ZURICH

Zurich Wealth Protection Superannuation Income Replacement

Product Disclosure Statement including Policy conditions
Issue date: 27 September 2013

About this PDS

Date of preparation: 5 September 2013

This Product Disclosure Statement (PDS) is provided in two parts:

Part 1 – Product information

Part 2 – Policy conditions

This PDS is an important document. You should read both parts (Parts 1 and 2) in full before making a decision to purchase this product.

This PDS will help you to:

- decide whether this product will meet your needs and
- compare this product with other products you may be considering.

Policy conditions

Part 2 of this PDS contains the policy conditions which will apply to your cover once your application has been accepted. It is important that you read them carefully and keep them in a safe place.

Important notes

This PDS describes Zurich Superannuation Income Replacement. The PDS is issued by Zurich Australian Superannuation Pty Limited, who takes full responsibility for the PDS.

Where there is any reference to a third party in this PDS that third party has provided their consent to be named in this PDS.

The Zurich worldwide group of companies has obligations under various Australian and foreign laws. Despite anything to the contrary in this PDS or any other document related to the policies described in this PDS, the policies' terms will operate subject to all laws with which a Zurich worldwide company considers it must comply.

This offer is available only to persons receiving it (including electronically) within Australia. We cannot accept cash or applications signed and mailed from outside Australia.

Cover is only available to Australian residents.

The policies are designed for Australian residents, and their operation and your rights may be restricted if you or the life insured cease to be an Australian resident.

General information only

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

We recommend you seek professional financial and taxation advice before making any decisions regarding this product.

Up-to-date information

The information in this PDS is up to date at the date it is prepared. Certain information in this PDS may change from time to time. Where the change is not materially adverse, we will update such information on our website, www.zurich.com.au. A paper copy of the updated information will be available free of charge upon request by calling us on 131 551.

Issuer information

Zurich Superannuation Income Replacement is issued by Zurich Australian Superannuation Pty Limited ABN 78 000 880 553, AFSL 232500, the trustee of the Zurich Master Superannuation Fund ABN 33 632 838 393, SFN 2540/969/42 (the Fund). It obtains an insurance policy issued by Zurich Australia Limited (ABN 92 000 010 195, AFSL 232510) for the benefits offered in the product it issues. Zurich Australia Limited is also the administrator of the Fund.

Contact details for both issuers appear on the back cover of this PDS.

Contents

Part 1 – Product information

About Zurich 2

What is wealth protection? 3

Introduction 4

Zurich Superannuation Income Replacement 6

Additional Information 19

Interim cover certificate 26

Part 2 – Policy conditions

General policy conditions 3

Policy benefits 7

Definitions 13

Directory 18

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

Zurich's wealth protection solutions

Zurich Australia's Life Risk business provides choice and flexibility through a suite of award-winning business and personal life risk solutions. Our 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.

As one of the longest standing independent players in the Australian life market, Zurich Australia remains committed to working in partnership with independent financial advisers.

Our most recent awards for excellence in service and products are listed on our website.

Corporate responsibility

Zurich Australia's Corporate Responsibility approach aims to build trust and integrity with customers, employees, the community and all stakeholders through thoughtful contribution to the community and environment.

Community

Zurich Australia partners with The Smith Family. The Smith Family is a children's charity helping disadvantaged Australian children to get the most out of their education. Additionally, employees are provided paid volunteering leave to actively participate in their local communities and may choose to participate in a workplace giving program.

Environment

Zurich Australia's Green Office program aims to limit the company's impact on the environment and addresses day-to-day operating procedures via energy, paper, water and recycling initiatives. Zurich Australia has qualified for the government accredited Green Power Tick (www.greenpower.com.au) by sourcing 25 per cent of its electricity from renewable energy.

Information on this page is current as at the date of this PDS. For more or updated information, please visit www.zurich.com.au

What is wealth protection?

A complete financial plan should generally allow for 'wealth protection'.

The trouble is no one likes having to talk about insurance. It's easy to think 'it'll never happen to me'. But the very reason we don't want to think about it is the reason we should. We have to know that whatever happens we'll be able to take care of ourselves and protect our families and/or business partners.

That means planning ahead and leaving nothing to chance. Ideally you should have a solution in place to manage unforeseen events. Unfortunately, accidents and illnesses can happen to anyone. Insurance is a contingency plan. It takes care of the 'what ifs' and acts to protect you, your family and/or business partners if something goes wrong.

At Zurich, wealth protection refers to products that broadly offer the types of cover described below:

Types of cover available	What is the purpose of the cover?
Death cover	Death cover pays a lump sum on your death or diagnosis of terminal illness. It's one of the easiest products to understand and it's usually the first one people think of. It may: • allow your family to repay debts including mortgage, personal loans, guarantees, credit cards and store cards • provide an adequate income for your dependants to pay for living expenses, school fees, child care and regular bills • protect your business if a key person or principal dies • provide a cash deposit to the estate, which may prevent other assets being sold.
Total & Permanent Disablement (TPD) cover	TPD cover pays a lump sum if you become totally and permanently disabled and therefore are unlikely to ever work again. TPD is about ensuring that you retain as much quality of life as possible. It can: • provide funds to allow a family member to give up work to care for you or, alternatively, to fund other home care • allow you to repay debts including mortgage, personal loans, guarantees, credit cards and store cards • pay for any major renovations required to your home (eg. to permit wheelchair access).
Trauma cover	Trauma cover provides a lump sum on the diagnosis, or occurrence, of one of a list of specific injuries and illnesses such as heart attack, cancer or stroke. It can: • pay for unexpected medical costs • provide for lifestyle changes • provide for necessary professional care at home • repay large debts such as a mortgage • allow you to make lifestyle changes, such as reducing work hours, by providing additional income.
Income replacement	Income replacement insurance provides a monthly payment generally up to 75 per cent of your pre-tax income if you are unable to work due to sickness or injury. It can allow you to: • provide for yourself and your family • continue to pay your mortgage, bills, credit cards and other debts and • keep all your investment strategies in place.
Business expenses	Business expenses insurance is used to cover fixed business expenses if you are unable to work due to sickness or injury. It can keep the business running while you take time out to recover.

Without wealth protection, your ability to fund your lifestyle or your family's lifestyle may be jeopardised. Together with your financial adviser, you can create a financial plan that will help you achieve your goals.

This PDS contains information about Zurich Superannuation Income Replacement which is a risk-only superannuation product providing income replacement cover through superannuation.

For information about Zurich's other wealth protection products, refer to the Zurich Wealth Protection PDS dated 1 March 2013.

Introduction

Defined terms

In this PDS, all terms appearing in *italics* (other than in headings) are defined terms with special meanings. Detailed definitions appear in the Policy conditions (Part 2). Product features are capitalised for ease of identification.

Important notice

The primary purpose of the Zurich Superannuation Income Replacement policy is to provide an *income benefit* if the life insured suffers a loss of income because he/she experiences a disability.

It is not a savings plan. If you terminate cover at any time other than during the cooling off period, you will not get any money back.

Definitions

In this Part 1 of the PDS:

'Us', 'our', 'we' and 'the Trustee' means Zurich Australian Superannuation Pty Limited.

'Zurich' means Zurich Australia Limited. Zurich is the administrator of the Fund and the issuer of life insurance policies to the Trustee.

'You' means the life insured (who is also the Fund member).

Applying for Zurich Superannuation Income Replacement

To apply for Zurich Superannuation Income Replacement you must complete and submit the Application Form together with a completed Life Insured's Statement. This can be done using the Application Form accompanying this PDS or our electronic Application Form. Your financial adviser can assist you to fill out either of these forms.

Cheques must be made payable to Zurich Australia Limited. The cheque should be in Australian dollars and drawn on an Australian bank.

Cooling off period

After you apply for a Zurich Wealth Protection product and you have received your Policy schedule from Zurich, you have 21 days to check that the policy meets your needs. Within this time you may cancel the policy and receive a full refund of any *premiums* paid, provided you have not exercised any rights under the policy (and subject to preservation requirements, you may be required to nominate a complying superannuation fund to which your premiums will be repaid. Refer to page 24). Your request will need to be in writing and forwarded to Zurich at the address shown on the back cover of this PDS.

If you exercise any rights in relation to the policy (for example, you make a claim) before the 21 day period has elapsed your option to cancel the policy and receive a refund will be forfeited.

Significant risks

There are certain risks associated with holding a Zurich Superannuation Income Replacement product:

- if *premiums* are not paid when due, the policy will lapse, you will no longer be covered and you cannot make a claim.
- if you do not comply with your duty of disclosure, Zurich may not pay your claim, pay only a portion of your claim or cancel your cover.

The duty of disclosure is explained on page 2 of the Application Form.

Interim cover

While we are assessing your application, we will provide you with interim cover for up to 90 days against *accidental injury*. The Interim cover certificate (refer to page 26) provides details of the cover provided and the exclusions that apply.

Waived management fees

If more than one policy is applied for at the same time with Zurich, for the same life insured, you will be charged only one Management fee for that life insured.

Loyalty discounts

You may be eligible to receive the following discounts on the *premium* payable:

Multi policy discount – a discount which rewards people who have more than one life risk policy with Zurich.

Family discount – a discount for members of the same family who take policies with Zurich. The more family members involved, the higher the discount applying to each member.

Business discount – a discount for employees/partners in a business who take policies with Zurich. The more people involved, the higher the discount applying to each member.

More than one discount may apply to a policy (ie. multi policy discount and family discount or multi policy discount and business discount). The total discount will be expressed as the 'Loyalty discount'.

Tailored super structuring

If you wish to hold as much of your cover as possible in super, without compromising the overall package of cover selected, Zurich's tailored super structuring will allow you to split super and ordinary benefits across two policies.

This flexibility is available with Zurich Superannuation Income Replacement, subject to the terms and conditions set out in this PDS. If this structuring is of interest to you, more information can be found in later sections of this PDS and in the Zurich Income Replacement section of the Zurich Wealth Protection PDS dated 1 March 2013.

Your financial adviser can also provide you with more information on tailored super structuring.

Your financial adviser can provide all the information you need on these multi-product features.

Zurich Superannuation Income Replacement

Cover at a glance

A summary of Zurich Superannuation Income Replacement is set out on this page. An outline of this cover begins on page 8, while the Policy conditions are in Part 2, starting on page 3.

Description

Zurich Superannuation Income Replacement is a risk only superannuation product which provides an income benefit if you suffer a loss of income due to *sickness* or *injury*. There are different levels of cover available, with each including a range of benefits which are built-in and optional benefits that can be added.

The levels of cover are:

- standard and
- comprehensive.

Additionally, if you select tailored super structuring, you can also choose a premier *level of cover* (refer to pages 16 to 18 for further information).

Once your application has been accepted you will become a member of and have an interest in the Zurich Master Superannuation Fund (the Fund), supported by a life insurance policy issued by Zurich Australia Limited.

Zurich Superannuation Income Replacement does not contain an investment component. There may be advantages to paying life insurance premiums through superannuation but there are also restrictions on benefits being paid under superannuation law and there may be tax implications.

The purpose of income replacement cover under superannuation is limited to continuing the gain or reward you were receiving before the *sickness* or *injury*. Therefore, under superannuation law, you may not receive the full benefit described where it would increase your income from all sources (including the cover) after disablement above your income before your *sickness* or *injury*.

Policy ownership and life insured

The policy owner will be the Trustee of the Fund, Zurich Australian Superannuation Pty Limited and the life insured will be you, the member applying for cover.

In the event of a claim all benefits under the Zurich Superannuation Income Replacement policy are payable to the Trustee. The Trustee will pay you a benefit if you are entitled to it under superannuation law and the trust deed of the Fund (refer to page 24 for further information).

Your financial adviser can help you to determine whether this is an appropriate product to meet your needs.

Built-in benefits	standard	comprehensive
Income benefit – provides an income if you are disabled and suffer a loss of income as a direct result.	✓	✓
Inflation protection – cover can increase each year.	✓	✓
Recurrent disability – no *waiting period* applies if you return to work too soon.	✓	✓
Concurrent disability – if you have *sickness* and *injury*, the one which pays the most benefit will apply.	✓	✓
Funeral benefit – a lump sum to help with immediate expenses is payable on death.	✓	✓
Interim cover – puts some cover in place as soon as you apply.	✓	✓
No requirement to stop work for 14 full days during the *waiting period* – you only have to stop work for one full day.		✓
Confined to bed benefit – benefits are payable right away if you are disabled and *confined to bed*.		✓

✓ = included

Extra-cost options	standard	comprehensive
Increasing claims option – benefits can increase quarterly while on claim.	✓	✓
Super contributions option – cover for regular super contributions.*	✓	✓
Day 4 accident option – benefits during the *waiting period* if you are disabled due to accident.*	✓	✓
Future insurability option – increase cover without *underwriting* every year.*		✓
Booster option – extra benefits paid in first 30 days of claim.*	✓	✓
Severe disability option – additional income if you are severely disabled.*	✓	✓

✓ = option available
* These options are not available for occupations categorised as Special Risk (SR).

Cost-reducing option	standard	comprehensive
Mental disorder discount option – excludes cover for any *mental disorder*.	✓	✓

✓ = option available

Product parameters

The following table sets out some important eligibility and product limit information. When you apply for cover, we will assign you an occupation category (A1, A1M, A2, A3, B1, B2, B3 or SR). Your financial adviser can help you determine your occupation category.

