

Zurich Wealth Protection TPD cover

Target Market Determination

Issuer of this TMD:	Zurich Australia Limited (Zurich) ABN 92 000 010 195, AFSL 232510
Date TMD is effective:	1 November 2025
Policy name:	Zurich Protection Plus
TMD version:	4

1. About this document

This document is a Target Market Determination (TMD). It sets out the target market for total and permanent disability cover under the Zurich Wealth Protection product suite (TPD cover). This TMD also sets out how the product is distributed, review periods and triggers relating to the TMD, and reporting on and monitoring of the TMD. It forms part of Zurich's design and distribution framework and is required under section 994B of the Corporations Act 2001 (Cth).

This TMD has been prepared to give consumers, distributors, and staff an understanding of the target market for TPD cover, based on the objectives, financial situation and needs of the class of consumer comprising the target market.

This document is not a Product Disclosure Statement (PDS) and is not a summary of the features or terms of the product. This document does not take into account any person's individual objectives, financial situation or needs. Persons interested in acquiring this product should carefully read the PDS for Zurich Wealth Protection before making a decision to apply for this product. The PDS can be found at zurich.com.au/pds. Consumers may want to consider obtaining personal financial advice to ensure the cover they select is tailored to their objectives, financial situation and needs.

TPD cover is an intermediated insurance product that can suit consumers with simple or complex needs, including consumers who either:

- have completed their own research, including having received general advice, know what type of insurance they want and seek help with the application process; or
- want insurance that is tailored to their specific circumstances through a needs analysis and a fact find by a qualified financial adviser.

Consumers who apply for this product are comfortable to provide us with information about their health, financial situation, lifestyle, and pastimes for our assessment and they understand that the outcome of the assessment may be that they are not eligible for cover.

TPD cover can be held in the superannuation environment or outside of the superannuation environment.

2. Product description

TPD cover is designed for consumers with the needs and objectives set out below. It pays a lump sum if the life insured suffers a permanent disability that meets the selected or allocated TPD definition.

TPD cover can be selected as stand-alone cover or it can be linked to Death cover and/or Trauma cover. When TPD cover is linked to other covers, a TPD benefit payment reduces the sum insured of the other linked covers, and benefit payments under other linked covers will reduce the sum insured of the TPD cover. The product includes the option to buy back or reinstate at a later time, Death cover reduced by a TPD claim.

If TPD cover is held in the superannuation environment, it can also be supplemented with cover outside superannuation. This is called superannuation optimiser.

There are four definitions of TPD available, as follows:

- Own occupation TPD (non-superannuation only);
- Any occupation TPD;
- Domestic duties TPD; and
- Modified TPD (a more severe level of disability).

This product provides insurance protection only, so that benefits are only payable if an insured event occurs. It is not a savings product and does not accumulate a cash or surrender value.

3. Target Market

Needs and objectives

TPD cover is designed to provide financial protection for personal and business consumers.

For personal consumers	A consumer who has one or more of the following objectives and needs: <ul style="list-style-type: none">• Has (or envisages that in future they will or may have) outstanding financial commitments that will not be satisfied by any other insurance, or superannuation benefits, in the event the life insured becomes totally and permanently disabled. The financial commitments may include (but are not limited to) mortgage and other debt-servicing costs, home modifications, mobility aids, and income replacement.• Wants to fund an income gap in the event that paid work changes or ceases as a result of total and permanent disability.
For consumers who are a business (not for TPD cover held in superannuation)	A business that has either of the following objectives and needs: <ul style="list-style-type: none">• Has (or envisages that in future it will or may have) financial commitments, where the fulfilment of those commitments ensures that the business continues with less financial disruption upon the loss of a key-person due to total and permanent disability.• Wants to ensure business succession if a business owner leaves the business due to becoming totally and permanently disabled.

If TPD cover is held in superannuation, the target market is more specifically consumers who also:

- want to obtain TPD cover within the superannuation environment; and
- understand and accept the additional requirement of satisfying a condition of release to receive a benefit amount from superannuation.

