

Zurich Life Insurance & Zurich Income Protection Zurich Sumo

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Zurich Sumo is a product solution for levels of cover which are not commonly available in the Australian market. It offers Death cover, TPD cover, Trauma cover and Income protection cover.

This is a summary only of the benefits available in Zurich Life Insurance and Zurich Income Protection. Please read the Zurich Sumo PDS for all terms and conditions, including relevant exclusions. Italics in this document identify specific terms that are defined in the PDS.

Benefit amounts

The main appeal of Sumo is the ability to access high levels of cover. The available benefit amounts at application are summarised here:

Cover type	Benefit amount
Death cover	Minimum \$2 million No maximum (depends on individual needs)
TPD cover	Minimum \$3 million Maximum \$15 million (but not more than the Death benefit amount) Cover is structured into tiers: <ul style="list-style-type: none"> • standard TPD tier (up to \$5 million) <i>own occupation TPD</i> definition • sumo TPD tier <ul style="list-style-type: none"> – <i>any occupation TPD</i> definition (up to \$10m when combined with the standard TPD tier), then – <i>activities of daily working TPD</i> definition
Trauma cover	Minimum \$2 million Maximum \$10 million (but not more than the Death benefit amount) Cover is structured into tiers: <ul style="list-style-type: none"> • standard Trauma tier (cover up to \$2 million for <i>standard trauma conditions</i>) • sumo Trauma tier (cover for <i>sumo trauma conditions</i>)
Income protection cover	The monthly equivalent of 75% of the first \$320,000, 50% of the next \$240,000 and 25% of the balance of the annual <i>income</i> of the life insured subject to a: <ul style="list-style-type: none"> • minimum <i>insured monthly benefit</i> of \$30,000 • maximum <i>insured monthly benefit</i> of \$60,000 (for the first 10 years, then reducing to \$30,000 to the expiry of the benefit period)

If the life insured is covered under more than one policy with us, we will cap some benefits so that the policy maximums are not exceeded. Refer to the PDS for more information.

Cover changes on the policy anniversary following the life insured's 65th birthday (for TPD) and 70th birthday (for Trauma); definitions change and benefit caps apply.

Zurich Life Insurance

Zurich Life Insurance is the policy which provides Death cover, TPD cover and Trauma cover under the Zurich Sumo product suite.

Death cover

Death benefit – if the life insured dies during the term of the policy, Zurich will pay the Death benefit.

Terminal illness benefit – if the life insured is diagnosed as terminally ill with 24 months or less to live, Zurich will advance 100% of the Death benefit.

Funeral advancement benefit – while a 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.

TPD cover

The TPD benefit amount has two tiers, with the benefit amount of each tier having a number of distinct definitions applying to it. The tiers of cover are as follows:

Standard TPD tier - the maximum benefit amount available at application under this tier is \$5 million across all policies issued in respect of the life insured. The part of the TPD benefit amount under this tier is provided on the basis of the *own occupation TPD* definition.

The cover will be subject to superannuation optimiser if owned by the trustee of a superannuation fund, in which case the cover provided under this tier is split across two related policies. One of the policies will be issued to the trustee of a superannuation fund, and the other policy will be held outside of superannuation. More information about superannuation optimiser can be found in the PDS.

For the standard TPD tier, TPD means that due to *sickness* or *injury*:

- before the policy anniversary following the life insured's 65th birthday, the life insured satisfies the *own occupation TPD* definition, and
- from the policy anniversary following the life insured's 65th birthday, the life insured satisfies the *modified TPD* definition.

own occupation TPD means:

- the life insured:
 - has been absent from work for a continuous period of at least three months, or has suffered permanent and irreversible *whole person impairment** of at least 25%, and
 - is incapacitated to the extent that, in our opinion, he/she is unlikely to ever again be able to engage in his/her *own occupation*, or
- the life insured meets the *modified TPD* definition.

* The life insured must be living (and not declared brain dead) for 14 days from the date the life insured satisfies the definition.

modified TPD means the life insured has suffered:

- *loss of hands or feet**
- *loss of sight**
- both *loss of a hand or foot* and *loss of sight in one eye**
- *loss of independent existence**, or
- *cognitive loss*.

