoring are shown in light blue text and in brackets. Advisers should insert their own details or delete any sections that do not apply to the advice given, as well as delete the instructions. In some cases, advisers may need to modify or provide additional wording to suit the client’s unique circumstances.

Important information

This document is only to be used by licensed financial advisers (‘you’) and does not take into account the personal financial situation, needs or objectives of any person.

This document is provided to assist with your preparation of a Statement of Advice (SOA). Zurich makes no recommendation about whether the products may be appropriate for your clients, or whether the information contained in this document is suitable or appropriate for inclusion in an SOA.

This document is dated 1 October 2016 and is derived from the Zurich FutureWise Product Disclosure Statement (PDS) dated 1 October 2016, which should be considered in full before preparing any SOA. This document should not be considered to be a comprehensive statement on any matter and should not be relied on as such. Neither Zurich Australia Limited ABN 92 000 010 195 AFSLN 232510 nor any of its related entities, employees or directors **gives any warranty of reliability or accuracy nor accept any responsibility arising in any way including by reason of negligence for errors and omissions**. You remain responsible for the content of the SOA.

You should refer to the PDS for further information or to apply for any of the products. The relevant PDS must be provided to your client. Zurich Australia Limited is the issuer of Zurich FutureWise.

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1. About Zurich

Zurich Financial Services Australia (Zurich Australia), a member of the Swiss-based worldwide Zurich Insurance Group, is the only global financial services group operating in Australia under a single brand in the core business lines of general insurance, life risk, investment and superannuation solutions. Zurich Australia operates under the global Zurich brand.

Zurich Insurance Group – a global view

The Zurich Insurance Group is one of the world’s largest insurance based financial services insurance groups, and one of the few to operate on a truly global basis.

It has a global network of subsidiaries and offices in North America, Europe, Asia-Pacific, the Middle East, Latin America and other markets. Founded in 1872, the company’s headquarters are in Zurich, Switzerland.

The Zurich Insurance Group employs over 55,000 people helping customers manage risk in more than 170 countries. The Group is listed on the Swiss stock exchange. For more information, visit www.zurich.com

Zurich solutions

Zurich Australia’s Life Risk business provides choice and flexibility through a suite of award-winning business and personal life risk solutions. Life Risk personal solutions include life, trauma and disability insurance. Zurich Australia is able to draw on its global strength to provide exceptional service and outstanding value, and provide innovative, customer-friendly products.

Zurich’s most recent awards for excellence in service and products are listed on the Australian website, www.zurich.com.au

Claims

Zurich has a strong focus on the claims experience and the services offered to policy holders. With Zurich FutureWise this includes:

* information packs on a number of common medical conditions
* the ability to notify claims via the web, phone, email, post or fax
* a dedicated claims assessor and claim administrator
* a tele-claims service delivered by skilled and empathetic nurses and claims assessors, reducing the need to submit ongoing paper forms for income protection claims
* the ability to fast track certain income protection claims in less than five working days using disability duration guidelines
* a personalised Claim Management Plan incorporating rehabilitation, vocational and integrative medicine specialists.

2. Life Insurance

Purpose of the cover

* Life Insurance provides a lump sum payment if you die or are diagnosed with a *terminal illness*.
* The funds can be used to help seek medical care while *terminally ill* or fund estate planning arrangements such as extinguishing debt and providing an income stream for your family.

Standard benefits and features

In addition to payment of the sum insured on diagnosis of a *terminal illness* or death, Life Insurance includes:

* Indexation Increases – this feature increases your sum insured each year to ensure that it retains its value against inflation. You can choose not to take up the increase in any year.
* Future Increases – this feature allows you to apply to increase your sum insured without further medical assessment when certain life events occur (eg marriage, birth of a child, etc).

[delete the following bullet if cover is held under superannuation (excluding SMSF ownership)]

* Funeral Advancement benefit – this benefit advances 10 per cent of the sum insured up to a maximum of $15,000 to cover immediate funeral expenses.

