

Zurich Wealth Protection for superannuation platforms

Product Disclosure Statement including Policy conditions
Issue date: 1 September 2013



About this PDS

Date of preparation: 28 August 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. Both parts (Parts 1 and 2) should be read in full before making a decision to purchase these products.

This PDS will help:

- determine whether these products are appropriate and
- compare these products with other products being considered.

Policy conditions

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

Important notes

This PDS describes Zurich Protection Plus and Zurich Income Replacement. The PDS is issued by Zurich Australia Limited.

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 lodged from outside Australia.

Cover is only available to Australian residents.

The policies are designed for Australian residents, and their operation and the rights under the policies may be restricted if the life insured ceases to be an Australian resident.

About Zurich Wealth Protection for superannuation platforms

This PDS is designed especially for members of a superannuation platform, who are interested in applying for individual insurance. If an application for insurance as described in this PDS is accepted, a policy of insurance will be issued by Zurich to the trustee of the superannuation platform, in respect of the relevant member (life insured). Applications for insurance under this PDS can only be made in respect of a superannuation platform where the trustee and Zurich has entered into an agreement for the provision of individual insurance.

A financial adviser can provide more information and can advise on product suitability.

For more information about the superannuation platform, please refer to the superannuation platform's PDS, issued by the trustee of the superannuation platform.

General information only

The information contained in this PDS is general information only. It does not take into account the individual objectives, financial situation or particular needs of any person. A person applying for cover should consider the appropriateness of each product having regard to his/her particular objectives, financial situation and needs.

We recommend professional financial and taxation advice is sought before any decisions regarding these products are made.

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 Protection Plus and Zurich Income Replacement are issued by Zurich Australia Limited ABN 92 000 010 195, AFSL 232510.

Contact details for Zurich Australia Limited appear on page 24 of Part 2.

Contents

Part 1 – Product information

About Zurich	2
What is wealth protection?	3
Introduction	4
Insurance as part of a superannuation platform	5
Wealth protection product snapshot	6
Zurich Protection Plus (Death cover, TPD cover)	7
Zurich Income Replacement	14
Additional Information about Zurich Wealth Protection products	25
Interim cover certificate	31

Part 2 – Policy conditions

General policy conditions	3
Zurich Protection Plus	7
Zurich Income Replacement	13
Definitions	18
Directory	24

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.

That means planning ahead and leaving nothing to chance. Ideally a solution should be 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 individuals and families if something goes wrong.

This PDS contains two wealth protection products which broadly offer the types of cover described below:

Types of cover available	What is the purpose of the cover?
Death cover	<p>Death cover pays a lump sum on the life insured's 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:</p> <ul style="list-style-type: none"> • allow family to repay debts including mortgage, personal loans, guarantees, credit cards and store cards • provide an adequate income for dependants to pay for living expenses, school fees, child care and regular bills • provide a cash deposit to the estate, which may prevent other assets being sold.
Total & Permanent Disablement (TPD) cover	<p>TPD cover pays a lump sum if the life insured becomes totally and permanently disabled and therefore unlikely to ever work again. TPD is about ensuring that the life insured retains as much quality of life as possible. It can:</p> <ul style="list-style-type: none"> • provide funds to allow a family member to give up work to care for the life insured or, alternatively, to fund other home care • allow repayment of debts including mortgage, personal loans, guarantees, credit cards and store cards • pay for any major renovations required to the life insured's home (eg. to permit wheelchair access).
Income replacement	<p>Income replacement insurance provides a monthly payment generally up to 75 per cent of the life insured's pre-tax income if he/she is unable to work due to sickness or injury. It can allow the life insured to:</p> <ul style="list-style-type: none"> • provide for his/herself and family • continue to pay the mortgage, bills, credit cards and other debts and • keep investment strategies in place.

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 Protection Plus policy is to pay a lump sum on the life insured's Death or *total and permanent disablement*, depending on the covers selected.

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

The products provided in this PDS are not savings plans. If cover is terminated at any time other than during the cooling off period, there is no refund of premium.

Definitions

'Zurich', 'us', 'our', and 'we' means Zurich Australia Limited.

The 'trustee' means the policy owner. For insurance as part of a superannuation platform arrangement, the policy owner is the trustee of the superannuation fund.

References in this PDS to a 'superannuation platform' are references to a regulated superannuation fund which offers member investment and insurance choice, where members can apply for individual insurance cover under a policy issued by Zurich to the trustee of the superannuation fund, with whom Zurich has an agreement.

The person who is applying for, and is accepted for, insurance cover as part of a superannuation platform arrangement is the 'life insured'.

The policy owner and the life insured have different roles with respect to this insurance:

- the policy owner pays the *premiums* and will receive the insurance benefit (*premiums* will be paid from the life insured's superannuation account)
- the *premium* amount will depend on the life insured's circumstances
- the insurance benefit is payable on the death, illness or disability of the life insured, as described in the Policy conditions
- only the policy owner and not the life insured can extend, vary, cancel or otherwise exercise any right applying to a Zurich Wealth Protection product, except where we have indicated in this PDS that the life insured may exercise some right.

Applying for Zurich Wealth Protection products

To apply for a product in this PDS, the Zurich Wealth Protection Application Form must be completed and submitted, together with a completed Life Insured's Statement. A financial adviser can assist with filling out both of these forms electronically. Each of the products may be purchased separately.

Cooling off period

After a Zurich Wealth Protection product has been issued, we provide 21 days to check that the policy is suitable. Within this time, the policy may be cancelled and a full refund of any *premiums* will be paid, provided no rights have been exercised under the policy (*premiums* will be refunded to the superannuation account). The life insured must make this request in writing and forward it to Zurich at the address shown on page 24 of Part 2.

If any rights are exercised in relation to the policy (for example, a claim is lodged) before the 21 day period has elapsed, the option to cancel the policy and receive a refund will be forfeited.

Significant risks

There are certain risks associated with holding a Zurich Wealth Protection product:

- if *premiums* are not paid when due, the policy will lapse, the life insured will no longer be covered and the policy owner cannot make a claim.
- if the duty of disclosure is not complied with, we may not pay a claim, pay only a portion of a claim or cancel the cover.

The duty of disclosure is explained on page 25.

Interim cover

While we are assessing an application, we will provide interim cover for up to 90 days against *accidental death* and/or *accidental injury*, depending on the covers applied for. The Interim cover certificate (refer to page 31) provides details of the cover provided and the exclusions that apply.

Insurance as part of a superannuation platform

Owner and life insured

The life insured will be the fund member who has applied for, and is accepted for, insurance.

The owner of the policy will be the trustee of the superannuation fund. No contract will exist between the life insured and Zurich. Cover will be established for the life insured by the trustee, and any benefits will be paid to the trustee who will pay benefits to the life insured in accordance with the trust deed and superannuation laws.

Zurich Protection Plus and Zurich Income Replacement held in super

If Protection Plus or Income Replacement are held in the super environment (ie. via platform, with external trustee ownership), then some of the benefits which form part of those policies may not be able to be paid to the life insured under superannuation laws. It is the trustee's obligation to comply with superannuation laws.

If claims criteria is met, Zurich will pay benefits under the policy to the trustee. The trustee is only able to pay benefits to the life insured in accordance with the trust deed and superannuation laws. Generally, benefits will be paid to the life insured if a condition of release is met.

Some insured benefits under Protection Plus and Income Replacement may be paid by Zurich to the trustee even though a condition of release or superannuation payment requirement is not met by the member, in which case these benefits will be preserved in the fund for the member.

Payment of premiums

Contributions (insurance premiums) will be deducted from the life insured's superannuation account on a monthly basis, and paid to Zurich on the same day each month.

If premiums are not paid in any month due to insufficient funds, then the outstanding premium will be deducted from the superannuation account on the following month, to bring premiums up to date.

More information about insurance

This PDS contains information about Zurich insurance products that can be held by members of superannuation platforms. Advice about these products can only be obtained from a financial adviser. For any other assistance, contact the Zurich Client Service Centre on 131 551.

More information about the platform

Information about how the platform operates can be found in the PDS provided by the trustee of the superannuation fund.

Wealth protection product snapshot

Policy	Covers available	What is it?	More information	Policy conditions
Life insurance				
Zurich Protection Plus	Death cover TPD cover	A life insurance product which provides Death cover and/or TPD cover.	Part 1, page 7	Part 2, page 7
Zurich Income Replacement	Income protection cover	A life insurance product which provides a benefit in the event of loss of income due to <i>sickness or injury</i> .	Part 1, page 14	Part 2, page 13

If more than one product is selected

Waived management fees

Each of the products described in this PDS is issued as a separate policy. If more than one policy is applied for at the same time, for the same life insured, we will only charge one Management fee for that life insured (ie. if Zurich Protection Plus and Zurich Income Replacement are both applied for).

Loyalty discounts

Depending on which policies are applied for the following discounts may apply to the *premium* payable:

Multi policy discount – a discount which rewards people who have more than one life risk policy with Zurich (or who have multiple stand-alone covers within Zurich Protection Plus).

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

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

If this structuring is of interest, more information can be found in the standard Zurich Wealth Protection PDS. Use of this structure would result in one policy being owned by the fund trustee and one policy being owned by the individual.

A financial adviser can provide more information on these multi-product features.

Zurich Protection Plus

Cover at a glance

A summary of Zurich Protection Plus is set out on this page. An outline of this cover begins on the next page, while the Policy conditions are in Part 2, starting on page 7.

Description

Zurich Protection Plus is a life insurance product which allows any combination of Death cover and TPD cover to be selected. Within these covers there are standard and optional benefits. A policy may consist of:

- a 'stand-alone' cover, ie. Death cover or TPD cover or
- Death and TPD cover

within the minimum and maximum cover levels.

All Protection Plus policies	
Standard built-in benefits	Extra-cost options
<ul style="list-style-type: none"> • Inflation protection – cover will increase every year unless declined. • Future insurability benefit – increase cover without <i>underwriting</i> at certain times. • Financial planning advice benefit – pays up to \$3,000 towards the cost of advice. • Interim cover – puts some cover in place as soon as an application is submitted. 	<ul style="list-style-type: none"> • Accidental death option – extra cover for death due to accident. • Business future cover option – increases cover without health evidence each year.