* The life insured must be living (and not declared brain dead) for 14 days from the date the life insured satisfies the definition.

Sumo TPD tier - the remainder of any TPD benefit amount is provided under the sumo TPD tier. The part of the TPD benefit amount under this tier is provided on the basis of one or both of the following definitions:

- for the part of the TPD benefit amount that does not exceed \$10 million (when combined with cover under the standard TPD tier), the *any occupation TPD* definition (subject to a work test), and
- for the part of the TPD benefit amount not covered by the above the *activities of daily working (ADW) TPD* definition.

any occupation TPD means:

- the life insured:
 - has been absent from work for a continuous period of at least three months, or has suffered permanent and irreversible *whole person impairment** of at least 25%, and
 - is incapacitated to the extent that, in our opinion, he/she is unlikely to ever again be able to engage in *any occupation*, or
- the life insured meets the *modified TPD* definition.

* The life insured must be living (and not declared brain dead) for 14 days from the date the life insured satisfies the definition.

activities of daily working (ADW) TPD means the life insured is totally and irreversibly unable to perform (with or without aids or adaptations) at least three of the five *activities of daily working*, which include walking, rising/sitting, dexterity, communication and eyesight.

TPD advancement benefit - part of the TPD benefit amount will be advanced if the life insured suffers *loss of a hand or foot* or *loss of sight in one eye*. The amount payable is 25% of the TPD benefit amount, subject to a maximum of \$500,000.

Trauma cover

The Trauma benefit amount has two tiers, with each tier offering cover for a specified list of *trauma conditions*. The tiers of cover are as follows:

Standard Trauma tier – the maximum benefit amount available at application under this tier is \$2 million across all policies issued in respect of a life insured.

Sumo Trauma tier – the remainder of any Trauma benefit amount is provided under the sumo Trauma tier.

The standard Trauma benefit amount is payable if the life insured suffers one of the *standard trauma conditions* listed with a 'full' benefit payable. A partial benefit is payable if the life insured suffers one of the *standard trauma conditions* listed with a 'partial' benefit payable. The partial benefit payable is \$100,000, except for *angioplasty (minimally invasive cardiac surgery)*, for which the benefit is \$20,000.

The 56 covered standard trauma conditions are grouped as follows, where 36 conditions pay a full benefit and 20 pay a partial benefit:

- cancers and tumours
- heart conditions
- neurological conditions
- severe accident, loss of sight, hearing, speech, limbs, paralysis and loss of independence
- blood conditions
- other serious covered conditions.

The five covered sumo trauma conditions pay a full benefit and are grouped as follows:

- cancers and tumours
- heart conditions
- neurological conditions
- severe accident, loss of sight, hearing, speech, limbs, paralysis and loss of independence.

On the policy anniversary on or after the life insured reaches age 70, a benefit is only payable if he/she suffers *loss of independent existence*, *loss of hands or feet*, *loss of sight*, both *loss of a hand or foot* and *loss of sight in one eye* or *cognitive loss*.

Where the sumo TPD tier is owned by the trustee of a superannuation fund, the permanent incapacity restriction will apply to all cover under the sumo TPD tier.

In-built provisions (Death, TPD and Trauma)

Inflation protection – Zurich will offer to index the sum insured each year by the greater of the CPI and 3%.

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

Financial planning – Zurich will reimburse up to \$1,000 toward the cost of financial planning advice after a benefit has been paid.

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

Death cover buy back – Death cover can be reinstated 12 months after the whole TPD or Trauma benefit is paid.

Zurich Income Protection

Income protection cover provides a monthly benefit that contributes towards a replacement income if the life insured is unable to work and is disabled, in most cases, for longer than the specified waiting period.

In the event of a claim, the *monthly benefit* is the lesser of the *insured monthly benefit* and the monthly equivalent of:

- 75% of the first \$320,000
 - 50% of the next \$240,000 and
 - 25% of the balance up to \$2 million
- of the life insured's *pre-disability income*.