[delete the following bullet if cover is held under superannuation]

* Financial Planning benefit – this benefit reimburses up to $1,000 towards the cost of engaging a financial planner to prepare a financial plan following the payment of the sum insured.

Extra cost optional benefits

* Business Increase option - allows you to apply to increase your sum insured without further medical assessment when a business event you nominated at application occurs.
* Premium Waiver option – waives the Life Insurance premium if certain events occur such as *significant disability* and *involuntary unemployment*.

[delete the following section if cover is held under superannuation]

Payment of benefits – non-superannuation

* Benefits payable under a life policy held outside superannuation will generally be paid to your nominated beneficiaries (if any) or your legal personal representative (estate) if no beneficiaries are nominated.
* You are able to nominate up to five beneficiaries to receive any claim proceeds payable in the event of your death. Each beneficiary you nominate must be a person, a company, a trust or a legally recognised charity.

[delete the following section if cover is not held under superannuation]

Payment of benefits – within superannuation

* In the event of your death, benefits payable under a life policy held within superannuation will be paid to the Trustee of the fund. The Trustee must then distribute the benefits to either your legal personal representative or one or more of your dependants (as defined under superannuation law), subject to the governing rules of the superannuation fund.
* The Trustee may allow you to nominate one or more beneficiaries to whom a death benefit will be paid.

Limitations

* An exclusion applies in the first 13 months to intentional self-inflicted acts.

3. TPD Insurance

Purpose of the cover

* TPD Insurance provides a lump sum payment if you become *totally and permanently disabled* in accordance with the terms of your policy.
* The funds can be used to help extinguish debt, provide an income stream for you and your family and pay for rehabilitation, home modifications or nursing care.

TPD definitions available

* Own Occupation TPD – provides a lump sum payment if you are permanently unable to work in the occupation that you were performing when you became disabled.
* Any Occupation TPD – provides a lump sum payment if you are permanently unable to work in any occupation that you are suited to by education, training or experience that would earn you at least 25 per cent of your earnings in the 12 months prior to your disability. This means you may not be eligible for a payment if you can work in another occupation, even if it is different to the one you were performing when you became disabled.
* Domestic Duties TPD - provides a lump sum payment if you are permanently unable to perform normal *domestic duties* and any occupation that you are suited to by education, training or experience that would earn you at least 25 per cent of your earnings in the 12 months prior to your disability.
* Modified TPD – provides a lump sum payment if you become permanently significantly disabled.

[not available with Modified TPD, or Any Occupation TPD and Domestic Duties TPD held wholly within superannuation]

*Extended activities of daily living TPD (Extended ADLs)*

* *Extended ADL*s are a unique assessment method provided by Zurich FutureWise and Zurich Active.
* They provide an alternative method to assess your disability that does not consider your ability to perform your occupation. Rather, your disability is assessed against six categories of *functional impairment* meaning you may qualify for payment even if you are still working.
* Unlike other assessment methods, *extended ADL*s are based on objective criteria which can be assessed by your doctor or specialist, not on a subjective assessment made on whether you may return to work or not.

Standard benefits and features

In addition to payment due to *total and permanent disablement*, TPD Insurance includes:

* Indexation Increases – this feature increases your sum insured each year to ensure it retains its value against inflation. You can choose not to take up the increase in any year.
* Future Increases – this feature allows you to apply to increase your sum insured without further medical assessment when certain life events occur (eg marriage, birth of a child, etc).

[delete the following bullets if cover is held under superannuation]

* TPD Advancement benefit – this benefit advances 25 per cent of the TPD sum insured up to a maximum of $500,000 if you suffer *partial loss of limbs* or *partial loss of sight*.
* Financial Planning benefit – this benefit reimburses up to $1,000 towards the cost of engaging a financial planner to prepare a financial plan following the payment of the sum insured.

[the following bullet is for Linked TPD only]

* Life Insurance Buy Back – allows you to reinstate any Life Insurance sum insured 12 months after being reduced by a TPD Insurance claim up until the cover anniversary when the insured person is 65.