Death cover	
Standard built-in benefits	
<ul style="list-style-type: none"> • Death benefit – a lump sum payment on death. • Terminal illness benefit – an advance payment of the Death benefit on <i>terminal illness</i>. • Advancement for funeral expenses – an advance payment to cover expenses. • Buy back death benefit (TPD) – Death cover can be reinstated 12 months after a TPD claim. 	

TPD cover	
Standard built-in benefit	Extra-cost option specific to TPD cover
<ul style="list-style-type: none"> • TPD benefit – a lump sum payment on the life insured's <i>total and permanent disablement</i>. 	<ul style="list-style-type: none"> • Double TPD option – Death cover can be reinstated 14 days after a TPD claim.

Zurich Protection Plus – parameters

The following table sets out some important eligibility and product limit information:

Eligible ages	<ul style="list-style-type: none"> • Death cover: 15 – 69 • TPD cover: 19 – 59 • Accidental death option: 19 – 65
Expiry ages (all benefits expire on the <i>policy anniversary</i> following the age indicated)	<ul style="list-style-type: none"> • Death cover: 99 • TPD: 99 (Limited conditions apply from age 64). • Accidental death option: 75 • Business future cover option: cannot be exercised after age 64 • Buy back death benefit (TPD): cannot be exercised after age 74
Minimum premium	\$160 per year excluding fees and charges
Cover levels available	\$50,000 minimum. Maximum cover levels apply depending on the combination of benefits selected.
Premium options	Stepped <i>premiums</i> increase each year based on the rates applicable for the age of the life insured at that time. Level <i>premiums</i> are based on the age of the life insured when cover starts. Refer to page 26.
How premiums are calculated	<i>Premiums</i> are based on the cover amount, options chosen (including stepped or level <i>premiums</i>), and the life insured's current age, gender and smoking status. The life insured's circumstances including state of health, occupation and pastimes will also be taken into consideration.
Exclusions, restrictions and limitations	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).
Additional information	The Additional information section of this PDS, starting on page 25, 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 explains how to make a claim.
Policy conditions	When cover is issued, we will send the life insured a Policy schedule that sets out the particular details of the policy (including: benefit start date/s, benefit expiry date/s, cover amounts, options selected and details of the policy owner and life insured). The Policy conditions (Part 2) will form part of the policy, and should be kept in a safe place.

More detail is provided on the next pages and on pages 7 to 12 (Part 2).

Zurich Protection Plus – overview

The Zurich Protection Plus policy pays a lump sum on the life insured's death, terminal illness or *total and permanent disablement* (TPD), depending on the covers selected. Details of each cover begin on the next page.

Who can be covered?

Age eligibility is as set out in the following table:

Cover	Age of life insured at entry	
	Minimum	Maximum
Core covers		
Death cover	15	69
TPD cover	19	59
Options		
Accidental death option	19	65
Other optional benefits	As per the core covers	

How much cover can be applied for?

The minimum amount of cover is \$50,000 per benefit per life insured, subject to a minimum annual *premium* for each life insured of \$160 (excluding the Management fee and any government charges).

The maximum amount of cover is subject to the following guidelines in respect of each policy:

Core cover	Maximum amount of cover available per life insured
Death cover	The maximum depends on individual needs. A financial adviser can help determine this.
TPD cover	\$5,000,000

Any TPD cover which exceeds \$3,000,000 must be matched by at least the same amount of Death cover.

Generally the maximum amount of TPD cover available to a person working in domestic duties is \$1,000,000.

After cover is in force, it can increase above the maximums due to Inflation protection (refer to page 12).

Restrictions apply to the total amount of cover in respect of the life insured for all policies from all sources (including all policies issued by other life insurers). Generally the total TPD cover with us and other life insurers cannot exceed \$5,000,000.

How will covers interact?

When both Zurich Protection Plus core covers are selected we will automatically link the covers together. This provides a cost-effective package of cover, but it also means that a claim on one cover will impact the other.

For example, if Death cover and TPD cover are selected, and a claim is made on the TPD cover, the Death cover will be reduced by the amount of the TPD cover claim. While there is a Buy back death benefit which allows the Death cover to be reinstated 12 months after a TPD cover claim, the Death cover will be reduced for a time.

This PDS will assume that covers are linked, as this is the most common way to set up a policy. Covers can also be set up as stand-alone, which means each cover is independent and is not impacted by a claim on the other. A financial adviser can help to determine which cover best suits individual circumstances.

Can cover be increased?

Subject to our reassessment of the life insured's personal circumstances, we will consider an application from the life insured to increase cover until the dates outlined.

Cover	Birthday of life insured when ability to increase ends
Death cover	69
TPD cover	59
Accidental death option	65

The minimum amount cover can be increased by each time is \$50,000.

When will cover expire?

Once an application has been accepted and provided *premiums* are paid as due (refer to page 26), we guarantee that we will renew the covers, regardless of any changes to the life insured's health or other circumstances, until the benefit expiry date.

The expiry ages for each core cover (Death or TPD cover) are set out below. Benefits expire on the *policy anniversary* following the age indicated (as shown on the Policy schedule).

Cover	Expiry age & any conditions
Death cover	99
TPD cover	99 From the <i>policy anniversary</i> following 64th birthday, the only covered conditions are inability to perform at least two <i>activities of daily living</i> , cognitive impairment and <i>specific loss</i> and the maximum benefit payable is \$3,000,000.

Some standard built-in benefits and extra-cost options have different dates for exercise and expiry to the core covers they attach to. Where this occurs, it is explained in the relevant benefit or option section.

Zurich Protection Plus – Death cover

Built-in benefits which only apply to Death cover (this page)	<ul style="list-style-type: none"> • Death benefit • Terminal illness benefit • Advancement for funeral expenses • Buy back death benefit (TPD)
Standard built-in benefits included in all Zurich Protection Plus policies (page 12)	<ul style="list-style-type: none"> • Inflation protection • Future insurability benefit • Financial planning advice benefit • Interim cover
Extra-cost options available with Death cover (page 13)	<ul style="list-style-type: none"> • Accidental death option • Business future cover option

Death benefit

We will pay the Death benefit as a lump sum on the death of the life insured during the term of the policy and prior to the Death benefit expiry date.

Pages 7 and 8 (Part 2) explain the terms and conditions of this benefit, including any limits and exclusions.

Terminal illness benefit

If the life insured is diagnosed as *terminally ill*, we will pay 100 per cent of the Death cover.

Pages 7 and 8 (Part 2) explain the terms and conditions of this benefit, including any limits and exclusions.

Advancement for funeral expenses

While a death claim is being settled, we may advance part of the Death benefit, up to \$15,000, towards payment of funeral expenses. An application for payment of funeral expenses must include satisfactory evidence of death and the funeral invoice.

Buy back death benefit (after TPD claim)

After a TPD benefit payment, Death cover is automatically reduced by the amount paid. However, the Death cover can be reinstated (bought back) without providing any health evidence, 12 months after payment of the TPD benefit, provided the *policy anniversary* following the life insured's 74th birthday has not passed.

We will write to the life insured and offer the reinstatement 12 months after payment of the TPD benefit and our offer must be accepted by the life insured within 30 days.

The Future insurability provisions described on page 12 will not apply to any cover bought back under this benefit.

Page 7 (Part 2) explains the terms and conditions of this benefit, including any limits and exclusions.

Death cover exclusion

No benefit is payable if the life insured commits suicide within 13 months of the benefit start date (or increase in cover but only in respect of that increase) or reinstatement of the policy.

Full details of this exclusion are set out on page 8 (Part 2).

What happens to other benefits if a benefit under Death cover is paid?

All Death cover and TPD cover reduces by the amount of each Terminal illness benefit or Advancement for funeral expenses benefit paid. If 100 per cent of the Death cover is paid, all cover under the policy will cease.

Zurich Protection Plus – TPD cover

Built-in benefits which only apply to TPD cover (this page)	<ul style="list-style-type: none"> • TPD benefit
Standard built-in benefits included in all Zurich Protection Plus policies (page 12)	<ul style="list-style-type: none"> • Inflation protection • Future insurability benefit • Financial planning advice benefit • Interim cover
Extra-cost options available with TPD cover (page 13)	<ul style="list-style-type: none"> • Accidental death option • Business future cover option • Double TPD option

Total and Permanent Disablement (TPD) benefit

We will pay the TPD benefit as a lump sum if the life insured suffers *total and permanent disablement* during the term of the policy and prior to the TPD benefit expiry date.

To be eligible for a TPD benefit, the life insured must satisfy a specific three month disablement qualification period (except if the claim is for *specific loss*) within the definition of *total and permanent disablement* on page 22 of Part 2.

The life insured will meet our definition of 'any' occupation *total and permanent disablement* if he or she:

- is unlikely to ever work (for reward or otherwise) in his/her profession, business or similar occupation or engage in any other occupation to which he/she is fitted by education, training and experience for the rest of his/her life, as a result of the *sickness or injury*.
- suffers a *specific loss*
- is unable to perform normal domestic duties
- is unable to perform at least two *activities of daily living* or
- suffers cognitive impairment.

From the *policy anniversary* following the life insured's 64th birthday, TPD cover will only provide cover for the inability to perform at least two *activities of daily living*, cognitive impairment and *specific loss*. The maximum benefit payable is then \$3,000,000.

Pages 8 and 9 (Part 2) explain the terms and conditions of this benefit, including any limits and exclusions.

TPD cover exclusions

We will not pay a TPD benefit if the life insured's *total and permanent disablement* is due to intentional self-inflicted act or attempted suicide or any other event or medical condition specified on the Policy schedule.

Full details of these exclusions are set out on page 8 (Part 2).

What happens to other benefits if a TPD benefit is paid?

Once a benefit is paid under the TPD cover, any Death cover will be reduced by the amount paid.

Zurich Protection Plus – standard built-in benefits

Built-in benefits Death cover	See page 10
Built-in benefits TPD cover	See page 11
Standard built-in benefits included in all Zurich Protection Plus policies (this page)	<ul style="list-style-type: none"> • Inflation protection • Future insurability benefit • Financial planning advice benefit • Interim cover

The following benefits apply to Death cover and TPD cover.

Inflation protection

Each year, until the expiry of the policy, we will increase cover by the greater of 5 per cent and the *consumer price index* to keep up with inflation. This is known as 'indexation'. Unless indexation is rejected by the life insured, *premiums* will increase each year by an extra amount to reflect that change. Indexation does not require any further health evidence.

