

# Zurich Life Risk Adviser guide

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# Section 1

## Contact details

Who do I contact?

# Contact details

Contact list	
<p><b>Claims:</b></p> <p>The Claims team will be able to assist you when reporting a claim. Once the claim is reported to this team, the appropriate paperwork will be sent. Once the paperwork is returned a claims specialist will be nominated to look after the processing.</p>	<p><b>Phone:</b> 1800 500 655</p> <p><b>Fax:</b> 02 9995 3732</p> <p><b>Email:</b> <a href="mailto:life.claims@zurich.com.au">life.claims@zurich.com.au</a></p>
<p><b>Adviser Services:</b></p> <p>The Adviser Services team will be able to support you with all your general enquiries.</p>	<p><b>Phone:</b> 1800 500 655</p> <p><b>Fax:</b> 02 9995 3797</p> <p><b>Email:</b> <a href="mailto:adviser.service@zurich.com.au">adviser.service@zurich.com.au</a></p>
<p><b>Stationery requests:</b></p> <p>For all stationery orders, including PDSs, forms, and marketing material, go to the Adviser Assist website. To register, log on to <a href="http://www.zurich.com.au">www.zurich.com.au</a>.</p>	<p><a href="http://www.zurich.com.au">www.zurich.com.au</a></p>
<p><b>Adviser Administration:</b></p> <p>The Adviser Administration team can assist you with all your commission and agency enquiries.</p>	<p><b>Phone:</b> 02 9995 3634</p> <p><b>Fax:</b> 02 9995 1755</p> <p><b>Email:</b> <a href="mailto:adviser.admin@zurich.com.au">adviser.admin@zurich.com.au</a></p>
<p><b>Adviser Assist:</b></p> <p>Use the Zurich online functions to keep up to date with your clients. They include:</p> <ul style="list-style-type: none"><li>• Application tracking</li><li>• Renewal and lapse/cancellation tracking</li><li>• Electronic document archive.</li></ul> <p>Refer to the Policy maintenance and administration section for more information.</p>	<p><a href="http://www.zurich.com.au">www.zurich.com.au</a></p>

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## Contact list

### Underwriting Team:

Queries related to progress of applications

**Phone:** 1800 244 306

**Fax:** 02 9995 3822

**Adviser Assist:**

[www.zurich.com.au](http://www.zurich.com.au)

### Where to send new business and outstanding requirements

You can provide by email, fax or post

**Fax:** 02 9995 3822

**Email:** [life.newbusiness@zurich.com.au](mailto:life.newbusiness@zurich.com.au)

**Mail:** Underwriting/New Business  
Locked Bag 994  
North Sydney NSW 2059

### Underwriting pre-assessment service

For further information on this service, refer to page 7

**Phone:** 1800 244 306

**Email:** [life.preassessments@zurich.com.au](mailto:life.preassessments@zurich.com.au)

### Tele-underwriting service

For further information on this service, refer to page 8

**Phone:** 1800 501 608

**Fax:** 02 9995 3655

**Email:** [life.tele@zurich.com.au](mailto:life.tele@zurich.com.au)

## Branch contacts

### NSW

**Location:** Level 7, 5 Blue Street North Sydney NSW 2060  
**Phone:** 1800 252 650  
**Fax:** 02 9995 1375  
**Email:** [lifesales.nsw@zurich.com.au](mailto:lifesales.nsw@zurich.com.au)

### VIC / TAS

**Location:** Level 10, 505 Little Collins Street Melbourne VIC 3000  
**Phone:** 1800 252 650  
**Fax:** 03 9940 6455  
**Email:** [lifesales.vic@zurich.com.au](mailto:lifesales.vic@zurich.com.au)

### QLD

**Location:** Level 15, 150 Charlotte Street Brisbane QLD 4000  
**Phone:** 1800 252 650  
**Fax:** 07 3839 6669  
**Email:** [lifesales.qld@zurich.com.au](mailto:lifesales.qld@zurich.com.au)

### SA

**Location:** Level 1, 1–5 Wakefield Street Kent Town SA 5067  
**Phone:** 1800 252 650  
**Fax:** 08 8300 8488  
**Email:** [lifesales.sa@zurich.com.au](mailto:lifesales.sa@zurich.com.au)

### WA

**Location:** Level 3, 66 Kings Park Road West Perth WA 6005  
**Phone:** 1800 252 650  
**Fax:** 08 9481 6568  
**Email:** [lifesales.wa@zurich.com.au](mailto:lifesales.wa@zurich.com.au)

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## Section 2

# Getting started

What you need to know to get started

# Getting started

## Our underwriting philosophy

Our underwriting area is staffed by experienced Underwriters who have access to local and overseas specialist reinsurers and Chief Medical Officers.

Our team is located nationally in the main centres, and work closely with the local sales team, customer service and new business teams.

Zurich's underwriting philosophy is for our Underwriters to not only have the technical knowledge when assessing risk, but to be recognised as a valued business partner and business contributor. To do this, the customer experience delivered by each and every Zurich underwriter will focus on the following areas:

- intelligent underwriting practices and solutions
- consistency and flexibility in our underwriting approach
- pro-active, timely and clear communication
- technical excellence expertly delivered
- decisions must make sense and be fair and reasonable.

## Pre-assessments

Zurich provides a pre-assessment service for difficult or unusual medical conditions, occupation ratings, financial positions or avocations.

These can be submitted to Zurich via email or phone.

Details are as follows:

**Phone:** 1800 244 306

**Email:** [life.preassessments@zurich.com.au](mailto:life.preassessments@zurich.com.au)

There is minimum criteria that must be supplied to us, before we will consider a pre-assessment, whether by phone or email. Information required is:

- client's first name and surname
- client's date of birth
- product type/s being applied for
- sum insured for each product type
- adviser name and number

Please note that all financial pre-assessments must be accompanied by a recommendation for a level of cover for each product, from you.

## Tele-underwriting

Zurich was the first life insurer in Australia to launch Tele-underwriting, and our service is now regarded as the best of its type. Through its integration with our online application system, you now have the flexibility to choose which questions are tele-underwritten, including medical and financial details.

Zurich offers flexibility for this free service. You are able to provide specific instructions as part of the Adviser report – this allows clear instructions from you as to how best to complete the process with your client.

In addition, your clients can choose a date and time in their busy schedules that suits them to complete the process – or can split it over 2-3 times, whatever is convenient for them. The Zurich team will also book any medicals and bloods that may be required. We will contact your clients within 24 hours of receiving the application to start the process and the team will continue to make contact to arrange a suitable interview time – involving you as the need arises.

We also extend our Tele-underwriting service to all of our advisers where an Underwriter requires additional information or clarification to assess an application. We encourage you to allow us to contact your clients to collect this information, minimising the overall application process and allowing the Underwriter further flexibility in making the final decision.

Please note that Tele-underwriting is not suitable for persons under the age of 16 years, and persons who do not read, speak or understand English.

For further details on this service, please speak with your Business Development Manager, or alternatively contact our Tele-underwriting team directly:

**Phone:** 1800 501 608

**Fax:** 02 9995 3655

**Email:** [life.tele@zurich.com.au](mailto:life.tele@zurich.com.au)

## Our turnaround times

### New business

The benchmark for underwriting turnaround is 24 hours for new business.

Our Underwriters or administration team will request all (known) outstanding requirements up front when the application is received. Please remember that sometimes receiving a requirement generates the need for another (eg. a PMAR can generate the need for a medical). If further information is necessary, the file will be placed in suspense and you will be advised.

### Further requirements

The turnaround for outstanding requirements or correspondence (when received in Underwriting) is usually within 48 hours. Additional referrals to reinsurers and our Chief Medical Officer mean that it may take longer for large or complicated cases.

Once further requirements are received and the application reviewed, it will be accepted, offered with alternative terms or conditions, declined or placed in suspense to await other outstanding requirements.

## Confidentiality and privacy

Zurich is bound by the Privacy Act 1988 (Cth). The type of information we hold varies depending on the product offered. In general, Zurich may hold the following personal information on your client:

- name and address
- date of birth
- contact details, which may include a telephone number
- gender
- occupation
- tax file number
- health information
- information relevant to the financial situation
- insurance claim information
- employer's name and address
- salary
- the name and addresses of the dependants or beneficiaries
- other information.

### How does Zurich use this information?

Zurich uses this information to assess the application and to provide products or services.

For further information about Zurich's Privacy Policy, a list of service providers and business partners that we may disclose your client's information to, a list of countries in which recipients of your client's information are likely to be located, details of how your client can access or correct the information we hold about them or how your client can make

a complaint, please refer to the Privacy link on our homepage – [www.zurich.com.au](http://www.zurich.com.au), contact us by telephone on 132 687, email us at [privacy.officer@zurich.com.au](mailto:privacy.officer@zurich.com.au), or write to:

The Privacy Officer  
Zurich Financial Services Australia Limited  
Locked Bag 994,  
North Sydney NSW 2059

### **Non-disclosure considerations**

The duty of disclosure applies to the answers of financial, lifestyle and medical questions, which form part of the application.

Zurich readily requests supporting documentation, both at underwriting and at the time of claim. If there is any misrepresentation of the true financial position, medical condition or lifestyle of the applicant, Zurich has various rights under the Insurance Contracts Act.

### **Acting on behalf of your client**

For your convenience Zurich takes a flexible approach to allowing you to work on your client's behalf.

At new business stage, we are able to act on your instructions to:

- alter premium frequency and start dates
- alter commission types (provided premium is not affected)
- alter premium structure (stepped to level or vice versa)

With your permission we can also follow up outstanding requirements, including administrative, medical and financial requirements. Be sure to indicate on the application that you wish to take advantage of this service.

Where an alteration or change requires a new quote, Zurich will accept a revised quote from you on behalf on your client.

Certain rules apply for the revised quote and it is important that you include (on the quote itself or in a covering note):

- the application/policy number
- a statement which confirms you have conveyed the details of the new quote to your client, and
- your signature

Where a revised quote introduces an entirely new cover or benefit, or removes an entire cover or benefit, the quote must also be signed by your client.

## 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.

Where Tele-underwriting has been selected, the Life Insured's Statement is not required to be completed for interim cover to commence.

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.

## What are revised terms?

Revised terms are an alteration to the standard terms and conditions of the contract. They are offered when the risk of certain events or conditions fall outside the standard risk.

Zurich attempts to offer cover to as many applicants as possible, but not everybody can be offered standard terms or premium rates. It may be necessary for an Underwriter to offer revised terms in order to find a solution to provide cover. This can be in the form of exclusions, premium loadings, alterations or a reduced term.

We will make every effort to ensure that your client receives a fair assessment. Decisions will be based on sound principles and in line with good industry practice.

## Exclusions

An exclusion can be defined as a condition imposed on a policy for which we will not pay a claim.