Parameters which differ by *level of cover*	**standard**	**comprehensive**
Occupation eligibility	Available to all occupation categories (Restrictions apply to the cover available to SR occupations)	Available to all occupation categories, except SR
Eligible ages	19 – 48 for benefits to age 55 19 – 53 for benefits to age 60 19 – 59 for all other *benefit periods* The maximum entry age for SR occupations is 53	19 – 48 for benefits to age 55 19 – 53 for benefits to age 60 19 – 59 for all other *benefit periods*
Available *waiting periods*	All occupations can select from 30, 60 or 90 days All occupations except SR may also select: • 14 or 180 days, or • 1 or 2 years	• 14, 30, 60, 90 or 180 days, or • 1 or 2 years
Available *benefit periods*	All occupations can select 1, 2 or 5 years All occupations except SR may also select benefits payable to age 55, 60 or 65	All occupations can select: • 1, 2 or 5 years, or • benefits payable to age 55, 60 or 65 A1, A1M, A2 and A3 occupations can also select benefits payable to age 70. Restrictions apply to this *benefit period*, refer to page 9 (Part 2).
Offsets Refer to the definition of *post-disability income* on page 15 (Part 2).	In the event of a claim, we will offset: • other disability income policies not disclosed to us at the time of *underwriting* and • workers' compensation or other legislated benefits (does not apply to A1, A1M or A2 occupations). You can earn up to 10 per cent of *pre-disability income* in the first three months without any offset.	

(continued next page)

Product parameters

(continued)

	Common parameters for standard and comprehensive
Employment status	You must be working in *full-time paid employment*
Expiry ages	• *policy anniversary* following 55th birthday for benefits payable to age 55 • *policy anniversary* following 60th birthday for benefits payable to age 60 • *policy anniversary* following 65th birthday for benefits payable for 1, 2 and 5 years and for benefits payable to age 65 • *policy anniversary* following 70th birthday for benefits payable to age 70, or • the earlier cessation of membership of the Fund. The expiry age for SR occupations is *policy anniversary* following 60th birthday.
Minimum *premium*	$200 per year excluding fees and charges
Cover available	Minimum $1,500 per month (subject to your income) SR occupations can apply for a maximum of $10,000 per month.
***Premium* options**	Stepped *premiums* increase each year based on the rates applicable for your age at that time. Level *premiums* are based on your age when cover starts. You can either select one premium structure, or you can split your *premium* to allow both structures, in the proportion that you choose. Tailored super structuring is not available with level premiums. Refer to page 19.
How *premiums* are calculated	*Premiums* are based on the cover amount, *level of cover*, options chosen (including whether you select stepped or level), frequency of payments, current age, gender and smoking status. Your circumstances including state of health, occupation and pastimes will also be taken into consideration, as will any state or federal taxes. Stamp duty will be added to your *premium*. Refer to page 19.
Exclusions	There are certain circumstances under which benefits will not be paid. There are limitations and restrictions on when some benefits may be payable. Any such limitation or restriction will be detailed in the Policy conditions. Refer to pages 7 to 12 (Part 2).
Unemployment and employment breaks	Generally, cover can continue during short periods of unemployment, however, after 12 months of unemployment, cover will either be limited or, for SR occupations, cover will end. Refer to page 21.
Additional information	The Additional information section of this PDS, starting on page 19, provides useful information about this policy, including details about the Management fee, stamp duty, taxation, our complaints handling procedure and our privacy provisions. It also tells you how to make a claim.
Policy conditions	When cover is issued, you will receive a Policy schedule that sets out the particular details of your cover (including: *level of cover* and options selected). The Policy conditions (Part 2) will form part of your cover with us, and you should keep them in a safe place.

Overview

The Zurich Superannuation Income Replacement policy pays, after the expiry of the *waiting period*, an income while you are disabled and suffer a loss of income because of that disability.

The *waiting period* is the number of days that you need to qualify for the *income benefit* before being eligible for payment. The *benefit period* is the maximum period we will pay *income benefits* for when you suffer from the same or a related *sickness* or *injury*. Zurich pays a proportion of the *income benefit* twice monthly with the first payment due 15 days after the expiry of the nominated *waiting period*.

Levels of cover

You can also choose the *level of cover* to best fit your needs and budget:

- standard or
- comprehensive.

The tables on pages 6 and 7 provide a snapshot of the *levels of cover*. The tables outline the built-in benefits, extra-cost options, cost-reducing option and product parameters, to show which features differ by *level of cover*.

Additionally, if you select tailored super structuring, you can also choose a premier *level of cover* (refer to pages 16 to 18 for further information).

Who can apply?

Cover is generally available to people between the ages of 19 and 59 who are working full-time. However, certain age restrictions apply to certain *benefit periods*: for benefits payable to age 55 the maximum entry age is 48, for benefits payable to age 60 the maximum entry age is 53. For occupations categorised as SR, the maximum entry age is 53.

The availability of cover also depends on the life insured's occupation and state of health. Some optional benefits are restricted to certain occupations. Your financial adviser can help you to determine your eligibility.

How much cover can I apply for?

The minimum *insured monthly benefit* you can apply for is $1,500 per month subject to a minimum annual *premium* of $200 (excluding the Management fee and any government charges). The maximum benefit you can apply for will depend on your income. Generally, up to 75 per cent of *average monthly pre-tax income* can be insured.

For example if your income (according to our definition) is $4,000 per month, you can insure up to $3,000 per month.

For occupations categorised as SR, a $10,000 per month limit will apply.

In determining your total benefit we will add together your *insured monthly benefit* and the super contributions monthly benefit amount (if applicable).

Your financial adviser can help you to determine the appropriate amount of cover.

Can I increase cover?

Subject to our reassessment of your personal circumstances, you may apply to increase cover up until the expiry of the policy. The minimum amount of cover you can apply for as an increase is $750 per month.

When will cover expire?

Once your application has been accepted, provided you pay your *premiums* as due (refer to page 19), and you remain a member of the Fund, Zurich guarantees to renew the policy every year up until the *policy anniversary* following:

- your 55th birthday where you have selected benefits payable to age 55
- your 60th birthday where you have selected benefits payable to age 60 (and for all policies insuring SR occupations)
- your 70th birthday where you have selected benefits payable to age 70 and
- your 65th birthday for all other *benefit periods*

regardless of any changes in your health or other circumstances. Unless otherwise stated, optional benefits will expire at the same time as the policy to which they are attached (refer to the relevant optional benefit descriptions on pages 14 to 16).

Refer to page 21 for details of what will happen if you become unemployed.

If you select benefits payable to age 70, a reduced benefit will apply to claims made after the *policy anniversary* following your 65th birthday. Refer to page 9 (Part 2).

Extending cover (if you have the 'to age 65' benefit period and continue working)

On the *policy anniversary* following your 65th birthday, you can extend cover on a limited basis, up to the *policy anniversary* following your 70th birthday, if you are still working in paid employment for more than 30 hours per week. You must apply to us at least 60 days before the cover would otherwise end (shown on your Policy schedule).

The *benefit period* on extended cover is one year and an *income benefit* will only be payable where there is no *post-disability income* (ie. no partial benefits are payable). The extended cover does not include any extra-cost options. You should consult your financial adviser for information regarding this extension of cover.

Page 9 (Part 2) explains the terms and conditions of this benefit, including any limits and exclusions.

Conversion of cover to a non-superannuation policy

Subject to Zurich's approval, your cover may be converted to a non-superannuation policy.

You may apply to effect this conversion:

- at any time while you are a member of the Fund; or
- within 30 days of ceasing to be a member of the Fund.

What choice of waiting periods is available?

You can select from the following *waiting periods*:*

- 14, 30, 60, 90 or 180 days
- 1 or 2 years.

*For SR occupations you can select 30, 60 or 90 days only.

You may choose to split the *waiting period* which means you can have different *waiting periods* for two portions of the *income benefit*.

Waiting period flexibility with employment related salary continuance

If you choose a 2 year *waiting period* because you have employment related salary continuance, Zurich may allow a reduction in the *waiting period* if you change employer and salary continuance cover is not provided by your new employer.

To be eligible to make this change to the *waiting period*, you must:

- be in *full-time paid employment* (more than 26 hours per week) in the same occupation/industry
- apply to us within 30 days of ceasing employment with previous employer
- attach a letter of appointment from your new employer or a payslip outlining salary and breakdown of any fringe benefits to support the existing monthly benefit.

You cannot apply to make this change if you:

- have any ownership or financial interest in your employer's business
- have already reached the *policy anniversary* prior to the benefit expiry date
- are currently claiming disability benefits or have claimed disability benefits any time in the last 12 months
- have salary continuance cover with your new employer.

What choice of benefit periods is available?

You can select from the following *benefit periods*:*

- 1, 2 or 5 years
- to the *policy anniversary* following your: 55th, 60th, 65th or 70th birthday.

*For SR occupations you can select 1, 2 or 5 years only.

Tailored super structuring

If you wish to hold part of your cover in super, without compromising the overall package of cover selected, Zurich's tailored super structuring will allow you to split super and ordinary benefits across two policies.

This allows a mixture of super and ordinary benefits to be linked, even though the benefits are provided under two separate policies. This is explained in more detail on pages 16 to 18.

What exclusions apply?

Zurich will not pay for *sickness* or *injury* occurring as a direct or indirect result of:

- an intentional self-inflicted act or
- attempted suicide or
- *uncomplicated pregnancy or childbirth* or
- elective surgery or donor transplant surgery (unless the surgery occurs after the specified times – refer to page 9 of Part 2) or
- an act of war (whether declared or not).

If you select the Mental disorder discount option (refer to page 16) Zurich will not pay a claim resulting from any *mental disorder*.

Built-in benefits

Income benefit

The Income benefit is the core benefit provided by Zurich Superannuation Income Replacement which pays a benefit if you suffer a loss of income and are under the care of a doctor due to a *sickness* or *injury*. Even though it is the name of a benefit, 'Income benefit' is also a Defined term which appears in italics throughout this section.

Pages 7 and 8 (Part 2) explain the terms and conditions of this benefit and other benefits which are built-in to the policy (depending on your *level of cover*), including any limits and exclusions.

Qualifying for an Income benefit

To be eligible for an *income benefit*, you must be under the regular care of, and following the advice of, a *medical practitioner*.

Zurich will pay an *income benefit* after the expiry of the *waiting period* if, solely as a result of a *sickness* or *injury*, until the expiry of the *waiting period*:

- your *pre-disability income* from your *usual occupation* has reduced by 20 per cent or more or
- you are unable to perform one or more *income producing duties* of your *usual occupation* or
- you are unable to perform the *income producing duties* of your *usual occupation* for more than 10 hours per week.

When will payments commence?

- if you have comprehensive cover, payments will commence as soon as you meet the qualifying criteria above
- if you have standard cover, in addition to the qualifying criteria above, you must stop working for a period of at least 14 days during the *waiting period*.

If you are not earning any income

(this is commonly known as being totally disabled)

If, at the expiry of the *waiting period*, you have no *post-disability income* (including received sick leave) then Zurich will pay the lesser of the *insured monthly benefit* and 75 per cent of your *pre-disability income*.

The *insured monthly benefit* is the amount of benefit you initially apply and are accepted for plus indexation increases (if any).

You can work for up to 10 hours per week and still claim the maximum *income benefit* available under the policy, so that you can check on your business while you are suffering from *sickness* or *injury*.

If you are still earning income

(this is commonly known as being partially disabled)

If, at the expiry of the *waiting period*, you have *post-disability income* then the *income benefit* Zurich will pay will be proportionate to your loss and calculated on a monthly basis using the following formula:

$$\frac{\textit{pre-disability income} - \textit{post-disability income}}{\textit{pre-disability income}} \times \textit{insured monthly benefit}$$

Your *income benefit* will be capped so that the amount we pay does not exceed 75 per cent of your *pre-disability income*.

However, for the first three months that an *income benefit* is paid, if your *post-disability income* is 10 per cent or less of your *pre-disability income*, we will pay an *income benefit* as if you were not earning any income, ie. the lesser of the *insured monthly benefit* and 75 per cent of your *pre-disability income*.

Please refer to the definitions of these terms on pages 13 to 17 (Part 2).

How long will the Income benefit be paid?

Zurich will continue to pay the *income benefit* until any one of the following events occurs:

- the *sickness* or *injury* giving rise to the claim does not prevent you from earning your *pre-disability income* from personal exertion from your *usual occupation*
- the *benefit period* ends
- the cover expires
- your death
- you are no longer under the regular care of a *medical practitioner* for treatment of the *sickness* or *injury*
- you are not following the treatment recommended by a *medical practitioner*.

Examples

When you are not earning any income

Example 1:
Assuming an *insured monthly benefit* of $3,000 and a *pre-disability income* of $4,000, the *income benefit* is the *insured monthly benefit* of $3,000.