To reject indexation for one year or for all future years, the life insured should contact us for the necessary form.

Future insurability benefit

This benefit allows an increase in Death cover and/or TPD cover up to the *policy anniversary* following the life insured's 54th birthday, without reassessment of his/her health. The increase must be applied for within 30 days of the *policy anniversary* following the events described below.

If the life insured:

- gets married or divorced
- becomes a parent (through birth or adoption of a child)
- becomes a full-time carer
- becomes a widow or widower (through the death of a *spouse*)
- takes out for the first time or increases his/her mortgage on his/her principal place of residence
- takes out for the first time an investment property loan
- has a dependent child start secondary school
- experiences a significant increase in salary.

For the first six months after an increase under this benefit any increased benefit amount is only payable in the event of the life insured's *accidental death* or *accidental injury*.

Pages 9 and 10 (Part 2) explain the terms and conditions of this benefit, including any limits and exclusions.

Financial planning advice benefit

We will pay up to \$3,000 towards the cost of financial planning advice required as a result of a payment being made under the policy. We will need sufficient proof of the incurred cost.

Interim cover

While we are assessing an application, we will provide interim cover for up to 90 days against *accidental death* and/or *accidental injury*, depending on the covers applied for.

The Interim cover certificate on page 31 provides details of the cover provided and the exclusions that apply.

Zurich Protection Plus – optional benefits

Extra-cost options available with all Zurich Protection Plus policies (this page)	<ul style="list-style-type: none"> • Accidental death option • Business future cover option
Extra-cost option only available with TPD cover (this page)	<ul style="list-style-type: none"> • Double TPD option

The following **optional** benefits allow cover to be tailored to individual needs. An additional *premium* applies to each optional benefit selected.

Accidental death option

We will pay the Accidental death benefit as a lump sum in the event of the life insured's *accidental death* while the policy is in force and before the option ends on the *policy anniversary* following the life insured's 75th birthday.

The minimum Accidental death amount which can be applied for is \$50,000 and the maximum is \$1,000,000.

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

Business future cover option

This benefit allows the life insured to request an increase in cover each year without reassessment of health. Death cover can be increased prior to the life insured's 65th birthday and TPD cover can be increased prior to the life insured's 60th birthday.

When cover is increased under this option the *premium* will increase to reflect the increased benefit.

If the purpose of the policy appearing on the Policy schedule is:

- loan/guarantor protection or
- buy-sell/shareholder or partnership protection

and the value of the life insured's interest in the *business* or *loan guarantee* increases, this option allows 30 days to apply to increase cover without providing further health evidence.

This option can be chosen:

- on Death cover only or
 - on Death and TPD cover.
- In this case, when an increase is exercised either the Death cover or both covers can be increased. Any covers increased at the same time must be increased proportionally.

Pages 11 and 12 (Part 2) explain the terms and conditions of this benefit, including any limits and exclusions.

Double TPD option

After a TPD benefit payment, Death cover is reduced. However if the Double TPD option applies, once a TPD benefit has been paid, Death cover is reinstated without any health evidence 14 days after payment of the TPD benefit.

Premiums for Death cover equivalent to the amount of the TPD benefit paid will be waived until the Death benefit expiry date.

On the *policy anniversary* following the life insured's 64th birthday, the Double TPD option will cease and cover will automatically convert to standard TPD cover.

The Inflation protection and Future insurability provisions described on page 12 will not apply to any cover bought back under this option.

Page 8 (Part 2) explains the terms and conditions of this benefit, including any limits and exclusions.

Zurich Income Replacement

Cover at a glance

A summary of Zurich Income Replacement is set out on this page. An outline of this cover begins on page 16, while the Policy conditions are in Part 2, starting on page 13.

Description

Zurich Income Replacement is a life insurance product which provides an income benefit if the life insured suffers a loss of income due to sickness or injury. Two levels of cover are available, with each including a range of benefits which are built-in and optional benefits that can be added.

Built-in benefits	standard	comprehensive
Income benefit – provides an income if the life insured is disabled and suffers a loss of income as a direct result.	✓	✓
Inflation protection – cover can increase each year.	✓	✓
Recurrent disability – no <i>waiting period</i> applies if the life insured returns to work too soon.	✓	✓
Concurrent disability – if the life insured has <i>sickness</i> and <i>injury</i> , 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 an application is submitted.	✓	✓
Day one partial benefits – no requirement to stop working for 14 days in the <i>waiting period</i> to be eligible for an <i>income benefit</i> .		✓
Confined to bed benefit – benefits are payable right away if the life insured is disabled and <i>confined to bed</i> .		✓

✓ = 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 <i>waiting period</i> if the life insured is disabled due to accident.*	✓	✓
Future insurability option – increase cover without <i>underwriting</i> every year.		✓
Booster option – extra benefits paid in first 30 days of claim.*	✓	✓
Severe disability option – additional income if the life insured is 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 <i>mental disorder</i> .	✓	✓

✓ = option available

Zurich Income Replacement – parameters

The following table sets out some important eligibility and product limit information. When cover is applied for, we will assign the life insured an occupation category (A1, A1M, A2, A3, B1, B2, B3 or SR). A financial adviser can help determine 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 <i>benefit periods</i> 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 <i>benefit periods</i>
Available waiting periods	All occupations can select from 30, 60 or 90 days All occupations except SR may also select: <ul style="list-style-type: none"> • 14 or 180 days, or • 1 or 2 years 	<ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> • 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 <i>benefit period</i> , refer to page 15 (Part 2).
Offsets Refer to the definition of <i>post-disability income</i> on page 20 (Part 2).	In the event of a claim, we will offset: <ul style="list-style-type: none"> • other disability income policies not disclosed to us at the time of <i>underwriting</i> and • workers' compensation or other legislated benefits (does not apply to A1, A1M or A2 occupations). The life insured can earn up to 10 per cent of <i>pre-disability income</i> in the first three months without any offset.	

(continued next page)

Zurich Income Replacement – parameters

(continued)

Common parameters for standard and comprehensive	
Employment status	The life insured must be working in <i>full-time paid employment</i>
Expiry ages	<ul style="list-style-type: none"> • <i>policy anniversary</i> following 55th birthday for benefits payable to age 55 • <i>policy anniversary</i> following 60th birthday for benefits payable to age 60 • <i>policy anniversary</i> following 65th birthday for benefits payable for 1, 2 and 5 years and for benefits payable to age 65 • <i>policy anniversary</i> following 70th birthday for benefits payable to age 70 <p>The expiry age for SR occupations is <i>policy anniversary</i> following 60th birthday</p>
Minimum premium	\$200 per year excluding fees and charges
Cover available	<p>Minimum \$1,500 per month (subject to income)</p> <p>SR occupations can apply for a maximum of \$10,000 per month.</p>
Premium options	<p>Stepped <i>premiums</i> increase each year based on the rates applicable for the life insured's age at that time.</p> <p>Level <i>premiums</i> are based on the life insured's age when cover starts.</p> <p>Refer to page 26.</p>
How premiums are calculated	<p><i>Premiums</i> are based on the cover amount, <i>level of cover</i>, options chosen (including stepped or level <i>premiums</i>), current age, gender and smoking status. The life insured's 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 the <i>premium</i>.</p> <p>Refer to pages 25 and 26.</p>
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 13 to 17 (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 27.
Additional information	The Additional information section of this PDS, starting on page 25, 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 explains how to make a claim.
Policy conditions	When cover is issued, we will send the life insured a Policy schedule that sets out the particular details of the policy (including: <i>level of cover</i> , cover amount, options selected and details of the policy owner and life insured). The Policy conditions (Part 2) will form part of the policy, and should be kept in a safe place.

Zurich Income Replacement – overview

The Zurich Income Replacement policy pays, after the expiry of the *waiting period*, an income while the life insured is disabled and suffers a loss of income because of that disability.

The *waiting period* is the number of days that the life insured needs 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 the life insured suffers from the same or a related *sickness* or *injury*. We pay 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

The *level of cover* should be selected to best fit needs and budget. The *levels of cover* available are comprehensive and standard.

The tables on pages 14 and 15 provide a snapshot of the different *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*.

Who can be covered?

This policy 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. A financial adviser can help determine eligibility.

How much cover can be applied for?

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

For example if the life insured's income (according to our definition) is \$4,000 per month, up to \$3,000 per month can be applied for.

For occupations categorised as SR, a \$10,000 per month limit applies.

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

A financial adviser can help determine the appropriate amount of cover.

Can cover be increased?

Subject to our reassessment of the life insured's personal circumstances, we will consider an application from the life insured to increase cover up until the expiry of the policy. The minimum amount cover can be increased by is \$750 per month.

When will cover expire?

Once an application has been accepted and provided *premiums* are paid as due (refer to page 26), we guarantee that we will renew the policy every year up until the *policy anniversary* following:

- the life insured's 55th birthday for benefits payable to age 55
- the life insured's 60th birthday for benefits payable to age 60 (and for all policies insuring SR occupations)
- the life insured's 70th birthday for benefits payable to age 70 and
- the life insured's 65th birthday for all other *benefit periods*

regardless of any changes in the life insured's 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 23 and 24).

Refer to page 27 for details of what will happen if the life insured becomes unemployed.

If benefits payable to age 70 are selected, a reduced benefit will apply to claims made after the *policy anniversary* following the life insured's 65th birthday. Refer to page 15 (Part 2).

Extending cover (if the life insured has the 'to age 65' benefit period and 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 his/her 70th birthday, if he/she is still working in paid employment for more than 30 hours per week. We must receive a request to extend cover at least 60 days before cover would otherwise end (shown on the 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. A financial adviser can provide information regarding this extension of cover.

Page 15 (Part 2) explains the terms and conditions of this benefit, including any limits and exclusions.

What choice of waiting periods is available?

The following *waiting periods* are available:*

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

*For SR occupations only 30, 60 or 90 days may be selected.

The *waiting period* may be split so that different *waiting periods* apply to two portions of *income benefit*.

Waiting period flexibility with employment related salary continuance

If a 2 year *waiting period* is selected because the life insured has employment related salary continuance, we may allow a reduction in the *waiting period* if the life insured changes employer and salary continuance cover is not provided by the new employer.

