

Zurich Active Cover

Zurich Active

Adviser use only



Zurich Active Cover is a simple yet comprehensive insurance solution that introduces a common sense approach to coverage and benefits. It provides an alternative to traditional insurance products, offering broader coverage and the ability to make multiple claims based on the severity of Health events over time. It is life insurance made for living.

This is a summary only of the in-built benefits and optional extras available in Zurich Active Cover. Please read the Zurich Active PDS for all terms and conditions, including relevant exclusions. Italics in this document identify specific terms that are defined in the PDS.

In-built benefits

A benefit is payable if, while the cover for Health events, death & terminal illness is in force, the life insured:

- dies
- is diagnosed with a *terminal illness* or
- suffers a Health event covered under the policy.

If the life insured is eligible to claim for a Health event under the policy, the severity category assigned to the defined Health event will determine how much we pay. Generally the more serious the Health event, the larger the benefit, and if health deteriorates further following a claim we may pay another benefit.

The policy will not cease after a Health event claim and will remain in place at a reduced level, allowing multiple claims over the life of the policy, subject to specified limits. Premiums are based on the Initial amount of cover.

For subsequent claims we will pay:

- the difference in benefit category severity for a deterioration of a condition for which a claim has been paid (limits apply to Health events we treat as a progression of a prior Health event)
- the difference in benefit category severity for unrelated Health events that occur within the 12 month Limited claim period or
- the full amount of the applicable benefit for unrelated conditions that occur outside the Limited claim period.

All subsequent claims are limited to the amount of cover remaining, which is the Initial amount of cover, reduced by any previous claims.

Active Cover includes a Safety net feature, allowing us to assess permanent loss of functional capacity if the life insured has a serious condition which does not meet the definition of any other Health event.

Claim protector – 25% of the Initial amount of cover is retained on the policy so that funds will be available in the event that the life insured suffers more than one Health event before age 65. The Claim protector applies 14 days after a Health event, and overall policy limits apply. It does not apply to Death & terminal illness cover.

Advancement for funeral expenses – while a death claim is being settled Zurich may advance up to \$15,000 of the death benefit towards the payment of funeral expenses. Applications must be made by the policy owner or estate and include a death certificate and invoice for funeral costs.

Included features

Inflation protection – Zurich will offer to index the Initial amount of cover each year by the greater of the CPI and 5%.

Future insurability – on specified occasions related to personal circumstances such as marriage or birth of a child, the policy owner may increase the Initial amount of cover within guidelines, without further assessment of health.

Financial planning advice – Zurich will reimburse up to \$1,000 toward the cost of financial planning advice after a benefit has been paid for Death, *terminal illness* or a category A or B Health event.

Interim cover – while Zurich is assessing the application, we will provide interim accident cover for up to 90 days.

Premium holiday – the policy owner may request a break in cover (maximum 12 months over the life of the policy) except where premiums are being paid via a Platform arrangement.

Optional benefits (for an additional premium)

Additional death cover option – pays an additional lump sum if the life insured is diagnosed with a *terminal illness* or in the event of the life insured's death.

Extended care option – pays an additional benefit amount if the life insured suffers a category A Health event that meets at least either 4 of the 6 *activities of daily living* or 60% *whole person impairment*.

More about cover for Health events

A Health event can be one of many defined conditions such as heart attack, stroke or cancer, or it can be the outcome of a condition which affects the life insured's ability to perform a range of daily activities – things like communicating, physical activity and hand functions.

The covered Health events are grouped as follows, and definitions are provided for each of the relevant benefit categories (refer to the Zurich Active PDS).

- cancer
- heart and artery
- brain and nerves
- digestive system
- kidneys and urogenital tract
- lungs
- musculoskeletal system
- burns
- hearing
- sight
- HIV/AIDS
- hospitalisation
- additional covered conditions.

For conditions which do not meet any of the definitions under the above headings, there are two additional Health event categories we can use to assess a claim which measure *inability to perform activities of daily living (ADL)* and *occupational impairment* and are designed to provide a safety net.

Active Cover pays claims based on the severity of the Health event because it makes sense to pay a larger benefit for more severe conditions and a lower one for conditions that are likely to have less impact on physical health and financial position. This staging of payments reduces some of the difficulty inherent in determining an appropriate level of cover for traditional Trauma. Under Active Cover, the claim payment level varies to match the severity of the condition.