Example 2:
Assuming an *insured monthly benefit* of $4,000 and a *pre-disability income* of $4,000, the *income benefit* is the lesser of the *insured monthly benefit* and 75 per cent of your *pre-disability income* = $3,000

When you are still earning income

Example 3:
Assuming an *insured monthly benefit* of $3,000, a *pre-disability income* of $4,000 (and because of your *sickness* or *injury* you are only generating 25 per cent of your *pre-disability income*), the *income benefit* would be:

$$\frac{\$4{,}000 - \$1{,}000}{\$4{,}000} \times \$3{,}000 = \$2{,}250$$

Example 4:
Assuming an *insured monthly benefit* of $4,000, a *pre-disability income* of $4,000 (and because of your *sickness* or *injury* you are only generating 15 per cent of your *pre-disability income*), the *income benefit* would be:

$$\frac{\$4{,}000 - \$600}{\$4{,}000} \times \$4{,}000 = \$3{,}400$$

using the formula, then capped at 75 per cent of *pre-disability income* = $3,000

Limit on total benefits

The payment of benefits is conditional upon the Trustee's ability to pay such benefits in accordance with superannuation legislation. This means that the total benefit paid under the cover for any given month (including the *income benefit* and any other applicable built-in and extra-cost options) will be capped. The total benefit plus any *post-disability income* cannot exceed 100 per cent of your *pre-disability income*.

Additional built-in benefits

Built-in benefits (starts on this page)	• Inflation protection • Recurrent disability • Concurrent disability • Funeral benefit • Interim cover • Confined to bed benefit

The benefits explained in this section are automatically built-in but only for the level/s of cover indicated beneath each heading.

Inflation protection

(standard / comprehensive)

Each year, until the expiry of the policy, we will provide you the opportunity to increase cover by the increase in the *consumer price index* to keep up with inflation. This is known as an 'Indexation offer'. Unless you reject the Indexation offer, *premiums* will increase each year by an extra amount to reflect that change. If you take up the Indexation offer you do not have to provide any further health evidence.

Indexation increases will apply automatically while a claim is being made.

To reject an Indexation offer for one year or for all future years, contact us for the necessary form.

As *income benefits* will be limited to 75 per cent of your *pre-disability income*, to avoid paying unnecessary *premiums* you should reject any Indexation offer that would take the *insured monthly benefit* beyond 75 per cent of your average monthly *pre-tax income*.

Recurrent disability

(standard / comprehensive)

If your disability recurs from the same or related cause within 12 months of you returning to work, (six months for SR occupations), the claim will be treated as a continuation of the same claim and a new *waiting period* will not apply. Zurich will start paying the benefit for the balance of the *benefit period* (if any) immediately.

If your disability recurs from the same or related cause later than 12 months after you return to work, (six months for SR occupations), *income benefits* will only be payable after expiry of a further *waiting period* and for no longer than the balance, if any, of the *benefit period*.

If you have employment related salary continuance:
If you take out this policy with a 2 year *waiting period*, and you are also covered by employment related salary

continuance which has a 2 year *benefit period*, Zurich will use the original start date of the salary continuance claim to calculate your *waiting period*, excluding any periods where you have returned to work under recurrent disability provisions in the salary continuance policy.

Concurrent disability

(standard / comprehensive)

If more than one separate and distinct *sickness* or *injury* resulted in your disability, Zurich will not pay the *income benefit* twice. Instead, payments will be based on the policy condition that provides the highest benefit.

Funeral benefit

(standard / comprehensive)

If you die while the policy is in force Zurich will pay a lump sum of three times the *insured monthly benefit*.

If you have other income policies with Zurich which include a funeral benefit, we will only pay this benefit once.

Interim cover

(standard / comprehensive)

While Zurich is assessing your application, Zurich will provide you with interim cover for up to 90 days against *accidental injury*.

The Interim cover certificate on page 26 provides details of the cover provided and the exclusions that apply.

Confined to bed benefit

(comprehensive)

If you are *confined to bed* for more than two consecutive days during the *waiting period* and unable to earn any personal exertion income because of *sickness* or *injury*, Zurich will pay this benefit.

The amount we will pay is the lesser of the *insured monthly benefit* and 75 per cent of your *pre-disability income*.

Zurich will pay 1/30th of the Confined to bed benefit for each day that you are disabled during the *waiting period*, to a maximum of 180 days.

> For example, if the *income benefit* is $3,000 per month, we will pay $100 per day for each day that you qualify for this benefit during the *waiting period*.

The Day 4 accident cover benefit (explained on page 15) is not payable for the same period. If both would otherwise apply, Zurich will pay the one which pays the higher benefit.

Optional benefits

Extra-cost options (starts on this page)	• Increasing claims option • Super contributions option • Severe disability option • Day 4 accident option • Booster option • Future insurability option
Reduced-cost option (page 16)	• Mental disorder discount option

Depending on your chosen *level of cover*, you can select from the following **optional** benefits to design a policy that best meets your needs. You will be charged a *premium* for each optional benefit you select from this section (except for the Mental disorder discount option).

Increasing claims option

While on claim, the *income benefit* will be increased after each three continuous months of *income benefit* payments by the percentage increase in the *consumer price index* for the previous quarter.

> For example, if the *income benefit* is $3,000 per month, and the increase for the quarter in the *consumer price index* is one per cent, then the *income benefit* will increase to $3,030.

Super contributions option

This option allows you to insure your regular superannuation contributions on top of your *insured monthly benefit* so that your superannuation will continue to accumulate while you are unable to work due to *sickness* or *injury*. If you take this option, the superannuation contributions will be payable to the Trustee who will then transfer the amount to a complying superannuation fund nominated by you.

You can insure 100 per cent of the average monthly super contributions made by you or your employer in the 12 months before your application however, the super contributions monthly benefit is capped at 15 per cent of your *average monthly pre-tax income*.

If you select this option then your superannuation contributions cannot be included in your *average monthly pre-tax income* when determining your *insured monthly benefit* at application.

For example, if you are earning an annual salary package of $50,000 which includes $4,500 in superannuation, you can apply for either:

- An *insured monthly benefit* of $3,125 (75 per cent of $50,000) or
- An *insured monthly benefit* of $2,844 (75 per cent of $45,500) and a super contributions monthly benefit of $375 per month (100 per cent of $4,500). This provides a combined total benefit of $3,219.

The super contributions monthly benefit, or a proportion thereof, is payable when you are receiving an *income benefit*, Confined to bed benefit, or Day 4 accident benefit. Inflation protection, the Increasing claims option and the Future insurability option apply to the Super contributions option.

The amount payable will be the super contributions monthly benefit multiplied by the proportion of the *insured monthly benefit* you are receiving as an *income benefit*, Confined to bed benefit, or Day 4 accident benefit, subject to a maximum of the actual average monthly super contributions you or your employer made in the 12 months preceding your claim.

For example, if Zurich are paying an *income benefit* equal to 100 per cent of the *insured monthly benefit* then we will pay the lesser of 100 per cent of the super contributions monthly benefit and the actual average monthly super contributions you or your employer made in the 12 months preceding your claim, while Zurich continue to pay an *income benefit*.

Page 10 (Part 2) explains the terms and conditions of this benefit, including any limits and exclusions.

We will transfer the entire benefit to the fund you nominate and do not deduct or withhold tax from it. Refer to the Taxation information on page 25.

Limitations

The limit on total benefits described on page 13 applies to the super contributions option.

Severe disability option

If, while Zurich is paying an *income benefit* you have been continuously unable to perform at least two *activities of daily living* for more than three months of your disability, we will increase the benefit by one third while this condition continues.

This benefit is payable until the end of the *benefit period*.

For example, if the *income benefit* is $3,000 per month, and you meet the requirements of this option, we will increase the monthly benefit to $4,000 per month while you continue to meet the requirements.

Day 4 accident option

This option is only available for policies with *waiting periods* of 90 days or less.

If you are disabled for more than three consecutive days during the *waiting period*, your *pre-disability income* has reduced by 20 per cent or more, and you are not working in any occupation due to *injury*, we will pay 1/30th of the *income benefit* for each day of the *waiting period* that you are disabled due to *injury*.

The Confined to bed benefit (explained on page 14) is not payable for the same period. If both would otherwise apply, Zurich will pay the one which pays the higher benefit.

For example, if the *income benefit* is $3,000 per month, we will pay $100 per day for each day that you qualify for this benefit during the *waiting period*.

Booster option

Under this option, if you are disabled and Zurich is paying the maximum *income benefit* available under the policy, we will increase the *income benefit* by one third for the first 30 days.

For example, if the *income benefit* is $3,000 per month, and you meet the requirements of this option, we will increase the monthly benefit to $4,000 for the first 30 days.

Future insurability option

You can increase the *insured monthly benefit* (and any super contributions monthly benefit) by up to 15 per cent on every *policy anniversary*, without us reassessing your personal circumstances. You must tell us in writing that you want to make the increase no more than 30 days after the relevant *policy anniversary*. The increase cannot be made if:

- the *policy anniversary* following your 54th birthday has already passed
- you are currently claiming disability benefits or have ever claimed disability benefits under the policy
- after the increase, the *insured monthly benefit* will be more than 75 per cent of your average monthly *pre-tax income* at that date or
- after the increase, the super contributions monthly benefit will be more than the actual average monthly super contributions you or your employer made in the preceding 12 months.

For example, if the *insured monthly benefit* is $4,000, after 12 months you can use this option to increase the *insured monthly benefit* to $4,600.

Page 11 (Part 2) explains the terms and conditions of this benefit, including any limits and exclusions.

Mental disorder discount option

If you select this option you will not be eligible to receive any benefits for a *mental disorder*.

This includes, but is not limited to, stress (including post traumatic stress), physical symptoms of a psychiatric illness, anxiety, depression, psychoneurotic, psychotic, personality, emotional or behavioural disorders or disorders related to substance abuse and dependency which includes alcohol, drug and chemical abuse dependency.

The full definition of *mental disorder* is set out on page 14 (Part 2).

You are not eligible to apply for this option if you have a history of any of the above conditions.

Once you have selected this option it cannot be removed for the life of the policy.

Zurich Income Replacement – tailored super structuring

If you wish to hold your cover using a mix of super and ordinary benefits, you can apply for cover under the Zurich Superannuation Income Replacement owned by the Trustee and cover under a Zurich Income Replacement owned by you. Zurich will automatically allocate any income cover you select into two related Income Replacement policies, based on whether or not the benefit is likely to be payable under superannuation laws.

Both policies will have the same *level of cover* (standard, comprehensive or premier), and the entry parameters and benefit restrictions which apply to each *level of cover* still apply. If you choose premier cover, the benefits under this policy will be the same as the comprehensive *level of cover*. However, additional benefits will apply on your Zurich Income Replacement policy.

Please also refer to the section about the Zurich Income Replacement policy in the Zurich Wealth Protection PDS dated 1 March 2013.

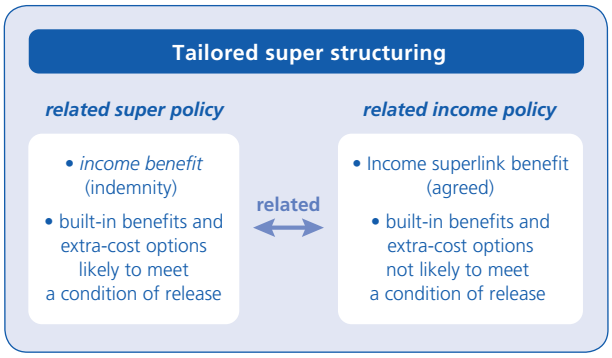
How the covers are allocated

The cover provided under related policies will be allocated to optimise alignment with the superannuation law payment rules.

The two-policy structure (related policies) means:

- built-in benefits and extra-cost options which, if payable by Zurich, would ordinarily meet a superannuation condition of release will be allocated to the Zurich Superannuation Income Replacement (*related super policy*)
- built-in benefits and extra-cost options which, if payable by Zurich, would not ordinarily meet a superannuation condition of release will be allocated to the Zurich Income Replacement, owned by you (*related income policy*).

The diagram below shows how the benefits and options are allocated across the two policies.



Note that if selected, some extra-cost options must be held on both policies, regardless of likely access to benefits in superannuation, because they are charged as a premium loading. This will be clearly shown on your Policy schedules. More information about extra-cost options in Tailored super structuring is provided below.

Income superlink benefit

The Income superlink benefit is the *income benefit* payable under your *related income policy* (which takes into account any *income benefit* already payable under your *related super policy*) and is assessed on an agreed value basis.

How the two related policies interact

In the event of a claim, your claim will be assessed under the *related super policy* first based on indemnity cover. If the life insured qualifies for a benefit under the *related super policy*, the benefit is payable to the trustee. Where the benefit paid under the *related super policy* is less than the amount you would be entitled to under the *related income policy,* we will pay you the balance of cover under the *related income policy* on an agreed value basis, up to the *insured monthly benefit*.

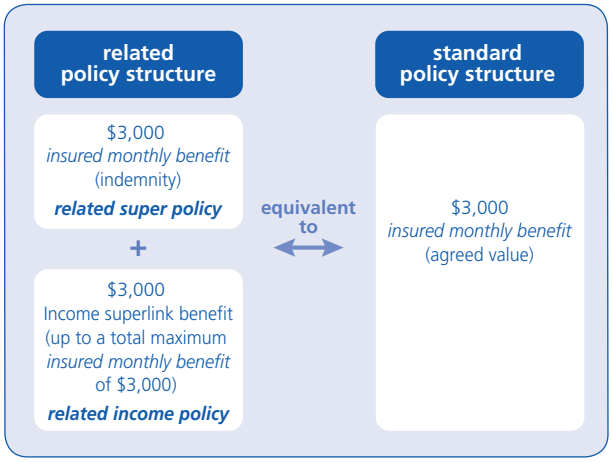
You will need to provide Zurich with sufficient financial information for Zurich to assess your claim on an indemnity and an agreed value basis.