To be eligible to make this change to the *waiting period*, the life insured 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 the new employer or a payslip outlining salary and breakdown of any fringe benefits to support the existing monthly benefit.

This change is not available if the life insured:

- has any ownership or financial interest in the employer's business

- has already reached the *policy anniversary* prior to the benefit expiry date
- is currently claiming disability benefits or has claimed disability benefits any time in the last 12 months
- has salary continuance cover with the new employer.

What choice of benefit periods is available?

The following *benefit periods* are available:*

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

*For SR occupations only 1, 2 or 5 years may be selected.

What exclusions apply?

We 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 15 of Part 2) or
- an act of war (whether declared or not).

If the Mental disorder discount option is selected (refer to page 24) we will not pay a claim resulting from any *mental disorder*.

Zurich Income Replacement – the Income benefit

The Income benefit is the core benefit provided by Zurich Income Replacement which pays a benefit if the life insured suffers a loss of income and is 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 13 to 16 (Part 2) explain the terms and conditions of this benefit and other benefits which are built-in to the policy (depending on *level of cover*), including any limits and exclusions.

Qualifying for an Income benefit

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*.

We 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*:

- 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.

When will payments commence?

- for comprehensive cover, payments will commence as soon as the life insured meets the qualifying criteria above (ie. it is possible to claim what is commonly known as a 'day one partial' benefit)
- for standard cover, in addition to the qualifying criteria above, the life insured must stop working for a period of at least 14 days during the *waiting period*.

If the life insured is not earning any income

(this is commonly known as being totally disabled)

If, at the expiry of the *waiting period*, the life insured has no *post-disability income* or is working for 10 hours or less per week solely as a result of a *sickness* or *injury* then we will pay the lesser of the *insured monthly benefit* and 75 per cent of the life insured's *pre-disability income*.

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

The life insured can work for up to 10 hours per week and still claim the maximum *income benefit* available under the policy, so that he/she can check on his/her business while suffering from *sickness* or *injury*.

If the life insured is still earning income

(this is commonly known as being partially disabled)

If, at the expiry of the *waiting period*, the life insured has *post-disability income* then the *income benefit* we will pay will be proportionate to the loss and calculated on a monthly basis using the following formula:

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

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

However, for the first three months that an *income benefit* is paid, if the life insured's *post-disability income* is 10 per cent or less of *pre-disability income*, we will pay an *income benefit* as if he/she was not earning any income, ie. the lesser of the *insured monthly benefit* and 75 per cent of the life insured's *pre-disability income*.

How long will the Income benefit be paid?

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 from earning his/her *pre-disability income* from personal exertion from his/her *usual occupation*
- the *benefit period* ends
- the cover expires
- the life insured's death
- the life insured is no longer under the regular care of a *medical practitioner* for treatment of the *sickness* or *injury*
- the life insured is not following the treatment recommended by a *medical practitioner*.

Examples

When the life insured is 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 *pre-disability income* = \$3,000

When the life insured is still earning income

Example 3:

Assuming an *insured monthly benefit* of \$3,000, a *pre-disability income* of \$4,000 (and because of *sickness* or *injury* the life insured is only generating 25 per cent of his/her *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 *sickness* or *injury* the life insured is only generating 15 per cent of his/her *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

Zurich Income Replacement – other 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 increase cover by the increase in the *consumer price index* to keep up with inflation. This is known as 'indexation'. Unless indexation is rejected by the life insured, *premiums* will increase each year by an extra amount to reflect that change. Indexation does not require any further health evidence.

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

To reject indexation for one year or for all future years, the life insured should contact us for the necessary form.

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

Recurrent disability

(standard / comprehensive)

If disability recurs from the same or related cause within 12 months of the life insured 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. We will start paying the benefit for the balance of the *benefit period* (if any) immediately.

If disability recurs from the same or related cause later than 12 months after the life insured's 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 the life insured has employment related salary continuance:

If this policy is applied for with a 2 year *waiting period*, because the life insured is also covered by employment related salary continuance which has a 2 year *benefit period*, we will use the original start date of the salary continuance claim to calculate the *waiting period*, excluding any periods where the life insured has 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 disability, we 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 the life insured dies while the policy is in force we will pay a lump sum of three times the *insured monthly benefit*.

If the life insured has other income policies with Zurich which include a funeral benefit, we will only pay this benefit once.

Interim cover
(standard/comprehensive)

While we are assessing the application, we will provide interim cover for up to 90 days against *accidental injury*.

The Interim cover certificate on page 31 provides details of the cover provided and the exclusions that apply.

Confined to bed benefit
(comprehensive)

If the life insured is *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*, we will pay this benefit.

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

We will pay 1/30th of the Confined to bed benefit for each day that the life insured is 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 the life insured qualifies for this benefit during the *waiting period*.

The Day 4 accident benefit (explained on page 24) is not payable for the same period. If both would otherwise apply, we will pay the one which pays the higher benefit.

Zurich Income Replacement – optional benefits (extra-cost and cost reducing)

Extra-cost options (starts on this page)	<ul style="list-style-type: none"> • Increasing claims option • Super contributions option • Severe disability option • Day 4 accident option • Booster option • Future insurability option
Reduced-cost option (page 24)	<ul style="list-style-type: none"> • Mental disorder discount option

Depending on the chosen *level of cover*, the following **optional** benefits can be selected to design a policy that best meets individual needs. A *premium* will be charged for each optional benefit selected 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 regular superannuation contributions to be insured on top of the *insured monthly benefit* so that superannuation will continue to accumulate while the life insured is unable to work due to *sickness* or *injury*.

100 per cent of the average monthly super contributions made by the life insured or his/her employer in the 12 months before application can be insured, however, the super contributions monthly benefit is capped at 15 per cent of *average monthly pre-tax income*.

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

For example, if the life insured is earning an annual salary package of \$50,000 which includes \$4,500 in superannuation, this can be set up either as:

- 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 we are paying 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* being paid as an *income benefit*, Confined to bed benefit or Day 4 accident benefit, subject to a maximum of the actual average monthly super contributions the life insured or his/her employer made in the 12 months preceding claim.

For example, if we 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 the life insured or his/her employer made in the 12 months preceding the claim, while we continue to pay an *income benefit*.

Page 16 (Part 2) explains the terms and conditions of this benefit, including any limits and exclusions.

This benefit counts as income for tax purposes. We pay the entire benefit to the superannuation fund and do not deduct or withhold tax from it. Refer to the Taxation information on page 28.

Severe disability option

If, while we are paying an *income benefit*, the life insured has been continuously unable to perform at least two *activities of daily living* for more than three months of the 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 the life insured meets the requirements of this option, we will increase the monthly benefit to \$4,000 per month while the requirements continue to be met.

Day 4 accident option

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

If the life insured is disabled for more than three consecutive days during the *waiting period*, his/her *pre-disability income* has reduced by 20 per cent or more, and he/she is 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 the life insured is disabled due to *injury*.

The Confined to bed benefit (explained on page 22) is not payable for the same period. If both would otherwise apply, we 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 the life insured qualifies for this benefit during the *waiting period*.

Booster option

Under this option, if the life insured is disabled and we are paying the maximum *income benefit* available under the policy (ie. the life insured has no *post-disability income*), 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 the life insured meets the requirements of this option, we will increase the monthly benefit to \$4,000 for the first 30 days.

Future insurability option

The *insured monthly benefit* (and any super contributions monthly benefit) can be increased by up to 15 per cent on every *policy anniversary*, without us reassessing the life insured's personal circumstances. We must receive a request from the life insured to make the increase no more than 30 days after the relevant *policy anniversary*. The increase cannot be made if:

- the *policy anniversary* following the life insured's 54th birthday has already passed
- we are currently paying disability benefits or have ever paid disability benefits under the policy
- 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 or
- after the increase, the life insured's super contributions monthly benefit will be more than the actual average monthly super contributions the life insured or his/her employer made in the preceding 12 months.

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

Page 17 (Part 2) explains the terms and conditions of this benefit, including any limits and exclusions.

Mental disorder discount option

If this option is selected, no benefits will be payable for any *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 20 (Part 2).

This option is not available if the life insured has a history of any of the above conditions.

Once this option is selected it cannot be removed from the policy.

Additional Information about Zurich Wealth Protection products

Assessment of health

To apply for a Zurich Wealth Protection product as part of a superannuation platform arrangement, the life insured must complete our electronic Application Form and Life Insured's Statement, which asks detailed questions about the life insured's state of health. We then assess the application in order to make a decision on the application for insurance. Any disclosed health condition will be covered under the policy, unless we are unable to accept cover, or we specifically exclude the condition. Prior to the commencement of the policy the life insured will be advised of any other exclusions that result from the personal assessment of the application. Any health condition not disclosed to us may cause the life insured to fail the duty of disclosure.

Duty of disclosure

Before the policy owner enters into a contract of life insurance with an insurer, they have a duty, under the Insurance Contracts Act 1984, to disclose to the insurer every matter that they 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.

The policy owner has the same duty to disclose those matters to the insurer before they extend, vary or reinstate a contract of life insurance.

The 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 the insurer knows or, in the ordinary course of business, ought to know
- if compliance with the duty in relation to that matter is waived by the insurer.

Non-disclosure

If the policy owner fails to comply with the 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 the 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 insured in accordance with a formula that takes into account the *premium* that would have been payable if all relevant matters had been disclosed to the insurer.

In the case of a life insured, there is no statutory duty of disclosure which exists. However it is a condition of provision of cover in respect of a life insured under the policy that the policy owner obtains the consent of the life insured to comply with the duty of disclosure and obtains a Life Insured's Statement from the life insured in the form we require. We will not be liable to provide or to pay benefits where there has been misrepresentation or non-disclosure by a life insured. For these purposes we will treat a life insured as if they owe the same duty of disclosure to us as the policy owner does, and without limitation we will exercise any powers in respect of non-payment of benefits or cancellation of cover which we could exercise under the Insurance Contracts Act 1984, as if the life insured did owe us the same duty of disclosure.

Duty of disclosure notice

In signing the Zurich Wealth Protection Application Form the life insured declares that he/she has read and understood his/ her duty of disclosure.

If he/she has failed to disclose any such matters to us when completing the application and interim cover applies, we may exercise our rights specified above in relation to the interim cover.