Exclusions can be unpopular with applicants. An exclusion leaves a recognised gap in their protection,

perhaps for a condition for which the applicant initially wanted insurance.

However, without the use of exclusions, many applicants with pre-existing conditions would have to pay very high premiums or have their applications declined. Apart from the exclusion, the applicant's insurance will usually include all normal policy conditions.

### Example

Consider income replacement insurance for a carpenter with a back disorder. A premium loading could be prohibitively expensive, whereas an exclusion for the back will still enable a level of protection to be put in place.

### Premium loadings

In many cases an exclusion is not appropriate. For example, where the applicant is outside the normal weight limits. What, in fact could be excluded?

Carrying extra weight is unhealthy, increasing the risk of heart attack, stroke, diabetes, gout, high cholesterol and generally affects lifestyle. The only real option in this case is to apply a premium loading on top of the standard premium to cover the additional risk.

A loading can come in two forms:

- as an additional premium (expressed as a percentage) for lump sum cover
- as an extra dollar amount for every \$1,000 insured (expressed as 'per mille').

### Example

Due to a medical condition, John has been offered his \$200,000 Death cover with \$3 per mille loading. John's total loading is calculated by multiplying an extra premium of \$3 for every \$1,000 sum insured.

This means  $200 \times \$3.00 = \$600.00$  per year in addition to the standard premium.

### Alterations to benefit or waiting periods

As an alternative to less favourable premium loadings or exclusions on income replacement policies, an increase in the waiting period or a decrease in the benefit period may enable your client to obtain cover at standard premium rates.

This usually depends on the condition(s) of the applicant and clarification should be sought from the Underwriters.

# Section 3

## Cover at a glance



# Cover at a glance

## Death, TPD and Trauma cover

### Product limits

Covers	Minimum entry age (next birthday)	Maximum entry age (next birthday)	Cover ceases on policy anniversary following this birthday	Maximum benefit at time of application (Zurich and all other insurers)
<b>Zurich Protection Plus</b>				
Death cover	11	70	99	Subject to individual assessment
TPD cover (for own or any occupation TPD, persons must work a minimum of 16 hours per week)	20	60	99	\$5,000,000 <sup>2</sup>
Trauma cover	19	60	75 <sup>1</sup>	\$2,000,000 <sup>3</sup>
Living activities TPD option	20	70	99	\$5,000,000 <sup>2</sup>
Accidental death option	20	66	75	\$1,000,000
Business future cover option <sup>4</sup>	20	60	n/a	Subject to individual assessment
Needlestick option	20	66	75	\$1,000,000 <sup>3</sup>
Insured child option	3	18	18	\$500,000

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Covers	Minimum entry age (next birthday)	Maximum entry age (next birthday)	Cover ceases on policy anniversary following this birthday	Maximum benefit at time of application (Zurich and all other insurers)
<b>Zurich Superannuation Term Life Plus</b>				
Death cover	16	70	99	Subject to individual assessment
TPD cover	20	60	99	\$5,000,000 <sup>2</sup>
Accidental death option	20	66	75	\$1,000,000
Business future cover option <sup>4</sup>	20	60	n/a	Subject to individual assessment

The minimum amount of cover available is \$50,000.

The minimum benefit increase for Death, TPD or Trauma cover is \$50,000.

The minimum premium for each life (excluding the Management fee) is \$160 per year.

- 1 If Extended trauma cover and Death cover are selected, Trauma cover can continue until the policy anniversary after age 99. From the policy anniversary following the 75th birthday, cover is limited to *loss of independence and loss of limbs or sight*.
- 2 TPD cover maximum reduces to \$3,000,000 on the policy anniversary following the 64th birthday. Where TPD in excess of \$3,000,000 is required, please contact Underwriting for guidelines.
- 3 Occupationally acquired HIV or occupationally acquired Hepatitis B and C cover with Zurich (available under Extended trauma and the Needlestick cover option) and all other insurers cannot exceed \$2,000,000.
- 4 Underwriting requirements for BFCO:
  - Medical – 3 times the sum insured originally proposed subject to the cover maximums.
  - Financial – Standard financial evidence for the level of cover being applied for and the formula or basis used to value the business and valuation documents.

## Applying for Death, TPD and Trauma cover

### Product summaries

Product summaries are available for Zurich Protection Plus and Zurich Superannuation Term Life Plus and can be obtained through your BDM or via Adviser Assist.

### Death/Trauma cover

Please refer to the Wealth Protection PDS (or to our product summaries) for the age of entry and product restrictions.

### TPD – ‘own’ or ‘any’ occupation

The eligibility of your client, and the occupation category that applies, depends on the specific duties and activities detailed in the Life Insured’s Statement. If you are in doubt, contact Underwriting for a pre-assessment before submitting the application. A few important guidelines to remember are:

- cover is available to people engaged in full-time employment (defined as a minimum of 16 hours worked per week).
- ‘home duties’ applicants can only apply for ‘any’ occupation TPD, under Class 3. Our home duties definition will apply.
- if applicants have a second occupation, the sum insured is based on the income from his/her principal occupation (ie. where the applicant is working the majority of their hours) and the rating will be according to the occupation which we define as having the greater risk. If an applicant has more than two occupations, contact our Underwriting team.

- Underwriting reserves the right to restrict certain benefits (eg. ‘own’ occupation TPD) even when the occupation class generally allows it.
- ‘own’ occupation TPD is not available to applicants in TPD class 4 or where the policy is owned by the trustee of a superannuation fund.
- ‘any’ or ‘own’ occupation TPD up to \$5m is available. Where the TPD cover exceeds \$3m, the total TPD cover amount cannot exceed the total Death cover amount.

### Business future cover option

This option can only be selected when applying for business cover, ie, keyman, buy/sell or loan protection.

Medically, the mandatory requirements will be based on **three times the sum insured applied for** (up to the available maximums for the cover type).

Financially, in addition to the mandatory financial evidence for the sum insured applied for, we will require **the formula actually used to value the business or keyman sum insured**. This formula should be provided by a qualified third party (eg, an accountant) who has actually completed a valuation on the business of keyman sum insured.

Verification of any future increase in the value of a business or keyman can only be accepted by using the same initial formula.

Please note, this option may not be available where Underwriting offer modified terms.

# Income replacement cover

## Product limits

Covers	Minimum entry age (next birthday)	Maximum entry age (next birthday)	Cover ceases on policy anniversary following this birthday
<b>Zurich Income Replacement</b>			
Benefit period: to policy anniversary following 55th birthday	20	49	55
Benefit period: to policy anniversary following 60th birthday	20	54	60
Benefit period: to policy anniversary following 65th birthday	20	60	65
Benefit period: to policy anniversary following 70th birthday	20	60	70*
Benefit period: 1, 2 or 5 years	20	60 <sup>#</sup>	65 <sup>#</sup>
Business expenses option	20	60	65
Future insurability option	20	52	54
Spouse cover option	20	49	first of: 60 or the benefit expiry date
Needlestick option			
Indemnity option			same as income benefit*
Increasing claims option			
Lump sum accident option			
Family care option			
Severe disability option			
Day 4 accident option			
Booster option			
Trauma option			
Super contributions option			
	same as income benefit*		

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Covers	Minimum entry age (next birthday)	Maximum entry age (next birthday)	Cover ceases on policy anniversary following this birthday
<b>Zurich Superannuation Income Replacement</b>			
Benefit period: to policy anniversary following 55th birthday	20	49	55
Benefit period: to policy anniversary following 60th birthday	20	54	60
Benefit period: to policy anniversary following 65th birthday	20	60	65
Benefit period: to policy anniversary following 70th birthday	20	60	70*
Benefit period: 1, 2 or 5 years	20	60#	65#
Future insurability option	20	52	54
Increasing claims option	same as income benefit*		same as income benefit*
Severe disability option			
Day 4 accident option			
Booster option			
Super contributions option			

\*Note that the age 70 benefit period is available to "A" occupations only. From the policy anniversary following the 65th birthday, cover cannot be increased, any extra-cost options will end and the amount payable under the policy will reduce on a sliding scale.

#For SR occupations, the maximum entry age is 54 next birthday, only benefit periods of 1, 2 or 5 years are available and cover ceases on the policy anniversary following the 60th birthday.

## Product eligibility

Note the differences in eligibility which apply to the Special Risk occupation group (SR), which has restricted access to some elements of Income Replacement.

Product parameters	Standard	Compre- hensive	Premier
Eligibility by occupation group	SR occupations	All other occupations	All except SR
<b>Zurich Income Replacement</b>			
<b>Eligible ages</b>			
19 – 48 for benefits payable to age 55	X	✓	✓
19 – 53 for benefits payable to age 60	19 – 53	✓	✓
19 – 59 for all other benefit periods			
<hr/>			
<b>Employment status –</b> working a minimum of 26 hours per week	✓	✓	✓
<hr/>			
<b>Expiry ages</b>			
<ul style="list-style-type: none"> <li>• pol anniv. &gt; 55th birthday for benefits to age 55</li> <li>• pol anniv. &gt; 60th birthday for benefits to age 60</li> <li>• pol anniv. &gt; 65th birthday for 1, 2, 5 years &amp; age 65</li> <li>• pol anniv. &gt; 70th birthday for benefits to age 70</li> </ul>	X	✓	✓
	Pol anniv. > 60th birthday	✓	✓
<hr/>			
<b>Waiting period:</b> 14 days	X	✓	✓
<hr/>			
<b>Waiting periods:</b> 30, 60, 90 days	✓	✓	✓
<hr/>			
<b>Waiting periods:</b> 180 days, 1, 2 years or any number of days from 14 – 90	X	✓	✓
<hr/>			
<b>Benefit periods:</b> 1, 2 or 5 years	✓	✓	✓
<hr/>			
<b>Benefit periods:</b> to age 55, 60, 65 or 70*	X	✓	✓

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\*Available to 'A' occupations only.

Product parameters	Standard		Compre- hensive	Premier
Eligibility by occupation group	SR occupations	All other occupations	All except SR	A1, A1M, A2, A3
<b>Zurich Income Replacement</b>				
Minimum cover available \$1,500 per month	✓	✓	✓	✓
More than \$10,000 per month available	X	✓	✓	✓
<b>Option availability:</b>				
– Increasing claims option				
– Business expenses option				
– Lump sum accident option	✓	✓	✓	✓
– Family care option				
– Spouse cover option				
<b>Option availability:</b>				
– Day 4 accident option				
– Super contributions option				
– Trauma option	X	✓	✓	✓
– Booster option				
– Severe disability option				
– Needlestick cover option				
Future insurability option	X	X	✓	Built-in

The minimum benefit increase for Income replacement cover is \$750 per month.