Target Market Determination for TPD cover

The four definitions of TPD are designed for the needs of different consumers:

- Own occupation TPD provides cover that is designed for consumers in specialised occupations with very specific occupational duties, where inability to perform all or some of those duties could prevent them from working in the same occupation ever again. This definition is not available if the product is held within the superannuation environment.
- Any occupation TPD is a broad definition, designed for consumers in most occupations. It allows for TPD assessment against any occupation to which the life insured is suited by education, training, or experience.
- Domestic duties TPD is designed for consumers who describe their main occupation as maintaining the family home.
- Modified TPD provides a base level of TPD cover which pays for very severe sickness or injury based on permanent day to day living functional impairment criteria. It is designed for consumers who meet one or more of the following criteria:
 - are unable to obtain more comprehensive cover due to health, occupation, or pastimes;
 - elect to take a limited level of cover as a way to put some low-cost cover in place;
 - wish to top up existing cover.

When cover may be suitable

TPD Cover may be suitable for consumers who:

- meet the eligibility requirements outlined below;
- seek an amount of cover that can be tailored to meet their individual needs or circumstances;
- are willing to undergo an assessment conducted by Zurich in relation to health and medical history, occupation, pursuits and pastimes to obtain insurance cover, and are willing to accept restrictions, loadings or exclusions determined by Zurich following that assessment; or who have an eligible existing Zurich insurance policy and may wish to replace existing cover with this product without the need for a health or medical assessment;
- are engaged in an occupation or a class of activity for which Zurich provides insurance cover, and
- have capacity to pay premiums on an ongoing basis over the timeframe identified for financial protection.

When cover may not be suitable

TPD Cover may not be suitable for consumers who:

- are engaged in an occupation for which Zurich does not provide insurance cover;
- seek automatic insurance cover without health or medical assessment;
- are ineligible for underwritten cover on the basis of medical history, occupational (for example, hazardous occupations), pursuits or pastimes;
- already hold sufficient TPD cover or otherwise able to meet financial commitments in the event they become totally and permanently disabled;
- are unable to fund premiums over the timeframe identified for financial protection; or
- are seeking cover for any benefit which is subject to the exclusions outlined below.

Financial capacity

TPD cover is designed for consumers who have the financial capacity to purchase it and to fund the cost of cover, in accordance with the chosen premium structure, selected level of cover, fees and government charges over the timeframe identified for financial protection. This is important for two reasons:

- the cost of cover will generally increase over time; and
- cover will be cancelled, and the life insured won't be covered, if premiums are not paid.

Appropriate consumers for TPD cover held outside of superannuation will thus meet some or all of the following criteria:

- be earning income;
- have personal savings;
- have other means to fund premiums, management fees and government charges, such as family or other relationships.

Appropriate consumers for TPD cover held in superannuation will thus be able to ensure payment of insurance premiums, which may be funded by personal contributions, spouse contributions, employer contributions or by rollover from another superannuation fund.

4. Product design and key attributes

Product value

TPD cover provides value to consumers because it can help consumers cope financially in the event of the life insured suffering a permanent disability that meets the selected or allocated TPD definition. It provides a lump sum which can be used to:

- pay for disability related costs, including treatment and rehabilitation;
- pay for changes to lifestyle, for example, to refit and modify the home as necessitated by the disability;
- enable the life insured's partner to reduce their working hours to look after the life insured or, alternatively, to fund a carer;
- pay off or reduce mortgages or any other debts previously serviced by the life insured's income;
- provide a reserve to use as an income replacement; and
- reduce the financial disruption impact to a business, when used for business purposes.

Extra-cost options may be selected to tailor cover to consumers, based on their needs, cash-flow, willingness to self-insure and affordability.

Consumers can select to have TPD cover as stand-alone cover or linked to Death and/or Trauma cover. Linking cover helps reduce overlap in cover and costs.

Target Market Determination for TPD cover

Eligibility requirements

When applying for TPD cover, consumers must satisfy all of the following*:

- are aged between 15 and 60 (up to age 63 is permitted on exception, subject to additional requirements at the time of the assessment being met), or between 15 and 65 for Modified TPD;
- are seeking a sum insured of at least \$50,000;
- are in Australia; and
- have Australian residency or are in the process of applying for permanent Australian residency.

TPD cover provides a lump sum amount if the life insured is totally and permanently disabled due to sickness or injury. It assists in meeting financial commitments and the above eligibility criteria provides parameters for consumers for whom TPD cover is likely to be suitable.

TPD cover is subject to our assessment of health, financial information, occupation, and pastimes and so:

- the Own occupation and Any occupation TPD definitions are only available to consumers who are gainfully employed for a minimum of 16 hours per week;
- not all occupations have a choice of definitions;
- not all occupations are eligible for cover;
- Domestic duties definition may be available if the primary role is as a home duties person;
- consumers with pre-existing health conditions may not be eligible for cover;
- consumers who participate in high risk pastimes may not be eligible for cover; and
- the outcome of the assessment may impact premiums, the sum insured and the terms of the insurance policy, or cover may be declined.