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

Premiums

How is the premium calculated?

The *premium* will depend on:

- the amount of cover required (the higher the sum insured, the higher the *premium*)
- any options chosen (the more extra-cost options selected the higher the *premium*)
- whether stepped or level premiums are selected (stepped premiums are generally lower than level premiums at the start of the policy, but stepped premiums increase each year as the life insured gets older whereas level premiums do not)
- the life insured's current age (generally *premiums* increase each year in line with age)
- the life insured's gender (for example, Death cover *premiums* are generally higher for males than for females, while income protection *premiums* are generally higher for females than for males)

- whether or not the life insured is 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)
- the life insured's occupation (generally occupations with hazardous duties or higher occupational risk have higher *premiums*)
- the life insured's health and
- any pastimes the life insured participates in (generally *premiums* are higher for those who engage in hazardous activities).

The *premium* will also include any stamp duty charged by State Governments as well as any other taxes that may be levied by State or Federal governments.

If Zurich Income Replacement is applied for, some additional factors will also influence the *premium*:

- the *benefit period* selected (the longer the *benefit period*, the higher the *premium*)
- the *waiting period* selected (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 the *premium*.

A financial adviser can provide a premium illustration for the particular product/s required, taking into account all of these factors. This illustration will show the cost of each coverage and option selected as well as the details of any fees and/or stamp duties (for Income Replacement) or tax that may apply. If requested, a financial adviser can also provide a table of premium rates giving all rates and factors for all of the products described in this PDS. Further information on how *premiums* are calculated can be obtained by calling the Zurich Client Service Centre on 131 551.

Goods and services tax

Goods and Services Tax (GST) is not currently payable on insurance premiums for the products described in this PDS.

Choice of premium structures

There is a choice of 'stepped' and 'level' premiums.

Stepped premium

Premiums will increase each year based on the rates applicable to the life insured's age at that time.

Level premium

Premiums, excluding the Management fee, will be based on the age of the life insured when cover begins. For Zurich Protection Plus, on the *policy anniversary* following

the life insured's 64th birthday (*policy anniversary* following the life insured's 65th birthday for Zurich Income Replacement), stepped premium rates apply.

How are premiums paid?

Premiums are automatically paid from the superannuation account on a monthly basis.

What if premiums are not paid?

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

Are premium rates guaranteed?

Premium rates for Zurich Wealth Protection products 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 give at least 30 days prior notice of such change taking effect. The *premium* payable from the start of the policy is shown on the 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. A financial adviser will provide details of the benefits he or she will receive if we issue a policy in the Financial Services Guide and, if applicable, the Statement of Advice that he or she will provide. We pay these amounts out of *premium* payments – they are not additional amounts to be paid.

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) we will give at least 30 days prior notice of such charge taking effect.

In addition to *premium*, a Management fee will be charged to contribute to the cost of administering the policy.

The Management fee for new policies until 28 February 2014 is \$8.59 per month. 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 the *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.

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

Unemployment/employment breaks and income replacement

Zurich 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 the life insured has 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 *usual occupation* being the occupation the life insured predominantly performed in the 12 months prior to the *sickness or injury* it will be any occupation he/she is capable of performing.

If the life insured is involuntarily unemployed other than as a direct result of a *sickness or injury*, cover has been in force for the previous 12 months and the life insured is registered with an employment agency approved by us, we will waive *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 Income Replacement terminates at the end of any 12 month period during which the life insured has 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 the life insured is on unpaid leave (eg. maternity leave, paternity leave or sabbatical leave) he/she can, with our prior written approval, continue the policy beyond these periods.

Claims

The trustee or the life insured must advise us of an insured event occurring as soon as reasonably possible after the event by sending us a completed claim form. Claim forms can be found 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 the trustee or the life insured.

Before a claim is payable under any Zurich Wealth Protection product described in this PDS, 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.

Our medical advisers must support the occurrence of the insured events. We reserve 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 a claim we will also rely on any information the life insured disclosed to us as part of the application. Where information (eg. income) has not been verified at the time of application we reserve the right to verify it at the time of claim.

The life insured must, on our request, provide us (or our agent) with information (or access to information) that we require to verify his/her income and other relevant matters in respect of the claim and any benefit entitlement. 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). Please read this information carefully.

Statutory fund

The *premiums* paid for the products described in this PDS form part of the Zurich No. 2 Statutory Fund. Any benefits paid under a product described in this PDS will be paid from that fund.

Memoranda of transfer

To change the ownership of the policy from one owner to another, it may be possible to use a Memoranda of transfer. Stamp duty may be payable on any ownership transfer. Please contact us for more information about assignment of ownership.

World-wide cover

The life insured is covered under any Zurich Wealth Protection product 24 hours a day, seven days a week, world-wide. If claiming while overseas for Zurich Income Replacement, we will require the life insured 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 which apply to each of the Zurich Wealth Protection products. When cover is issued the life insured will receive a Policy schedule which outlines the specific details of the particular cover – such as which options are included. These are important documents and should be read carefully. Please keep them in a safe place because they will be required to make a claim. Should there be any changes to the benefits included in the policy, the life insured will be notified of the changes.

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

Further information about these products may be requested by contacting us at the address shown on page 24 of Part 2 or by telephoning us on 131 551. If so requested, we will provide 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. Any enquiries or complaints about the policy should be directed to a financial adviser or the Zurich Client Service Centre on 131 551. If we cannot resolve an issue it can be referred to an independent complaints resolution body. Refer to page 30.

Taxation information

The following information is a guide only and is based on current taxation laws, their continuation and interpretation. Information about individual circumstances should be obtained from a tax adviser. The taxation of insurance in superannuation is complex and will depend on the life insured's age, the type of contribution, the type of benefit and the status of the beneficiary. Insurance premiums are deducted from contributions made to the fund.

The figures provided in this taxation section are for the financial year to 30 June 2014 and may change after such time. Please ask a tax adviser or visit the ATO website (www.ato.gov.au) for updated figures.

Under current tax legislation, the fund is able to claim a tax deduction in respect of all or part of the insurance premiums paid through superannuation accounts.

Zurich Protection Plus – Death cover

If a benefit becomes payable, any tax must be deducted before a benefit is paid. The taxation of death benefits will depend on the relationship between the member of the fund and the beneficiary, the age of the life insured (member) and the age of the beneficiary and whether the benefit is received in the form of a lump sum or income stream. If the beneficiary is a death benefits dependent (including any person who had an interdependency relationship with the deceased) the benefit may be paid free of tax or be taxed at the beneficiary's marginal tax rate where a 15 per cent tax offset is available. Otherwise, the death benefit will generally be taxed at up to 15 per cent plus the Medicare Levy. If the benefit contains an untaxed element then a tax of 30 per cent plus Medicare Levy can apply.

Zurich Protection Plus – TPD cover

The taxation of lump sum disablement benefits varies depending upon individual circumstances. If the benefit qualifies as a disability benefit (requiring certification by two medical practitioners that the life insured is unfit to ever be employed in a capacity for which he/she is reasonably qualified because of education, training or experience), there may be a tax-free component which can be received free of tax. The balance of the benefit may be taxable, depending on the age of the life insured and other factors. If the life insured is age 60 or older, only the untaxed element may be subject to a concessional tax rate of 15 per cent. If the life insured is between preservation age (currently 55) and age 60, the taxable component up to the low rate cap amount

(\$180,000 for the 2013/14 financial year, which may be indexed in future years) is received tax free. The taxable component above the low rate cap amount will be taxed at a maximum rate of 15 per cent plus Medicare Levy. If the life insured is under his/her preservation age, the taxable component of the benefit will be taxed at a maximum of 20 per cent plus Medicare Levy.

The taxation of benefits paid under disability will vary if the life insured is terminally ill. In this case, the trustee is not required to withhold any tax on the payment of benefits if the life insured is under age 60 (from age 60 the benefit is tax-free). This effectively allows terminally ill members to receive their benefit tax-free. In order for the trustee to pay a benefit under this measure the life insured must be eligible to withdraw his/her superannuation benefit.

If a TPD benefit is paid to the trustee, but superannuation legislation does not allow the trustee to pass this to the life insured, it must be preserved in the fund. Any investment earnings on that preserved amount may be subject to tax at the prevailing rate applicable to superannuation funds (currently 15 per cent) although the ultimate tax liability of investment earnings will depend on the nature of the investments. The accumulated amount will then be paid from the superannuation fund as a death, disablement or retirement benefit and will be taxed (or tax free) accordingly.

Zurich Income Replacement

Income replacement benefits and optional benefits paid from the policy must be included in the life insured's tax return and will be taxed at the life insured's marginal income tax rate.

If the life insured has opted to insure monthly superannuation contributions by selecting the Super contributions option, then these benefits will be applied directly to the trustee as superannuation contributions. This benefit counts as income for tax purposes and we do not deduct or withhold tax from it. If the life insured is self-employed, he/she may be entitled to a deduction on some or all of the superannuation contributions made on his/her behalf.

Keeping in touch

The team at the Zurich Client Service Centre understands these products. It is well equipped to answer general questions about the products 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 a financial adviser.

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, the policy owner and the life insured should know that:

- we need to collect Personal Information and, in some cases, Sensitive Personal Information about the life insured in order to comply with our legal obligations, assess an application and, if the application is successful, to administer the products or services provided ('purposes')
- where relevant for these purposes, we will disclose the Personal Information and/or Sensitive Personal Information to the 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 the life insured to notify him/her of other products and services we offer. If the life insured does not want his/her Personal Information to be used in this way, please contact us

- we may also disclose Personal Information or Sensitive Personal Information about the life insured where we are required or permitted to do so by law
- if the life insured does not provide the requested information or withholds consent for us to disclose Personal Information or Sensitive Personal Information, we may not be able to accept the application, administer the products or services provided, action a requested transaction or respond to an enquiry raised
- in most cases, on receiving a written request, we will give the life insured access to the Personal Information we hold about him/her. However, we may charge a fee for this service
- these privacy provisions apply to the policy owner and the life insured. We may disclose information about the life insured to the policy owner
- for further information, or a copy of Zurich's Privacy Policy, 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.