Product parameters	Standard	Compre- hensive	Premier	
Eligibility by occupation group	SR occupations	All other occupations	All except SR	n/a
<b>Zurich Superannuation Income Replacement</b>				
<b>Eligible ages</b>				
19 – 48 for benefits payable to age 55	X	✓	✓	n/a
19 – 53 for benefits payable to age 60	19-53	✓	✓	n/a
19 – 59 for all other benefit periods				
<b>Employment status –</b> working a minimum of 26 hours per week	✓	✓	✓	n/a
<b>Expiry ages</b>				
<ul style="list-style-type: none"> <li>• pol anniv. &gt; 55th birthday for benefits to age 55</li> <li>• pol anniv. &gt; 60th birthday for benefits to age 60</li> <li>• pol anniv. &gt; 65th birthday for 1, 2, 5 years &amp; age 65</li> <li>• pol anniv. &gt; 70th birthday for benefits to age 70</li> </ul>	X Pol anniv. >60th birthday	✓	✓	n/a
<b>Waiting period:</b> 14 days	X	✓	✓	n/a
<b>Waiting periods:</b> 30, 60, 90 days	✓	✓	✓	n/a
<b>Waiting periods:</b> 180 days, 1 or 2 years	X	✓	✓	n/a
<b>Benefit periods:</b> 1, 2 or 5 years	✓	✓	✓	n/a
<b>Benefit periods:</b> to age 55, 60, 65 or 70*	X	✓	✓	n/a

(continued next page)

\*Available to 'A' occupations only.



Product parameters	Standard	Compre- hensive	Premier	
Eligibility by occupation group	SR occupations	All other occupations	All except SR	
<b>Zurich Superannuation Income Replacement</b>				
Minimum cover available \$1,500 per month	✓	✓	✓	n/a
More than \$10,000 per month available	X	✓	✓	n/a
Option availability: – Increasing claims option	✓	✓	✓	n/a
Option availability: – Day 4 accident option – Super contributions option – Booster option – Severe disability option	X	✓	✓	n/a
Future insurability option	X	X	✓	n/a

The minimum benefit increase for Income replacement cover is \$750 per month.

## Applying for Income replacement cover

### Product summary

Product summaries are available for Zurich Income Replacement and Zurich Superannuation Income Replacement and can be obtained through your BDM or via Adviser Assist.

### Points to remember when applying for Income Replacement

The eligibility of your client, and the occupation category that applies, depends on the specific duties and activities detailed in the Life Insured's Statement. If you are in doubt, contact Underwriting for a pre-assessment before submitting the application. A few important guidelines to remember are:

- cover is available to people engaged in full-time employment (defined as a minimum of 26 hours worked per week).
- if applicants have two occupations, the benefit is based on the income from his/her principal occupation (ie. where the applicant is working the majority of their hours) and the rating will be according to the occupation which we define as having the greater risk. Please refer to Underwriting before submitting the application. If your client has more than two occupations, cover is not available.
- applicants who have been in their current occupation for less than 12 months, or have recently changed their business structure to self-employed, a company, or partnership, may only be eligible for cover if they have had previous training or experience in the industry. Generally, the applicants will be restricted to indemnity. Please refer to Underwriting for a pre-assessment.
- Underwriting reserves the right to restrict certain benefits (eg. Day 4 accident) even when the occupation class generally allows it.
- the Spouse cover option requires a full Life Insured's Statement for the spouse, and is subject to underwriting. The Spouse cover option is only available to spouses who are a medically standard risk.

## Special Risk (SR) occupations

If your client has an occupation which we class as high risk (our 'Special Risk' or SR occupation group is explained in the Occupation classification list), then the only level of income replacement cover available is standard, and some of the product parameters are restricted.

The main restrictions are as follows:

- cover is generally available to persons aged between 19 and 53
- the maximum benefit period available is 5 years
- maximum monthly benefit available is \$10,000 per month
- no 'day 1 partial' applies
- the optional benefits are restricted to:
  - Increasing claims option
  - Business expenses option
  - Lump sum accident option
  - Family care option
  - Spouse cover option

If you have any questions in relation to an applicant's eligibility for Income replacement, please contact Underwriting.

## Business expenses

Our Business expenses option is designed for persons who own and operate small to medium size businesses as an option on an income replacement policy.

Generally, as a guideline we classify a small to medium business as one with less than five income producing employees, or less than a total of ten employees. Anything outside of these guidelines will be considered by Underwriting on a case by case basis. For queries regarding your client's eligibility for business expenses, contact our Underwriting team.

## Third party ownership

The purpose of Zurich income replacement insurance is to provide the life insured with replacement of income, so normally the owner of the policy is the life to be insured.

Third party ownership should only be considered in the following circumstances:

- where the life insured is an owner of, and a major shareholder in a company and is personally responsible for generating the income, then the policy owner may be the company
- where the life insured personally generates income and wishes the policy owner to be a family trust or family business. We will not consider the third party ownership in the case of a spouse or other arms length parties.

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## Section 4

# Tailored super structuring (related policies)

# Tailored super structuring (related policies)

## Introduction

Zurich's tailored super structuring refers to the concept of related policies, where one policy is a super policy and one policy is non-super.

This structuring exists separately under both lump sum (for TPD superlink) and income replacement (for income superlink benefit) covers. Under this structure it is possible to link covers inside and outside of super, providing flexibility to reduce cost and meet client needs.

In the case of lump sum covers, a relationship is established between a Superannuation Term Life Plus (Super Term) policy and a Protection Plus policy or between two Protection Plus policies (where external trustee ownership applies to one of the policies).

In the case of income replacement covers, a relationship is established between a Superannuation Income Replacement policy and an Income Replacement policy or between two Income Replacement policies (where external trustee ownership applies to one of the policies).

## Management fee

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.

## Related policy restrictions

The life insured on each related 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 on a non-super Protection Plus policy or the Spouse cover option is included on a non-super Income Replacement policy.

A life insured can have one set of related lump sum policies and one set of related income policies (but not multiples of each type).

## Loyalty discounts

- multi-life discounts will apply as normal
- multi-policy discounts will apply, however a set of two related policies will be considered as one policy (for example two related policies and a third non-related policy = 5% multi-policy discount).

## Commission

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

## Tailored super structuring – lump sum

### Available cover combinations

To set up related policies, there must be a super policy and a non-super policy.

- the super policy must contain Death cover
- if selected, TPD cover can be structured in one of the following ways:
  - TPD ‘any’ occupation cover only in the super policy
  - TPD ‘own’ occupation cover only in the non-super policy or
  - TPD ‘any’ occupation cover in the super policy and TPD ‘own’ occupation (superlink) cover in the non-super policy.
- if selected, Trauma cover must go in the non-super policy.

Only the following combinations are available:

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

OR

Related policies	
Superannuation Term Life Plus or Protection Plus (SMSF/ External Trustee) Death cover & Any occupation TPD (linked)	Protection Plus Own occupation TPD (superlink) and/or Trauma cover (linked)

### Optional Extra benefits

The full range of optional extras are available 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.
- payment frequency must be the same for both policies.
- commission type must be the same for both policies
- premium structure must be stepped across both related policies (level premium is not available)
- if the Super Term policy or the Protection Plus policy (owned by an external trustee) ends, the related

policy will also end. However, if the Protection Plus policy ends, the related Super Term policy or the Protection Plus policy (owned by an external trustee) may continue (see “If one related policy ends” on page 29).

**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.

Some points to remember when quoting under this structure:

- TPD ‘own’ occupation superlink cover on the non-super policy must be equal to the TPD ‘any’ occupation cover on the super policy
- any TPD and Trauma covers selected must be less than or equal to the Death cover on the super policy
- if the policy you are quoting for is to be owned by an external trustee then under Policy Type from the drop down menu you should select “Protection Plus (SMSF/External Trustee)”.

**Tailored super structuring – Income replacement**

**Available cover combinations**

To set up related policies, there must be a super policy and a non-super policy.

Income cover selected is allocated into the related Income Replacement policies based on whether or not the benefit is most likely to meet a condition of release under superannuation laws.

Both policies will have the same level of cover (premier, comprehensive or standard), and the entry parameters and benefit restrictions which apply to each level of cover still apply.

Only the following combination is available:

Related policies	
<p>Superannuation Income Replacement</p> <p><b>OR</b></p> <p>Income Replacement (SMSF/External Trustee)</p> <p>Income benefit (indemnity)</p> <p>In-built benefits and optional extras most likely to meet a condition of release</p>	<p>Income Replacement (non-super)</p> <p>Income superlink benefit (agreed)</p> <p>In-built benefits and optional extras <u>not</u> likely to meet a condition of release</p>



### Extra cost options

The full range of extra-cost policy options is available under this structure (as per the Zurich Wealth Protection PDS), excluding Business expenses option. There are restrictions as to which extra cost options are available under each policy, but LifeXpress will automatically allocate any selected into the two related policies. Refer to the PDS for more information.

### Limitations and Restrictions

Because the two policies are related to each other, the following rules will ensure that the policies continue to match up over 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.
  - premium structure must be stepped across both related policies (level premium is not available).
  - payment frequency must be the same for both policies.
  - commission type must be the same for both policies.
  - the benefit amount for both related policies will match at policy commencement and will continue to match over the life of the policy.
- if the Superannuation Income Replacement or Income Replacement policy (owned by the external trustee) ends, the related non-super Income Replacement policy will also end. However, if the non-super Income Replacement policy ends, the Superannuation Income Replacement or the Income Replacement policy (owned by the external trustee) may continue (see "If one related policy ends" on the next page).
  - the agreed value income replacement financial endorsement is not available with related policies.

### How to apply

The LifeXpress quote will split cover into two related policies when you select the "tailored super structure" check box. Enter the details of the quote as if you are applying for one policy only, by entering the total sum insured and selecting all extra cost options required. LifeXpress will allocate benefits and extra cost options across the two related policies.

When selecting Policy type, you can select either "Income Replacement", "Income Replacement (SMSF/External Trustee)" or "Superannuation Income Replacement" as policy type. Policy type and policy ownership details for both related policies will be confirmed at application stage.

Where the monthly benefit selected exceeds \$30,000, a manual quote is required. Please contact your BDM for assistance.

## If one related policy ends

### Non-super policies

#### If Protection Plus (non-super) ends:

The Super Term policy or the Protection Plus policy (external trustee) may continue. Any linked TPD on these policies will be recalculated to reflect the fact that it is no longer linked to Trauma on the related Protection Plus policy.

#### If Income Replacement (non-super) ends:

The Superannuation Income Replacement or Income Replacement policy (external trustee) may continue. The cost of cover will be recalculated to reflect the fact that it is no longer part of a two policy set.

### Policies with super ownership

#### If Super Term or Superannuation Income Replacement ends:

(eg. if the life insured is no longer eligible to contribute to super and cannot keep the policy). Cover can be transferred to the non-super policy. The Conversion of cover application form must be used to make this change (as per any other request to move a super policy to non-super).

#### If Protection Plus (external trustee) ends:

The Death and/or TPD cover can be transferred to the Protection Plus policy. A letter from the policy owner requesting the transfer of cover is required.