If you are eligible for an *income benefit*, then your benefit may be paid in either of the following ways:

- as one *income benefit* – an indemnity benefit amount under the *related super policy* or
- as two *income benefits*:
  - an indemnity benefit amount under the *related super policy*, and
  - the balance of cover under the *related income policy* on an agreed value basis, up to the *insured monthly benefit* (superlink benefit amount).

For example, if your *insured monthly benefit* is $3,000 and you qualify for an *income benefit*, your claim will be assessed in two steps. Under the *related super policy*, we will pay the trustee an indemnity *income benefit* of $2,000, depending on your *pre-disability income*. Under your *related income policy*, the claim will then be assessed on an agreed value basis, paying you an additional benefit of up to $1,000.

The diagram below shows how the main benefit is apportioned across the two related policies to provide the equivalent of agreed value cover overall. In this example, the total *insured monthly benefit* under both policies combined is $3,000.



If payable, built-in benefits are paid from one policy or the other (not from both). More detail can be found on page 12 (Part 2).

Extra-cost options and tailored super structuring

If you are eligible to receive a payment under an extra-cost option on a policy within this structure, then benefits will be paid as follows:

- if the extra-cost option is available under the *related income policy* only (see table), then a benefit is only payable under the *related income policy*
- if the extra-cost option is available under both the *related income policy* and the *related super policy* (see table), then a benefit is payable under both related policies, but the total benefit payable will be split across both related policies in the same proportion as the total *income benefit*.

For example, if you are entitled to an *income benefit* of $2,000 per month under your *related super policy* and an *income benefit* of $1,000 per month under your *related income policy* and you are also eligible for a payment of $1,000 per month under the Severe disability option, $667 of this benefit will be paid to the trustee, under your *related super policy* and $333 of this benefit will be paid to you under your *related income policy*.

The following table outlines which extra-cost (and reduced cost) options are available under each policy. Any selected option which is available on both policies must be included in both related polices.

	related super policy	*related income policy*
Increasing claims option	✓	✓
Super contributions option	✓	✓
Day 4 accident option	✓	✓
Future insurability option*	✓	✓
Booster option	✓	✓
Severe disability option#	✓	✓
Mental disorder discount option	✓	✓
Lump sum accident option		✓
Trauma option		✓
Family care option		✓
Needlestick cover option		✓
Spouse cover option		✓
Business expenses option	not available	not available

* not available if the level of cover is standard

there may be circumstances where payment of this benefit does not meet a condition of release. In those circumstances, the benefit may not be able to be released by the trustee

Related policy conditions

You can only have related policies insuring the same life insured (one life insured only). The benefit amount on the Policy schedule for the *insured monthly benefit* and the Income superlink benefit will match at the policy commencement date and will continue to match over the life of the policy. *Premiums* are separately charged for each related policy.

The insured amounts set out on each Policy schedule represent the total insured amounts across both related policies. In the event of a claim, each benefit is payable only to a maximum of the total insured amount and where benefits are payable from both related policies, the total benefit payable from both related policies will not exceed the *insured monthly benefit*. Some benefits will be paid proportionately from both related policies.

Under this structure, if the *related super policy* terminates, the *related income policy* will also terminate.

Some built-in benefits apply only to one of the related policies and others apply to both policies. Refer to the additional terms and conditions set out on page 12 (Part 2). These terms and conditions apply in addition to those explained on pages 7 to 11 (Part 2), which do not allow for tailored super structuring.

Additional Information

Assessment of health

When you apply for Zurich Superannuation Income Replacement, you must complete our Application Form and a Life Insured's Statement, which asks detailed questions about your state of health. We then assess your application in order to make an offer of cover to you. Any health condition you tell us about will be covered under the policy, unless we are unable to offer cover, or we specifically exclude the condition. Prior to the commencement of the policy you will be advised of any other exclusions that result from the personal assessment of your application. Any health condition you do not tell us about may cause you to fail your duty of disclosure. If your non-disclosure is fraudulent Zurich may avoid the contract at any time. If we would not have entered into the contract on any terms we may avoid the contract within three years of entering into it. If we choose not to avoid the contract Zurich may reduce the sum that you have insured for in accordance with a statutory formula.

Premiums

How is my premium calculated?

Your *premium* will depend on:

- the amount of cover you require (the higher the sum insured, the higher the *premium*)
- any options you choose (the more extra-cost options you select the higher the *premium*)
- whether you select stepped or level premiums (stepped premiums are generally lower than level premiums at the start of the policy, but stepped premiums increase each year as you get older whereas level premiums do not)
- the frequency of your *premium* payments (paying half-yearly, quarterly or monthly will attract an increased *premium*)
- your current age (generally *premiums* increase each year in line with age)
- your gender (for example, income protection *premiums* are generally higher for females than for males)
- whether or not you are a smoker (*premiums* are higher for smokers than for non-smokers; a non-smoker is defined as a person who has not smoked tobacco or any other substance for the past 12 months)
- your occupation (generally occupations with hazardous duties or higher occupational risk have higher *premiums*)
- your health
- any pastimes you participate in (generally *premiums* are higher for those who engage in hazardous activities)
- the *benefit period* you select (the longer the *benefit period*, the higher the *premium*) and
- the *waiting period* you select (the shorter the *waiting period*, the higher the *premium*).

State Governments impose stamp duty on income replacement policies. Duties may vary from State to State. The stamp duty will be added to your *premium*.

Your financial adviser will provide you with a premium illustration for the particular product/s you are applying for taking into account all of these factors. This illustration will show the cost of each coverage and option you select as well as the details of any fees and/or stamp duties or tax that may apply. If you request, your financial adviser can also provide you with a table of premium rates giving all rates and factors. Further information on how *premiums* are calculated can be obtained by calling our Customer Service Centre on 131 551.

Goods and services tax

Goods and Services Tax (GST) is not currently payable on insurance premiums for this product.

Choice of premium structures

You can choose between 'stepped' and 'level' premiums:

Stepped premium – Your *premiums* will increase each year based on the rates applicable for your age at that time.

Level premium – Your *premiums*, excluding the Management fee, will be based on your age when cover begins. On the *policy anniversary* following your 65th birthday, stepped premium rates apply.

Tailored super structuring is not available with level premiums.

What if I don't pay my premium?

If *premiums* are not paid when due, the policy will lapse after 30 days and you will not be covered. You may be able to reinstate the policy after it lapses. Page 4 (Part 2) explains the conditions that apply to reinstatements.

Please note the Trustee is not responsible for the payment of premiums or for monitoring your payment of premiums.

What are the payment options?

You can choose to pay your *premiums* monthly, quarterly, half-yearly or yearly by direct debit from your bank, building society or credit union account. Direct debit from a credit card can be used for monthly or quarterly *premiums*. Or, you can pay *premiums* directly by cheque, credit card or BPAY to Zurich half-yearly or yearly.

How can I pay my premiums?

	First Premium	Monthly	Quarterly	Half yearly	Yearly
Cheque	✓	✗	✗	✓	✓
Direct debit	✓	✓	✓	✓	✓
Credit card	✓	✓ (direct debit)	✓ (direct debit)	✓	✓
BPAY	✗	✗	✗	✓	✓

Premiums can also be paid yearly via rollover. More information about this method of payment can be found in the Application Form.

What if I overpay premiums?

If you make any overpayment of *premium*, we may retain the overpayment, unless it exceeds $5.00.

Are premium rates guaranteed?

Premium rates are not guaranteed and can change from time to time. Any change, however, will affect all policies in the same category, not just an individual policy. We will notify you of any changes to premium rates at least 30 days prior to the change taking effect. The *premium* payable from the start of the policy is shown on your Policy schedule, and will not change before the first *policy anniversary*.

Commission

We may pay commission and other benefits to financial advisers and other representatives. Your financial adviser will provide details of the benefits he or she will receive if we issue you a policy in the Financial Services Guide and, if applicable, the Statement of Advice that he or she will give to you. We pay these amounts out of your *premium* payments – they are not additional amounts you have to pay.

What are the other charges?

The current charges are set out below. If we introduce any new charges, or there is an increase to current charges (other than by way of the fee indexation described below) you will be notified at least 30 days prior to such charge taking effect.

In addition to your *premium*, you are required to pay a Management fee which contributes to the cost of administering the policy. The fee payable depends on the frequency of your *premium* payments.

The contributions paid to Zurich Australian Superannuation Pty Limited will be paid to Zurich Australia Limited to cover your *premium* and the Management fee.

Premium frequency	Management fee payable	Annual equivalent
Monthly	$8.59	$103.08
Quarterly	$25.75	$103.00
Half-yearly	$42.94	$85.88
Yearly	$85.88	$85.88

The Management fees above apply for new policies until 28 February 2014. The Management fee increases each year on the *policy anniversary* in line with the *consumer price index*.

State Governments impose stamp duty on some policies. Duties may vary from State to State. If applicable, the stamp duty will be included in or added to your *premium*. Should changes in the law result in additional taxes or imposts in relation to the policy, these amounts may be added to the policy.

Direct debits from your financial institution may incur an additional fee.

Guaranteed upgrade of benefits

We may improve the terms of the benefits described in this PDS. If we do so, without any change in the standard premium rates, we will incorporate the improvement in the policy. Any medical condition existing at the time the improvement is offered or any injuries sustained prior will be excluded from being eligible for payment under the improved terms.

Guaranteed renewable

Provided you have paid your *premiums* as required, the policy is guaranteed to be renewable up until the expiry age of the benefit(s) you have chosen regardless of any changes in your health or pastimes. The policy will only cease in accordance with the terms of the policy.

Unemployment/employment breaks and income replacement

Zurich Superannuation Income Replacement is designed for people who are working in paid employment. However, cover can continue during periods of unemployment.

For all occupation categories except SR

The definition of *usual occupation* will change if you have been unemployed, or on long service leave, maternity leave, paternity leave or sabbatical leave for more than 12 consecutive months immediately prior to the *sickness* or *injury* causing disability – rather than your *usual occupation* being the occupation you predominantly performed in the 12 months prior to the *sickness* or *injury* it will be any occupation you are capable of performing.

If you are involuntarily unemployed other than as a direct result of a *sickness* or *injury*, your cover has been in force for the previous 12 months and you are registered with an employment agency approved by us, we will waive your *premium* for up to three months at a time (12 months over the life of the policy). Each request to waive *premium* must occur at least 12 months apart.

For SR occupations

Zurich Superannuation Income Replacement terminates at the end of any 12 month period during which you have not been engaged in *full-time paid employment* other than as a direct result of a *sickness* or *injury* or where we have given prior written approval.

While you are on unpaid leave (eg. maternity leave, paternity leave or sabbatical leave) you can, with our prior written approval, continue your cover beyond these periods.

Claims

You must advise us of an insured event occurring as soon as reasonably possible after the event by sending us a completed claim form. You can access claim forms on our website www.zurich.com.au or by contacting the Zurich Client Service Centre on 131 551 who will forward a claim form to you.

Before a claim is payable, we must receive proof to our satisfaction of the insured event.

Proof of the occurrence of any insured event must be supported by:

- one or more appropriate specialist *medical practitioners* registered in Australia or New Zealand (or in another country approved by us)
- confirmatory investigations including, but not limited to, clinical, radiological, histological and laboratory evidence.

Zurich's medical advisers must support the occurrence of the insured events. Zurich reserves the right to require the life insured to undergo an examination or other reasonable tests to confirm the occurrence of the insured event.

In assessing your claim Zurich will also rely on any information you have disclosed as part of your application. Where information (eg. your income) has not been verified at the time of application Zurich reserves the right to verify it at the time of claim.

You must, on Zurich's request, provide Zurich (or Zurich's agent) with information (or access to information) that we require to verify your income and other relevant matters in respect of your claim and any benefits to which you may be entitled. For example: tax returns for all entities including assessment notices issued by the Australian Taxation Office (ATO), profit and loss and financial statements.

Further details about the claims process are set out in the Policy conditions (Part 2, pages 5 and 6). You should read this information carefully.

Statutory fund

The *premiums* paid form part of the Zurich No. 2 Statutory Fund. Any benefits will be paid from that fund.

World-wide cover

You are covered 24 hours a day, seven days a week, world-wide. If you are claiming while overseas, we will require you to have a medical examination in Australia, or in another country by a *medical practitioner* nominated or approved by us, every 12 months for the benefits to continue.

Information about the policy

Part 2 of this PDS sets out the Policy conditions. When you take out your cover, you will receive a copy of your Policy schedule which outlines the specific details of your particular cover – such as which options you have selected. These are important documents and should be read carefully. Please keep them in a safe place because you will need them to make a claim. Should there be any changes to the benefits included in the policy, you will be notified.

Each year Zurich will provide you with a renewal advice indicating your new *premium* amount and, where available, an offer to increase your cover in line with inflation.

You may request further information, including a copy of the trust deed for the Fund, by contacting us at the address shown on the back cover of this brochure or by telephoning us on 131 551. If so requested, we will give you further information which has previously been generally made available to the public. The provision of further information may be subject to a charge.

We are committed to providing our customers with high levels of service. If you have any enquiries or complaints about the policy, you should contact your financial adviser or the Zurich Client Service Centre on 131 551. If we cannot resolve the issue to your satisfaction you have access to an independent complaints resolution body. Refer to page 23.

Keeping in touch

The team at the Zurich Client Service Centre understands this product. It is well equipped to answer general questions about the product and provide extra information, although it is not able to give financial advice.

