

Zurich Life Risk

Underwriting Improvements

Insert to Zurich Underwriting Guide
Effective 19 October 2009

This insert replaces pages 8, 19, 31 and 129 of the current Zurich Underwriting Guide, Preparation Date: 1 April 2009.

Financial Requirements

The following limits apply, provided that the cover is not excessive relative to your client's annual salary. Requirements will be based on the total industry cover.

revised wording	Death and TPD	Up to \$2,500,000	None
		\$2,500,001 – \$3,000,000	<p>Occupation groups 1 and 2: Nil</p> <p>Occupation groups 3 and 4: Confidential Financial Questionnaire signed by Life Insured and verified by adviser.</p>
		\$3,000,001 – \$5,000,000	<p>Personal cover – Confidential Financial Questionnaire signed by Life Insured and verified by adviser.</p> <p>Business cover – Confidential Financial Questionnaire signed by Life Insured and verified by adviser – plus: Last 2 years personal income tax returns and last 2 years business tax returns, balance sheets, profit and loss statements for all business entities.</p>
\$5,000,001 +		<p>Confidential Financial Questionnaire signed by Life Insured and verified by accountant – plus: Last 2 years personal income tax returns and if applicable, last 2 years business tax returns, balance sheets and profit and loss statements for all business entities.</p>	
revised wording	Trauma	Up to \$1,000,000	None
		\$1,000,001 – \$1,500,000	<p>Occupation groups 1 and 2: Nil</p> <p>Occupation groups 3 and 4: Confidential Financial Questionnaire signed by Life Insured and verified by adviser.</p>
		\$1,500,001 – \$2,000,000	<p>Confidential Financial Questionnaire signed by Life Insured and verified by adviser – plus: Personal cover – Last 2 years personal income tax returns and if applicable, last 2 years business tax returns, balance sheets, profit and loss statements for all business entities. Business cover – Last 2 years personal income tax returns, last 2 years business tax returns, balance sheets, profit and loss statements for all business entities.</p>

Please note that we require the accountant to verify the Confidential Financial Questionnaire when the sum insured applied for exceeds \$5 million.

Interim Cover

While your client's Application is being considered, we will provide interim cover against accidental death, disability or injury depending on the cover applied for. This cover is different to the principal insurance being applied for, and is subject to terms and conditions outlined in the Wealth Protection PDS.

Cover will begin for the applicant from the date the completed Application is signed, provided it is received by Zurich within 10 days of this date, along with the initial premium (based on the LifeXpress quote) or a completed payment authority.

This cover is not available if the applicant is applying for similar insurance with another company or if insurance is intended to replace a similar policy. This cover is also not available if the applicant has ever withdrawn a similar Application for insurance or had a similar Application denied, deferred or postponed.

No benefit will be paid under interim cover if the event leading to the claim occurs while the applicant is outside of Australia.

The cover is valid until:

- the applicant withdraws the Application
- Zurich approves, declines or withdraws the Application
- Zurich advises the applicant and/or Adviser in writing
- 4.00 pm on the 90th day after the date the applicant applied for the cover.

For full details refer to Part 1 of the PDS.

Takeover Terms

Key features of takeover terms

Zurich will consider simplified takeover terms for insurance policies up to the following limits:

Cover	Maximum sum insured
Death	\$3,000,000
Total and Permanent Disablement	\$2,000,000
Trauma cover	\$1,000,000
Income Replacement	\$10,000 per month
Business Expenses	\$10,000 per month

Limitations

- benefits applied for are the same as those being taken over (including, where applicable, that waiting periods are the same or longer and benefit periods are the same or shorter)
- the policy being replaced is a 'like for like' contract, including features, benefits and whether the policy is agreed value or indemnity
- the policy being taken over must have been fully underwritten in the last 5 years for Term, TPD and Trauma or in the last 3 years for Income Replacement and Business Expenses i.e. not already issued under takeover terms. Consideration will be given to Income Replacement and Business Expenses fully underwritten in the last 5 years, but a PMAR will be required.
- the policy being taken over was previously accepted at standard rates and at the time of application your client is a medically standard risk

revised wording

Underwriting Guidelines

<p>Minimum Cover</p>	<p>Zurich Income Replacement Insurance Plus \$1,500 per month (ie. salary of \$24,000 pa), subject to minimum premium of \$200 per year (excluding management fee and government charges).</p> <p>Zurich Special Risk Income Replacement Insurance Plus \$1,500 per month (ie. salary of \$24,000 pa), subject to minimum premium of \$200 per year (excluding management fee and government charges).</p> <p>Zurich Business Expenses Insurance Plus Subject to a minimum premium of \$200 per year (excluding management fee and government charges).</p>
<p>Maximum Cover</p>	<p>Zurich Income Replacement Insurance Plus 75% of first \$320,000 pa of salary + 50% of the next \$240,000 (ie. max \$30,000pm benefit).</p> <p>Any unearned income may be offset.</p> <p>If the Superannuation Contributions option is selected 100% of your client's superannuation contributions can be insured subject to a 15% cap.</p> <p>Zurich Special Risk Income Replacement Insurance Plus 75% of salary with maximum of \$10,000 per month (ie. salary of \$160,000 pa).</p> <p>Zurich Business Expenses Insurance Plus 100% of eligible business expenses.</p>

revised wording

Income Replacement Insurance for Medical, Legal, Accounting and Actuarial Graduates

These graduates with appropriate degree (eg. LLB/MBBS), can apply for Income Replacement Insurance provided that they have graduated in the last 12 months and they have been employed for at least 2–3 months prior to the proposal date.

Graduates fitting this criteria are eligible to apply for Agreed Value Income Replacement Insurance up to \$6,500 per month without financial evidence.

Alteration	Requirements
Review medical loading/ exclusion	A letter from the policy owner requesting the review and a fully completed Life Insured Statement.
Review of occupational or activity based loading/exclusion	A letter from the policy owner requesting the review. Contact Underwriting for any further requirements.
Ordinary Business to Superannuation	A new Application is required.
Superannuation to Ordinary Business	Conversion of Cover Application Form.
Zurich Protection Plus to Zurich Select Term Plus	A new Application is required.
Exercise Future insurability benefit	Completion of the Application to Exercise the Future Insurability Benefit Form is required.
Exercise Future Insurability Option (Income Replacement)	A letter from the policy owner and a new Application is required.
revised wording Stepped to Level and Level to Stepped	A letter from the policy owner and a new quote is required
Agreed Value to Indemnity contract	A new Application is required (a new policy will be set up).
Indemnity to Agreed Value contract	A new Application including Life Insured's Statement and financial evidence may be required.
Add Basic Cover option to policy	A new Application is required.
Add optional extra to policy (includes Trauma Reinstatement and Top-Up options)	A new Application including Life Insured's Statement is required.
Add Child Cover option to policy	A new Application is required.

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