#### If Income Replacement (external trustee) ends:

The non-super Income Replacement ends. Cover may be re-structured to continue on an agreed value basis under a non-super policy. A letter from the policy owner requesting this restructure is required.

## Presentation

### What policy owners receive

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.

### What advisers see

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 existing policies provided the two policies which are to be related will meet all of the eligibility rules (eg. eligible 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 policies*** 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. For Protection Plus and Super Term, if any portion of the existing policy was written prior to April 2009, the premium rates will only be indicative. For Income Replacement, if the existing income policy was written prior to 1 January 2009, it cannot be restructured into related policies without being underwritten.

## More information

More information can be found in the Zurich Wealth Protection PDS. The Conversion of cover application form and the Request to relate policies form can be found on Adviser Assist.

# Section 5

# Medical underwriting

# Medical underwriting

As part of the application process, Underwriting will assess your client's medical history and any mandatory medical requirements for the total cover to be held with Zurich.

LifeXpress will calculate any mandatory medical requirements for your client based on the total cover entered in the quote (including multiple policies, or where the policy has a tailored super structure).

If the client has existing cover with Zurich, entering the new total sums insured in the quote software will calculate the requirements. Alternatively refer to the following tables, using the total sum to be insured with Zurich.

## Mandatory medical requirements

To help you understand the medical acronyms included in the following tables:

Acronym	Medical requirement
MBA20	Fasting Multiple Biochemical Analysis
EE	Express Exam (Quick Check)
ME*	Medical examination (to be completed by GP or specialist only)
ME^	Medical examination to include a breast examination for female applicants
FBC	Full Blood Count
MSU	Microscopic Urinalysis
Exercise ECG	Exercise (stress) Electrocardiogram
PMAR	Private Medical Attendants Report (Zurich will organise in all cases)
PSA	Prostate Specific Antigen test
HIV	Human Immunodeficiency Virus Antibodies
Hep B and C	Hepatitis B and C antibodies and antigens

## Lump sum – Medical underwriting requirements

Death & TPD						
Sum Insured	Age Next Birthday					
	Up to 45	46 – 50	51 – 55	56 – 60	61 – 65	66 – 70
up to \$350,000	–	–	–	–	–	–
\$350,001 – \$500,000	–	–	–	–	–	MBA20 EE
\$500,001 – \$750,000	–	–	–	–	MBA20 EE	
\$750,001 – \$1,000,000	–	–	–	MBA20 EE		
\$1,000,001 – \$1,500,000	–	–	MBA20 EE			
\$1,500,001 – \$2,500,000	–	MBA20 EE				
\$2,500,001 – \$5,000,000	MBA20 EE			MBA20 ME <sup>^</sup>		
\$5,000,001 – \$10,000,000	MBA20 ME <sup>*</sup> FBC MSU Exercise ECG		MBA20 ME <sup>^</sup> FBC MSU Exercise ECG			
\$10,000,001 +	MBA20 Hep B & C HIV ME <sup>^</sup> PMAR FBC MSU Exercise ECG					

(continued next page)

Trauma					
Sum Insured	Age Next Birthday				
	Up to 40	41 – 45	46 – 50	51 – 55	56 – 60
up to \$500,000	–	–	–	–	–
\$500,001 – \$1,000,000	–	–	–	–	MBA20 EE
\$1,000,001 – \$1,500,000		MBA20 Hep B & C HIV EE			MBA20 Hep B & C HIV FBC ME*^ Exercise ECG
\$1,500,001 – \$2,000,000	MBA20 Hep B & C HIV ME* FBC	MBA20 Hep B & C HIV ME*^ FBC	MBA20 Hep B & C HIV ME*^ PMAR FBC		MBA20 Hep B & C HIV FBC MSU ME*^ PMAR PSA (males) Exercise ECG

### Income replacement/Business expenses – Medical underwriting requirements

When applying for Business expenses, medical requirements should be based on 50% of the Business expense monthly benefit.

Sum Insured	Age Next Birthday		
	Up to 45	46 – 50	51+
up to \$10,000	–	–	–
\$10,001 – \$15,000	–		MBA20 EE
\$15,001 – \$20,000		MBA20 EE	
\$20,001 – \$40,000		MBA20 Hep B & C HIV FBC ME* PMAR	
\$40,001 +		MBA20 Hep B & C HIV FBC MSU ME* PMAR Exercise ECG	

## Understanding our medical requirements

What is it?		What should the applicant expect?	How long is it valid?
<b>Life Insured's Statement</b>			6 months (a Declaration of health may be required between 3 and 6 months)
<b>HIV</b> (Human Immunodeficiency Virus) Antibody Test	A sample of blood is drawn to test the body's reaction to exposure to the virus.	A blood sample to be taken from a vein – usually from the arm.	12 months
<b>Fasting MBA20</b> (Multiple Biochemical Analysis) including HDL/LDL cholesterol	A blood profile which test the blood lipids (or fats) such as cholesterol. Also tests liver function and blood glucose.	A blood sample to be taken from a vein. The applicant should fast for the period of time indicated by the doctor or paramedic performing the procedure (usually 12 hours). Please note that pregnant women are not required to fast.	12 months
<b>Hepatitis B and C antibodies and antigens</b>	Hep B and C serologies detect whether the liver has been infected with either virus.	A blood sample to be taken from a vein.	12 months
<b>Express exam</b>	Consists of a limited medical examination including height, weight, blood pressure readings and urine sample results.	To attend an appointment (or have a qualified examiner visit the client) where blood pressure readings, height/weight measurements and urine sample to be taken.	12 months
<b>FBC</b> (Full Blood Count)	A blood profile which shows the amount of various types of cells, or substances available in your blood.	A blood sample to be taken from a vein – usually from the arm.	12 months
<b>PSA</b> (Prostate Specific Antigen) Males only	A blood profile which tests the blood for cancer cells.	A blood sample to be taken from a vein – usually from the arm.	12 months



What is it?		What should the applicant expect?	How long is it valid?
<b>MSU</b> (Microscopic urinalysis)	Examination of a urine sample including testing for glucose, blood, ketones and proteins.	A urine sample to be collected.	12 months
<b>Medical examination</b>	Consists of a medical examination covering all major body systems. For female applicants, applying for larger sums insured a breast examination will be included.	To attend an appointment (can be completed at client's home) where blood pressure readings, height/weight measurements, heart sounds and urine sample to be taken.	12 months
<b>PMAR</b> (Personal Medical Attendant's Report)	A report requested by an Underwriter when more detail is required in regard to a particular illness or injury, or where the sum insured exceeds set limits. The completing medical professional will usually be able to provide sufficient history including details of diagnosis, treatment, results of any referrals to specialists, degree of recovery and possibility of recurrence of a particular ailment.	This report does not require any interaction from the applicant, unless there is query pertaining to the doctor's details.	Generally valid for the current application only.
<b>Exercise ECG</b> (Exercise/stress Electrocardiogram)	A test which measures the electrical activity of the heart during a time period, while the client is on a bicycle or treadmill.	To have the examiner connect leads to the chest and limbs to record the electric current across those leads. The applicant will need to be in comfortable attire for this test.	12 months

## Arranging medical requirements (excluding PMARs)

Zurich would like to make it easier, and in many cases faster for you by assisting in collecting and organising the medical requirements on your behalf, through our preferred paramedical providers. If you wish to take advantage of this service, ensure that you authorise this in the Adviser Report section of the Application form.

If you choose to arrange yourself, the requirements on the quote (and included in the tables) are indicative only based on the sum insured, and do not include any tests required by Underwriting. It is preferred that you wait the advice from the initial underwriting assessment before making arrangements. This will minimise any inconvenience for you or your client.

To contact our preferred paramedical providers, please see the details below. Note that all requirements (whether organised by yourself or Zurich) can be tracked on the paramedical providers portal.

Zurich is responsible for the cost of all medical requirements (unless you can otherwise advise). We will pay a paramedical provider directly, or alternatively forward a copy of the invoice to Zurich for reimbursement.

Paramedical provider	Contact details
UHG (Unified Health Group)	Phone: 1300 558 583 Fax: 1800 707 697 Email: <a href="mailto:adviser.relations@uhg.com.au">adviser.relations@uhg.com.au</a> Online: <a href="https://unifier.uhg.com.au">https://unifier.uhg.com.au</a>
Lifescreeen	Phone: 1800 673 123 Fax: 1800 804 758 Online: <a href="http://www.lifescreeen.com.au">www.lifescreeen.com.au</a>

## PMAR requests

Where a PMAR is required, Zurich will organise these via UHG, who are Australia's largest provider of medical report retrieval services for the insurance industry, within agreed service levels with Zurich. UHG will manage all aspects of the request from initiating the request with the doctor/clinic, following up the progress of the report, making payment, and returning the completed report to Zurich. Real-time progress of these reports is available on Adviser Assist.

# Section 6

# Financial underwriting

# Financial underwriting

Financial underwriting is where we consider information in the Life Insured's Statement and supporting evidence to ensure the level of cover proposed is appropriate for the client, and their needs.

LifeXpress will calculate any mandatory financial requirements for your client based on the cover entered in the quote (including multiple policies, or where the policy has tailored super structuring).

Refer to the following tables, using the total sum to be insured with Zurich and any other insurers, for requirements.

## Mandatory financial requirements

To help you understand the financial requirements included in the following tables:

Requirement	Description
PITR	Personal Income Tax Returns (Notices of Assessment not required)
BETR*	Business Entity Tax Returns
Profit and Loss Accounts/ Statement of Financial Performance*	Provide details of the income earned and expenses incurred for a financial year
Balance Sheet/ Statement of Financial Position*	Provides a picture of the current financial situation of the company including assets and liabilities
Financial Statements*	Include Profit and Loss Statements and balance Sheets for all business entities
SOA	Statement of Advice  May be requested (or provided) to explain recommendation for the cover proposed.

\* To be provided for all entities that the client has an ownership interest in.

## Lump sum

### Mandatory financial requirements

Death & TPD		
Sum insured	Personal cover	Business cover
up to \$3,000,000		–
\$3,000,001 – \$6,000,000	–	Last 2 years PITRs and BETRs Last 2 years business financial statements
\$6,000,001 +	Last 2 years PITRs and BETRs Last 2 years business financial statements	

Trauma		
Sum insured	Personal cover	Business cover
up to \$1,500,000		–
\$1,500,000 – \$2,000,000	Last 2 years PITRs and BETRs Last 2 years business financial statements (Note that business financials only required if applicable).	

### Personal cover

Personal cover is proposed where a client wishes to protect their family, including lifestyle and future income earning potentials. Where cover applied for exceeds the guidelines in the table below, further information may be required by Underwriting to support the cover applied for.