Complaints resolution

If the policy owner or the life insured has a complaint about the policy

If the policy owner or the life insured has a complaint about Zurich Protection Plus or Zurich Income Replacement, contact the Zurich Client Service Centre on 131 551. We will aim to acknowledge any complaint within 5 days and to resolve the complaint within 45 days (or up to 90 days if agreed). If our response is not satisfactory, or we fail to resolve the complaint within 45 days (or any extended period approved) the matter can be raised with the Financial Ombudsman Service, GPO Box 3, Melbourne VIC 3001. The telephone number is: 1300 780 808 and the email address is: info@fos.org.au

Interim cover certificate



This certificate is a legal document. It is important to read it carefully and keep it in a safe place. It is a 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 Protection Plus or Zurich Income Replacement product holder and Zurich Australia Limited. Zurich Protection Plus and Zurich Income Replacement product holders are provided with any interim benefits under these terms and conditions subject to the governing rules of the 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).

A financial adviser acts as an agent of the policy owner, not our agent in relation to this interim cover.

Interim cover

Provided the Interim cover eligibility criteria are met, we will provide 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 the life insured has properly completed and dated an electronic Zurich Wealth Protection Application Form (the application) with a financial adviser for the policy/policies applied for.

If the Tele-underwriting option is selected, 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 life insured or the policy owner (or the financial adviser) withdraws the 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 the life insured or the financial adviser in writing
- (b) the time and date when insurance cover commences under another contract of insurance (whether interim

or not) which covers the life insured and that is intended to replace the cover provided under this interim cover

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

Interim cover eligibility criteria

The life insured is not eligible for this interim cover and no interim cover is provided if the life insured has 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 it is indicated in the 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 being applied 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 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 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 the application is 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 the life insured would not have been entitled to the interim cover or for any amount in excess of what we would have covered the life insured 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 the life insured is 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 provided for Zurich Protection Plus

If the application is for **Death cover**:

We will pay a benefit in the event of the life insured's *accidental death* during the period of this interim cover.

For Death cover, the amount we will pay in respect of any life (regardless of the number of applications being assessed) will be the lesser of:

- \$1,000,000 or
- the amount of cover being applied for or
- the amount of cover the life insured would have been accepted for under our normal *underwriting* criteria.

If the application is for **Total and Permanent Disablement cover**:

We will pay a benefit if the life insured is disabled and suffers *loss of limbs or sight* as a result of an *accidental injury* during the period of this interim cover. The life insured must survive at least 14 days after the loss.

For TPD cover, the amount we will pay in respect of any life (regardless of the number of applications being assessed) will be the lesser of:

- \$600,000 or
- the amount of cover being applied for or
- the amount of cover the life insured would have been accepted for under our normal *underwriting* criteria.

Terms of interim cover provided for Zurich Income Replacement

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

- the life insured totally ceases work and
- the life insured is 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
- the life insured is 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 each month will be the lesser of:

- \$5,000 or
- the *income benefit* being applied for or
- the amount of cover the life insured 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 a claim is made under the interim cover, the *premium* for this cover (what we would have charged for the policy/ies applied for) must be paid.

Duty of disclosure

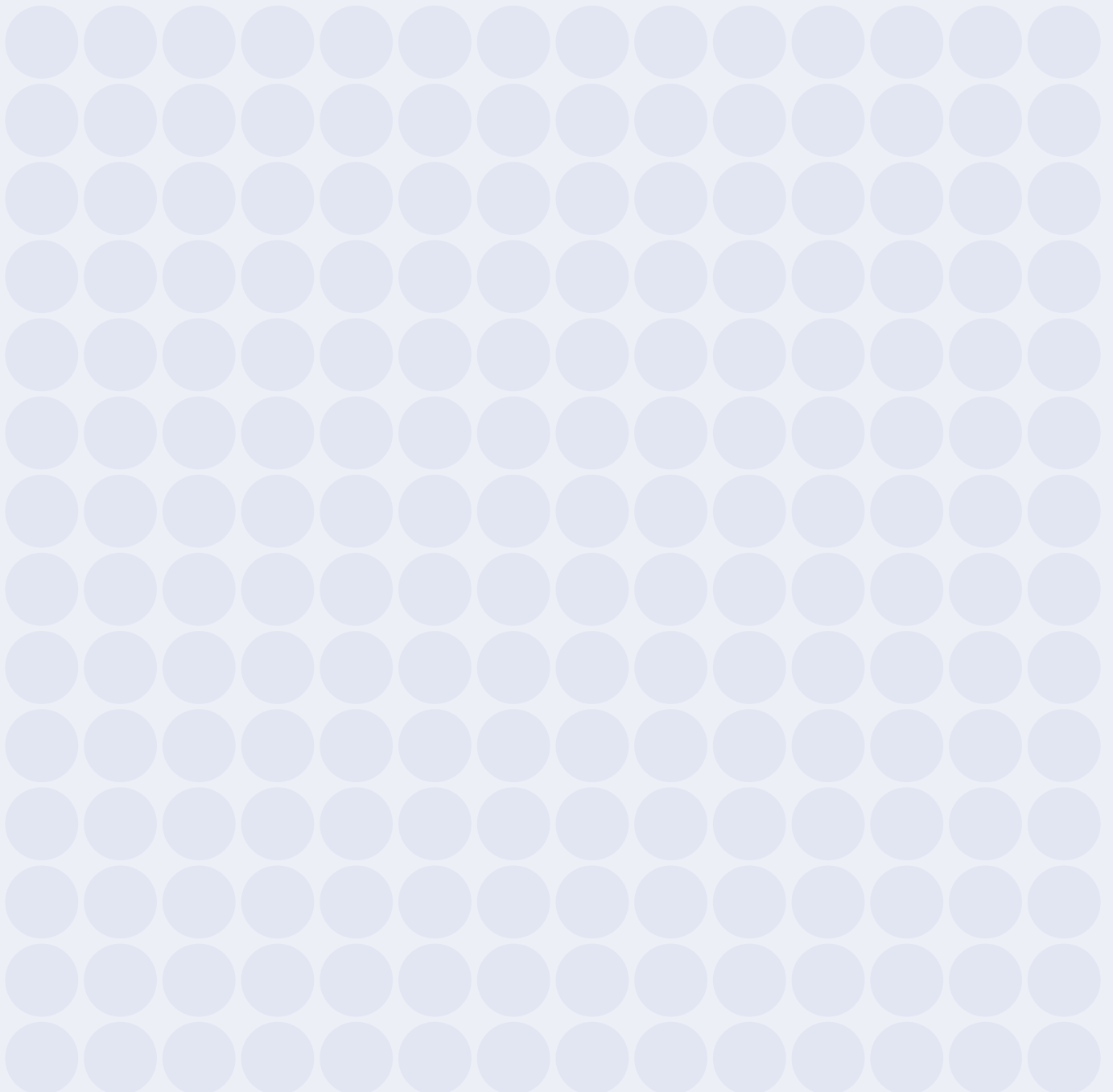
The duty of disclosure (set out on page 25) also applies to this Interim cover.

Confirming transactions

Contact us in writing or by phone to confirm this transaction if electronic application confirmation details are not provided.

Please keep this Interim cover certificate (which forms part of the PDS). To make a claim under interim cover, we will need this Interim cover certificate as evidence of the cover.

Zurich Wealth Protection Policy conditions



Contents – Part 2

Part 2 – Policy conditions

General policy conditions	3
Zurich Protection Plus	7
Zurich Income Replacement	13
Definitions	18
Directory	24

Important notes

This section of the PDS (Part 2) contains the Policy conditions which will apply to the following products:

- Zurich Protection Plus
- Zurich Income Replacement

These Policy conditions are a legal document. It is important to read them carefully and keep them in a safe place. This document is a record of the terms and conditions of the 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 18. Product features are capitalised for ease of identification.

General policy conditions

These Policy conditions set out the benefits applicable to the following Zurich Wealth Protection policies:

- Zurich Protection Plus
- Zurich Income Replacement

and explain how the policies operate. The policy includes these Policy conditions (Part 2 of the PDS) and the Policy schedule, which we will send to the life insured when the policy is issued. The Policy schedule shows ownership details, the life insured, the amount of cover, any optional benefits chosen and any terms and conditions particular to the policy.

Please check both these Policy conditions and the Policy schedule carefully to ensure that the policy provides the insurance cover required.

In these Policy conditions, a reference to 'you' or 'your' is a reference to the owner of the policy. Any reference to 'we', 'our' or 'us' is a reference to Zurich Australia Limited.

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

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 who is the trustee of the superannuation fund. This policy is referable to our No. 2 Statutory Fund.

Cooling off period

The policy provides valuable insurance protection. However, if the policy has been issued as a result of a new application and is not completely satisfactory, within 21 days, the policy owner or the life insured may cancel the policy. The Policy schedule can be returned to us with a letter from the life insured asking us to cancel the policy.

We will cancel the policy and promptly refund *premiums* paid provided that no rights under the policy have been exercised.

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 it.

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), the policy can be continued up to the latest

benefit expiry date on the Policy schedule regardless of changes in the 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 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.

Changes to the policy

A written request is required to change the policy. In order to consider the 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 the policy. A financial adviser does not have authority to change or waive any policy conditions.

We will give notice of any material changes to the circumstances described in the policy. Changes to the fees and charges that apply to the policy (other than adjustments to *premium*) will be notified at least 30 days prior to the change taking effect. All other changes will be notified in the annual statement we issue.

World-wide cover

This policy covers the life insured 24 hours a day, seven days a week, world-wide.

Termination of the policy

The policy terminates on the first to occur of:

- the death of the life insured covered under the policy
- the latest benefit expiry date on the Policy schedule
- the non-payment of any *premium* within 30 days of its due date
- our receipt of written notification to terminate this policy.

Some additional terminations apply depending on the cover selected:

Zurich Protection Plus:

- the *policy anniversary* after the life insured's 99th birthday
- if the policy does not have Death cover, payment of the TPD benefit which results in all TPD cover reducing to zero
- the payment of 100 per cent of the Death benefit.

Zurich Income Replacement:

- 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 the 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 the Policy schedule. *Premiums* must be paid to keep the policy in force. All *premiums* must be paid in Australian dollars.

Unpaid premium

Premiums must be paid to keep this policy in force. If any *premium* is not paid within 30 days of its due date, the policy will lapse and no benefits are payable.