[the following bullet is for TPD Platinum only]

* Partial Impairment benefit – provides an advanced payment of 40 per cent or 65 per cent of the TPD Insurance sum insured for less severe disabilities that meet either two or three of the six *extended ADL* categories.

Extra cost optional benefits

* Business Increase option - allows you to apply to increase your sum insured without further medical assessment when a business event that you nominated at application occurs.
* Premium Waiver option – waives your premium if certain events occur such as *significant disability* and *involuntary unemployment*.
* Double TPD option - allows you to reinstate your Life Insurance sum insured 14 days after being reduced by a TPD Insurance claim. No premiums are payable on the reinstated Life Insurance.

[delete the following section if cover is not held under superannuation]

Superannuation ownership

* If you have selected ‘Own occupation TPD’ or TPD Platinum and your cover is to be owned by a superannuation fund, your cover issued as two separate TPD polices linked to each other under the Superannuation Optimiser structure.
* One policy will be owned by a trustee of a superannuation fund and the TPD benefits held under this policy are restricted to ensure any payments will be consistent with the superannuation law payment rules.
* The remainder of the TPD benefits which would otherwise be available under Own Occupation TPD or TPD Platinum will be provided under a policy issued outside superannuation (referred to as the non-superannuation policy).
* The Superannuation Optimiser structure means that you will be able to use the tax benefits of holding cover within superannuation while ensuring that you will always be able to access any insurance benefits paid.

[delete the following section if cover is held in superannuation]

Payment of benefits – non-superannuation

* Benefits payable under a TPD policy held outside superannuation will generally be paid to the policy owner.

[delete the following section if cover is not held under superannuation]

Payment of benefits – within superannuation

* Benefits payable under a TPD policy held within superannuation will be paid to the Trustee of the fund. The claim proceeds will then generally form part of any benefits payable to you, providing a superannuation law condition of release is met.
* In order for the Trustee to release a superannuation benefit under the permanent incapacity condition of release, the Trustee must be reasonably satisfied that you are unlikely, because of ill health, to engage in gainful employment in a capacity for which you are reasonably qualified because of education, training or experience.
* The Trustee may also release benefits where certain other conditions prescribed under superannuation law are met.

Limitations

* Exclusions apply to intentional self-inflicted acts and if the insured person dies (or is brain dead) within 14 days of meeting certain TPD definitions.

[Trauma Insurance is not available if cover is held under superannuation]

4. Trauma Insurance

Purpose of the cover

* Trauma Insurance provides a lump sum payment if you suffer one of the Trauma Conditions listed in the policy.
* It can provide additional funds so that you can take time off work to recover or pay for treatments and/or medication not covered by private health insurance or Medicare.

Standard benefits and features

* Trauma Standard provides a full payment for 35 Trauma Conditions as well as partial payments for a further 10.
* Trauma Plus provides a full payment for 41 Trauma Conditions as well as partial payments for a further 21. Four of the more severe Trauma Conditions also have their payment boosted by 25 per cent.
* Trauma Platinum provides a full payment for 44 Trauma Conditions as well as partial payments for a further 21. Four of the more severe Trauma Conditions also have their payment boosted by 25 per cent.

In addition to payment due to one of the listed Trauma Conditions, Trauma Insurance includes:

* Indexation Increases – this feature increases your sum insured each year to ensure that it retains its value against inflation. You can choose not to take up the increase in any year.
* Future Increases – this feature allows you to apply to increase your sum insured without further medical assessment when certain life events occur (eg marriage, birth of a child, etc).
* Financial Planning benefit – this benefit reimburses up to $1,000 towards the cost of engaging a financial planner to prepare a financial plan following the payment of the sum insured.

[the following bullet is for Linked Trauma only]

* Life Insurance Buy Back – allows you to reinstate any Life Insurance sum insured 12 months after being reduced by a Trauma Insurance claim up until the cover anniversary when the insured person is 65.