Age	Death & TPD	Trauma
up to 40	up to 25 x annual income	up to 15 x annual income
41 – 50	up to 20 x annual income	up to 10 x annual income
51 – 55	up to 15 x annual income	up to 8 x annual income
56 – 60	up to 10 x annual income	up to 5 x annual income
> 61	up to 5 x annual income	up to 2 x annual income

### Home duties

Zurich recognises the contribution made by a non-income producing spouse to the everyday running of a household, and the cost associated with this in the event of illness or injury. As a guideline, we generally allow:

Cover	Maximum sum insured
Death	\$2,000,000
TPD	\$2,000,000
Trauma	\$1,000,000

## Business cover

The following table outlines the basis of the Underwriting assessment where the purpose of cover is for business reasons. For some cases, Zurich may require additional information to assess the need for the cover.

Type of cover	Underwriting considerations
Buy/Sell Shareholder Protection	<p>Enables a business to continue with limited disruption in the event of death, injury or illness of a business partner.</p> <p>To assess, Underwriting will need to understand:</p> <ul style="list-style-type: none"> <li>• Value of the business (using an acceptable valuation method, for example a multiple of net profit)</li> <li>• Individual's ownership interest in the business.</li> <li>• Is there a partnership agreement in place?</li> </ul>
Key Person Insurance	<p>Enables a business to cover any financial loss (including revenue or capital) to the business due to the death, injury or illness of a key individual in a business.</p> <p>To assess, Underwriting will need to understand:</p> <ul style="list-style-type: none"> <li>• Expertise, experience and knowledge of the key person</li> <li>• Ability of the business to replace this person in the business (both financially, and resource wise)</li> <li>• Is the key person to be insured a condition of business lending?</li> <li>• Loss of net profit (potential earnings) where the key person's capabilities can not be replaced (in part or fully)</li> </ul>
Debt/Loan Protection	<p>Enables a business to protect their financial position by covering the value of a loan or debt that is required for business operation, where business operation can be affected by death, illness of injury of person/s responsible for the debt.</p> <p>To assess, Underwriting will need to understand:</p> <ul style="list-style-type: none"> <li>• Purpose of the loan/debt</li> <li>• Lending condition including period of loan and value (cover is usually restricted to the value of the loan)</li> <li>• Details of all persons responsible for the debt/loan</li> </ul>

## Income replacement and Business expenses

### Mandatory financial requirements

Financial requirements are not required for indemnity sums insured up to \$20,000 per month.

Mandatory financial evidence is required for agreed value policies when the monthly benefit applied for, or total industry cover is equal to or greater than:

Agreed value		
Occupation class	Monthly benefit	Income equivalent
A1/A1M	\$15,001	\$240,000 +
A2	\$12,001	\$192,000 +
A3	\$8,001	\$128,000 +
B1/B2	\$6,251	\$100,000 +
B3	\$5,001	\$80,000 +
SR	\$4,001	\$64,000 +

Indemnity Income replacement/Business expenses	
Monthly benefit	
up to \$20,000	Nil
\$20,001 +	Refer to below tables for requirements

Financial requirements are dependent on a person's type of employment and benefit amount as follows:

**Financial requirements for employees**

up to \$20,000 per month	<p>We require any one of the following:</p> <ul style="list-style-type: none"> <li>• most recent individual tax return</li> <li>• most recent PAYG Summary or Group Certificate</li> <li>• Letter from employer confirming employment status, clearly stating the remuneration package including details of salary/wage, superannuation and other benefits</li> <li>• most recent 2 payslips (showing at a minimum the year-to-date salary)</li> </ul>
\$20,001 + per month	<p>We require any one of the following:</p> <ul style="list-style-type: none"> <li>• Individual tax returns for the past two years</li> <li>• PAYG Summaries or Group Certificates for the past two years</li> <li>• Letter from employer confirming employment status, clearly stating the remuneration package including details of salary/wage, superannuation and other benefits</li> </ul>

**Financial requirements for self-employed persons**

Sole-Trader	<ul style="list-style-type: none"> <li>• Individual tax returns for the past two years</li> </ul>
Partnership	<ul style="list-style-type: none"> <li>• Individual tax returns for the past two years</li> <li>• Partnership tax returns and financial statements for the past two years</li> </ul>
Employee/Owner/Director of Own Company/Trust	<ul style="list-style-type: none"> <li>• Individual tax returns for the past two years</li> <li>• Company tax returns and financial statements for the past two years</li> </ul>

Financials will be required for all entities which the client has an ownership interest in.



## Indemnity, agreed value and financially endorsed agreed value contracts

At application time, by selecting one of these types of contracts, the financial evidence at the time of Underwriting, and the claims process will vary.

Note that Underwriting reserves the right to alter the type of contract based on information received during the assessment process.

Where an endorsement is requested, financial evidence will be mandatory for all benefit amounts (and all occupation classes).

Type of cover	Considerations
Indemnity	<p>No mandatory financial evidence is required for monthly benefits up to \$20,000 per month. Financials will be required at time of claim.</p> <p>Note that for monthly benefits over \$20,000, financial evidence is required at underwriting to ensure the level of cover is justified.</p>
Agreed value	<p>If mandatory financial evidence is not required, verification of your income at time of application may be required at claim time.</p>
Financially endorsed Agreed Value	<p>At time of Underwriting full financial evidence to verify income is required.</p> <p>Note that Underwriting will also consider the following as part of the endorsement:</p> <ul style="list-style-type: none"> <li>• Income history including any fluctuations in income</li> <li>• Experience in role</li> <li>• Financial position</li> <li>• Continuing income or GSC policies requiring offset.</li> </ul>

Financial endorsement may be requested to apply retrospectively to an existing policy that has been in force for less than 5 years. Please contact Underwriting for details.

## How to calculate a monthly benefit

Maximum cover uses the following replacement ratios as part of the calculation

Income	Replacement ratio %
Up to \$320,000 income per year	75%
\$320,001 – \$560,000 income per year	50%
Income in excess of \$560,000 income per year	25%

### Examples

**Employed applicant who has requested the maximum of 75% of his/her salary package. The salary package over the past 12 months (before tax) is applicable.**

Salary	\$ 50,000
Car (Packaged)	\$ 25,000
Superannuation	\$ 5,000
Total package over 12 months is	\$ 80,000
Maximum monthly income benefit	\$ 80,000
	x 75 %
	\$ 60,000 per year
	\$ 5,000 per month

**Employed applicant who changed employer one month ago (occupation still the same) and has requested the maximum 75% of his/her salary package**

Previous total package	\$ 50,000
New total package	\$ 60,000
Maximum monthly income benefit	\$ 60,000
	x 75 %
	\$ 45,000 per year
	\$ 3,750 per month

*(continued next page)*

**Self-employed applicant requesting the maximum of 75% of earned income**

Business income for the past 12 months	\$ 90,000
Business expenses for the past 12 months	\$ 40,000
Net income	\$ 50,000
Maximum monthly income benefit	\$ 50,000
	<u>          x 75 %</u>
	\$ 37,500 per year
	\$ 3,125 per month

**Self-employed applicant requesting the maximum of 75% of earned income**

Business income for the past 12 months	\$190,000
Business expenses for the past 12 months	\$ 40,000
Net income of applicant	\$130,000
Non-working spouse received distribution through family trust	\$ 20,000
	} \$150,000
Maximum monthly income benefit	\$150,000
	<u>          x 75 %</u>
	\$ 112,500 per year
	\$ 9,375 per month

Addbacks such as superannuation or wages paid to your client will also be considered.

Business income is that generated from personal exertion.

If the Super contributions option is selected, the monthly benefit will be calculated as 75% of the applicant's salary/net income, plus 100% of their superannuation contribution.

Depreciation may be considered as an add back to income. The maximum consideration would be up to 10% of turnover providing this amount does not exceed 40% of net profit/salary. Please specify in the Income section of the Life Insured's Statement

## Income replacement for selected graduates

### Qualifying criteria

Graduates can apply for Income replacement provided that they:

- have graduated within 3 years of the application date
- hold the appropriate Tertiary qualification (or higher) from a recognised Australian university
- meet the definitions of a graduate.

With the exception of the above special conditions and qualifying criteria, the normal underwriting product rules apply.

In some instances we may offer split benefits based on employment type, defined as follows:

- **Employee** means in paid employment with no direct or indirect ownership in the business.
- **Self employment** means Co-Director, employee of own company, Partner or anyone with a direct or indirect ownership interest in the business.

A special condition will be included with the policy schedule to confirm that benefits have been accepted under the Zurich Graduate offering.

### Professional graduates

Occupation details	Eligibility criteria
Barrister and Solicitor	<p>A new barrister and/or solicitor working full time, generating an income who graduated:</p> <ul style="list-style-type: none"><li>• with a law degree and/or higher qualification from an accredited Australian law school, who completed the approved accrediting program of practical legal training; or</li><li>• overseas, a trained barrister and/or solicitor who completed requirements for the appropriate state and/ or territory registration (and satisfies the usual underwriting residency guidelines).</li></ul> <p>AND is currently registered as a barrister and/or solicitor with the appropriate state and/or territory Bar Association and/or Law Society, and was admitted in the last 3 years.</p>

*(continued next page)*

Occupation details	Eligibility criteria
<b>CPA/CA Accountants and Actuarial Fellows</b>	<p>A new CPA or CA, or actuarial fellow, working full time, generating an income who graduated:</p> <ul style="list-style-type: none"> <li>with the appropriate bachelor degree or higher qualification, completed the approved training program and practical experience requirements for qualifications and a CPA or CA or FIAA; or</li> <li>overseas, is a trained accountant or actuary who completed requirements for admission as a CPA or CA or FIAA and satisfies the usual underwriting residency guidelines.</li> </ul> <p>AND is currently registered to practise as a CPA or CA or FIAA in Australia, and registered within the last 3 years.</p>
<b>General Practitioner and Dentists</b>	<p>A new GP or dentist, working full time, generating an income who graduated:</p> <ul style="list-style-type: none"> <li>with the appropriate medical degree or higher qualification from an Australian medical or dental school, completed the approved period of intern hospital-based training and is a qualified fellow of the appropriate college; or</li> <li>overseas, is a trained practitioner and qualified as either a fellow of the appropriate college and completed requirements for the Australian Medical Council (AMC) or Australian Dental Council (ADC) and the appropriate state and/or territory registration (and satisfies the usual underwriting residency guidelines).</li> </ul> <p>AND is currently registered to practice with the AMC or ADC and the appropriate state and/or territory medical or dental board, and registered in the past 3 years.</p>
<b>Specialist Medical and Dental Practitioners</b>	<p>A new specialist medical or dental practitioner working full time, generating an income who graduated:</p> <ul style="list-style-type: none"> <li>with the appropriate medical or dental degree or higher qualification from an Australian medical or dental school, completed the approved period of intern hospital-based training and appropriate requirements to be a specialist and is a qualified fellow of the appropriate college; or</li> <li>overseas, is a trained practitioner and qualified as either a fellow of an Australian specialist college and completed requirements for the AMC or ADC and the appropriate state and/ or territory registration (and satisfies the usual underwriting residency guidelines).</li> </ul> <p>AND is currently registered to practice with the AMC or ADC and the appropriate state and/or territory medical or dental board, and registered in the past 3 years.</p>
<b>Medical based employed "intern" graduates</b>	<p>A new graduate or medical intern who is working full time, generating an income who has graduated having completed their formal university studies (and obtained the appropriate qualifications) and is subsequently employed and is currently completing their 'on the job' practical training within an internship program.</p>