Reinstatement

In the first 30 days after lapse we will reinstate cover immediately if all outstanding *premiums* are paid. If the policy is reinstated in this period, we will consider the cover to be continuous, as if there had not been a lapse in cover.

After 30 days the 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 the policy is reinstated in this 12 month period, cover recommences from the date that we accept the 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 the policy was lapsed.

Amount of premium

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

Stepped premium

If the stepped premium structure applies, 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
- any extra *premium* or loading applying.

Level premium

If the level premium structure applies, the *premium* payable (except for the Management fee) does not change on each *policy anniversary* until the *policy anniversary* following the life insured's 64th birthday (*policy anniversary* following 65th birthday for Zurich Income Replacement) from which date the *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
- any extra *premium* or loading applying.

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

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. Notification of any changes in premium rates applying to this policy will be given at least 30 days prior to the change taking effect.

Management fee

The Management fee at the start of the policy is shown on the 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 the 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, notice will be given at least 30 days prior to the change.

Taxes

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 the policy, these amounts may be added to the *premium*.

Making a claim

The life insured is responsible for providing all evidence to support a claim to us at his/her expense.

All claims are paid in Australian dollars.

How to claim

Any claim should be notified to us as soon as is reasonably possible after the occurrence of the event giving rise to the claim. Contact our Client Service Centre for a claim form which must be completed, signed and returned to us. Alternatively claim forms can be accessed 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:

- the 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
- proof of incurred costs where the benefit payment is based on reimbursement.

Assessing a claim

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

(a) For Zurich Protection Plus, 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.

Our medical advisers must support the occurrence of the insured events. We reserve the right to require the life insured to undergo an examination or other reasonable tests to confirm the occurrence of the insured event.

(b) For Zurich Income Replacement:

- 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
- the life insured may be asked to provide copies of personal and business tax returns, assessment notices and/or other financial evidence to substantiate his/her income
- when it is necessary to enable us to calculate the amount of the benefit payable, the life insured must allow us to examine his/her 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 under this policy will be paid to you.

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.

Zurich Protection Plus

These Policy conditions apply to Zurich Protection Plus.

The Policy schedule shows the life insured covered under this policy, the Death benefit amount (if applicable) and the TPD benefit amount (if applicable). It also shows any optional benefits provided.

The life insured is only covered for the benefits and for the amounts as shown on the Policy schedule until the applicable benefit expiry dates.

Optional benefits or increases in cover may be applied for, but our acceptance is subject to consideration of the life insured's personal circumstances including health, occupation and pastimes.

Cover is automatically increased in line with inflation each year under the Inflation protection benefit unless we are directed not to make these increases.

These Policy conditions for Zurich Protection Plus are set out in the following order:

- Death benefits
- Total and Permanent Disablement (TPD) benefits
- standard built-in benefits (which apply to Death benefits and TPD benefits)
- optional benefits.

Death benefits

Death benefit

The Death benefit amount is payable upon the death of a life insured covered for this benefit, while this policy is in force and prior to the applicable Death benefit expiry date. The Policy schedule shows the benefit expiry date applying to the Death benefit for the life insured (if applicable).

Terminal illness benefit

An advance payment of the Death benefit is payable if a life insured covered for the Death benefit is diagnosed as *terminally ill* while this policy is in force and prior to the applicable Death benefit expiry date.

Advancement for funeral expenses

While a claim for the Death benefit is being settled, we may advance up to \$15,000 of the benefit towards payment of funeral expenses. An application for payment of funeral expenses must include a copy of the death certificate and the funeral invoice.

Buy back death benefit (TPD)

If the life insured is covered for Death and TPD (as shown on the Policy schedule), the amount by which the Death benefit is reduced as a result of the payment of the TPD benefit is reinstated without any evidence of the life insured's personal circumstances, on the date 12 months after payment of the TPD benefit.

A Buy back death benefit opportunity can only be exercised before the *policy anniversary* following the life insured's 74th birthday and within 30 days of the applicable opportunity date. The Future insurability benefit does not apply to any repurchased Death benefit.

The *premium* applying to the Death cover repurchased will be based on our then current rates and the life insured's age, gender, smoking status and any premium loadings which applied to the Death cover which was reduced. Any exclusions which applied to the cover reduced will also apply to the cover repurchased.

A Buy back death benefit opportunity may be exercised by accepting our offer in writing.

Exclusions

No claim is paid if the life insured's death is caused directly or indirectly by an event or condition specified on the Policy schedule or by suicide within 13 months of:

- the Death benefit start date
- the benefit start date of any increase in the Death benefit applied for (but only in respect of the increase) or
- the latest reinstatement of the policy.

We will waive the suicide exclusion if, immediately prior to the commencement of this benefit, the life insured had death cover in force for at least 13 consecutive months (without lapsing and/or reinstatement) with us or another insurer, and we agreed to replace this cover. The waiver will only apply up to the amount that we agreed to replace.

Benefit adjustments

The Death benefit is reduced by the amount paid or advanced, under any of the following:

- Terminal illness benefit
- Advancement for funeral expenses
- TPD benefit.

The *premium* will be based on the reduced levels of cover from the next premium due date after payment of the relevant benefit.

Termination of the Death benefits

The benefits set out in this section of the policy terminate on the first to occur of:

- the payment of the total Death benefit amount
- the death of the life insured
- our receipt of written notification to terminate this benefit
- the Death benefit expiry date shown on the Policy schedule and
- termination of the policy (see the Termination of the policy clause on page 3).

Total and Permanent Disablement (TPD) benefits

TPD benefit

The TPD benefit amount is payable upon the *total and permanent disablement* of a life insured covered for this benefit. The life insured must suffer *total and permanent disablement* when this policy is in force and before the applicable benefit expiry date. The Policy schedule also shows the benefit expiry date applying to the TPD benefit.

However, from the *policy anniversary* following the life insured's 64th birthday:

- no benefit will be paid if the life insured meets paragraphs (b) or (c) of the definition of *total and permanent disablement* (on page 22), and
- the benefit amount is limited to a maximum of \$3,000,000.

If the life insured has been engaged in full-time domestic duties in his/her own residence for more than six consecutive months prior to the onset of the *sickness or injury* leading to *total and permanent disablement* then only paragraphs (a), (c) and (d) of the definition of *total and permanent disablement* (on page 22) apply.

The Policy schedule shows if the life insured is covered for TPD and, if so, the benefit amount.

Exclusions

No claim is paid if the life insured's *total and permanent disablement* is caused directly or indirectly by:

- an intentional self-inflicted act or attempted suicide, or
- any event or medical condition specified as an exclusion on the Policy schedule.

Double TPD benefit

If the life insured is covered for Double 'Any' occupation TPD (as shown on the Policy schedule) the amount by which the Death benefit is reduced as a result of the payment of the Double TPD benefit is reinstated if:

- the life insured survives for 14 days after the date the Double TPD benefit is paid and
- this occurs before the *policy anniversary* following the life insured's 64th birthday.

The *premium* in respect of the Death benefit amount reinstated is waived until the Death benefit expiry date.

On the *policy anniversary* following the life insured's 64th birthday, the Double TPD cover will automatically convert to standard TPD cover.

Benefit adjustments

The TPD benefit is reduced by any amount paid or advanced under the Terminal illness benefit.

The *premium* will be based on the reduced levels of cover from the next premium due date after payment of the relevant benefit. Where there is more than one TPD cover, where such a reduction applies, the reduction in cover will be proportional across all such TPD benefits.

Termination of the TPD benefits

The TPD cover terminates on the first to occur of:

- the payment of the total TPD benefit amount
- the death of the life insured
- our receipt of written notification to terminate this cover
- the TPD benefit expiry date shown on the Policy schedule
- termination of the policy (see the Termination of the policy clause on page 3).

Standard built-in benefits

The following benefits are built into the Zurich Protection Plus policy, regardless of the covers selected.

Future insurability benefit

Any Death benefit and/or TPD benefit may be increased up to the *policy anniversary* following the life insured's 54th birthday without our reassessment of his/her personal circumstances, as long as:

- we have not paid a benefit and there is no entitlement to a benefit under any Zurich policy in relation to the life insured
- we or any other life insurer have not waived or are not waiving, premiums in relation to the life insured.

The option can be exercised within 30 days of the *policy anniversary* following any of the events set out below, on the terms specified:

(a) If the life insured:

- marries
- divorces
- becomes a parent (whether through the birth or adoption of a child)
- becomes a full-time carer
- becomes a widow or widower (through the death of a *spouse*)

the benefit amount can be increased by a minimum of \$10,000 and a maximum of the lesser of:

- 25 per cent of the Death benefit or TPD benefit amount applying on the applicable benefit start date and
- \$200,000.

(b) If the life insured takes out for the first time or increases, his/her mortgage on his/her principal place of residence or if the life insured takes out a new investment property loan, the benefit amount can be increased by the lesser of:

- the amount of the new mortgage or investment property loan or the increase in the mortgage and
- 25 per cent of the Death benefit or TPD benefit amount applying on the applicable benefit start date and
- \$200,000.

- (c) If a dependent child of the life insured starts secondary school, the benefit amount can be increased by a minimum of \$10,000 and a maximum of the lesser of:
- 25 per cent of the Death benefit or TPD benefit amount applying on the applicable benefit start date and
 - \$200,000.
- (d) If the life insured experiences a significant increase in salary (minimum 15 per cent), the benefit amount can be increased by a minimum of \$10,000 and a maximum of the lesser of:
- 25 per cent of the Death benefit or TPD benefit amount applying on the applicable benefit start date and
 - \$200,000.

Restrictions

The accumulative sum of all increases under this benefit cannot exceed the lower of the benefit amount applying on the applicable benefit start date and \$1,000,000.

In any 12 month period increases are limited to 50 per cent of the cover amount applying on the applicable benefit start date.

The TPD benefit amount cannot be increased if the increase would cause our *maximum underwriting limit* to be exceeded.

We retain the right to confirm the life insured's occupation in relation to any increase in the TPD cover amount and eligibility and *premiums* in relation to the increased amount will be based on the life insured's occupation at the time of increase.

For the first six months after an increase under this benefit:

- any increased Death benefit amount is only payable in the event of the life insured's *accidental death*
- any increased TPD benefit amount is only payable in the event his/her *total and permanent disablement* is caused by an *accidental injury*.

The provisions of this benefit do not apply to any cover which is bought back or reinstated under another policy benefit or option.

