

Zurich Life Risk
Product Summary
Zurich Income Replacement
Insurance Plus



Zurich proudly
supports*



This is a summary only of the built-in and optional benefits available in Zurich Income Replacement Insurance Plus. Please read the Zurich Wealth Protection PDS for all terms and conditions, including relevant exclusions.

Built-in benefits

- Agreed Value Income benefits
- Inflation Protection
- Waiver of Premium benefit
- Rehabilitation benefits
- Funeral benefit
- Confined to Bed benefit
- Specified Injury benefit
- Special Care benefit
- Elective Surgery benefit
- Unemployment Waiver benefit
- Interim Cover

Optional benefits (for an additional premium)

- Increasing Claims option
- Superannuation Contributions option
- Lump Sum Accident option
- Family Care option
- Spouse Cover option
- Severe Disability option
- Day 4 Accident option
- Booster option
- Future Insurability option
- Trauma option
- Needlestick Cover option

Optional benefits (for a premium discount)

- Indemnity option
- Basic Cover option
- Mental Disorder Discount option

Built-in benefits

Income benefit – There are two types of Income Benefits “Agreed Value” and “Indemnity”. If “Indemnity” is chosen a premium discount will apply.

Qualifying for an Income benefit – 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 insured is unable to generate at least 80% of his/her Pre-Disability Income from personal exertion in his/her usual occupation; and
- The insured is required to be under the regular care of, and following the advice of, a Medical Practitioner.

If at the expiry of the Waiting Period the insured has no Post-Disability Income then:

- If the policy is Agreed Value cover, we will pay the Insured Monthly benefit
- If the policy is Indemnity cover we will pay the lesser of the Insured Monthly benefit and 75% of Pre-Disability Income.

Otherwise, the Income benefit we will pay after the expiry of the Waiting Period will be proportionate to the loss and calculated on a monthly basis using the following formula:

$$\frac{\text{Pre-Disability Income} - \text{Post-Disability Income}}{\text{Pre-Disability Income}} \times \text{Insured Monthly benefit}$$

If Indemnity cover was selected the benefit will be capped so that the amount we pay does not exceed 75% of the 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 insured from earning their Pre-Disability Income from personal exertion in their usual occupation
- The benefit period ends
- The policy ends
- The death of the insured
- The insured is no longer required to be under the regular care of a Medical Practitioner with regard to treatment for the Sickness or Injury
- The insured is not 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 their disability.

Waiver of Premium benefit – Zurich will waive or refund all premiums when any Income benefits or Specified Injury benefits are payable. If the claim form is lodged within



Zurich is proud to support the Heart Foundation as part of our commitment to being a life insurer that cares.

Zurich is actively working with clients and intermediaries on health issues, informing about risks and prevention of cardiovascular disease - the leading cause of death in Australia today.

The Heart Foundation partnership is one element of Zurich’s Corporate Responsibility program, key to our shared aspiration of being a good corporate citizen - a global Zurich value.

30 days, premiums paid in the Waiting Period are also refunded.

Inflation Protection – Zurich will offer to index the Insured Monthly benefit each year in line with inflation without further assessment of health.

Rehabilitation benefit

- **Workplace Modification** – If the insured's workplace needs modification for them to return to gainful employment, Zurich will reimburse up to three times the monthly Income benefit for expenses incurred in carrying out the modification
- **Rehabilitation Program** – If the insured takes part in a rehabilitation program, Zurich will provide an additional 50% of the monthly Income benefit each month towards the expenses of the rehabilitation program for a maximum of 12 months
- **Rehabilitation Costs** – Zurich will pay up to twelve times the monthly Income benefit to cover the expenses of rehabilitation (expenses must be approved in advance).

Funeral benefit – Three times the Insured Monthly benefit will be paid if the insured dies while the policy is in force.

Confined to Bed benefit – If the insured is confined to bed because of sickness or injury for more than two days in a row and during that period requires the full time care of a nurse or personal attendant, Zurich will pay one thirtieth of the monthly benefit from the third day onwards during the waiting period, to a maximum of 180 days.

Specified Injury benefit – The waiting period is waived and the benefit is paid immediately and for a guaranteed period if the insured suffers from a Specified Injury (regardless of whether or not a consequent loss of income results). The benefit covers specific conditions and injuries.

Special Care benefit – This includes four benefits which may be payable after the end of the waiting period, if an Income benefit is being paid, the benefits cover the situations:

- If a Direct Family Member has to give up work to look after the insured because of the insured's sickness or injury.
- If the insured is confined to bed or to his/her house and dependent on home assistance or nursing care.

- If a Direct Family Member has to stay 100 kilometres or more away from home to be with the insured because of the insured's sickness or injury.
- If the insured's sickness or injury occurs while the insured is overseas and the insured chooses to return to Australia.