## Cover levels available for selected graduates

Occupation by employment type	Monthly benefit up to	
	Employed	Self-Employed
Accounting graduate	\$4,250	\$3,750a + \$3,750i
Actuarial fellow	\$6,500	\$6,250a + \$3,750i
Actuarial graduate	\$4,000	\$3,750a + \$3,750i
Architect	\$3,750	\$3,750a + \$3,750i
Barrister	\$6,500	\$6,250a + \$3,750i
Chemist/Pharmacist	\$4,250	\$3,750a + \$3,750i
Chiropractor	\$3,750	\$3,750a + \$3,750i
CPA or CA (accounting)	\$5,500	\$5,000a + \$5,000i
Dental specialist with post graduate qualification	\$15,000	\$15,000
Dentist	\$6,500	\$5,000a + \$5,000i
Engineer	\$3,750	\$3,750a + \$3,750i
Medically qualified "intern"	\$6,250a + \$3,750i	n/a
Medical practitioner (GP)	\$10,000	\$10,000
Medical registrar	\$10,000	n/a
Medical resident	\$10,000	n/a
Medical specialist	\$15,000	\$15,000a + \$5,000i
Optometrist	\$4,250	\$3,750a + \$3,750i
Physiotherapist	\$4,000	\$3,750a + \$3,750i
Quantity surveyor	\$3,750	\$3,750a + \$3,750i
Solicitor	\$5,500	\$5,000a + \$5,000i
Vet/Vet surgeon	\$4,000	\$3,750a + \$3,750i

where 'a' is the monthly benefit amount to be taken as agreed value and 'i' is the monthly benefit amount to be taken as indemnity.

If cover is initially issued as indemnity, applications for agreed value cover will be considered with the appropriate financial evidence (refer to the section 'Financial underwriting' for details of evidence required).

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# Section 7

## Occupation and Activity guidelines



# Occupation and activity guidelines

## Occupation guidelines

In general, occupations present few concerns in the assessment of Death cover or Trauma cover.

In contrast, occupation is of vital importance when assessing Income replacement and TPD cover. The appropriate categories will depend upon the actual duties performed and cannot always be based upon occupational title. For example, 'company director' does not give an indication of the actual duties performed.

A breakdown of these duties is needed to determine a classification. It is therefore important to provide details in the application confirming your client's duties and the percentage of time spent in those duties. The following pages provide some guidance on Zurich's occupation ratings.

A full list of Zurich's occupation ratings is available from your BDM or online on Adviser Assist or in *LifeXpress*.

## Death and Trauma covers

For the few hazardous occupations that require an occupational loading, that loading is expressed as an extra premium per \$1,000 sum insured (known as 'per mille' loading). For example, an additional \$2 per \$1,000 based on a sum insured of \$300,000 would result in an extra premium of \$600 per year in addition to the standard base premium.

## Total and permanent disablement (TPD) cover

For this insurance, our liability is related to the risk of an individual being permanently unable to work as a result of an illness or injury.

TPD occupation classification	'own occ' TPD	'any occ' TPD	Living activities TPD
1 Professional white collar	✓	✓	✓
2 Other white collar	✓	✓	✓
3 Skilled tradespeople Home Duties	✓	✓	✓
4 Unskilled manual workers	X	✓	✓
L Risks who are eligible for Living activities TPD	X	X	✓
U Uninsurable risks for TPD cover	X	X	X

Applicants with a 'home duties' occupation classification can only apply for 'any' occupation TPD at class 3 rates.

## Income replacement cover

For these insurances, our liability is related to the risk of an individual being unable to earn an income in their occupation as a result of an illness or injury.

Consequently the more hazardous an occupation, the greater the risk and the higher the resulting premium.

Please note where there is no qualification for the occupation, we require a minimum of 2 years experience.

### Income replacement occupation classifications

A1	<p>Selected professional occupations where membership of a professional or government body is required – for example: actuary, barrister or chartered accountant (medical professions are not eligible for this group).</p> <p><b>or</b></p> <p>Executives or other professionals in other occupations, who meet the following criteria:</p> <ul style="list-style-type: none"> <li>• work is confined to office environment only, plus</li> <li>• no unusual hazards, plus</li> <li>• current role has been held for a minimum of 2 years, plus</li> <li>• minimum net earnings of \$120,000 p.a., plus</li> <li>• university degree pertaining to occupation <b>or</b> without university degree and current role has been held for minimum of 5 years.</li> </ul>
A1M	<p>Qualified practitioners in the medical field – for example surgeon, dentist</p>
A2	<p>Other professional occupations with tertiary qualifications where work is confined to an office environment.</p> <p>Executives who meet the following criteria may also qualify:</p> <ul style="list-style-type: none"> <li>• no unusual hazards,</li> <li>• the same or similar position has been held for 2 years, and</li> <li>• minimum net earnings of \$100,000</li> </ul>
A3	<p>Other managerial, administrative and clerical occupations that involve absolutely no manual work</p>
B1	<p>Positions involving supervision of manual work or involvement in a small amount (less than 10%) of light manual work in highly skilled occupations. Occupations where the majority of income is by way of commission are also included</p>
B2	<p>Highly skilled occupations</p> <ul style="list-style-type: none"> <li>• for example auto electrician, screen printer or registered nurse</li> </ul>
B3	<p>Other skilled or semi-skilled people with at least two years experience</p> <ul style="list-style-type: none"> <li>• for example furniture restorer, enameller or diesel mechanic</li> </ul>

(continued next page)

### Income replacement occupation classifications

SR	Semi-skilled manual workers, unqualified but experienced tradespeople and those in some occupations with increased hazards. In most cases at least two years experience will be required <ul style="list-style-type: none"><li>for example concrete contractor, roof tiler or plant operator</li></ul>
U	Uninsurable risks for disability income insurance
Refer	Refer to an Underwriter for consideration

### Key for guide headings

D/T	Death / Trauma
TPD	Total and permanent disablement
IR	Income replacement

### Occupation categories

#### Examples:

- Managing Director of a computer company holding a degree in computer science, with a salary package of \$150,000 – category A1
- Accountant with BEc CPA earning \$93,000 pa – category A1
- Doctor holding a MBBS degree working in a public hospital – category A1M
- Advertising manager with a relevant degree earning \$100,000 pa employed by a major advertising agency – category A2
- Licensed electrician with five employees sub contracting, supervising only 90% of the time – category B2

### Clients with two occupations

If both occupations are insurable, classification will usually be based on the occupation presenting the higher risk. If the second occupation is unrelated, the maximum monthly income benefit will be based on the income derived from the principal occupation only, ie. the occupation where your client works the majority of their hours.

Please note if your client has more than 2 occupations, cover is not available.

### Part-time workers

Clients must work on a permanent part-time basis and average at least 26 hours per week to be eligible for Income Replacement insurance. This averaging does not include seasonal or casual occupations such as harvesting.

## **Farmers**

An alternative to our offering of a 2 year benefit period with 30 day wait and financial evidence from \$3,000 per month, is an opportunity to extend to a 5 year benefit period. However, we will require financial evidence for all benefit amounts, 30 day wait still applies and the maximum benefit available is \$5,000 per month.

## **Seasonal/casual workers**

These clients will not be eligible for Income Replacement insurance as an extended period of no work is inevitable.

## **Important notes**

Assessing the appropriate occupational category will depend on the actual duties disclosed in the Life Insured Statement. These may be different to what is implied in the applicant's job title. The premium rate will depend on final assessment by the Underwriter in all situations.

A tertiary qualification does not automatically mean that a category A1 or A1M classification will apply.

## **What if my client does not fit into an occupation category?**

To allow our Underwriting team to provide you with an accurate occupation pre-assessment, please obtain the following information:

- age and gender of applicant
- job title
- industry
- duties – what percentage are manual? are there any hazardous duties?
- income and income history for the previous 2 years
- qualifications
- length of time in the current role – if this is less than 2 years, what was the applicant's previous occupation?

Please refer to contact details for Underwriting pre-assessments.

## Activity guidelines

It is important to consider whether a particular sport or pastime would normally incur an additional premium loading or exclusion for a particular type of insurance cover. Where a person participates in an activity on a professional basis, Underwriting will consider this as part of the Occupation Assessment. Please refer to our occupation guidelines or call Underwriting to discuss.

If the particular activity is not listed in the table on the following pages, full details should be supplied in our Life Insured's Statement. Premium loadings for Death cover and Trauma cover are expressed as an extra premium for every \$1,000 sum insured (per mille).

Note: for Life and Trauma cover, where a per mille loading is indicated, an exclusion may be possible. Please discuss the option with Underwriting.

**Example:** Travelling on a commercial airline is considered acceptable for clients. However, private flying for 400 hours per year would constitute a premium loading or exclusion due to the increased level of risk. Logically it is unfair to increase premium rates for all people applying for the same insurance simply because a small proportion participate in activities that are considered high risk.

Information must be provided for each activity and it is necessary that a full and precise description be given.

### Football guidelines

Rugby union/Rugby league/Australian rules/Soccer/American football  
(excluding professional football players)

Occupation	Waiting period	Income replacement/ business expenses	TPD/Premium waiver option
Professional/ white collar	30 days, or greater	+0% loading	+0% loading
	less than 30 days	+25% loading or exclude football on a lesser waiting period	+0% loading
Blue collar/ manual	90 days, or greater	+0% loading	+0% loading
	less than 90 days	+25% loading or exclude football on a lesser waiting period	+0% loading

Note: the Day 4 accident option is not available and if selected at application, a variation will be issued to remove the option from the policy completely.

### Key for sports / pastimes

D/T Death/Trauma

TPD Total and permanent disablement (not including Living activities TPD)

IR Income replacement

### Classifications of sports / pastimes

STD Standard

U Uninsurable risk

E Excluded

Refer Refer to Underwriter

In all cases 'Refer' requires individual consideration based on the information provided. The Underwriter can advise the details which are taken into consideration.