Financial planning advice benefit

We will pay up to \$3,000 towards reimbursement of the cost of financial planning advice required as a result of a benefit paid under this policy. We may ask to see sufficient proof.

Inflation protection

The value of this insurance cover is protected against the impact of inflation by automatically increasing the benefit amounts each year.

This benefit applies to the Death benefit and the TPD benefit. It also applies to cover which is bought back under the Buy back death benefit. It does not apply to any Death benefit which is reinstated under the Double TPD option.

The benefit amount is increased on each *policy anniversary* by the greater of:

- 5 per cent and
- the percentage increase in the *consumer price index* published for the quarter ending immediately prior to three months before the *policy anniversary* over that published for the quarter ending 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 the *policy anniversary*.

Optional benefits

The Policy schedule shows the optional benefits applying under the policy and, if applicable, the benefit amount(s). The Policy schedule also shows the expiry date applying to each optional benefit. The 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.

Accidental death option

When the Accidental death benefit is payable

The Accidental death benefit amount is payable if a life insured covered for this benefit suffers *accidental death* which was sustained while both this benefit, and the policy, were in force.

Exclusions – Accidental death benefit

No claim is paid where the *injury* causing the life insured's *accidental death*:

- is the result of suicide or
- is the result of any event specified as an exclusion on the Policy schedule in relation to the life insured.

Termination of Accidental death option

The Accidental death option terminates on the first to occur of:

- the payment of the Accidental death benefit amount
- the death of the life insured
- our receipt of written notification to terminate this option
- the Accidental death benefit expiry date shown on the Policy schedule or
- termination of the policy (see the Termination of the policy clause on page 3).

Business future cover option

When the Business future cover option can be used

This benefit allows an increase to:

- the Death benefit (if applicable) prior to the life insured's 65th birthday or
- TPD benefit (if applicable) prior to the life insured's 60th birthday

without our reassessment of his/her personal circumstances, as long as:

- we have not paid a benefit and there is no entitlement to a benefit under this policy

- we or any other life insurer have not waived or are not waiving, premiums in relation to the life insured.

The option can only be exercised by the life insured once in any policy year within 30 days of the event which triggers the increase.

This option allows future increases in the Death benefit or TPD benefit to be applied for without the need to provide further health evidence and the trigger is based on the purpose of the policy (our basis of acceptance of the policy is shown on the Policy schedule).

Trigger events for an increase in cover

- If the policy is for loan/guarantor protection and if the *loan guarantee* increases.
- If the policy is for buy-sell and if the value of the life insured's interest in the *business* increases.

Restrictions and limitations

The maximum Death benefit amount up to which cover can be increased under this option is the lower of:

- three times the cover at the Death benefit start date or
- \$15,000,000.

The maximum TPD cover amount up to which cover can be increased under this option is the lower of:

- three times the cover at the TPD benefit start date or
- \$5,000,000.

We will not increase the Death benefit or TPD benefit amount under this option if the total amount of cover applying to that life insured for all policies from all sources (including any policies issued by other insurance companies) would exceed our *maximum underwriting limit* or would exceed (depending on the purpose of the policy):

- the *loan guarantee* or
- the value of the life insured's interest in the *business*.

If the Death benefit or TPD benefit amount was less than 100 per cent of the *loan guarantee* or the value of the life insured's interest in the *business* then the relevant cover amount can only be increased under this option to an equivalent percentage of the *loan guarantee* or the value of the life insured's interest in the *business* at the time of any application to increase cover.

The provisions of this option do not apply to any cover which is bought back or reinstated under another policy benefit or option.

Applying for an increase

The increase must be applied for within 30 days of the event which triggers the increase, and we must be provided with proof of the event which is satisfactory to us.

An application for an increase must be made by the life insured in writing and include appropriate evidence of the trigger event. Depending on the purpose of the policy, that will be:

- evidence of the *loan guarantee*, and any other contractual or financial evidence we may request, to satisfy us that the value of the life insured's financial interest is at least equal to the requested increased amount of cover
- a *valuation of the business* (as provided by an independent qualified accountant or business valuer), and any other contractual or financial evidence we may request, to satisfy us that the value of the life insured's interest in the *business* is at least equal to the requested increased amount of cover.

The valuation method used must be the same method of valuation used when the option is applied for and accepted.

The independent qualified accountant or business valuer cannot be the life insured's family member, business partner, employee or employer.

If an application is made to increase the Death benefit, the TPD benefit (if applicable) does not have to be increased at the same time. However, if an application is made to increase the TPD benefit amount then the Death benefit amount must be increased by at least the same amount at the same time. Any increase in the benefit must be approved by us.

Exclusions – Business future cover option

If the Business future cover option is not used in three consecutive policy years then further increases cannot be made under this option unless it can be demonstrated to our satisfaction that financial evidence relating to the *business* and the purpose identified, in respect of that period, did not support an increase in the cover.

Termination of the Business future cover option

The Business future cover option terminates on the first to occur of:

- the death of the life insured
- our receipt of written notification to terminate this option
- termination of the policy (see the Termination of the policy clause on page 3).

Zurich Income Replacement

These Policy conditions apply to Zurich Income Replacement.

The Policy schedule shows the life insured covered under the policy, the *level of cover* (standard or comprehensive), the *insured monthly benefit*, the *benefit period*, the *waiting period*, the premium structure and any optional benefits provided. The Policy schedule also shows the benefit expiry date applying to each insured benefit.

Optional benefits or increases in cover may be applied for, but our acceptance is subject to consideration of the life insured's personal circumstances including health, occupation and pastimes.

We increase the cover each year in line with inflation under the Inflation protection benefit unless we are directed not to make these offers.

The benefits provided by the Income Replacement policy are set out below. The benefits that apply to the 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 the Policy schedule is not listed under a benefit description, then that benefit does not apply to the policy.

Optional benefits are described in the Optional benefits section starting on page 16.

Income benefit

Level of cover: comprehensive

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

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:

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

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 the life insured is 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.

Confined to bed benefit

Level of cover: comprehensive

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 the life insured is eligible for this benefit. This benefit is only payable during the *waiting period* to a maximum of 180 days.

The Confined to bed benefit is 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

The Inflation protection benefit protects the value of the insurance cover against the impact of inflation.

Each *policy anniversary* prior to the life insured's 65th birthday, the *insured monthly benefit* will 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 the *policy anniversary*.

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

If the indexation increase would mean that the *insured monthly benefit* is greater than 75 per cent of the life insured's average monthly *pre-tax income* or if the life insured is not in *full-time paid employment*, the increase should be rejected to avoid paying an unnecessary *premium*.

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

Funeral benefit

Level of cover: standard/comprehensive

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*.

Other policy features, exclusions and conditions

Level of cover: standard/ comprehensive

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 donor 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*.

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 his/her 70th birthday if he/she is still working in paid employment for more than 30 hours per week. The application to us must be made 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 there is any entitlement to receive a benefit, or we are paying or have paid a benefit under the policy 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 and limitations apply if the age 70 *benefit period* is selected.

After the *policy anniversary* following the life insured's 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 <i>policy anniversary</i> 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

Involuntary unemployment

For all occupation categories, except Special Risk (SR), we will waive *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 the 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). The 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.

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 is payable directly to the trustee's superannuation fund.

The super contributions monthly benefit (or a proportion thereof) is payable at any time we are paying an *income benefit*, Confined to bed benefit or Day 4 accident benefit.

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*, 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.

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*.

Future insurability option

The Future insurability benefit allows the *insured monthly benefit* (and any super contributions monthly benefit) to be increased 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 paid 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 the 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, while we are paying the *income benefit*, 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. 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 *premium* 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 the policy.

Definitions

accidental death means the life insured dies as a result of sustaining bodily injury caused by accidental, violent, external and visible means where death occurs within three calendar months of the *injury* being sustained.

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 the life insured's 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.

direct family member means:

- the life insured's *spouse*
- the life insured's mother, father, mother-in-law, father-in-law or child.

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 the life insured's 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 the life insured, members of the life insured's 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 plus indexation increases (if any).

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

loan guarantee means the amount of a business loan which the life insured is personally responsible for in relation to the *business*.

loss of limbs or sight means the entire and irrevocable loss of use of two or more of the sight in one eye, and a hand or foot.

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 contacting 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 that were 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 you).

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 the 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 has been selected.

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

sickness means sickness or disease which first manifests itself after the policy begins, or a pre-existing sickness or disease disclosed to us in the application that we have not expressly excluded. Any sickness or disease that is the direct or indirect result of elective or donor transplant surgery within six months of the start or reinstatement of the policy is excluded.

specific loss means the entire and irrevocable loss of use of:

- a hand and sight in one eye
- a foot and sight in one eye
- sight in both eyes
- one hand and one foot
- both hands
- both feet.

spouse means the legal or de facto husband or wife who may be of the same gender as the life insured.

terminal illness / terminally ill means:

- the life insured has a medical condition which causes death and
- death is likely to occur within 12 months.

total and permanent disablement (TPD) means (a) (b) (c) or (d)

- (a) The life insured suffers a *specific loss*.
- (b) The life insured has been absent from active employment solely as a result of *sickness or injury* for an uninterrupted period of three consecutive months and solely as a result of this *sickness or injury* is unlikely to ever work (for reward or otherwise) in his/her profession, business or similar occupation or engage in any other occupation to which he/she is fitted by education, training and experience for the rest of his/her life.
- (c) The life insured has been unable to engage in any normal domestic duties because of *sickness or injury* for a continuous period of at least three months and we believe after consideration of medical and any other evidence that the life insured is incapacitated to such an extent that he/she is unlikely ever to be able to perform normal domestic duties or engage (for reward or otherwise) in any other occupation to which he/she is fitted by way of education, training and experience for the rest of his/her life.
- (d) The life insured as a result of *sickness or injury*:
- is permanently and totally unable to perform without physical help from someone else, at least two *activities of daily living* or
 - suffers cognitive impairment requiring permanent and constant supervision

and has been so disabled for the immediately preceding three calendar months and will continue to be so disabled into the future.

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.

value of the business or **valuation of the business**

means a valuation of the life insured's financial interest in the *business* based on the same method of valuation used when cover was applied for and accepted, as provided by an independent qualified accountant or business valuer.

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

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.

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

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 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

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