Extra cost optional benefits

* Trauma Reinstatement option – this optional benefit allows you to reinstate your Trauma Insurance sum insured 12 months after it is reduced in full as a result of a claim.
* Business Increase option - allows you to apply to increase your sum insured without further medical assessment when a business event that you nominated at application occurs.
* Premium Waiver option – waives your premium if certain events occur such as *significant disability* and *involuntary unemployment*.
* Double Trauma option - allows you to reinstate your Life Insurance sum insured 14 days after being reduced by a Trauma Insurance claim. No premiums are payable on the reinstated Life Insurance.

Limitations

* Exclusions apply to intentional self-inflicted acts; pre-existing conditions; and to certain *trauma conditions* that first occur or are apparent before the date 90 days after the cover start date or reinstatement. Refer to the PDS for more information.

5. Child Trauma Insurance

Purpose of the cover

* Child Trauma Insurance provides payment of the sum insured if your child dies, is diagnosed with a *terminal illness*, or suffers one of 28 listed Trauma Conditions.
* The funds can be used to help you take time off work, get domestic assistance for the housework, care for your other children or travel to another location for specialist treatment.

Standard benefits and features

In addition, Child Trauma Insurance includes:

* Indexation Increases – this feature increases the sum insured each year to ensure that it retains its value against inflation. You can choose not to take up the increase in any year.
* Continuation of Cover – this allows the insured child to convert their cover to an adult policy on any cover anniversary following their 15th birthday up until they turn 21, without medical underwriting.

Limitations

* Exclusions apply to intentional acts or omissions of the policy owner, parents or guardians; pre-existing conditions; congenital conditions; intensive care caused by drug or alcohol intake; and to certain trauma conditions that first occur or are apparent before the date 90 days after the cover start date or reinstatement. Refer to the PDS for more information.

6. Blood Borne Disease Insurance

Purpose of the cover

* Blood Borne Disease Insurance provides a lump sum payment if you become infected with HIV, hepatitis B or hepatitis C in a workplace accident.
* These funds can be used to help cover the costs of restructuring your business or ceasing work altogether.

Standard benefits and features

Blood Borne Disease Insurance includes:

* Indexation Increases – this feature increases your sum insured each year to ensure that it retains its value against inflation. You can choose not to take up the increase in any year.

Limitations

* Exclusions apply to infections caused by other means, including sexual activity or drug use; and where the insured person does not take any government recommended vaccine available prior to the infection. Benefits are also not payable if a treatment is developed rendering the applicable virus inactive and non-infectious.

7. Disability Income Insurance

Purpose of the cover

* Disability Income Insurance pays a benefit if your *income* reduces as a result of you suffering an *illness* or injury causing you to cease work, or only being able to work in a reduced capacity for a period.
* The benefits can be used to help cover your ongoing expenses such as rent/mortgage, food and daily living costs, as well as medical appointments and care.

Type of cover

* Agreed Value – provides a benefit that is based on your *income* over a period prior to your insurance application. This means that the benefit payable will not be affected by your *income* falling after your application is accepted. You will be required to provide financial evidence confirming the *income* disclosed in your application when you submit a claim.
* Endorsed Agreed Value - provides a benefit that is based on your *income* over a period prior to your insurance application. This means that the benefit payable will not be affected by your *income* falling after your application is accepted. You will be required to provide financial evidence confirming your *income* when you submit your application and this means you will not have to provide it when you submit a claim.
* Indemnity – provides a benefit that is based on your *income* prior to the date of the *disability* for which you are making a claim. This means that the benefit payable may be less than your sum insured if your *income* has decreased since your application. You will be required to provide financial evidence confirming your *income* when you submit a claim.

Monthly benefit

* The *monthly benefit* is used to calculate the amount payable under the different benefits of your policy. It is generally calculated as:
* 75 per cent of the first $320,000 of annual *income*
* 50 per cent of the next $240,000 of annual *income* and
* 20 per cent of any remaining income up to a maximum annual benefit of $720,000.
* The period from which the *income* is taken will depend on whether you have an Agreed Value or Indemnity policy.

