

Zurich Life Risk
Underwriting Improvements

Insert to Zurich Underwriting Guide
Effective 27 September 2010

This insert replaces pages 19, 20, 21, 32, 33, 129 and certain sections of pages 39-103 of the current Zurich Underwriting Guide, Preparation Date: 1 March 2010.

A new section "Related policies" has been included at the end of this document.

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.

Death and TPD	Up to \$2,500,000	None	REVISED
	\$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 Death cover – Confidential financial questionnaire signed by life insured and verified by adviser.</p> <p>TPD cover – Confidential financial questionnaire signed by life insured and verified by adviser – plus: 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.*</p> <p>Business cover (Death and TPD 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>	
Trauma	Up to \$1,000,000	None	REVISED
	\$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 – 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>	
	\$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.

* Depending on the sum insured and reason for cover (eg. loan), other requirements may be requested.

Medical requirements

Medical requirements are needed when the amount at risk with Zurich is **at or above** the amounts shown in the table below (see over for additional medical requirements for sums insured exceeding \$10m).

Medical limits – Death & TPD									
Age next birthday	Bloods*	Express Exam	Paramedical/ GP Medical examination	Resting ECG	PMAR	FBC and MSU# (see TPD note below)	Exercise ECG	PSA (males only) Breast Exam or result of current mammogram within 6 months (females only)	
Up to 40	\$2,500,001	N/A	\$2,500,001	\$2,500,001	\$2,500,001	\$5,000,001	\$5,000,001	N/R	
41 – 45	\$2,500,001	N/A	\$2,500,001	\$2,500,001	\$2,500,001	\$5,000,001	\$5,000,001	\$5,000,001	
46 – 50	\$1,500,001	\$1,500,001	\$2,000,001	\$2,000,001	\$2,000,001	\$5,000,001	\$5,000,001	\$5,000,001	
51 – 55	\$1,000,001	\$1,000,001	\$1,500,001	\$1,500,001	\$2,000,001	\$2,500,001	\$5,000,001	\$5,000,001	
56 – 60	\$750,001	\$750,001	\$1,000,001	\$1,000,001	\$1,500,001	\$2,500,001	\$5,000,001	\$2,500,001	
61 – 65	\$500,001	N/A	\$500,001	\$750,001	\$1,000,001	\$2,000,001	\$5,000,001	\$2,000,001	
66 – 70	\$350,001	N/A	\$250,001	\$500,001	\$750,001	\$2,000,001	\$5,000,001	\$2,000,001	
Medical limits – Trauma									
Age next birthday	Bloods*	Paramedical/ GP Medical examination	Resting ECG and FBC	PMAR	MSU	Exercise ECG	PSA (males only)	Breast Exam or result of current mammogram within 6 months (females only)	
Up to 40	\$1,000,001	\$1,000,001	\$1,000,001	\$1,000,001	\$1,500,001	\$1,500,001	N/R	\$1,500,001	
41 – 50	\$1,000,001	\$1,000,001	\$1,000,001	\$1,000,001	\$1,500,001	\$1,500,001	\$1,500,001	\$1,500,001	
51 – 60	\$500,001	\$750,001	\$750,001	\$750,001	\$1,000,001	\$1,000,001	\$1,000,001	\$1,000,001	

* Note that 'Bloods' include HIV, Hepatitis B and C and Fasting MBA20 (including HDL/LDL Cholesterol tests).

FBC and MSU will always be required for TPD sums insured exceeding \$3m.

High sums insured

Where the Death cover exceeds \$10m, PSA (for males) and breast examination or result of current mammogram within 6 months (for females) are mandatory requirements in addition to the medical requirements set out on the previous page.

Where the TPD cover exceeds \$3m, FBC and MSU are mandatory requirements in addition to the medical requirements set out on the previous page.

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For large sums insured we encourage contact to be made with your BDM and/or Regional Underwriter to discuss details including the purpose of cover, proposed sum insured and the profile of your client so that we can provide a list of requirements upfront where possible.

Financial requirements

Financial evidence is required for agreed value policies when the monthly benefit applied for or total industry cover exceeds:

Occupation class	Insured monthly benefit
A1M	\$15,000
A1	\$12,500
A2	\$10,000
A3	\$8,000
B1	\$5,000
B2 & B3	\$4,000
SRD	\$3,000

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)

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).

No mandatory financial evidence is required for indemnity policies applied for under \$15,000 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 financial endorsement applies.

Medical requirements

Medical requirements are needed when the amount at risk with Zurich is **at or above** the amounts shown in the table below.