Active Cover also removes the 'all or nothing' approach to paying claims that is a feature of most traditional life policies, which can see a client's claim swing from 100% to zero because their condition has just fallen short of the policy definition. Although the client may not receive the full benefit for every claim, they are much more likely to receive an amount relative to the severity of the condition.

Health events are divided into five categories (A - E), with higher benefit payments for more severe conditions.

The following table sets out the benefit categories and corresponding benefit amounts for the first Health event claim.

Type of cover	Benefit category	% of the Initial amount of cover
Death & terminal illness		100%
Health events	A	100% (Initial amount of cover)
	B	65%
	C	40%
	D	20%
	E	5%*

* If the Initial amount of cover is less than \$200,000, benefit category E will be \$10,000 and the percentage for benefit category E will be adjusted accordingly.

Active Cover allows for multiple claims to be made during the lifetime of the policy on the remaining cover. This can be for related Health events as a condition progresses and for unrelated medical conditions.

And importantly, the Claim protector feature, which applies 14 days after a Health event, up to the life insured's 65th birthday, ensures that cover for subsequent Health events is available, up to the maximums shown in the table below. Under this feature, 25% of the Initial amount of cover for Health events is protected up to age 65.

Highest benefit category claimed	Maximum combined total payable	
	for claims that are Progressive conditions*	for all Health event claims*
A	\$4,000,000	\$6,600,000
B to E	\$2,600,000	\$5,200,000

*This includes any amount paid under the Extended care option, but does not include any amounts paid for death or *terminal illness*.

Superannuation optimiser

If you choose to hold Active Cover within superannuation, superannuation optimiser will apply.

Superannuation optimiser splits your cover so that it is held across two policies. One policy is issued to a trustee of a superannuation fund while the other is issued to the life insured (or other entity who is not a trustee of a superannuation fund). This enables you to hold those benefits that comply with a superannuation condition of release within superannuation and the remainder outside of superannuation.

More information about superannuation optimiser can be found in the PDS.

For more information please contact your risk specialist Business Development Manager on **1800 252 650**

Product parameters

Parameters	Active Cover (Health events, death & terminal illness cover)
Entry age:	15 – 65
Minimum Initial amount of cover:	\$100,000
Maximum Initial amount of cover:	Health events cover: \$4,000,000 This includes any cover provided under the Extended care option (being an additional 50% of the Initial amount of cover) at time of application. Death & terminal illness cover: no maximum (depends on individual needs)
Expiry age:	99 Limited Health events cover applies from age 70 (only <i>loss of independent existence</i>)

Key exclusions

Death & terminal illness

A claim will not be paid under the policy if:

- death or *terminal illness* occurs directly or indirectly as a result of an intentional self-inflicted act within 13 months of commencement or reinstatement
- death or *terminal illness* is caused or contributed to by anything excluded under the policy as indicated on the policy schedule.

Health events cover (benefit categories A-E)

A claim will not be paid under the policy if:

- the Health event is caused directly or indirectly by an intentional self-inflicted act at any time
- the Health event has a specified exclusion and the claim is for that excluded condition
- the Health event occurs within 90 days of application date or the date of any cover reinstatement
- the Health event first occurs or symptoms leading to the condition occurring or being diagnosed first became apparent before the date an application for Health events cover (including a fully completed Life Insured's Statement) is lodged with us or the date any cover is reinstated
- the Health event is caused or contributed to by anything excluded under the policy as indicated on the policy schedule.

Premium holiday

The policy must be in force for 12 months before a premium holiday is available. No cover is provided for any insured event apparent or occurring during a premium holiday.

This publication, dated 27 May 2019, is for use by financial advisers only and does not take into account any personal objectives, financial situation or needs. Therefore you should consider these factors, the appropriateness of the information provided, and the Zurich Active Product Disclosure Statement (PDS) (available on www.zurich.com.au or by calling us on 131 551) before making a decision or recommendation. The information in this publication is a summary only and there are relevant exclusions and conditions. Zurich Australia Limited ABN 92 000 010 195 AFSLN 232510 is the issuer of Zurich Active Cover.

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