Zurich Wealth Protection

Supplementary Product Disclosure Statement
Issue date: 14 September 2012

This document is a Supplementary Product Disclosure Statement (SPDS) for the Zurich Wealth Protection Product Disclosure Statement (PDS) dated 1 March 2012 and must be read together with Parts 1 and 2 of the PDS.

This SPDS has been issued as a result of the following changes, which are effective from the issue date. The specific wording changes that apply to the PDS are set out in this SPDS, starting on page 2.

Summary of changes

Change to Zurich's global name

Zurich has changed the name of the Global Group from Zurich Financial Services Group to Zurich Insurance Group. Zurich continues to operate locally as Zurich Financial Services Australia. There is no change to the issuer of this product.

Future insurability option is now built-in to Income Replacement – premier policies

The extra-cost Future insurability option is now a built-in benefit for policy owners who take out the premier level of cover. This option allows the *insured monthly benefit* to be increased without *underwriting* every year, allowing cover to stay in line with earnings.

Trauma definition enhancement

The trauma definition for *malignant cancer* is being enhanced to:

- pay a benefit at a reduced level of invasion for malignant melanoma; and
- pay a benefit for breast cancer in the event of surgery followed by specific therapy.

Partial trauma condition definition corrections

Two Partial trauma definitions will change, because a higher benefit is now payable for some conditions which were previously covered by these definitions.

The definition of *early stage melanoma* is being revised to reduce the melanoma measurement from '1.5mm or less' to '1mm or less', since a Trauma benefit is now payable under the definition of *malignant cancer* for malignant melanomas with invasion greater than 1mm.

The definition of *minimally invasive cardiac surgery – including coronary artery angioplasty* is being revised to remove reference to treatment or repair of cardiac valve as a consequence of heart valve defects or abnormalities, as this is now covered under the definition of *heart valve surgery*.

Additional injury covered under the Income Replacement Specified injury benefit

A benefit will now be payable for a *fracture* of the jaw.

Clarification of restriction to nominated beneficiaries

Zurich will only record a beneficiary nomination from a person who is the sole policy owner and life insured, but this rule has prevented policy owners with Insured child option/s from nominating beneficiaries, which is not the intent. We have now clarified this to ensure that it is possible to nominate beneficiaries in this instance.

Interim cover applies to all eligible Income Replacement applications

Interim cover is now provided to all eligible Income Replacement policies, irrespective of the *waiting period* selected.

The alterations which apply to the 1 March 2012 Zurich Wealth Protection PDS to reflect these changes are set out on the following pages. The above is a summary only. Please read the whole PDS as supplemented by this SPDS before making a decision.

Preparation date: 21 August 2012

This SPDS has been prepared by the joint issuers of Zurich Wealth Protection.

Issued by Zurich Australia Limited, ABN 92 000 010 195 AFSLN 232510:
- Zurich Protection Plus
- Zurich Income Replacement

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General information only

The information contained in this SPDS is general information only. It does not take into account your individual objectives, financial situation or particular needs. You should consider the appropriateness of each product having regard to your objectives, financial situation and needs.

We recommend you seek professional financial and taxation advice before making any decisions regarding these products.

Changes to the PDS Part 1

(Product information)

Change of Zurich's global name

The text on page 2 of the PDS which provides information about the Zurich group is updated to reflect the Global Group's name change. Replacement wording is as follows:

> ### 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. We operate 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 and Europe, Asia-Pacific, the Middle East, Latin America and other markets. Founded in 1872, the company's headquarters are in Zurich, Switzerland.
>
> The Zurich Group employs over 60,000 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

There is no change to the sections 'Zurich's wealth protection solutions' and 'Corporate responsibility'.

The Future insurability option is now an automatic inclusion for Income Replacement – premier policies

The table on page 23 of the PDS which shows which extra-cost options are included in each level of cover is amended by adding a double asterisk to the tick for Future insurability option in the column for premier, and adding a footnote under the table, as follows:

> ** included as a built-in benefit

The wording for the Future insurability option on page 36 of the PDS is amended to include the following text in the heading at the top of page 36 to show that it applies automatically to premier level of cover:

> (this option is an automatic inclusion in premier cover)

Trauma definition enhancement

The new definition of *malignant cancer* is set out on page 5 of this SPDS. The enhanced definition applies to: Extended and Basic trauma cover (Zurich Protection Plus), Insured child option (Zurich Protection Plus), Trauma benefit (Zurich Income Replacement – premier), Trauma option (Zurich Income Replacement – premier/ comprehensive/standard).

Partial trauma condition definition corrections

The revised definitions of *early stage melanoma* and *minimally invasive cardiac surgery – including coronary artery angioplasty* are set out on page 5 of this SPDS. There is no material change to either definition, since the conditions being removed from these definitions are already covered elsewhere in the policy for a higher benefit. The definitions apply only to Extended trauma cover (Zurich Protection Plus).

Additional injury covered under the Income Replacement Specified injury benefit

The terms of the Specified injury benefit set out on page 31 of the PDS are unchanged. The additional benefit payable for *fracture* of the jaw is documented in part 2 of the PDS. Refer to the table on page 4 of this SPDS.

Removal of restriction to nominated beneficiaries

Page 48 of the PDS which provides information about beneficiary nominations for Zurich Protection Plus is updated to reflect the presence of the Insured child option. Replacement wording for the first bullet in this section is as follows:

- you must be both the sole policy owner and life insured to make a valid nomination (note that for the purpose of this requirement, you are still a sole life insured if there is also an insured child / children on the policy)

The remainder of the wording for Nominating beneficiaries is unchanged.