Simply:

- call us on 131 551
- email us at client.service@zurich.com.au
- fax us on 02 9995 3797
- or write to us at:
  Zurich Client Service Centre
  Locked Bag 994
  North Sydney NSW 2059

For financial advice, please contact your adviser.

Your privacy

We are bound by the Privacy Act 1988 (Cth). Before providing us and any other company in the Zurich Group with any Personal Information or Sensitive Personal Information, you should know that:

- we need to collect Personal Information and, in some cases, Sensitive Personal Information about you in order to comply with our legal obligations, assess your application and, if your application is successful, to administer the products or services provided to you ('purposes')
- where relevant for these purposes, we will disclose the Personal Information and/or Sensitive Personal Information to your financial adviser (and the licensed dealer or broker they represent) and to our agents, contractors and service providers that provide financial, administration or other services in connection with the operation of our business or the products and services we offer
- a list of the type of agents, contractors and service providers we commonly use is available on request, or from our website, www.zurich.com.au, by clicking on the Privacy link on our home page
- we may use Personal Information (but not Sensitive Personal Information) collected about you to notify you of other products and services we offer. If you do not want your Personal Information to be used in this way, please contact us
- we may also disclose Personal Information or Sensitive Personal Information about you where we are required or permitted to do so by law

- if you do not provide the requested information or withhold your consent for us to disclose your Personal Information or Sensitive Personal Information, we may not be able to accept your application, administer the products or services provided to you, action a transaction you have requested or respond to an enquiry raised by yourself
- in most cases, on receiving a written request, we will give you access to the Personal Information we hold about you. However, we may charge a fee for this service
- for further information, or a copy of Zurich's Privacy Policy, you can contact us by telephone on 132 687, email us at privacy.officer@zurich.com.au or write to The Privacy Officer, Zurich Financial Services Australia Limited, PO Box 677, North Sydney NSW 2059.

Zurich Australia Limited is bound by the same privacy principles.

Complaints resolution

If you have a complaint about your superannuation fund

Zurich Superannuation Income Replacement is provided through Zurich Master Superannuation Fund by the trustee of that fund, Zurich Australian Superannuation Pty Limited. A complaint about the trustee can be made by contacting the Zurich Client Service Centre on 131 551. We will aim to acknowledge any complaint within 5 days and to resolve the complaint within 90 days. If you are not satisfied with the response you receive from us, or we fail to resolve the complaint within 90 days, you can raise the matter with the Superannuation Complaints Tribunal (SCT) at Locked Bag 3060, GPO Melbourne VIC 3001. The telephone number is: 1300 884 114 and the email address is: info@sct.gov.au

The SCT is an independent body established by the Commonwealth Government to review trustee decisions relating to its members, as opposed to trustee decisions about the management of a superannuation fund as a whole. The objective of the SCT is to provide a fair, timely and economical means of resolution of complaints as an alternative to the court system. The SCT cannot consider complaints that have not been first referred to a trustee's complaints resolution process.

If your complaint is outside the jurisdiction of the SCT, you may instead be able to raise it with the Financial Ombudsman Service (FOS). FOS is an independent body designed to help you resolve complaints relating to your Zurich product, as well as complaints relating to financial or investment advice and sales of financial or investment products. You can contact FOS at GPO Box 3, Melbourne VIC 3001. The telephone number is: 1300 780 808 and the email address is: info@fos.org.au

Contributing to superannuation funds

When you pay *premiums* for this policy, you will need to satisfy relevant contribution requirements under superannuation laws.

In addition to compulsory employer contributions, the Fund may accept contributions that are made:

- in respect of a member who is under the age of 65
- in respect of a member who is over the age of 65 and under the age of 75 and is gainfully employed on at least a part-time basis during the financial year in which the contributions are made (spouse contributions are not permitted after age 70).

A member is gainfully employed on a part-time basis during a financial year if he/she has worked at least 40 hours in a period of not more than 30 consecutive days in that financial year.

If the trustee is notified that you have become ineligible to contribute to the superannuation fund, your cover will in normal circumstances cease due to the trustee not being able to fund the risk *premiums*.

If you are over the age of 65 and do not inform the trustee whether or not you are eligible to contribute to superannuation, the trustee will apply to convert your cover to a non-superannuation policy and transfer ownership to you.

Premiums paid during a period in which you were ineligible to contribute will not be refunded.

Payments of benefits under superannuation

In some situations a benefit under Zurich Superannuation Income Replacement may be paid to us where we are not permitted, either by superannuation law or the terms of the governing rules of the Fund, to pay the benefit to you. In this case, the benefit will be held by us until the benefit can be paid under superannuation law and the governing rules of the Fund.

Also, situations can occur where there is no entitlement to a benefit under Zurich Superannuation Income Replacement but the incapacity suffered is such that you would be entitled, under superannuation law and the governing rules of the Fund to receive your superannuation account balance. It should be noted that in such cases no insurance benefit will be payable under the policy and accordingly by the Fund.

Where a benefit under Zurich Superannuation Income Replacement is paid to us as the trustee of the Fund, but we are required to preserve the benefit in the Fund, we will contact you for instructions to transfer your benefit to another complying superannuation fund. If you do not provide us with instructions for payment within 90 days of our request for rollover details, we may transfer your benefit to AUSfund. If this occurs, your entitlements in the Fund including any residual insurance cover, will cease and you must apply to the trustee of AUSfund for the payment of your benefit.

AUSfund can be contacted at:

AUSfund Administration
PO Box 2468
Kent Town SA 5071

Phone: 1300 361 798
Fax: 1300 366 233

Email: admin@ausfund.net.au

Web: http://unclaimedsuper.com.au//

Where a superannuation contributions benefit is received by the Fund and we do not receive your instructions, the benefit may be paid to you directly and subject to taxation.

Any benefits payable on death may be paid by the Trustee to your Legal Personal Representative (generally your estate) or a dependant as defined by the Trust Deed. A dependant is defined to include your spouse (including de facto spouse of either sex), your children (including adopted and stepchildren) a person with whom you have an interdependency relationship (as defined below) and any other person who in the opinion of the trustee, was dependent on you at the relevant time.

Two people have an interdependency relationship if:

- they have a close personal relationship and
- they live together and
- one or each of them provides the other with financial support and
- one or each of them provides the other with domestic support and personal care.

Two people, whether or not related, also have an interdependency relationship if they have a close personal relationship but due to either or both of them suffering from a physical, intellectual or psychiatric disability, or due to them temporarily living apart, they do not meet the other three requirements of interdependency.

Taxation

The taxation of superannuation is complex and will depend on your age, the type of contribution, and the status of the beneficiary. The amounts paid to the Fund are applied by the trustee as a *premium* towards the policy.

Contributions made by an individual or an employer for risk only Income Replacement will generally not be tax deductible.

The benefits paid under Zurich Superannuation Income Replacement must be included in your tax return and will be taxed at your marginal income tax rate (except for benefits transferred to another super fund under the Super contributions option and benefits payable on death).

Taxation of superannuation contributions

Non-concessional contributions are generally contributions for which a tax deduction cannot be claimed, for example contributions from after tax income. The amount of non-concessional contributions you are eligible to contribute to superannuation in a financial year is limited to a cap which can vary depending on your age and work status. Please refer to www.ato.gov.au for the applicable caps.

The trustee is only able to accept non-concessional contributions if you provide your TFN and up to the maximum contribution cap (on a per transaction basis).

If you make non-concessional contributions above the limit, the excess non-concessional contribution will be taxed at the highest marginal tax rate plus Medicare levy. The ATO will receive information regarding all non-concessional contributions made in a financial year to make an assessment. If you have exceeded the limit and are liable to pay the additional tax, the ATO will contact you directly. You will need to nominate a superannuation fund to pay this tax liability. As Zurich Superannuation Income Replacement has no account balance you may need to nominate a different superannuation fund to pay your tax liability.

Tax file numbers

In order to apply for Zurich Superannuation Income Replacement you must provide your TFN. If you do not provide your TFN, you are unable to become a member of the Fund and purchase the nominated insurance.

Please refer to the Application Form (Zurich Master Superannuation Fund membership application) for further information about the collection of TFNs.

Interim cover certificate

ZURICH®

This certificate is a legal document. It is important that you read it carefully and keep it in a safe place. It is your record of the terms and conditions of the interim cover. Please note that despite anything in this certificate, no contract of insurance exists between a Zurich Superannuation Income Replacement product holder and Zurich Australia Limited. Zurich Superannuation Income Replacement product holders are provided with any interim benefits under these terms and conditions subject to the governing rules of the Zurich Master Superannuation Fund and superannuation law.

Defined terms and interpretation

All terms appearing in *italics* are defined terms with special meanings. Detailed definitions are set out in the Policy conditions (refer to Part 2 of this PDS).

Your financial adviser acts as your agent, not ours, in relation to this interim cover.

Interim cover

Provided you meet the Interim cover eligibility criteria, we will provide you with interim cover from the Interim cover effective date until the Interim cover termination date, subject to the specific terms of interim cover set out in this Interim cover certificate.

Interim cover effective date

Interim cover is effective from the Interim cover effective date ('effective date'), which is the date that both of the following have occurred:

(a) you have properly completed and dated a Zurich Wealth Protection Superannuation Income Replacement Application Form (the application) for the policy/policies you are applying for and

(b) your financial adviser receives the initial *premium* for the insurance you have applied for or a Payment authority signed and dated by you.

If you have selected the Tele-underwriting option, the Life Insured's Statement is not required to be completed for interim cover to commence.

Interim cover termination date

The interim cover, once effective, terminates at the earliest of the time and date the policy owner (or your financial adviser) withdraws your application by contacting us or:

(a) 4.00pm on the 90th day after the effective date or such earlier time and date as we advise you or your financial adviser in writing

(b) the time and date when insurance cover commences under another contract of insurance (whether interim or not) which you are covered by and that is intended to replace the cover provided under this interim cover

(c) the end of the 10th business day after the effective date if you have not submitted your application to your financial adviser

(d) the end of the 20th business day after the effective date if your financial adviser has not submitted your application to us.

Interim cover eligibility criteria

You are not eligible for this interim cover and no interim contract is entered into if you have on the effective date:

(a) current insurance with us or another insurer of a similar type which provides the same or similar cover (whether individually or as part of a package) which you have indicated in your application will be replaced by the cover being applied for in this application or

(b) a current application with us or another insurer for insurance of a similar type which provides the same or similar cover (whether individually or as part of a package) or

(c) interim cover with us or another insurer for insurance of a similar type which provides the same or similar cover (whether individually or as part of a package) or

(d) had interim cover with us for the insurance you are applying for or

(e) previously applied for insurance of a similar type providing similar cover with us or another insurer (whether individually or as part of a package) and the application was declined, deferred or postponed.

Terms and conditions

The interim cover is:

(a) only provided for the type(s) of insurance you have applied for in the application

(b) subject to the terms, conditions and exclusions applicable to the interim cover and

(c) subject to the other relevant terms, conditions and exclusions of the relevant Policy conditions for the insurance you have applied for, except to the extent the Policy conditions provide greater cover than provided for by the interim cover as set out in this Interim cover certificate.

If you are applying to increase insurance with us then interim cover applies only to the amount of the increase.

Exclusions

To the extent permitted by law, no interim cover is provided:

(a) if you would not have been entitled to the interim cover or for any amount in excess of what we would have covered you for, based on our *underwriting* criteria applicable for the relevant insurance immediately before interim cover is effective or

(b) if the event leading to the claim occurs while you are outside Australia or

(c) where the event leading to the claim is caused directly or indirectly by:

  (i) suicide

  (ii) intentional self-inflicted *injury* or act

  (iii) the taking of drugs other than as prescribed by a doctor

  (iv) engaging in any criminal activities

  (v) engaging in any pursuit or occupation which would cause us to reject or apply special conditions to acceptance of the application for insurance or

  (vi) an act of war (whether declared or not) or military service.

Terms of interim cover

We will pay you an *income 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.

Specific conditions applicable to interim cover

If you make a claim under the interim cover you must pay us the *premium* for this cover that we require, which will be what we would have charged you for the policy/ies you have applied for.

Your duty of disclosure

Before you enter into a contract of life insurance with an insurer, you have a duty, under the Insurance Contracts Act 1984, to disclose to the insurer every matter that you know, or could reasonably be expected to know, is relevant to the insurer's decision whether to accept the risk of the insurance and, if so, on what terms.

You have the same duty to disclose those matters to the insurer before you extend, vary or reinstate a contract of life insurance.

Your duty however does not require disclosure of a matter:

- that diminishes the risk to be undertaken by the insurer
- that is of common knowledge
- that your insurer knows or, in the ordinary course of business, ought to know
- if compliance with your duty in relation to that matter is waived by the insurer.

It is a condition of this interim cover and your application to join the Zurich Master Superannuation Fund that you have the same duty of disclosure to the trustee.

Non-disclosure

If you fail to comply with your duty of disclosure and the insurer would not have entered into the contract on any terms if the failure had not occurred, the insurer may avoid the contract within three years of entering into it. If your non-disclosure is fraudulent, the insurer may avoid the contract at any time.

An insurer who is entitled to avoid a contract of life insurance may, within three years of entering into it, elect not to avoid it but to reduce the sum that you have been insured for in accordance with a formula that takes into account the *premium* that would have been payable if you had disclosed all relevant matters to the insurer.