Activity	D/T	TPD	IR
Abseiling – one off only	STD	STD	STD
Abseiling – current participation	STD	E	E
Aviation – Agricultural	\$5	Refer	Refer
– Ballooning – recreational only	STD	STD	STD
– Ballooning – pilot	\$2	E	E
– Charter flying – fixed wing – up to 250 hours pa	STD	E	E
– Charter flying – fixed wing – 251–500 hours pa	\$2.50	E	E
– Charter flying – fixed wing – >500 hours pa	\$5	E	E
– Gliding – up to 50 launches pa	STD	E	E
– Gliding – >50 launches pa	\$2	E	E
– Gyroplane	\$2	E	E
– Hang-gliding	\$2	E	E
– Microlight	\$2	E	E
– Parachuting – one time jumpers	STD	STD	STD
– Parachuting – up to 50 jumps per annum	STD	E	E
– Parachuting – > 50 jumps per annum	\$2	\$2	E
– Parachuting – Instructor	\$2	\$2	E
– Skydiving/Skysurfing – one time jumpers	STD	STD	STD
– Skydiving/Skysurfing – up to 50 jumps per annum	STD	E	E
– Skydiving/Skysurfing – > 50 jumps per annum	\$2	\$2	E
– Skydiving/Skysurfing – Instructor	\$2	\$2	E
– Freeflying/Wingsuit flying – one time jumpers	STD	STD	STD
– Freeflying/Wingsuit flying – up to 50 jumps per annum	STD	E	E
– Freeflying/Wingsuit flying – > 50 jumps per annum	\$2	\$2	E
– Freeflying/Wingsuit flying – Instructor	\$2	\$2	E
– Paragliding	\$2	E	E
– Parasailing	STD	STD	STD
– Paraskiing	\$2	E	E

Activity	D/T	TPD	IR
– Private pilot – fixed wing – Student	STD	E	E
– Private pilot – fixed wing – up to 100 hours pa	STD	STD	STD
– Private pilot – fixed wing – 101–300 hours pa	\$2	E	E
– Private pilot – fixed wing – 300+ hours pa	\$5	E	E
– Ultralight	\$2	E	E
Badminton	STD	STD	STD
Baseball	STD	STD	STD
Basketball	STD	STD	STD
Board diving	STD	STD	STD
Bowls	STD	STD	STD
Boxing – amateur or recreational	STD	E	E
– Competitive	\$2	E	E
Bungee jumping – one off only	STD	STD	STD
Bungee jumping – current participation	STD/E	E	E
Canoeing	STD	STD	STD
Canyoning	STD	STD	STD
Caving/Potholing – Not underwater	STD	STD	STD
– Underwater (refer to Underwater diving guidelines)	Refer	Refer	Refer
Coach – recreational only	STD	STD	STD
Cricket	STD	STD	STD
Cycling – Road	STD	STD	STD
– Mountain bike – amateur only	STD	STD	STD
– Mountain bike – competitive	STD	E	E
– Track/Velodrome	STD	STD	STD
– BMX – amateur only	STD	STD	STD
– BMX – competitive	STD	E	E
Darts	STD	STD	STD
Fencing	STD	STD	STD
Fishing	STD	STD	STD
Freerunning	STD	E	E



Activity	D/T	TPD	IR
Golf	STD	STD	STD
Gymnastics	STD	STD	STD
Hockey – Field	STD	STD	STD
– Ice	STD	E	E
Horse – Rodeo	Refer	E	E
– Dressage	STD	STD	STD
– Racing (no steeplechase)	STD	E	E
– Steeplechase	\$2	E	E
– Recreational (riding school, trekking, riding)	STD	STD	STD
– Polo	STD	E	E
– Show jumping	STD	E	E
Hunting/Shooting	STD	STD	STD
Hurling	STD	STD	STD
Ice skating	STD	STD	STD
Jetskiing	STD	STD	STD
Kayaking	STD	STD	STD
Kite Surfing	STD	STD	STD
Lacrosse	STD	STD	STD
Luge	STD	E	E
Martial Arts – Non-contact	STD	STD	STD
– Contact	STD	STD	E
Motorcar – Demolition Derby	STD	E	E
– Drag Racing	\$2	E	E
– Hill Climbing	STD	STD	STD
– Historic, classic or vintage (excluding racing)	STD	STD	STD
– Karting	STD	E	E
– Circuit racing	Refer	Refer	Refer
– Rallying – amateur or off-road	STD	E	E
– Record attempts	Refer	Refer	Refer
– Sports car racing	Refer	Refer	Refer
– Stock car racing	Refer	E	E

Activity	D/T	TPD	IR
Motorcycle – Acrobatics	Refer	Refer	Refer
– Cross country	STD	E	E
– Dirt track/grass track racing	\$2	E	E
– Circuit racing	Refer	Refer	Refer
– Enduro	Refer	Refer	Refer
– Dragster	Refer	Refer	Refer
– Rally	Refer	Refer	Refer
– Racing	Refer	Refer	Refer
– Motocross	Refer	Refer	Refer
– Record attempts	Refer	Refer	Refer
– Trail bike – leisure only (no competition)	STD	STD	STD
Mountain climbing – Australia only	STD	E	E
– International <4000m	\$2	E	E
– International >4000m	E	E	E
Netball	STD	STD	STD
Orienteering	STD	STD	STD
Parkour	STD	E	E
Potholing/Caving – Not underwater	STD	STD	STD
– Underwater (refer to Underwater diving guidelines)	Refer	Refer	Refer
Rock climbing – Indoor only	STD	STD	STD
– Grade < 10	STD	E	E
– Grade 10–20	\$2	E	E
– Grade 20+	\$5	E	E
Rowing	STD	STD	STD
Running	STD	STD	STD
Sailing – No ocean crossing	STD	STD	STD
– Ocean crossing – 3 or more crew	STD	E	E
– Ocean crossing – less than 3 crew	E	E	E
Snow skiing – Amateur/recreational	STD	STD	STD
– competitive	STD	E	E
Snooker	STD	STD	STD
Snorkelling	STD	STD	STD

Activity	D/T	TPD	IR
Snow boarding – Amateur/recreational	STD	STD	STD
– competitive	STD	E	E
Squash	STD	STD	STD
Street luge	STD	E	E
Surfing	STD	STD	STD
Swimming	STD	STD	STD
Table Tennis	STD	STD	STD
Tennis	STD	STD	STD
Ten pin bowling	STD	STD	STD
Touch football	STD	STD	STD
Underwater diving – SCUBA, Skin diving, Free diving			
Hazards include but not limited to wreck diving, caving or retrievals			
– no hazards, <45m	STD	STD	STD
– no hazards, >45–100m	\$2	E	E
– with hazards or > 100m	Refer	E	E
Volleyball	STD	STD	STD
Walking	STD	STD	STD
Water skiing – Amateur/recreational	STD	STD	STD
– competitive	STD	E	E
Weightlifting – amateur	STD	E	E
– competitive	STD	E	E
White/Black water rafting/tubing	STD	STD	STD
Wind surfing – Amateur/recreational	STD	STD	STD
– competitive	STD	E	E
Wrestling – Amateur/recreational	STD	STD	STD
– competitive	STD	E	E
Yachting – No ocean crossing	STD	STD	STD
– Ocean crossing – 3 or more crew	STD	E	E
– Ocean crossing – less than 3 crew	E	E	E
– Transocean/Internation/Sydney to Hobart	STD	E	E
Zorbing	STD	STD	STD

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# Section 8

## Other underwriting guidelines

# Other underwriting guidelines

## Bankruptcy

### Undischarged bankruptcy

- Clients who have been declared bankrupt will not be eligible for Income replacement.
- Please refer to Underwriting before submitting an application for Death, TPD or Trauma cover.

### Discharged bankruptcy

- Clients who have been declared discharged bankrupt will be considered where they have been operating a profitable business for a minimum of three years, or working as an employee for a minimum of 12 months. Applicants will be assessed on the bankruptcy questionnaire, full financials, including detailed profit and loss statement, balance sheets, as well as business and personal income tax returns for the past three years.

## Needlestick injuries

Needlestick injuries can occur in many occupations and Zurich offers an option specifically designed for this. However if your client has suffered from a recent needlestick injury, we require your client to have completed and returned satisfactory results for all of the recommended tests (ie. immediate, 3 month and 6 month tests), before we can offer cover.

## Ongoing income and offsets

Where an applicant is an owner of a small to medium business, there may be a significant portion of income which will continue after disablement of the owner.

Depending on the individual circumstances of the business, and the estimated ongoing income, at time of Underwriting we may need to apply an ongoing income offset clause, or in some cases may limit our ability to offer cover.

If a clause is required, it will only be applied when the monthly amount exceeds \$10 000 per month, and will commence after 6 months of claim.

## Overseas travel

For clients intending to travel overseas, cover is subject to the country and area which the applicant is travelling to and the length of stay.

Our guidelines for travel are considered in line with current government warning and other advice at the time of application.

Please contact Underwriting for further information.

## **Other Insurance**

Zurich takes into account total cover across the industry in conjunction with what is being applied for (if not replacing the other cover).

Financially, we underwrite the total amount to be held with Zurich and other insurers, and apply our financial limits on the total.

Medically, we underwrite the cover to be held with by Zurich only.

If Zurich cover is replacing other cover, a replacement business clause will be shown on the Policy schedule. This clause states that the new policy is replacing existing cover and is subject to this cancellation occurring. The clause is applied to protect our company and our reinsurers from over insurance situations where medical and financial requirements have not been met. The sum insured should fit the needs of the applicant without undue risk to the insurer.

If you are writing replacement business, you should nominate a date when you would like the new policy to begin which will allow time to cancel the existing cover, avoiding any double up of premium. Zurich will not refund premiums paid while the cover being replaced remains in force.

## **Residency**

Zurich has recently carried out a detailed review of a complex area of risk that concerns underwriting non-resident persons.

As a global insurer, Zurich operates in many countries around the world. However the policies offered in Australia are designed for Australian residents and comply with Australian laws. We do not offer cover to anyone not currently residing in Australia.

## **Sick leave**

As we do not have a sick leave offset in our income replacement product, we may need to offset sick leave during the underwriting process.

As a guideline, this will only need to apply where a person's accumulated sick leave overlaps significantly with the waiting period applied for.

As an alternative to the sick leave offset clause, it may be possible to extend the waiting period applied for.

Please contact Underwriting to discuss.

## Section 9

# Policy maintenance and administration

Alterations/lapses/reinstatement  
reviews of loadings  
Applications not proceeded with



# Policy maintenance and administration

## Adviser Assist – online access to client information

This online service is designed to assist you with servicing your clients.

Here you are able to access your client’s personal information and existing policy details, view and track the progress of new business applications and stay on top of in-force business at various stages of the renewal process.