Interim cover applies to all eligible Income Replacement applications

The Terms of interim cover provided for: Zurich Income Replacement, which appear on pages 55 and 56 of the PDS are amended to remove the restriction applying to *waiting periods* of 60 days or more. Replacement wording is as follows:

Terms of interim cover provided for:

- **Zurich Income Replacement**

We will pay you an *income benefit* or Business expenses benefit if, solely as a result of an *accidental injury* during the period of this interim cover:

- you totally cease work and
- you are not able to earn from personal exertion any income or generate any *business earnings* for a period of at least the nominated *waiting period* and
- you are under the regular care of a *medical practitioner*.

The benefit will be paid in the event of sustaining an *accidental injury*, which occurs after this cover commences.

The amount we will pay you each month will be the lesser of:

- $5,000 or
- the *income benefit* you are applying for or
- the amount of cover you would have been accepted for under our normal *underwriting* criteria.

The maximum period we will pay a benefit for is 12 months.

Changes to the PDS Part 2

(Policy conditions)

The following wording replaces existing policy wording which appears in the Wealth Protection PDS, part 2, page 15. The first bullet point is replaced with:

- you must be both the only policy owner and life insured to make a valid nomination (note that for the purpose of this requirement, you are still a sole life insured if there is also an insured child/children on the policy)

The following table replaces the existing table which appears in the Wealth Protection PDS, part 2, page 28.

Specified injury	Specified injury benefit period (months)
quadriplegia	60
paraplegia	60
hemiplegia	60
diplegia	60
Loss of both feet, both hands or sight in both eyes	24
Loss of a foot and a hand	24
Loss of a foot and sight in one eye	24
Loss of a hand and sight in one eye	24
Loss of a leg or arm	18
Loss of a foot or hand or sight in one eye	12
Loss of the thumb and index finger of the same hand	6
fracture of a thigh or pelvis	3
fracture of a leg (between the knee and foot), kneecap, skull (excluding bones of the face or nose), upper arm between elbow and shoulder (shaft) or shoulder blade	2
fracture of a forearm (including wrist but excluding elbow or hand), jaw or collar bone	1.5

The following wording replaces existing policy wording which appears in the Wealth Protection PDS, part 2, page 34.

Future insurability option

The Future insurability benefit allows you to increase the *insured monthly benefit* (and any super contributions monthly benefit) by up to 15 per cent on every *policy anniversary* after this option began, without us reassessing the life insured's personal circumstances. You must tell us in writing that you want to make the increase within 30 days of the relevant *policy anniversary*. The increase cannot be made:

- if the life insured is over age 55
- if you are currently claiming disability benefits or have ever claimed disability benefits under your policy
- to the extent that after the increase, *the insured monthly benefit* will be more than 75 per cent of the life insured's average monthly *pre-tax income* at that date
- to the extent that after the increase, the super contributions monthly benefit will be more than the actual average monthly superannuation contributions the life insured or the life insured's employer made in the preceding 12 months (indemnity only).

If you have premier cover, this option is a built-in benefit, and will not appear as an optional extra benefit on your Policy schedule, however, the situations under which an increase cannot be made will still apply to you.

Restrictions

This benefit is not available to the life insured if the *insured monthly benefit* has been issued with a medical loading (shown on your Policy schedule).

The sum of all increases under this benefit cannot exceed the *insured monthly benefit* amount applying to the life insured on the benefit start date.

Any increase under this benefit cannot cause the *insured monthly benefit* amount applying to the life insured to exceed $30,000.

The following wording replaces existing policy wording which appears in the Wealth Protection PDS, part 2, page 48.

malignant cancer means the presence of a malignant tumour, including leukaemia, malignant lymphoma and other haemopoietic malignancies.

The tumour must be confirmed by histological examination and:

- the life insured must require major interventionist therapy including surgery, radiotherapy, chemotherapy, biological response modifiers or any other major treatment, or
- the tumour must be sufficiently advanced such that major interventionist therapy is no longer recommended.

The following cancers are specifically excluded:

- chronic lymphocytic leukaemia less than RAI Stage 1
- all cancers described as carcinoma in situ. Carcinoma in situ of the breast is covered only if it requires:
  - the removal of the entire breast or
  - breast conserving surgery and radiotherapy or
  - breast conserving surgery and chemotherapy (chemotherapy means the use of drugs specifically designed to kill or destroy cancer cells)

  Carcinoma in situ of the breast treated by breast conserving surgery and other forms of adjuvant systemic therapy, including endocrine manipulation therapy, hormonal manipulation therapy or non-endocrine adjuvant therapy, is not covered.
- all skin cancers unless:
  - they have metastasised to other organs or
  - the tumour is a malignant melanoma of Clark Level 3 and above or

continued next column

from previous column

  - the tumour is a malignant melanoma with invasion greater than 1mm thickness or
  - the tumour is a malignant melanoma where melanoma is showing signs of ulceration as determined by histological examination
- prostate cancers diagnosed as T1 with a Gleason score of 5 or less, unless major interventionist therapy is performed.

The following wording replaces existing policy wording which appears in the Wealth Protection PDS, part 2, pages 46 and 49.

early stage melanoma means the presence of one or more malignant melanomas of 1mm or less maximum thickness as determined by histological examination using the Breslow method, or less than Clark Level 3 depth of invasion as determined by histological examination. The malignancy must be characterised by the uncontrollable growth and spread of malignant cells and the invasion and destruction of normal tissue.

minimally invasive cardiac surgery – including coronary artery angioplasty means the actual undergoing of thoracoscopic, laparoscopic, 'minimally invasive' or 'keyhole' surgery to treat or repair:

- a narrowing or blockage of one or more coronary arteries or
- an obstruction of the aorta or a coarctation of the aorta.

Investigative or diagnostic procedures are not included.

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