Duty of disclosure notice

In signing the Wealth Protection Application Form you declare that you have read and understood your duty of disclosure.

If you have failed to disclose any such matters to us when you complete your application and you have interim cover, the insurer may exercise the rights specified above in relation to the interim cover.

For the policy/ies applied for, the duty also applies up until the time the insurer decides to enter into a contract of insurance. Please ensure you contact us if any information in your application changes or you need to disclose further matters after it is completed, as it can affect any final cover.

Confirming transactions

You may contact us in writing or by phone to confirm this transaction if you or your financial adviser do not already have the required confirmation details.

Please keep this Interim cover certificate (which forms part of the PDS). If you need to make a claim under your interim cover, you must send us this Interim cover certificate as evidence of your cover.

ZURICH®

Zurich Wealth Protection Superannuation Income Replacement Policy conditions

Contents – Part 2

Part 2 – Policy conditions

General policy conditions 3

Policy benefits 7

Definitions 13

Directory 18

Important notes

This section of the PDS (Part 2) contains the Policy conditions which will apply to Zurich Superannuation Income Replacement.

These Policy conditions are a legal document. It is important that you read them carefully and keep them in a safe place. This document is your record of the terms and conditions of your policy once cover is accepted.

Defined terms

In this PDS, all terms appearing in *italics* (other than in headings) are defined terms with special meanings. Detailed definitions begin on page 13. Product features are capitalised for ease of identification.

General policy conditions

These Policy conditions set out the benefits applicable to Zurich Superannuation Income Replacement and explain how the policy operates. Your policy includes these Policy conditions (Part 2 of the PDS) and your Policy schedule, which we will send to you when your policy is issued. Your Policy schedule shows the life insured covered under your policy, lists the *level of cover* (standard or comprehensive), the *insured monthly benefit*, the *benefit period*, the *waiting period*, the premium structure, any optional benefits provided and whether your policy has a *related income policy*. Your Policy schedule also shows the benefit expiry date applying to each insured benefit.

The Policy schedule also shows whether your policy is related to another policy, and if it is, shows the policy number of the *related income policy*.

Please check both these Policy conditions and your Policy schedule carefully to ensure that your policy provides you with the cover you want and has been established in accordance with your wishes.

In these Policy conditions, a reference to 'you' or 'your' is a reference to the owner of the policy, a reference to 'the life insured' is a reference to the life insured on the Policy schedule and any reference to 'we', 'our' or 'us' is a reference to Zurich Australia Limited.

If you have any questions about your policy now or at any time, contact your financial adviser or our Client Service Centre on 131 551. We will be happy to explain any matter to you.

Contract

This policy only provides the insurance benefits outlined and does not have a cash value. The contract is between Zurich Australia Limited and the owner of the policy and is referable to our No. 2 Statutory Fund. **There is no contract between a member of the Fund and Zurich Australia Limited.**

Cooling off period

The policy provides valuable insurance protection. However, if the policy has been issued as a result of a new application and it is not completely satisfactory, within 21 days, the Policy schedule can be returned to us with a letter asking us to cancel the policy. We will cancel the policy and promptly refund all premiums paid provided that no rights under the policy have been exercised.

Upon cancellation of the policy, your premiums may be required to be preserved under superannuation law and any repayments made under this cooling off period will be subject to those rules.

The '21 day' period commences from the date of receipt of the Policy schedule. Unless it can be proven otherwise, we will assume it was received within five business days of us issuing the document.

Guarantee to renew

As long as each *premium* due is paid within the grace period allowed (see the Unpaid premium clause on the next page), your policy can be continued up to the latest benefit expiry date on your Policy schedule regardless of changes in a life insured's personal circumstances.

Guaranteed upgrade of benefits

We may improve the terms of the benefits. If we do so without any change in the standard premium rates applying to that benefit under this class of policy, we will incorporate the improvement in your policy. Any medical condition existing at the time the improvement is offered or any injuries sustained prior will be excluded from being eligible for payment under the improved terms.

Changes to your policy

You must submit a written request if you want to make a change to your policy. In order to consider your request, we may ask for further information. If we agree, we will confirm any changes in writing. Only an authorised member of our staff can agree to change or waive any condition of your policy. A financial adviser does not have authority to change or waive any policy conditions.

If there are any material changes to the circumstances described in your policy we will advise you of that change. Changes to the fees and charges you pay for your policy (other than adjustments to *premium*) will be notified to you at least 30 days prior to the change taking effect. All other changes will be notified in the annual statement we provide to you.

World-wide cover

This policy provides insurance cover 24 hours a day, seven days a week, world-wide.

Termination of your policy

Your policy terminates on the first to occur of:

- the death of the life insured
- the latest benefit expiry date on your Policy schedule
- the non-payment of any *premium* within 30 days of its due date
- our receipt of your written notification to terminate this policy
- if the life insured's occupation is Special Risk (SR), the policy will terminate at the end of any 12 month period during which the life insured has not been engaged in *full-time paid employment* other than where this is a direct result of a claimable event under your policy or where we have given written permission for cover to continue.

Premium and reinstatements

Payment of premium

The *premium* is payable on the due dates shown on your Policy schedule. *Premiums* must be paid to keep your policy in force. All *premiums* must be paid in Australian dollars.

Unpaid premium

It is your responsibility to pay *premiums* to keep this policy in force. If any *premium* is not paid within 30 days of its due date, regardless of the method of payment chosen, your policy will lapse and no benefits are payable.

Reinstatement

In the first 30 days after lapse, we will reinstate your cover immediately if you contact us and arrange payment of all outstanding *premiums*. If your policy is reinstated in this period, we will consider your cover to be continuous, as if there had not been a lapse in cover.

After 30 days, your policy can be considered for reinstatement if we receive all outstanding *premiums* together with a signed reinstatement application. We will consider an application for reinstatement within 12 months of the due date of the first unpaid *premium* but we may decline to reinstate or impose conditions. If your policy is reinstated in this 12 month period, your cover recommences from the date that we accept your application for reinstatement and no cover is provided during the period of lapse. This means that no payments will be made for an insured event which occurred or became apparent while your policy was lapsed.

Amount of premium

The *premium* payable from the start of your policy to the first *policy anniversary* is shown on your Policy schedule. Where relevant, your Policy schedule will also show whether you have stepped premium or level premium.

If you make any overpayment of *premium*, we may retain the overpayment, unless it exceeds $5.00.

Stepped premium

Where you have the stepped premium structure the *premium* payable changes on each *policy anniversary.*

At that time, the *premium* is calculated for the life insured from our current standard premium rates on the basis of:

- the gender, age next birthday and smoking status of the life insured
- the *level of cover*, *waiting period* and *benefit period* (where relevant)
- if applicable, any optional benefits applying
- the amount of cover for each benefit provided
- the frequency of payment
- any extra *premium* or loading applying.

Level premium

Where you have the level premium structure the *premium* payable (except for the Management fee) does not change on each *policy anniversary* until the *policy anniversary* following your 65th birthday from which date your *premiums* will be calculated each year as per the stepped premium structure. However, if the amount of cover increases at the *policy anniversary* under the Inflation protection benefit, the *premium* for the increase in cover is calculated at that time from our current standard premium rates on the basis of:

- the age next birthday of the life insured
- the gender and smoking status of the life insured
- the *level of cover*, *waiting period* and *benefit period* (where relevant)
- if applicable, any optional benefits applying
- the amount of the increase in cover for each benefit provided

- the frequency of payment
- any extra *premium* or loading applying.

Even when you have the level premium structure, the *premium* may change if we change the standard premium rates applying to a benefit provided by your policy. When the standard premium rates can be changed is explained in the Premium review clause below.

Premium review

We cannot change the premium rates applying to a benefit provided by this policy unless we change the premium rates applicable to that benefit under this class of policy generally. We will notify you of any changes in premium rates applying to this policy at least 30 days prior to the change taking effect.

Management fee

The Management fee at the start of your policy is shown on your Policy schedule.

Each year, the Management fee increases on the *policy anniversary*. The increase is based on the annual *consumer price index* (CPI) increase to the end of the December quarter. If your policy anniversary is in:

- April through to December, we use the annual CPI increase to the end of the December quarter of the previous calendar year
- January through to March, we use the annual CPI increase to the end of the December quarter one year earlier.

We retain the right to change the Management fee. Where changes, other than the annual adjustment described above take place, you will be given a minimum of 30 days written notice.

Taxes

Your *premium* will include any taxes imposed by State or Federal Governments. Should any changes in the law result in additional taxes or impost in relation to your policy, these amounts may be added to your *premium*.

Making a claim

You are responsible for providing all evidence to support your claim to us at your expense.

All claims are paid in Australian dollars.

How to claim

If you need to make a claim you should notify us as soon as is reasonably possible after the occurrence of the event giving rise to the claim. You can do this by contacting our Client Service Centre and a claim form will be forwarded to you to complete, sign and return to us. Alternatively you can access claim forms on our website www.zurich.com.au

Claim requirements

We need the following items in a form satisfactory to us before we can assess any claim:

- your Policy schedule
- proof of claimable event or condition and when it occurred
- supporting evidence from appropriate specialist *medical practitioners* registered in Australia or New Zealand (or other country approved by us)
- proof of the life insured's age
- if requested, a signed discharge from the person entitled to receive payment
- a funeral invoice and either the death certificate or cause of death certificate (Funeral benefit only).

Assessing your claim

In assessing your claim we will also rely on any information you or the life insured disclosed to us as part of your application. Where information was not verified at the time of application we reserve the right to verify it at the time of claim.

A claimable condition must also be supported by confirmatory investigations including, as appropriate (but not limited to) any clinical, radiological, histological and laboratory evidence that we reasonably require to substantiate the claim.

You may be asked to provide copies of personal and business tax returns, assessment notices and/or other financial evidence to substantiate the life insured's income.

When it is necessary to enable us to calculate the amount of the benefit payable, you must allow us to examine the life insured's business and personal financial circumstances.

Medical examination

We may require the life insured to undergo an examination and reasonable tests, necessary to enable the diagnosis to be confirmed by a specialist *medical practitioner* appointed by us. If we request a medical examination by a *medical practitioner* we select, we will pay for it.

Payment of benefits

All benefits are payable to the trustee of the Fund.

Residency and compliance with laws

We may have obligations ('legal obligations') in relation to this policy:

- imposed on us by foreign or local law
- arising from agreements and registrations we make with foreign or local governmental, regulatory and taxation agencies.

Legal obligations can apply in respect of a range of individuals or entities ('affected person') including an individual or entity who at any time in the past, present or future is or was:

- the life insured
- the policy owner
- a beneficiary of the policy
- entitled to access the policy or change a beneficiary of the policy
- entitled to receive a payment under the policy, or who at any time had an entitlement to payment
- connected or associated with, or capable of exercising effective control over, any of the above who is not an individual (such as a company, a partnership, an association or a trustee or beneficiary of a trust).

Legal obligations relating to this policy derive from the laws of various countries addressing a range of matters including, but not limited to, taxation, social security, anti money laundering and counter-terrorism measures, and which change over time. To comply with legal obligations, we may need to:

- identify and obtain information about an affected person's status under foreign and local law
- supply information about affected persons, the policy and its value to local or foreign governmental, regulatory and taxation agencies
- withhold or deduct amounts from the value of the policy and amounts to be credited to it, such as on account of foreign taxation
- refuse requests to process transfers of ownership of the policy
- refuse to perform some of our obligations specified elsewhere in the policy conditions, including to the point that we may no longer be able to provide some or all of its benefits
- terminate the policy
- take (or not take) any other action in relation to the policy.

Our legal obligations can apply in respect of any affected person who is a past, current or future resident, citizen, or tax payer as defined by the law of Australia or another country. A place of birth outside Australia or an affected person advising us of a new or changed mailing address (including postal or 'in care of'), residential address, telephone or other contact details, direct debit instruction, or the appointment of a legal representative or adviser are some of the other factors that can cause the legal obligations to apply.

It is a condition of this policy that:

1. the policy owner must reside in Australia at the date the policy is issued
2. the policy owner must provide all information we ask for in relation to an affected person completely and correctly and within the timeframes we specify
3. the policy owner must notify us before an affected person becomes a resident or citizen of another country and upon any alteration to their taxation status
4. we have the right and authority to take (or not take) any action that we consider necessary to comply with all legal obligations (as amended from time to time) that we consider affect this policy.

This clause should not be interpreted as tax or legal advice. Please consult with your own tax or legal adviser if you have any questions or wish to receive additional information about how you may be affected by the above.

Policy benefits

The benefits provided by the Superannuation Income Replacement policy are set out below. The benefits that apply to your policy will depend on the *level of cover* selected. Each benefit description in this section indicates whether it applies to the standard and/or comprehensive *level of cover* and (if applicable) sets out provisions that apply to each *level of cover*. If the *level of cover* shown on your Policy schedule is not listed under a benefit description, then that benefit does not apply to your policy.

Optional benefits are described in the Optional benefits section starting on page 10.

You can apply to add optional benefits or to increase levels of cover, but only if we accept your application after considering the life insured's personal circumstances including health, occupation and pastimes.

We will offer to increase the cover each year in line with inflation under the Inflation protection benefit unless you request us not to make these offers.

Income benefit

Level of cover: comprehensive/premier

To be eligible for an *income benefit*, the life insured must be under the regular care of, and following the advice of, a *medical practitioner*. He/she must be unable to earn his/her *pre-disability income* from his/her *usual occupation* until the end of the *waiting period*.