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Medical limits					
Age next birthday	Bloods*	Express Exam	PMAR	Paramedical / GP Medical examination	Resting ECG, FBC and MSU
Up to 40	\$10,001	\$12,001	\$15,001	\$20,001	\$20,001
41 – 50	\$10,001	\$12,001	\$15,001	\$20,001	\$20,001
51 – 55	\$7,501	\$10,001	\$10,001	\$20,001	\$20,001
56 – 60	\$6,001	\$7,501	\$7,501	\$20,001	\$20,001

*Note that 'Bloods' include HIV, Hepatitis B and C and Fasting MBA20 (including HDL/LDL Cholesterol tests).

Occupation	IRI	TPD	T/T
Account executive – managerial & office only, min. 3 years in role, min. net earned income \$100,000	A2	2	STD
Account executive – managerial & office only, other	A3	2	STD
Advertising executive – degree qualified, office only, min. 2 years in role	A2	2	STD
Advertising executive – other	A3	2	STD
Bank/Building society/Credit union – Executive, relevant uni. Degree	A2	2	STD
Bank/Building society/Credit union – Manager, min. 3 years in role, min. earned income \$100,000	A2	2	STD
Bank/Building society/Credit union – Manager, other	A3	2	STD
Biologist – marine, laboratory work only	A2	2	STD
Biologist – marine, other	UI	U	STD
Call centre manager, office based, min. 3 years in role, min. net earned income \$100,000	A2	2	STD
Call centre manager – other	A3	2	STD
Chemist shop – pharmacist, degree qualified	A1	1	STD
Chief Executive Officer – office only, degree qlf'd, min. 2 years, min. net earned income \$120,000	A1	1	STD
Engineer – degree qualified, strictly office duties only, no inspections	A2	2	STD
Engineer – degree qualified, office duties, minimal site inspections, no manual work	A3	2	STD
Executive – office only, no hazards, min. 2 years in role, min. net earned income \$80,000	A2	2	STD
Insurance – agent/broker (minimum 3 years experience, qualified & min. net earned income \$80,000)	A2	2	STD
Manager – 100% office based, min. 3 years in current role, min. net earned income \$100,000	A2	2	STD
Manager – 100% office based, less than 3 years current role, net earned income less than \$100,000	A3	2	STD
Pharmacist, degree qualified – retail/hospital	A1	1	STD
Senior Executive – office only, min. 2 years, relevant uni. degree, min. net earned income \$120,000	A1	1	STD

The **following occupations have been replaced** by those in the table on the previous page and will no longer be used:

Occupation	IRI	TPD	T/T
Account Executive (managerial)	A3	2	STD
Advertising executive – minimum 5 years experience, tertiary qualified	A2	2	STD
Bank/Building society/Credit union – senior manager (qualified with appropriate degree)	A2	2	STD
Bank/Building society/Credit union – senior manager (other)	A3	2	STD
Biologist – marine	A2	2	STD
Call centre manager	A3	2	STD
Chemist shop – pharmacist	A1	1	STD
Pharmacist – retail/hospital	A1	1	STD
Engineer – consultant/office inspection only (degree qualified)	A1	1	STD
Engineer – degree qualified (no manual work)	A2	2	STD
Manager – admin only (non hazardous)	A3	2	STD
Manager – director/supervisor of office staff (office only, non hazardous)	A3	2	STD

	Alteration	Requirements
NEW	Relating policies (one or more existing policies)	Request to relate existing policy/ies form and a quote.
	Review medical loading/exclusion	A letter from the policy owner requesting the review and a fully completed Life Insured's 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	Stepped to level and level to stepped	A letter from the policy owner and a new quote is required.
	Indemnity to agreed value contract	If within 12 months of policy issue, a letter from the life insured and the policy owner requesting a change from indemnity to agreed value, a new quote, a new application plus sections 2, 4, 6, 7 and the Declaration in the Life Insured's Statement. Financial evidence may be required. If over 12 months since policy issue, then the above plus a Declaration of health.
	Agreed value to indemnity contract	A letter from the life insured and the policy owner requesting a change from agreed value to indemnity and a new quote.
	Add Basic cover option to policy	A new application is required.
	Add optional extra to policy (includes Trauma reinstatement & Top-up options)	A new application including Life Insured's Statement is required.
	Add Insured child option to policy	Insured child option application form.
	Conversion of Insured child option to a trauma policy	A letter from the policy owner, a new application and a quote are required.

(continued next page)

Related policies

What they are, and how to apply

Introduction

Zurich will now offer the ability to link covers inside and outside of super, providing a new level of flexibility to reduce cost and meet client needs.