Total disability benefit – a benefit is payable if the life insured:

- has been continuously *totally* or *partially disabled* during the waiting period, and
- is *totally disabled* after the end of the waiting period, or after a period during which a benefit for *partial disability* has been paid for the same *sickness* or *injury*.

The benefit payable is the *monthly benefit*, adjusted to take into account any:

- offsets which apply (legislated compensation schemes, workers' compensation schemes and other income protection insurance which commenced before the policy, unless we have agreed not to offset it)
- claims that are caused by or attributed to a *mental health condition, fatigue syndromes, alcohol abuse, alcohol dependence or drug use* and
- increases under Claims escalation, if applicable.

The *monthly benefit* for the Total disability benefit is payable monthly in arrears for each day of *total disability* after the end of the waiting period (1/30th of the *monthly benefit* per day if the benefit is only payable for part of a month), but not beyond the end of the benefit period for that *sickness* or *injury*.

total disability/totally disabled means the life insured is, solely as a result of *sickness* or *injury*:

- unable to perform one or more of the duties of his/her *usual occupation* necessary to produce *income* as confirmed by a *medical practitioner*, and
- not *gainfully employed* in any capacity, and is under the regular care and following the advice of a *medical practitioner*.

Partial disability benefit – a benefit is payable if the life insured:

- has been continuously *totally* or *partially disabled* during the waiting period, and
- is *partially disabled* after the end of the waiting period, or after a period during which a Total disability benefit has been paid for the same *sickness* or *injury*.

The benefit payable is a proportion of the *monthly benefit*, calculated as follows:

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

adjusted to take into account any:

- offsets which apply (legislated compensation schemes, workers' compensation schemes and other income protection insurance which commenced before the policy, unless we have agreed not to offset it)
- claims that are caused by or attributed to a *mental health condition, fatigue syndromes, alcohol abuse, alcohol dependence or drug use* and
- increases under Claims escalation, if applicable.

The *monthly benefit* for the Partial disability benefit is payable monthly in arrears for each day of *partial disability* after the end of the waiting period (1/30th of the *monthly benefit* for the Partial disability benefit per day if the benefit is only for part of a month) but not beyond the end of the benefit period for that *sickness* or *injury*.

If this benefit is paid, *pre-disability income* will be increased by the increase in the *consumer price index* at each policy anniversary while the life insured remains on claim.

partial disability/partially disabled means the life insured is, solely as a result of *sickness* or *injury*:

- unable to perform at full capacity one or more of the duties of his/her *usual occupation* necessary to produce *income* as confirmed by a *medical practitioner* and
- is *gainfully employed* but his/her *post-disability income* is less than *pre-disability income*, and is under the regular care and following the advice of a *medical practitioner*.

Other in-built benefits (Income Protection)

Inflation protection – Zurich will offer to index the *insured monthly benefit* each year in line with inflation without further assessment of health, up to a maximum of \$60,000.

Specified injury benefit – the waiting period is waived and the *monthly benefit* is paid for a fixed period, in lieu of the Total or Partial disability benefit, if the life insured suffers from a specified injury (whether or not the life insured meets the definition of *totally disabled*).

Trauma benefit – if the life insured suffers one of 35 specified traumas, Zurich will pay a benefit for six months, regardless of whether the life insured is *totally disabled*. The benefit is paid during the waiting period.

Bed confinement benefit – if the life insured is *totally disabled* and confined to bed for 72 hours or more during the waiting period and is under the care of a registered nurse, Zurich will pay 1/30th of the *monthly benefit* for each day of bed confinement during the waiting period, to a maximum of 90 days.

Home care benefit – if a Total disability benefit has been paid for at least 30 days, and the life insured is confined to bed because of continuing *total disability*, we will increase the amount we pay by up to \$5,000 per month (for up to six months) to cover the forgone *income* of an *immediate family member* who ceases work to care for the life insured or the cost of employing a registered nurse or housekeeper.

Rehabilitation expenses benefit – if a Total disability benefit is payable, we will also cover all or part of the expenses or costs associated with a rehabilitation program for the life insured that we approve in advance, up to a maximum of 12 times the *monthly benefit* amount.