The *income benefit* is payable after the expiry of the *waiting period* if, until the expiry of the *waiting period*, solely as a result of a *sickness* or *injury*, while the policy is in force and before the *insured monthly benefit* expiry date:

- the life insured's *pre-disability income* from his/her *usual occupation* has reduced by 20 per cent or more, or
- the life insured is unable to perform one or more *income producing duties* of his/her *usual occupation* or
- the life insured is unable to perform the *income producing duties* of his/her *usual occupation* for more than 10 hours per week.

Level of cover: standard

To be eligible for an *income benefit*, the life insured must be under the regular care of, and following the advice of, a *medical practitioner*. He/she must not work in any occupation for a period of at least 14 days and he/she must be unable to earn his/her *pre-disability income* from his/her *usual occupation* until the end of the *waiting period*.

The *income benefit* is payable after the expiry of the *waiting period* if, until the expiry of the *waiting period*, solely as a result of a *sickness* or *injury*, while the policy is in force and before the *insured monthly benefit* expiry date:

- the life insured's *pre-disability income* from his/her *usual occupation* has reduced by 20 per cent or more, or
- the life insured is unable to perform one or more *income producing duties* of his/her *usual occupation* or
- the life insured is unable to perform the *income producing duties* of his/her *usual occupation* for more than 10 hours per week.

Income benefit payable: standard/comprehensive/premier

If at the expiry of the *waiting period* the life insured has no *post-disability income* then we will pay the lesser of the *insured monthly benefit* and 75 per cent of the life insured's *pre-disability income*. Otherwise, the *income benefit* we will pay after the expiry of the *waiting period* will be proportionate to the income loss and calculated on a monthly basis using the following formula:

$$\frac{\textit{pre-disability income} - \textit{post-disability income}}{\textit{pre-disability income}} \times \textit{insured monthly benefit}$$

The benefit will be capped so that the amount paid does not exceed 75 per cent of the life insured's *pre-disability income*.

We will continue to pay the *income benefit* until any one of the following events occurs:

- the *sickness* or *injury* giving rise to the claim does not prevent the life insured earning his/her *pre-disability income* from personal exertion in his/her *usual occupation*
- the *benefit period* ends
- the policy ends
- the death of the life insured
- the life insured is no longer under the regular care of a *medical practitioner* with regard to treatment for the *sickness* or *injury*
- the life insured is no longer following the treatment recommended by a *medical practitioner* at such intervals and frequency as will lead to a cure, alleviation or minimisation of the condition causing the disability.

If a claim is made while outside Australia, we will only continue to pay the *income benefit* if the life insured has a medical examination in Australia or in another country by a *medical practitioner* nominated or approved by us, every 12 months. We will pay for this medical examination, but not for transport to Australia or any other country.

We pay a proportion of the *income benefit* twice monthly when the claim requirements have been provided, with the first payment due 15 days after the *waiting period* ends. When the claim ends before the next payment due date, we will pay 1/30th of the *income benefit* for each day less than 15 days.

If the life insured's disability is the result of more than one separate and distinct *sickness* or *injury*, payments will be based on the policy condition which provides the greatest benefit.

Restrictions and limitations

The income benefit is subject to the superannuation restrictions and limitations described on page 9.

Funeral benefit

Level of cover: standard / comprehensive / premier

The Funeral benefit is payable if the life insured dies while this policy is in force. We will pay a lump sum of three times the *insured monthly benefit*.

If the life insured is also insured under another Zurich policy, we will only pay this benefit once.

Confined to bed benefit

Level of cover: comprehensive / premier

The Confined to bed benefit is payable if, while the policy is in force and before the *insured monthly benefit* expiry date, the life insured is *confined to bed* because of *sickness* or *injury* for more than two days in a row and during that period, is totally dependent on the full-time care of a *nurse* or a *personal care attendant* and unable to earn any income from personal exertion.

We will pay the Confined to bed benefit for each complete month or 1/30th of the Confined to bed benefit for each day that this benefit is payable. This benefit is only payable during the *waiting period* to a maximum of 180 days.

The Confined to bed benefit will be the lesser of the *insured monthly benefit* and 75 per cent of the life insured's *pre-disability income*.

Inflation protection

Level of cover: standard / comprehensive / premier

The Inflation protection benefit protects the value of the insurance cover against the impact of inflation by offering the opportunity to adjust for this with indexation increases.

Each *policy anniversary* prior to the life insured's 65th birthday, the *insured monthly benefit* can be increased by the percentage increase in the *consumer price index* published for the quarter falling immediately prior to three months before the *policy anniversary* over that published for the quarter falling immediately prior to 15 months before that *policy anniversary*.

The increase may be rejected if it is not required. To reject the increase, contact us within 30 days of receiving the offer.

Indexation increases will apply automatically while there is any entitlement to claim.

Indexation increases will cease on the *policy anniversary* following the life insured's 65th birthday.

Other policy features, exclusions and conditions

Level of cover: standard / comprehensive / premier

More than one benefit at a time

We will only pay one benefit, being the highest, for the same period where it would otherwise be possible to qualify for the following combinations of benefits:

- the Confined to bed benefit and the Day 4 accident benefit
- the Severe disability benefit and the Booster benefit.

Exclusions

No amount will be payable for *sickness* or *injury* occurring as a direct or indirect result of any one or more of the following:

- an intentional self-inflicted act
- attempted suicide
- *uncomplicated pregnancy or childbirth*
- an act of war (whether declared or not)
- any event or medical condition specified as an exclusion on the Policy schedule.

We will not pay a benefit for a disability due to elective or donor transplant surgery unless the elective or transplant surgery occurred at least six months after:

- the start of the policy
- if the policy is ever reinstated, the date of reinstatement
- in respect of an increase in the *insured monthly benefit*, the date of the increase.

If the Mental disorder discount option applies to the life insured, no amount will be payable for *sickness* or *injury* occurring as a direct or indirect result of a *mental disorder*.

Superannuation restrictions and limitations

The payment of benefits is conditional upon the policy owner's ability to pay the benefit in accordance with relevant superannuation legislation, as amended from time to time.

This may mean that:

- to qualify for an *income benefit*, the life insured must have, during the *waiting period*, ceased work for a period of at least one full day
- any *income benefit* payable will be offset by any sick leave entitlements payable to the life insured
- **the total benefit paid under the policy for any month (including the *income benefit* and any other applicable built-in and extra-cost options) will be capped. The total benefit payable plus any *post-disability income* cannot exceed 100 per cent of the life insured's *pre-disability income*,** and
- we will apply any additional restrictions or limitations as directed by the policy owner in accordance with superannuation legislation and regulations.

Concurrent disability

If more than one separate and distinct *sickness* or *injury* resulted in the life insured's disability, payments will be based on the policy condition that provides the highest benefit.

Extending cover (if the 'to age 65' benefit period applies and the life insured continues working)

On the *policy anniversary* following the life insured's 65th birthday, cover can be extended on a limited basis up to the *policy anniversary* following the life insured's 70th birthday if the life insured is still working in paid employment for more than 30 hours per week. An application must be made to us at least 60 days before the benefit expiry date shown on the Policy schedule.

Limitations which apply to extended cover

The *benefit period* on extended cover is one year.

An *income benefit* will only be payable if the life insured has no *post-disability income* (ie. no proportionate benefits are payable).

The extended cover does not apply if we are paying a benefit, or if we have paid a benefit at any time in the last 12 months.

Any extra-cost options which were part of the original policy will cease to apply from the *policy anniversary* following the life insured's 65th birthday.

To age 70 benefit period

The following conditions apply if the age 70 *benefit period* is selected

After the *policy anniversary* following your 65th birthday:

- we will not pay a benefit under any extra-cost option selected (as shown on the Policy schedule) and
- the total amount we pay will be the applicable percentage (shown in the table below) of total benefits otherwise payable under the Policy. The applicable percentage at the commencement of a claim will apply for the duration of the claim.

Age at *policy anniversary* prior to claim commencing:	Percentage of total benefit payable
65	100 per cent
66	80 per cent
67	60 per cent
68	40 per cent
69	20 per cent

Conversion option

The life insured may apply to us, in writing, to issue a new non-superannuation policy:

- within 30 days of the policy terminating because the life insured ceases to be a member of the Fund, or
- at any time, the life insured wishes to convert the cover provided under this policy to a non-superannuation policy.

We agree to issue the new policy subject to our standard policy issue requirements and subject to the terms of our standard non-superannuation policy which most closely resembles this policy at that time, but we will not reassess the life insured's health, occupation and pastimes.

The policy will terminate upon conversion.

Involuntary unemployment

For all occupation categories, except Special Risk (SR), we will waive your *premium* for up to three months if the life insured is involuntarily unemployed, other than as a direct result of *sickness* or *injury* and if:

- the life insured is registered with an employment agency approved by us
- unemployment started at least 12 months after the start of the policy or, if the policy is ever reinstated, the date of reinstatement and
- each request to waive *premium* occurs at least 12 months after the end of any previous period of waived *premium*.

'Involuntary unemployment' means that the life insured becomes unemployed due to retrenchment, redundancy or employer insolvency. It does not mean retirement, unpaid leave, the end of a fixed term contract or dismissal from employment.

A total of twelve months *premium* may be waived during the life of the policy.

Optional benefits

The Policy schedule shows the optional benefits applying under your policy and, if applicable, the benefit amount(s). The Policy schedule also shows the expiry date applying to each optional benefit (or if not shown, the optional benefit expiry date is equal to that of the main policy). A life insured is only covered for these optional benefits if specified on the Policy schedule. A policy cannot exist if it only includes optional benefits.

The benefits payable under these optional benefits are subject to the superannuation restrictions and limitations described on page 9.

Increasing claims option

After each three continuous months of *income benefit* payments, the *income benefit* will be increased by the percentage increase in the *consumer price index* for the previous quarter.

Super contributions option

The super contributions monthly benefit (or a proportion thereof) is payable to a complying superannuation fund (as nominated by the member) at any time an *income benefit*, Confined to bed benefit or Day 4 accident benefit is being paid.

The amount payable will be the super contributions monthly benefit multiplied by the proportion of the *insured monthly benefit* we are paying as an *income benefit* or Confined to bed benefit or Day 4 accident benefit.

This is subject to a maximum of the actual average monthly superannuation contributions the life insured or the life insured's employer made in the 12 months preceding the claim.

Inflation protection, the Increasing claims benefit and the Future insurability option apply to the Super contributions option.

Restrictions and limitations

The benefit payable under the Super contributions option is subject to:

- the superannuation restrictions and limitations described on page 9, and
- the benefit being preserved until the life insured meets a condition of release as defined under superannuation law other than temporary incapacity.

Day 4 accident option

The Day 4 accident benefit is payable if the life insured is disabled due to an *injury* for more than three consecutive days during the *waiting period*. If the life insured's *pre-disability income* has reduced by 20 per cent or more, and he/she is not working in any occupation solely due to that *injury*, we will pay 1/30th of the *income benefit* for each day of the *waiting period* for so long as the life insured continues to meet these criteria solely due to his/her *injury*. We will not pay this benefit for any period for which the Confined to bed benefit is payable.

Future insurability option

The Future insurability benefit allows an increase to 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. We must be advised in writing of the desire to increase within 30 days of the relevant *policy anniversary*. The increase cannot be made:

- if the *policy anniversary* following the life insured's 54th birthday has already passed
- if we are currently paying disability benefits or have ever claimed disability benefits under the 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.

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.

Booster option

The Booster benefit is payable if we are paying the maximum *income benefit* under the policy for the first 30 days after the *waiting period* prior to the expiry date shown on the Policy schedule. We will increase the *income benefit* by one third for that 30 day period.

The benefit is only payable if the life insured has no *post-disability income*.

Severe disability option

The Severe disability benefit is payable if the life insured has been continuously unable due to *sickness* or *injury* to perform at least two *activities of daily living* for more than three months while the policy is in force and before the *insured monthly benefit* expiry date. We will increase the payment by one third while this condition continues and the *income benefit* is payable. We will pay this benefit until the end of the *benefit period* or to the expiry date shown on the Policy schedule, whichever occurs first.

Mental disorder discount option

This option allows a reduction in *premiums* by electing not to receive any benefits if the life insured were to suffer a *mental disorder*. Once this option has been selected it cannot be removed for the life of your policy.

Related policies – additional conditions

If this Zurich Superannuation Income Replacement policy is related to a Zurich Income Replacement policy, as shown on the Policy schedule, the following additional conditions will apply and, to the extent of any inconsistency, will override.

The *income benefit* is split across the two related policies, so that the *related super policy* contains an indemnity *insured monthly benefit* and the *related income policy* contains the balance of cover on an agreed value basis, up to the *insured monthly benefit* (the Income superlink benefit).

In the event of a claim, a claim will be assessed under the *related super policy* first based on indemnity cover. If the life insured qualifies for a benefit under the *related super policy*, the benefit is payable to the trustee. Where the benefit paid under the *related super policy* is less than the amount you would be entitled to under the *related income policy,* we will pay the balance of cover under the *related income policy* on an agreed value basis, up to the *insured monthly benefit*.

Termination of related policy

If the *related super policy* is terminated, the *related income policy* will also terminate.