Waiting period

* Before you are able to claim a benefit on your Disability Income Insurance there is a period that you must be *disabled* – this is called the waiting period.
* The waiting period begins the day you are *disabled* due to *illness* or injury and have been examined by a doctor, although it may be backdated up to seven days if you were absent from work due to the *illness* or injury prior to seeing a doctor.
* The waiting period that is chosen will affect the premium you will pay (ie the longer the waiting period the lower the premium). It may also affect the optional benefits available on your policy.

Benefit period

* The benefit period is the maximum length of time that a benefit will be paid while you continue to be *disabled*, although a benefit will not be paid beyond the expiry date of your cover.
* The benefit period that is chosen will affect the premium you will pay (ie the shorter the benefit period the lower the premium). It may also affect the optional benefits available on your policy.

Disability benefits

* There are two main types of benefits that may be paid under your Disability Income Insurance:
* Total Disability benefit – pays your full *monthly benefit* if you are unable to work in any capacity due to your *illness* or injury.
* Partial Disability benefit – pays part of your *monthly benefit* if you are still working, but in a reduced capacity, due to your *illness* or injury.
* Disability benefits are paid monthly in arrears and may be reduced if payments are made in respect of you by:

[delete the first bullet for occupation classes 1E, 1L, 1M and 1P]

* legislated compensation schemes or Workers Compensation
* any other insurance that provides income payments unless otherwise agreed by Zurich

[the following bullet applies to Disability Income Super-only]

* employer and sick leave payments.

Standard benefits and features

In addition to disability benefits, your Disability Income Insurance provides a number of other benefits and features such as:

* Indexation Increases – this feature increases the monthly insured amount each year to ensure that it retains its value against inflation.
* Specific Injury benefit – pays a predetermined multiple of the *monthly benefit* if you suffer one of a list of specific injuries. This benefit is payable even if your injury causes you to have no time off work.
* Death benefit – provides a death benefit of four times the monthly insured amount if you die while your policy is in force.
* Premium Wavier – this feature waives your premium and policy fee while you are receiving a benefit from your policy.
* Involuntary Unemployment Premium Waiver – this feature waives the premium and policy fee for up to three months while you are *involuntarily unemployed*.

[delete the following bullet if occupation class is not 1M]

* Medical Professionals feature – provides special terms so that if you contract HIV, hepatitis B, or hepatitis C and this has an effect on your ability to perform the duties of your occupation (eg due to professional guidelines), a benefit may be available even if you are still physically able to perform your duties.

Extra cost optional benefits

* Extra Benefits option – provides a package of additional features and benefits including:
* Trauma benefit - pays six times the *monthly benefit* if you suffer one of a list of Trauma Conditions. This benefit is payable even if you to have no time off work.
* Bed Confinement benefit – pays 1/30th of the *monthly benefit* for each day you are confined to bed and under the care of a nurse during the waiting period if this period is 72 hours or more.
* Home Care benefit – provides an additional amount to cover the cost of a nurse, house keeper, or *immediate family member* to take care of you if you continue to be *totally disabled* and confined to bed for more than 30 days.
* Rehabilitation Expenses benefit – provides up to 12 times the *monthly benefit* to cover all or part of your rehabilitation expenses or the costs of a rehabilitation program.
* Accommodation benefit – reimburses accommodation costs of up to $250 per day for an *immediate family member* to stay at a location 100km or more from their home to be by your side while you are *totally disabled* and confined to bed.
* Future Increases – allows you to increase your monthly insured amount without the need for medical assessment.