Accommodation benefit – if the life insured is *totally disabled* and confined to bed, we will cover the costs of accommodation for an *immediate family member* who must travel more than 100km from home to be closer to the life insured. The benefit will pay up to \$250 per day.

Death benefit – four times the *insured monthly benefit* will be paid if the life insured dies while we are paying a benefit from the policy. The maximum combined amount we will pay is \$150,000.

Premium waiver – Zurich will waive premiums when benefits are payable.

Involuntary unemployment premium waiver – if the life insured is involuntarily unemployed Zurich will waive the premiums for up to three months at a time (12 months over the life of the policy) provided the life insured registers with Centrelink or other government approved job placement agency. The policy must first have been in place continually for at least 6 months.

Cover extension – provided our eligibility criteria are met, we will allow cover to be extended beyond the policy anniversary following the life insured's 65th birthday on a restricted basis until the earlier of:

- the policy anniversary following the life insured's 70th birthday, and
- the date when the life insured has not been in *gainful employment* of at least 30 hours a week for six consecutive months.

Claims escalation – the Total or Partial disability benefit will be increased each year to keep up with inflation while on claim. Claims escalation only applies if the *monthly benefit* is less than \$60,000.

Product parameters

Cover	Death cover	TPD cover	Trauma cover	Income protection cover
Entry ages:	15 – 70	15 – 60	15 – 65	19 – 60
Expiry ages:	99	99 TPD definition changes on the policy anniversary following 65th birthday (and max benefit is \$3 million)	99 Cover changes on the policy anniversary following 70th birthday (and max benefit is \$2 million)	65 Cover extension to age 70 may be possible on a restricted basis

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

Key exclusions

As Sumo provides very high levels of cover, a number of exclusions apply. Please refer to the Zurich Sumo PDS for full details as this is only a high level summary:

Death cover

A claim will not be paid if death or *terminal illness* is caused by:

- (for the first \$15 million of cover) an intentional self-inflicted act, within 13 months of commencement or reinstatement
- (for cover that exceeds \$15 million) an intentional self-inflicted act
- (for all cover) anything excluded under the policy as indicated on the policy schedule.

TPD cover

A claim will not be paid if TPD is caused by or attributed to:

- an intentional self-inflicted act, or
- anything excluded under the policy as indicated on the policy schedule
- (for the sumo tier) a *mental health condition, fatigue syndromes, alcohol abuse, alcohol dependence or drug use* (further, the definition of this tier changes for subsequent claims to *activities of daily working (ADW) TPD* following a claim on the standard tier relating to any of these conditions).

Trauma cover

A claim will not be paid if the trauma condition:

- is caused directly or indirectly by an intentional self-inflicted act
- first occurs or symptoms leading to the condition occurring or being diagnosed first became apparent before commencement or reinstatement

- (for certain trauma conditions) first occurs or symptoms leading to the condition occurring or being diagnosed first became apparent within the first 90 days after commencement or reinstatement
- is caused by or attributed to anything excluded under the policy as indicated on the policy schedule
- (for the sumo tier) is caused by or attributed to *alcohol abuse, alcohol dependence or drug use*.

Income protection cover

A benefit will not be paid if a disability is caused by or attributed to:

- an intentional self inflicted act
- normal or uncomplicated pregnancy or childbirth
- war or an act of war
- anything excluded under the policy as indicated on the policy schedule
- elective surgery that occurs within six months of commencement or reinstatement, or
- (for the Trauma benefit) a trauma condition where first occurrence or symptoms leading to the condition occurring or being diagnosed first became apparent within 90 days after commencement or reinstatement (for applicable trauma conditions).

The amount that we will pay in any month will be reduced so that it does not exceed \$40,000 per month, after we have already paid benefits for 24 months for a claim caused by or attributed to a *mental health condition, fatigue syndromes, alcohol abuse, alcohol dependence or drug use*.

We will not pay for any period while the life insured is in jail.

Benefits may only payable for up to six months while the life insured is outside Australia and the payment of benefits will end if the life insured unreasonably refuses to undergo the medical treatment including rehabilitation to treat their condition as recommended by their *medical practitioner*.

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