If the *related income policy* is cancelled, the *related super policy* will continue in accordance with the policy's conditions. A new Policy schedule will be issued indicating that there is no *related income policy.*

Waiver of premium

If we pay a benefit under the *related income policy*, a waiver of premium will apply to the *related income policy* and not to the *related super policy.* For the avoidance of doubt, the waiver of premium does not apply to the *related income policy* for any period when benefits are only payable under the *related super policy.*

Inflation protection

If you reject the Inflation protection offer on either of your related policies, the offer is automatically rejected on both related policies.

Related policies and optional benefits

The following options (if selected) are held on both the *related income policy* and the *related super policy.* If a benefit is payable, it will be paid under both the *related income policy* and the *related super policy*, but the total benefit payable will be split across both related policies in the same proportion as the total *income benefit*.

- Super contributions option
- Severe disability option
- Day 4 accident option
- Booster option

The following additional terms apply to other options:

Increasing claims option

Any increase in cover under this option will apply to both the *related super policy* and the *related income policy.*

Future insurability option

Any increase in cover under this option will apply to both the *related super policy* and the *related income policy.*

Mental disorder discount option

If you were to suffer a *mental disorder*, you would not receive any benefits under either the *related super policy* or the *related income policy.*

Definitions

accidental injury means bodily injury caused by accidental, violent, external and visible means while this policy is current.

activities of daily living are:

(1) bathing and showering

(2) dressing and undressing

(3) eating and drinking

(4) using a toilet

(5) moving from place to place by walking, wheelchair or with the assistance of a walking aid.

average monthly pre-tax income means 1/12th of *pre-tax income* in respect of either:

- the previous 12 months
- the previous financial year

at the life insured's option.

benefit period means the maximum length of time that we will pay the *income benefit* for when the life insured suffers from the same or related *sickness* or *injury* during the life of the policy. The benefit period is shown on the Policy schedule. All benefits cease, if not earlier, at the *policy anniversary* following the life insured's 70th birthday.

business means the entity on which we based our *underwriting* at the time the policy was applied for.

business earnings means income earned by a business or professional practice as the result of the life insured's personal services.

confined to bed means that a *medical practitioner* states (in writing) that the life insured is confined to bed and he/she needs the full-time care of a *nurse* or *personal care attendant* for more than two days in a row.

consumer price index means the 'Weighted Average of Eight Capital Cities Index' as published by the Australian Bureau of Statistics or, if that index ceases to be published or is substantially amended, such other index we will select.

eligible business expenses means the life insured's share of the expenses and outgoings incurred in running his/her business or professional practice. These may include:

- **premises**
  - insurance of premises
  - interest & fees on loan to finance premises
  - property rates/taxes
  - rent
  - repairs and maintenance
- **services**
  - electricity
  - fixed telephone and fax lines
  - gas
  - internet service provider
  - mobile telephone
  - postage and couriers
  - water and sewerage
- **equipment**
  - leasing of office equipment or machinery
  - loan repayments (principal and interest) for equipment and machinery
  - motor vehicle leasing (excluding taxi)
  - insurance of vehicles and equipment
  - registration of vehicles
  - repairs and maintenance
- **salaries and related costs**
  - salaries of employees who do not generate any business income, but not including any employees who are family members or who were not employees in the 90 days prior to the claim
  - payroll tax on the above salaries
  - superannuation (SGC) contributions for the above salaries
- **fixed contract costs**
  - contracted maintenance costs for upkeep of premises eg. cleaning, security, but not including any services provided by family members

- **other eligible expenses**
  - accounting and auditing fees
  - bank fees and charges
  - business insurances
  - regular advertising costs
  - interest and fees on business loan/s (not related to premises)
  - professional association and membership fees
  - subscriptions

Eligible business expenses do not include:

- any expenses that are not regularly paid or payable
- cost of goods, merchandise or stock used in your profession, business or occupation
- depreciation of any kind
- items of a capital nature such as books, fixtures, fittings and furniture
- *premiums* payable on this policy
- salaries and related costs paid to you, members of your family or employees who generate income.

full-time paid employment means being employed or self-employed, working 26 hours or more per week and receiving appropriate remuneration.

income benefit means the amount of the *insured monthly benefit* you are eligible to receive under the Policy conditions.

income producing duties means duties which substantially contribute to *pre-disability income*.

injury means accidental bodily injury inflicted after the policy commencement date and while the policy is in force.

insured monthly benefit means the amount of benefit initially applied for and accepted for, plus indexation increases (if any).

level of cover means either standard, comprehensive or premier, as shown on the Policy schedule.

maximum underwriting limit means the maximum cover amount in relation to a benefit or coverage type acceptable by us as determined from time to time. The *maximum underwriting limit* current at the start of this policy will be detailed in Part 1 of this PDS. Updated limits can be obtained by ringing our Client Service Centre on 131 551.

medical practitioner means a medical practitioner legally registered to practise in Australia or New Zealand or a medical practitioner legally registered to practise in another country. Medical practitioner does not include the life insured, his/her relative, business partner or employee. Medical practitioners do not include other para-medical professions such as chiropractors, physiotherapists or naturopaths.

mental disorder means any disorder classified in the Diagnostic and Statistical Manual of Mental Disorders published by the American Psychiatric Association which is current at the start of the period of disability (or such replacement or successor publication or if none then such comparable publication as selected by us).

Such mental disorders include, but are not limited to, stress (including post traumatic stress), physical symptoms of a psychiatric illness, anxiety, depression, psychoneurotic, psychotic, personality, emotional or behavioural disorders or disorders related to substance abuse and dependency which includes alcohol, drug and chemical abuse dependency.

For the purposes of this policy, mental disorder does not include dementia (except where the dementia is related to any substance abuse or dependency), Alzheimer's Disease or mental disorder caused by head injuries.

nurse means a nurse legally registered to practice in Australia or, if we approve, a nurse legally registered to practice in another country. Nurse does not include the life insured, his/her relative, business partner or employee.

personal care attendant means a person upon whose care the life insured is totally dependent and cannot be:

- a member of the life insured's immediate family
- an employee of the life insured or the life insured's immediate family
- the life insured's employer

unless they have ceased full-time work or taken leave specifically to care for the life insured.

policy anniversary means the anniversary of the commencement date shown on the Policy schedule.

post-disability income means the total of the amounts determined in accordance with paragraphs (a) and (b):

(a) the life insured's *pre-tax income* from personal exertion during the relevant month

(b) other benefits received during the relevant month by way of the following sources as a result of the life insured's *sickness* or *injury*:

- other disability income policies not disclosed to us at the time of *underwriting*
- workers' compensation or other legislated benefits (unless the life insured's occupation category is A1, A1M or A2, as shown on the Policy schedule).

For the purposes of this definition:

- *pre-tax income* from personal exertion is income earned from any occupation, and is not restricted to income from the life insured's pre-disability occupation and
- a disability income policy is any individual or group disability insurance policy, including cover under a mortgage repayment policy or credit insurance policy, which pays a regular benefit due to the life insured's *sickness* or *injury* and
- where these amounts are paid or payable in a lump sum and cannot be allocated to specific months, then 1/60th of the lump sum shall be taken into account each month for a maximum period of five years
- post-disability income includes any revenue generated by someone employed to replace the life insured eg. a locum, which is in excess of their employment cost.

If the other payment received is:

- a lump sum or part of a lump sum paid as compensation for pain and suffering or as compensation for loss of use of a limb
- a lump sum total & permanent disablement or trauma benefit

the payment received will not be included as post-disability income.

During the first three months that an *income benefit* is being paid, if the life insured's post-disability income is 10 per cent or less of his/her *pre-disability income*, such amounts will not be included as post-disability income in the calculation of benefits.*

If the life insured is working for 10 hours or less per week the payment received for that work will not be included as post-disability income in the calculation of benefits.*

If the life insured's occupation category is A1, A1M or A2 (as shown on the Policy schedule), other payments received will not be included as post-disability income, unless the total amount of the benefit payable plus other payments received exceeds 100 per cent of the life insured's *pre-disability income*.*

We will only pay benefits where the loss of income is a result of *sickness* or *injury*. Where *pre-tax income* from personal exertion has been reduced as a result of causes other than *sickness* or *injury*, we will adjust the life insured's post-disability income so that it only reflects the proportion of the income lost as a result of *sickness* or *injury*. In doing so, we will take into account available medical evidence (including the opinion of the life insured's registered doctor) and any other relevant considerations directly related to the life insured's medical condition (including information provided by the life insured).

* While these amounts will not be included as post-disability income in the calculation of benefits, they will be included as post-disability income in the calculation of the superannuation restrictions and limitations (explained on page 9).

pre-disability income means the life insured's highest average monthly *pre-tax income* over any consecutive 12 months within the 24 month period immediately prior to the onset of his/her *sickness* or *injury*. Periods of unemployment or unpaid leave, long service leave, maternity leave, paternity leave or sabbatical leave, up to a maximum of 12 months, will be added to the 24 month period.

For example, if the life insured has been on maternity leave for six months during the 24 month period prior to *sickness* or *injury*, then the 24 month period will become the 30 month period immediately prior to *sickness* or *injury*.

We will index this amount each year on the anniversary of the date we accepted your claim, by the percentage increase in the *consumer price index* published for the quarter falling immediately prior to claim anniversary over that published for the same quarter in the previous year.

pre-tax income means:

- if the life insured does not directly or indirectly own all or part of the business or professional practice from which he/she earns his/her regular income: the salary, wages, fees, commissions, bonuses and other personal exertion income earned by the life insured, plus the value of any company benefits received by the life insured (for example superannuation contributions # or a company car), less any deductions for expenses directly incurred in earning this income or
- if the life insured does directly or indirectly own all or part of the business or professional practice from which he/she earns his/her regular income: the gross revenue generated by the life insured's business as a result of the life insured's personal exertion, plus income earned by the life insured from any other source as a result of personal exertion #, less *eligible business expenses*.

Pre-tax income does not include superannuation contributions if the Super contributions option is selected.

premium includes the premium for the *insured monthly benefit* and each optional benefit, the premium for any increase in benefit, stamp duty and any other government charges that may be levied from time to time.

related income policy means the related Zurich Income Replacement policy with an Income superlink benefit shown on the Policy schedule.

related super policy means this Zurich Superannuation Income Replacement policy when related to a *related income policy* as shown in the Policy schedule.

sickness means sickness or disease which first manifests itself after the policy begins, or a pre-existing sickness or disease disclosed to us in your application that we have not expressly excluded.

uncomplicated pregnancy or childbirth means pregnancy, childbirth or termination which does not result in any serious medical complication. It includes participation in an IVF or similar program, normal discomforts such as morning sickness, backache, varicose veins, ankle swelling or bladder problems, giving birth, miscarrying or having an abortion.

underwriting means our assessment of the life insured's health and other factors, which could include occupation and pastimes, depending on the cover applied for. We will use the information provided to us and may also request a report from the life insured's doctor or ask him/her to undergo tests. Underwriting allows us to decide what the cost of cover will be for each individual. The process starts when we receive the completed Life Insured's Statement and ends when we issue a policy, offer cover on modified terms or decline to offer cover.

usual occupation means, unless the life insured has been unemployed or on long service, maternity or paternity leave for more than 12 consecutive months immediately prior to the *sickness* or *injury* causing disability, the occupation predominantly performed in the 12 months prior to the *sickness* or *injury*. If the life insured has been unemployed or on long service, maternity or paternity leave for more than 12 consecutive months immediately prior to the *sickness* or *injury* then his/her usual occupation is any occupation he/she is capable of performing.

waiting period means the number of days that the life insured must wait before being eligible for the *income benefit*. The waiting period is shown on the Policy schedule.

We should be notified in writing within 30 days of the *sickness* or *injury*. If we are only notified after 30 days, the waiting period will commence from the date that we are notified.

If the life insured returns to full earning capacity for no more than five consecutive days during the waiting period and the disability recurs, the waiting period will not start again. We will simply extend the waiting period by the number of days that the life insured was able to work.

If the life insured's disability recurs from the same or related cause within 12 months of his/her returning to work (six months for SR occupations), the claim will be considered to be a continuation of the same claim and a further waiting period will not apply.

If the life insured's disability recurs from the same or related cause later than 12 months after he/she returns to work (six months for SR occupations), the claim will be considered to be a continuation of the same claim, but further *income benefits* will only be payable after expiry of a further waiting period.

Where a 'continuation of the same claim' applies, the policy terms and conditions which apply to the claim will be those that applied at the original claim commencement date.

Employment related salary continuance

If a Zurich Superannuation Income Replacement policy is taken out with a two year waiting period, and the life insured is also covered by employment related salary continuance which has a two year *benefit period*, we will use the original start date of the claim when we assess the waiting period, excluding any periods where he/she has returned to work under recurrent disability provisions in that policy.

Directory

Head office:
Zurich Australia Limited
Zurich Australian Superannuation Pty Limited
5 Blue Street
North Sydney NSW 2060

For all enquiries relating to Zurich Wealth Protection, please contact our Client Service Centre:

by phone on: 131 551

by email at: client.service@zurich.com.au

or by post at: Locked Bag 994
North Sydney NSW 2059

website: www.zurich.com.au

MMEA-007660-2013 - ZU21778 V1 08/13

Zurich Australia Limited
ABN 92 000 010 195, AFSLN 232510

Zurich Australian Superannuation Pty Limited
ABN 78 000 880 553, AFSLN 232500

5 Blue Street North Sydney NSW 2060
Client Enquiries
Telephone: 131 551
Email: client.service@zurich.com.au
www.zurich.com.au

ZURICH®