[the following bullet is only available to occupation classes 1E, 1L, 1M, and 1P]

* Cover Extension – allows you to continue your policy past its expiry when you turn 65 if you are still working.
* Accident option – pays 1/30th of the *monthly benefit* for each day you are *totally disabled* if you are disabled due to an accident for four days or more during the waiting period.
* Claims Escalation option – each policy anniversary while you are on claim, this feature will increase your *monthly benefit* by the *consumer price index* figure to ensure that your benefits retain their value against inflation.
* Superannuation Cover option – allows you to insure a higher proportion of your superannuation contributions than is typically available so that if you become *disabled* they will continue to be paid into your superannuation account.
* TPD Commutation option – gives you the option to elect a lump sum payment in place of *monthly benefit* payments if you meet the Any Occupation definition of TPD.
* Booster option – increases your *monthly benefit* by 33 per cent for the first 24 monthly claim payments if you meet the Any Occupation definition of TPD.

[delete the following section if cover is not held under superannuation]

Superannuation Ownership

* If your Disability Income cover is to be owned by a superannuation fund, your cover will be issued as two separate Disability Income polices linked to each other under the Superannuation Optimiser structure.
* One policy will be owned by a trustee of a superannuation fund and the Disability Income benefits held under this policy are restricted to ensure any payments as a result of a disability will be consistent with the superannuation law payment rules.
* The remainder of the Disability Income benefits which would otherwise be available under Disability Income will be provided under a policy issued outside superannuation (referred to as the non-superannuation policy).

[delete the following if cover is held under superannuation]

Payment of benefits – non-superannuation

* Benefits payable under a Disability Income policy held outside superannuation will generally be paid to the policy owner.

[delete the following if cover is not held under superannuation]

Payment of benefits – within superannuation

* Benefits payable under a Disability Income policy held within superannuation will be paid to the Trustee of the fund. The claim proceeds will then generally be payable to you, providing a superannuation law condition of release is met.
* In order for the Trustee to release a superannuation benefit under the temporary incapacity condition of release, you must suffer from physical or mental ill health that has caused you to cease, temporarily or otherwise, gainful employment, but that does not constitute permanent incapacity. Benefits payable under this condition of release can only be paid as a non-commutable income stream for the period of incapacity (other restrictions also apply).

Limitations

* Exclusions apply to intentional self-inflicted acts; normal or uncomplicated pregnancy or childbirth; war or an act of war; elective surgery that occurs within six months of the cover start date or reinstatement; and to certain trauma conditions (if applicable) that first occur or are apparent before the date 90 days after the cover start date or reinstatement. Benefits will not be payable while the insured is in jail; benefits may be limited if the person is outside Australia for more than six months while on claim; and benefits will cease if the person unreasonably refuses recommended treatment. Refer to the PDS for more information.

8. Business Expenses Insurance

Purpose of the cover

* Business Expenses Insurance reimburses certain business expenses that are incurred while you are unable to work due to *illness* or injury.
* It ensures that you can continue to meet the ongoing expenses of your business while giving you time to return to health.

Benefit type

* Business Expenses Insurance provides two options: Ongoing Fixed Expenses and Key Person Replacement.

Monthly benefit

* Ongoing Fixed Expenses: The *monthly benefit* is the lesser of the monthly insured amount and your share of the *allowable business expenses* incurred while you are *disabled*. The *monthly benefit* is used to calculate the amount payable by the different benefits of your policy.
* As expenses can fluctuate, the *monthly benefit* payable from your policy may be less than the monthly insured amount.
* Key Person Replacement: The *monthly benefit* is the lesser of t*he monthly insur*ed amount and 75% *of the key person replacement costs* incurredwhile the insured person is *disabled.* If no costs are incurred due to a replacement not being hired, the benefit can be used to cover allowable business expenses.

Waiting period

* Before you are able to claim a benefit on your Business Expense Insurance there is a period that you must be *disabled* – this is called the waiting period.
* The waiting period begins the day you are disabled due to *illness* or injury and have been examined by a doctor, although it may be backdated up to seven days if you were absent from work due to the *illness* or injury prior to seeing a doctor.
* The waiting period that you choose will affect the premium that you will pay (ie the longer the waiting period the lower the premium). It may also affect the optional benefits available on your policy.

Benefit period

* The benefit period on your Ongoing Fixed Expenses and Key Person Replacement cover continues until 24 months after the end of the waiting period or until 12 times the monthly insured amount has been paid, although a benefit will not be paid beyond the expiry date of your cover.