To do this, a relationship will be established between a superannuation Term Life Plus (Super Term) policy and a Protection Plus policy.

Available cover combinations

The only core covers available as part of a related Super Term policy are:

- Death cover (compulsory)
- Any occupation TPD cover (optional)*

The only core covers available as part of a related Protection Plus policy are:

- Own occupation TPD cover (optional)*
- Trauma cover – Extended or Basic (optional)

* TPD can only be part of one policy (not both)

Each life insured can have one related set of policies, ie. one Super Term policy related to one Protection Plus policy.

The life insured on each policy must be the same. The only time more than one life is permitted on either policy is if the Insured child option is included in the Protection Plus policy.

Only the following combinations are available:

Related policies	
Superannuation Term Life Plus (Super Term) Death cover	Protection Plus Own occupation TPD (linked) and/or Trauma cover (linked)

or

Related policies	
Superannuation Term Life Plus (Super Term) Death cover & Any occupation TPD (linked)	Protection Plus Trauma cover (linked)

One Management fee will be payable when two related policies are set up, in line with the normal Management fee allocation rule of one fee per life.

Extra-cost options

The full range of extra-cost policy options are available with each policy, as set out in the Zurich Wealth Protection PDS.

For example, related policies can include the Buy back TPD option (to buy back TPD cover after a Trauma claim), even though the TPD and Trauma covers are in different policies.

Limitations and restrictions

Because the two policies will be related to each other, the following rules will ensure that the policies continue to match up over time:

- linked TPD and/or Trauma cover cannot exceed Death cover at any time.
- both policies must be set up with or without indexation.
- both policies will be set up with the same commencement date. If one policy is ready to issue, but the other is still being underwritten, we will hold the second policy so that they can be issued together. This will ensure the billing dates match and the renewal notices are aligned.
- one payor must be nominated for both policies, and payment frequency must be the same (preferably one direct debit for the two policies).
- all linked covers must be on the same basis (stepped or level) ie. you cannot have stepped Death cover and level TPD cover if the two are to be linked.
- if the Super Term policy ends, the related policy will also end. However, if the Protection Plus policy ends, the related Super Term policy may continue (see “If one related policy ends” on the next page).

How to apply

The LifeXpress quote will allow two new policies to be set up as related policies using the ‘related policy’ check box.

LifeXpress will then quote the two policies with all benefits linked.

Loyalty discounts

- multi-life discounts will apply as normal
- multi-policy discounts will not apply if the only policies taken are related Super Term and Protection Plus, but will apply as normal (to all three policies) once a third policy is added.

Commission

There is no restriction on available commission options for related policies. Commission will be paid on both policies at the same time (when they both complete with the same commencement date).

If one related policy ends

If a related Protection Plus policy ends:

The Super Term policy may continue. Any linked TPD on the Super Term policy will be recalculated to reflect the fact that it is no longer linked to Trauma on the related Protection Plus policy.

If a related Super Term policy ends

(eg. if the life insured is no longer eligible to contribute to super, and cannot keep a Super Term policy):
The Death and/or TPD cover can be transferred to the Protection Plus policy. The **Conversion of cover application** form must be used to make this change (as per any other request to move from Super Term to Protection Plus).

Presentation to policy owners

Two separate Zurich policies will be issued, and each will generate its own documentation:

- Policy schedule – will show the name and policy number of the other policy.
- Annual Renewal advice/Cover increase advice – will remind policy owners of the related status of each policy.
- My Zurich – will indicate if any policy is a related policy.

Presentation to advisers

The two policies are separate for the purpose of all adviser communications (including Commission statements and Risk Business Listing reports).

Evidence of policies being related will be available via the Zurich Document Archive, where policy owner documentation (including Policy schedules) is available for viewing. In addition, related status (if applicable) will appear on Adviser Assist, the Certificate of Currency and Client Transaction Records.

Existing policies

It is possible to:

- relate two existing policies
- relate one new and one existing policy

provided the two policies which are to be related will meet all of the eligibility rules (eg. same premium structure, appropriate cover combinations, same life insured). If any of these parameters of an existing policy need to change, this must be done before the request to relate the policies is submitted.

A new ***Request to relate existing policy/ies*** form must be used to relate the two policies. The form must be accompanied by a LifeXpress quote, to link all the covers up correctly. If any portion of the existing policy was written prior to April 2009, the premium rates will only be indicative.

More information

More information can be found in the Zurich Wealth Protection Supplementary PDS, dated 27 September 2010. The Conversion of cover application form and the Request to relate existing policy/ies form can be found on Adviser Assist.

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