Elective Surgery benefit – Once the policy has been in force for six consecutive months, if the insured suffers a loss of income due to donor transplant or elective surgery, Zurich will deem the disability to be due to sickness and the Income benefit will be payable.

Unemployment Waiver benefit – If the insured is involuntarily unemployed Zurich will waive the premiums for up to three months during the life of the policy provided the insured registers with an approved employment agency. The policy must first have been in place for at least 12 months.

Interim Cover – While Zurich is assessing the application, we will provide interim cover for up to 90 days against accidental injury which results in the insured being unable to work and earn any income. This interim cover is not available where the insured chooses a waiting period of more than 60 days.

Optional benefits (for an additional premium)

Increasing Claims option – The insured can choose to have the Income benefit increased quarterly to keep up with CPI while on claim.

Superannuation Contributions option – Zurich will cover up to 100% of the insured's superannuation contributions should they qualify for an Income benefit, Specified Injury benefit, Confined to Bed benefit or Day 4 Accident benefit.

Lump Sum Accident option – A lump sum is payable if the insured is involved in an accident which causes their death or a listed injury within 180 days of the accident and before the policy anniversary following the insured's 65th birthday or the benefit expiry date (whichever is earliest).

Family Care option – Under this option, if the insured is receiving an Income benefit and dies before their policy expiry, Zurich will continue to pay the spouse an Income benefit for up to five years after the insured's death.

Spouse Cover option – Under this option, Zurich will pay the insured a benefit towards the cost of domestic assistance and child care if the insured's spouse is disabled. A comprehensive rehabilitation package is also included for the spouse's rehabilitation.

Severe Disability option – If the insured has been unable to do two of the five Activities of Daily Living for at least three months Zurich will increase the monthly benefit payable by one third while the condition continues.

Day 4 Accident option (with waiting periods of 30 days or less) – If the insured is disabled due to an Accidental Injury for more than three consecutive days then benefits will be paid during the waiting period on a daily basis (one thirtieth of the monthly benefit).

Booster option – An additional one third of the Income benefit will be paid for the first 30 days of claim if we are paying the maximum benefit available under the policy.

Future Insurability option – The insured can increase the Insured Monthly benefit by 20% every third policy anniversary up to age 55 without further underwriting (provided they have not claimed in the previous six months) but subject to cover not exceeding 75% of income.

Trauma option – If the insured suffers a specified trauma and is disabled as a result Zurich will double the Income benefit payable for up to six months. If the insured dies the Funeral benefit will also be doubled.

Needlestick Cover option – For an additional premium your eligible clients can receive a lump sum of up to \$400,000 (multiples of \$50,000 only) if they occupationally acquire HIV, Hep B or Hep C.

Optional benefits (for a premium discount)

Indemnity option – This option limits the insured's Income benefits to 75% of their Pre-Disability Income over the 12 months immediately before claim.

Basic Cover option – This option provides a more restricted benefit (14 days of total disability before any partial benefit is payable). The Confined to Bed and Special Care benefits are also excluded from the policy.

Mental Disorder Discount option – This option excludes mental disorders from the policy.

Other product features

Concurrent Disability – If more than one separate and distinct Sickness or Injury results in a disability, payments will be based on the policy condition that provides the highest benefit.

Recurrent Disability – If disability recurs within 12 months of the insured returning to work, a further waiting period will not apply. Zurich will start paying an Income benefit again immediately.

Offsets/Post-Disability Income – The maximum Income benefit payable is the Insured Monthly benefit less any Post-Disability Income earned as a result of the insured's personal exertion within that month and other payments received as a result of the insured's sickness or injury such as payments from other disability policies that were not disclosed to Zurich, and workers compensation. TPD and Trauma benefits are not offset. **A reduction will not be made to Income benefits in the first 3 months if up to 10% of Pre-Disability Income is earned.**

Pre-Disability Income definition: – If the insured selects "Agreed Value" cover, their monthly Pre-Disability Income is the highest of their average Monthly Pre-Tax Income during any consecutive 12 months in the period starting 12 months immediately prior to commencement of the policy and ending when the waiting period begins.

If the insured selects "Indemnity" cover, their monthly Pre-Disability Income is their Average Monthly Pre-Tax Income during the 12 months immediately prior to the onset of their Sickness or Injury.

Worldwide Cover – If the insured is outside Australia during a claim the insured must undergo an annual medical in Australia, or in another country, by a doctor nominated or approved by Zurich, every 12 months for the claim to continue.

Exclusions – Zurich will not pay an Income benefit if loss of income is the result of:

- intentional self-inflicted act
- attempted suicide
- uncomplicated pregnancy or child birth
- an act of war (whether declared or not)
- any event or medical condition expressly excluded in the Policy Schedule.