Disability benefits

There are two main types of benefits that may be paid under your Business Expenses Insurance:

* ONGOING FIXED EXPENSES
* Total Disability benefit – fully reimburses your share of the *allowable business expenses* incurred if you are unable to work in any capacity due to your *illness* or injury.
* Partial Disability benefit – partially reimburses your share of the *allowable business expenses* if you are still working, but in a reduced capacity, due to your *illness* or injury.
* KEY PERSON REPLACEMENT
* Total Disability benefit - reimburses up to 75% of the direct remuneration costs associated with a locum or replacement employee while you are unable to work due to *illness* or *injury* and are *totally disabled*. Any income generated by the locum or replacement employee does not offset the benefit payable.
* Partial Disability benefit – reimburses the lesser of the *monthly benefit*, and a portion of the monthly insured amount based on the hours you worked.
* Disability benefits are paid monthly in arrears and may be reduced if payments are made in respect of you by any other business expenses insurance policy or income replacement policy that provides income payments unless otherwise agreed by Zurich.

Standard benefits and features

In addition to disability benefits, your Business Expense Insurance provides a number of other benefits and features such as:

* Death benefit – Pays the monthly insured amount for up to four months if the insured person dies while a benefit is being paid.
* Indexation Increases – this feature increases the monthly insured amount each year to ensure that it retains its value against inflation. You can choose not to take up the increase in any year.
* Future Increases – allows you to increase your monthly insured amount without the need for medical assessment.
* Premium Waiver – this feature waives your premium and policy fee while you are receiving a benefit from your policy.

[the following bullet is available to occupation classes 1E, 1L, 1M, and 1P]

* Cover Extension – allows you to continue your policy past its expiry when you turn 65 if you are still working.

Extra cost optional benefits

Accident option – pays 1/30th of the *monthly benefit* for each day you are *totally disabled* if you are disabled due to an accident for four days or more during the waiting period.

Limitations

* Exclusions apply to intentional self-inflicted acts; normal or uncomplicated pregnancy or childbirth; war or an act of war; and elective surgery that occurs within six months of the cover stat date or reinstatement. Benefits will not be payable while the insured is in jail; benefits may be limited if the person is outside Australia for more than six months while on claim; and benefits will cease if the person unreasonably refuses recommended treatment. Refer to the PDS for more information.

9. General features and terms

Premium structures

* Stepped premiums:
* stepped premiums are calculated each year based on your age at the policy anniversary and reflect the chance of you making a claim each year at that particular age. This means that the premium will generally increase each year even if your level of cover remains unchanged.
* stepped premiums will initially be lower than level premiums, however they become higher than level premiums the longer you hold the policy.
* Level premiums:
* level premiums are calculated based on your age when the cover originally commenced and in general terms are an average of the future premiums between your current age and age 65. This means that your premium will generally only increase if there are increases to your cover or changes to benefits. (Note: most companies, including Zurich, reserve the right to increase level premium rates, so it is not guaranteed that premiums will remain the same even if your cover remains unchanged.)
* premiums for increases to your sum insured will be based on your age when you apply for the increase to your policy.
* level premiums will initially be higher than stepped premiums, however stepped premiums become more expensive than level premiums the longer you hold the policy.
* level premiums will revert to a stepped premium at the policy anniversary when you are age 65.

Premium and policy suspension

* You may elect to suspend your cover for up to 12 months once it has been in place for 12 months or more.
* During this suspension period you will not have to pay your premiums or policy fee but you will not be able to make any claims on your policy for any reason.
* It is also important to note that any injuries or conditions that first arise while your policy is suspended will be excluded from claim for the life of your policy.
* Similarly, any condition that occurs within 90 days of the date cover is reinstated and where the condition has a 90 day exclusion specified, will be excluded from claim for the life of your policy.

10. Resource library

You may wish to use the below charts throughout your SOA to aid understanding.



TPD cover types



Partial impairment