* Where we issue a new policy for one of the scenarios below, the consumer will still be considered eligible and within the target market:

- replacement of existing cover as a result of a change of ownership; or
- policy reinstatement after cancellation due to non-payment of premium; or
- exercising an option to continue, convert or buyback cover, under the policy terms outlined in the PDS.

Premium structure

The product is suitable for consumers who have capacity to pay premiums on an ongoing basis over the timeframe identified for financial protection.

There are two premium types:

- variable age-stepped premium
- variable premium

Variable age-stepped premiums generally increase each year based on rates for the consumer's age. They may be lower at the start of the policy, on the basis that the customer's health has been recently assessed. Variable premiums or the benefit amount at policy outset are based on the age of the consumer when cover begins.

Variable premiums are 'averaged out' or smoothed, which means they are generally higher than variable age-stepped premiums during the initial years, but lower than variable age-stepped premiums in later years. Variable premiums may be more cost effective than variable age-stepped premiums for a consumer's longer term need for insurance. Variable premiums convert to variable age-stepped premiums on the policy anniversary when the life insured is 64.

Variable age-stepped premiums may be more suitable where there is a preference for lower upfront cost or there is uncertainty as to how long cover will be held. Variable premiums may be more suitable where cover is to be held for a duration such that the variable premiums are expected to result in lower overall cost than variable age-stepped premiums and where the consumer is comfortable with higher upfront costs, particularly in the event of early policy terminations.

Whether variable age-stepped or variable premiums apply, premium rates aren't guaranteed and can change. Detailed information on understanding premiums, what factors impact them and why they change are available in the PDS.

Key exclusions and limitations

Key exclusions

We will not pay any benefits as a direct or indirect result of the following events:

- intentional self-inflicted acts;
- attempted suicide.

This product may be subject to additional exclusions, based on our assessment of an application.

Key limitations

- Modified TPD describes a more severe level of disability, for example the total and irreversible inability to perform at least two activities of daily living without the help of another person.
- All TPD definitions revert to Modified TPD from the policy anniversary following the life insured's 65th birthday.
- TPD cover may reduce automatically to \$3 million on the policy anniversary following the life insured is 65th birthday.
- Some of the TPD definitions will only be met if the life insured survives at least 14 days after meeting the definition.
- There are some built in benefits that are not payable if the cover is held under superannuation, being TPD advancement benefit and funeral benefit.
- TPD cover with superannuation optimiser will first be assessed under the TPD definition and requirements of the policy held through superannuation.
- TPD claims can take longer to assess and pay than other types of life insurance because of the complexity involved in determining whether a disability is permanent. The opinion of the life insured's medical practitioner is important and will be used in assessments. Zurich will also review other medical and occupational information available to determine if the selected or allocated TPD definition is met.
- The TPD sum insured payable at claim time is the amount on the earlier of:
 - the date when the selected or allocated TPD definition is met; or
 - where there is a three-month qualification period as part of the definition, the start of that period. This means that under Own occupation TPD and Any occupation TPD policy definitions, the benefit amount is based on the date the life insured stopped work because of the disability that led to the claim. It isn't when evidence confirms that the disability is permanent.

Full details of the terms and condition of this product are available in the PDS.

5. Appropriateness of the product for the target market

The target market is consumers who have or expect to have outstanding financial commitments that will not be met in the event of the life insured's total and permanent disability and who have capacity to pay premiums on an ongoing basis. As the product pays a lump sum on total and permanent disability it is likely to meet the needs, or go towards meeting the needs, of consumers in the target market.

6. Conditions and restrictions on distribution

Distribution conditions

In light of the obligations under Part 78A of the Corporations Act (product design and distribution obligations), an application for TPD cover must be submitted by a Distributor who is operating under an AFSL with appropriate authorisations. The Distributor must be authorised by Zurich to distribute the product as per the terms of the distribution agreement. The Distributor may only submit applications for consumers who:

- have received a current Zurich Wealth Protection PDS;
- have been given personal or general financial advice; and
- meet the eligibility criteria set out in this TMD.

The Distributor must consider when the cover may be suitable and when the cover may not be suitable as set out in this TMD.