Product parameters

Entry age

19 – 59 (maximum entry age is 48 for benefits to age 55, and 53 for benefits to age 60)

Cease age

55, 60 or 65

Waiting periods

- 14, 30, 60, 90 days
- 1 or 2 years
- any nominated number of days between 14 – 90.

The insured can return to full earning capacity for up to five consecutive days during the waiting period without the waiting period starting again. These days are added to the waiting period.

Split waiting periods are also available.

Benefit periods

- one year, or
- two years, or
- five years, or

to the policy anniversary following the insured's:

- 55th birthday, or
- 60th birthday, or
- 65th birthday.

Minimum cover

Minimum cover is \$1,500 per month (ie income of \$24,000 pa), subject to a minimum premium of \$200 per year.

Maximum underwriting limits

75% of first \$250,000 pa of salary, 50% of the next \$150,000 and 25% of the remainder.

Annual management fee

\$74.96 p.a. (increases 1 April each year with CPI)

Financial Requirements

Agreed value:

Where the sum insured is in excess of the amounts shown in the table below full financials are required. Full financials include the following:

- Detailed profit and loss statements
- Balance sheets
- Business and personal income tax returns for the last two years (including notice of assessments) for all business entities.
- Employees need to note if tax returns do not confirm salary, confirmation from the employer will be required.

| Occupation class | Insured Monthly Benefit |
|------------------|-------------------------|
| A1 | \$12,500 |
| A1M | \$12,500 |
| A2 | \$10,000 |
| A3 | \$ 8,000 |
| B1 | \$ 5,000 |
| B2 | \$ 4,000 |
| B3 | \$ 4,000 |
| SRD | \$ 3,000 |

Income Replacement Medical Requirements

| Age next birthday | Bloods | PMAR | Paramedical/ Medical examination GP | Specialist medical examination, resting ECG, FBC and micro-urinalysis | Exercise ECG |
|-------------------|---------|----------|-------------------------------------|---|--------------|
| Up to 40 | \$7,001 | \$12,001 | \$15,001 | \$20,001 | \$25,001 |
| 41 – 50 | \$7,001 | \$10,001 | \$15,001 | \$20,001 | \$20,001 |
| 51 – 55 | \$6,001 | \$ 7,501 | \$10,001 | \$20,001 | \$20,001 |
| 56 – 60 | \$6,001 | \$ 5,001 | \$7,501 | \$20,001 | \$20,001 |

For more information please contact your Zurich Business Development Manager on 1800 252 650

Financial Requirements

The financial evidence required is dependent on a person's type of employment, as follows:

| Employment | Requirement |
|------------------------------------|--|
| Employee | <ul style="list-style-type: none"> personal income tax returns (last 2 years) notice of assessments (last 2 years) <p>Note: if tax returns do not confirm salary, confirmation from the employer will be required, showing the breakdown of the package eg. superannuation, commission & allowances.</p> |
| Employee/Owner/Partner own company | <ul style="list-style-type: none"> personal income tax returns (last 2 years) notice of assessments (last 2 years) business tax returns including profit and loss statements and balance sheets for all business entities (last 2 years) |
| Self-employed or Sole Trader | <ul style="list-style-type: none"> personal income tax returns (last 2 years) including profit and loss statements and balance sheets notice of assessments (last 2 years) |

No mandatory financial evidence is required for indemnity policies applied for which are \$15,000 or below monthly benefit. However, Underwriting may request additional financial information if deemed necessary.

Note

If considered necessary, financial details can be sought at Underwriting and/or claim time for any level of benefit for both agreed value and indemnity policies, unless an Agreed Value Income Replacement Insurance Financial Endorsement applies.

Monthly benefits exceeding \$15,000

Where the sum insured exceeds \$15,000 for agreed value and indemnity policies, full financial evidence is required, with the additional requirement of a financial questionnaire verified by the Adviser (include details of assets, liabilities & investment income).

Important information

* WA Taylor 2007 Intermediaries Study – a Study into the Life Insurance Industry In Australia.

† Zurich proudly supports the Heart Foundation as part of our commitment to being a life insurer that cares. The Heart Foundation does not endorse this product.

This publication is dated 1 April 2008 and is of a general nature and does not take into account your personal objectives, situation or needs. This information is a summary only and there are relevant exclusions and conditions that you should consider before making a decision about the product. You should refer to the Zurich Wealth Protection Product Disclosure Statement (PDS) dated 1 April 2008 for further information or to apply for any of the products in the PDS. Zurich Australia Limited ABN 92 000 010 195 AFSLN 232510 and Zurich Australian Superannuation Pty Limited ABN 78 000 880 553 AFSLN 232500 are the issuers of Zurich Wealth Protection. You should consult your financial adviser for financial advice about the products offered in Zurich Wealth Protection.

Because change happenz™



Zurich is proud to support football as an Official Partner of the Hyundai A-League

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