The Distributor should not sell this product to a consumer who is unlikely to ever be eligible to claim the benefits under the policy.

Where the product is distributed under general advice, the Distributor must also have in place, where appropriate, processes relating to general advice scripting, training, monitoring and quality assurance.

These distribution conditions for TPD cover are appropriate and will assist in distribution being directed towards the target market.

Why these distribution conditions and restrictions will make it more likely that the consumers who acquire the product are in the target market

Personal advice

Consumers that obtain personal advice are more likely to be in the target market for TPD cover because financial advisers have a duty to comply with the statutory best interests duty when providing personal advice.

The Distributor is expected to consider any relevant information obtained about the consumer's financial situation, to ensure that TPD cover is sold in accordance with this TMD. Relevant information could include (but is not limited to):

- dependants
- employment and income
- other insurance
- debts.

General advice

Consumers that obtain general advice are more likely to be in the target market providing Distributors follow Zurich's distribution conditions regarding:

- eligibility criteria;
- having considered the suitability of the product; and
- having provided general advice.

In addition, for every application, Zurich's application process will require information covering the key eligibility criteria. If the eligibility criteria is not satisfied, cover will not be provided for those applicants. This will improve the likelihood that cover has been sold to consumers within that target market.

7. Zurich's TMD review process

Review triggers

The following events and circumstances (review triggers) will trigger a review of this TMD as they may mean that it is no longer appropriate:

- The commencement of a significant change in law that materially affects the product design or distribution of the product or class of products that includes this product. This triggers a mandatory review. Zurich may choose to undertake a review even if this review trigger is not met.
- Product performance is materially inconsistent with the product issuer's expectations of the appropriateness of the product to consumers having regard to:
 - product claims ratio (i.e the proportion of premiums returned to consumers as benefits)
 - the number or rate of paid, denied, and withdrawn claims
 - the number of policies sold
 - policy lapse or cancellation rates
 - percentage of applications not accepted.
- The use of Product Intervention Powers in relation to the distribution or design of this product where Zurich considers this reasonably suggests that this TMD is no longer appropriate.
- Significant or unexpectedly high number of complaints regarding product design, product availability, claims and distribution condition that would reasonably suggest that the TMD is no longer appropriate.
- Zurich determines that a significant dealing in the product outside the target market (except for an excluded dealing) has occurred.
- Changes in medical advances impact product design or the market for the product.
- Distribution conditions set out in the TMD are otherwise no longer appropriate.
- Zurich makes a material change to the insurance product terms.

Maximum TMD lifespan

Subject to intervening review triggers, this TMD will be reviewed by October 2026. Any of the above review triggers will bring forward the review.

Reporting period for any complaints about this product

Distributors must report complaints to us half-yearly (end of March and September), within 10 business days of the end of the relevant half-year.

Complaints data should include sufficient information to understand the substance of each complaint but should not include personal information.

How Zurich will decide if this TMD is no longer appropriate

Zurich's product manager will review the information set out below on a regular basis to ensure that the TMD is still appropriate.

- Relevant regulation, legislation and/or ASIC instruments relating to the change in law.
- During the review period, compare expected and actual data for the following:
 - product claims ratio (i.e the proportion of premiums returned to consumers as benefits)
 - the number or rate of paid, denied, and withdrawn claims
 - the number of policies sold
 - policy lapse or cancellation rates
 - percentage of applications not accepted.
- Relevant Product Intervention order.
- Complaints and the nature of the complaints regarding product design, claims and distribution condition.
- A significant dealing in the product which Zurich's product manager becomes aware is not consistent with the TMD (within 10 business days of becoming aware of the dealing).

Where relevant, Zurich's product manager will consider actual data against expected amounts, within thresholds around the expected position. Thresholds are set at green, amber and red levels and results in the amber or red thresholds are analysed and monitored more closely and escalated for action as considered appropriate. Metrics are also monitored for trends and step changes.

The following information collected from Distributors will be considered as part of the review:

- Complaints and the nature of the complaints regarding product design, claims and distribution condition (must be reported to us by Distributors within 10 business days of the end of the half-year).
- A significant dealing in the product which the Distributor becomes aware is not consistent with the TMD (must be reported to us by Distributors within 10 business days of becoming aware of the dealing).

Submitting data to Zurich

Distributors may submit data to Zurich in any of the accepted formats. Refer to our website for more information: zurich.com.au/tmd.