There are three customer tracking options within the Adviser Assist menu:

- My clients
- Application Tracking
- Life Risk Renewal Tracking

### What information can I access?

Within these options, you can see the following information, available at a glance:

My clients	Application Tracking	Life Risk Renewal Tracking
<ul style="list-style-type: none"> <li>• a complete, downloadable list of all your clients</li> <li>• coverage / benefit details for individual policies</li> <li>• client transaction histories</li> <li>• account balances</li> <li>• all reports / lists can be exported to excel</li> <li>• downloadable statements, letters and notices in PDF for all auto generated communication back to 2003</li> </ul>	<ul style="list-style-type: none"> <li>• 24/7 new business application tracking in real time</li> <li>• underwriter details</li> <li>• view one or all outstanding requirements for each client</li> <li>• save files to PDF or print as required</li> <li>• view reports or export to excel</li> </ul>	<ul style="list-style-type: none"> <li>• renewal and lapse / cancellation tracking for all clients</li> <li>• you can view a summary of and notices issued to all client policies at the following stages:               <ul style="list-style-type: none"> <li>– renewal / cover increase</li> <li>– overdue</li> <li>– approaching cancellation</li> <li>– cancellation</li> <li>– lapsed policies within the last 12 months</li> </ul> </li> <li>• link to forms: reinstatement application and direct debit request</li> </ul>

## Other information

The following resources are also available via Adviser Assist to help you in servicing your clients better:

- targeted marketing material for download
- links to all administrative and underwriting Life Risk forms
- a range of calculators to help illustrate client needs
- details on fees and commission structures
- investment fund performance reports and unit pricing data
- information about our claims process

You can also order additional copies of the PDS and all other marketing brochures produced by Zurich for your office via the [Order Brochures](#) link on the left hand navigation menu.

## How to get there

Go to [zurich.com.au/advisers](http://zurich.com.au/advisers) then follow the Adviser Assist link on the right hand side. Log in using your username and password.

If you are a new user, simply follow the link on the log on page to create a new username and password. Remember to write these down and keep them in a safe place. You will need these details whenever you want to do quotes or applications, including via LifeXpress mobile, our iPhone quoting app.

Once inside Adviser Assist you can use the navigation down the left hand side or across the top to access the above information.

## Lapses and reinstatements

Should a premium not be received by the due date the policy owner is given 30 days grace. A lapse letter will be sent at the end of the 30 days overdue period advising that cover has ceased.

In the first 30 days after lapse, we will reinstate cover immediately if we receive a request and all outstanding premiums are paid. Please contact the Zurich Call Centre to arrange this.

After 86 days, a Reinstatement application form will be necessary to re-activate the cover.

The basic principle behind the Reinstatement application is to confirm that the applicant is still in good health and not just reinstating because of ill health and a desire to claim.

If 12 months has elapsed since the last premium was paid we will require a new application to be completed. We would then treat the application as if it were new business and there is no guarantee that the application will be accepted or if accepted that the terms will be the same as the original policy.

No claims will be paid where the condition, illness or injury, first occurred or first became apparent between the time the policy lapsed and the time the policy is reinstated.

## Reviews of exclusions / loadings or other Underwriting decisions

In many circumstances we are able to review our assessment after a given period of time.

Once a decision has been made your Underwriter will advise if and when a review is possible. This will depend on the actual condition, the date since the last recurrence of symptoms and improved health status.

Should the applicant wish to have a decision reviewed after the policy has been accepted please advise Underwriting in writing.

## Backdating quotes

Where a client has had a birthday after a quote has been prepared but prior to the acceptance of the policy, Zurich may agree to honour the quote provided the application is received within one calendar month from the quote presentation date.

Zurich may agree to backdate policy commencement but only if the request is received prior to acceptance of the policy.

Clients should be made aware that the honouring of quotes or backdating of policy commencement in these situations may initially provide lower premiums however premiums will align to the actual age at the first policy anniversary and in most cases this will lead to a steep rise in premiums.

## Cancellations and NPWs

### Cancellations

Requests to cancel all or part of an application can be made over the phone or in writing by the applicant or you as the adviser before an underwriting decision has been made.

### Applications Not Proceeded With (NPW)

To ensure that applications are regularly followed up, and reminders are sent regarding outstanding requirements, our system automatically generates reminders and approaching 'NPW' notifications. If there are instances when these deadlines cannot be met, please contact our Underwriting Service Team for information on approving deadline extensions.

If an application is NPW but the applicant does wish to proceed, Underwriting will need to assess the eligibility of the application, including the time lapsed since the original application and the reason for the delay. Please note that as a minimum requirement we will need all outstanding requirements to be submitted at the point of review.

Please contact our Underwriting Service team for further information.

## How to request specific alterations

### Alterations table

Please post any of these completed forms to: Zurich Life Underwriting, Locked Bag 994, North Sydney NSW 2059. For queries on what is required, please contact the Underwriting team to confirm requirements.

Alteration	Requirements
Alter personal details	<ul style="list-style-type: none"> <li>• Change of details form</li> </ul>
Smoker to non-smoker	<ul style="list-style-type: none"> <li>• Non-smoker application</li> </ul>
Waiting period	
<ul style="list-style-type: none"> <li>• increase</li> <li>• decrease</li> </ul>	<ul style="list-style-type: none"> <li>• A letter from the policy owner detailing the requested change</li> <li>• New application</li> <li>• Life Insured's Statement Any medical evidence already received for previous applications is usually valid for up to 6 months</li> </ul>
Decrease waiting period due to GSC arrangements	<ul style="list-style-type: none"> <li>• Waiting period reduction feature application</li> </ul>
Sum insured	
<ul style="list-style-type: none"> <li>• increase (within 2 years of commencement)</li> <li>(after 2 years)</li> <li>• decrease</li> </ul>	<ul style="list-style-type: none"> <li>• New application</li> <li>• Express underwriting form</li> <li>• New application</li> <li>• Life Insured's Statement</li> <li>• A letter from the policy owner detailing the requested change</li> </ul>
Benefit period	
<ul style="list-style-type: none"> <li>• increase</li> <li>• decrease</li> </ul>	<ul style="list-style-type: none"> <li>• New application</li> <li>• Life Insured's Statement Any medical evidence already received for previous applications is usually valid for up to 6 months</li> <li>• A letter from the policy owner requesting the change is required</li> </ul>

(continued next page)

Alteration	Requirements
Review occupation category for TPD or IR (eg. from manual to clerical, or change from any to own)	<ul style="list-style-type: none"> <li>• A letter from the policy owner outlining the change, including the full duties</li> <li>• Life Insured's Statement</li> </ul>
Relating policies (one or more existing policies)	<ul style="list-style-type: none"> <li>• Request to relate policies form</li> </ul>
Review medical loading/exclusion	<ul style="list-style-type: none"> <li>• A letter from the policy owner requesting the review</li> <li>• Life Insured's Statement</li> </ul>
Review of occupational, residency or activity based loading/exclusion	<ul style="list-style-type: none"> <li>• A letter from the policy owner requesting the review. Contact Underwriting for any further requirements</li> </ul>
Ordinary business to superannuation	<ul style="list-style-type: none"> <li>• New application</li> </ul>
Superannuation to ordinary business	<ul style="list-style-type: none"> <li>• Conversion of cover application form</li> </ul>
Exercise Future insurability benefit (business)	<ul style="list-style-type: none"> <li>• A letter from the policy owner requesting to exercise the benefit. Contact underwriting for further requirements</li> </ul>
Exercise Future insurability benefit (personal)	<ul style="list-style-type: none"> <li>• Application to exercise the future insurability benefit form</li> </ul>
Exercise Future insurability option (Income Replacement)	<ul style="list-style-type: none"> <li>• Request to exercise the future insurability benefit (Zurich Income Replacement) form</li> </ul>
Exercise Flexible cover benefit	<ul style="list-style-type: none"> <li>• Application to exercise flexible cover benefit</li> </ul>
Exercise/cancel Premium freeze	<ul style="list-style-type: none"> <li>• Request to exercise premium freeze form</li> </ul>
Reject Indexation offer/s	<ul style="list-style-type: none"> <li>• Request to reject indexation increases form</li> </ul>
Stepped to level and level to stepped	<ul style="list-style-type: none"> <li>• A letter from the policy owner</li> </ul>
Indemnity to agreed value contract	<ul style="list-style-type: none"> <li>• within 12 months of policy issue <ul style="list-style-type: none"> <li>• A letter from the life insured and the policy owner requesting a change from indemnity to agreed value</li> <li>• New quote</li> <li>• Sections 2, 4, 7, 9 and the Declaration in the Life Insured's Statement. Financial evidence may be required</li> </ul> </li> <li>• over 12 months since policy issue <ul style="list-style-type: none"> <li>• As above plus a Declaration of health</li> </ul> </li> </ul> <p><b>Note:</b> This does not apply to policies that commenced under a continuation option</p>

Alteration	Requirements
Agreed value to indemnity contract	<ul style="list-style-type: none"> <li>• A letter from the life insured and the policy owner requesting a change from agreed value to indemnity</li> </ul>
Alter level of cover <ul style="list-style-type: none"> <li>• standard to comprehensive or</li> <li>• comprehensive to premier or</li> <li>• standard to premier</li> <li>• premier to comprehensive or</li> <li>• comprehensive to standard or</li> <li>• premier to standard</li> </ul>	<ul style="list-style-type: none"> <li>• New application</li> <li>• Life Insured's Statement</li> <li>• A letter from the policy owner</li> </ul>
Add optional extra to policy (which does not require underwriting)	<ul style="list-style-type: none"> <li>• Application to add optional extra benefits</li> </ul>
Add Insured child option to policy	<ul style="list-style-type: none"> <li>• Insured child option application form</li> <li>• New quote</li> </ul>
Conversion of Insured child option to a death and/or trauma policy	<ul style="list-style-type: none"> <li>• A letter from the policy owner</li> <li>• New application</li> <li>• New quote</li> </ul>
Reinstatement of lapsed policy	<ul style="list-style-type: none"> <li>• Reinstatement application</li> </ul>
Reinstatement of lapsed Insured child option	<ul style="list-style-type: none"> <li>• New Insured child option form</li> </ul>
Reinstatement of lapsed Spouse cover option	<ul style="list-style-type: none"> <li>• Reinstatement application</li> </ul>
Reinstatement of cancelled policy	<ul style="list-style-type: none"> <li>• New application</li> <li>• Life Insured's Statement</li> </ul>
Cancel an inforce policy	<ul style="list-style-type: none"> <li>• A letter from the policy owner</li> </ul> <p>If there is more than one policy owner, all owners must sign the letter</p>
Policy upgrades	<ul style="list-style-type: none"> <li>• New application</li> <li>• Life Insured's Statement</li> </ul>
Continue Income replacement to age 70	<ul style="list-style-type: none"> <li>• Income replacement extension application</li> </ul>
Rider to stand-alone cover where all cover is being retained (eg. Death and TPD becomes stand-alone Death and stand-alone TPD)	<ul style="list-style-type: none"> <li>• New application</li> <li>• Life Insured's Statement</li> </ul>

(continued next page)

Alteration	Requirements
Rider to stand-alone cover where some cover is being cancelled (eg. Death and TPD becomes stand-alone TPD)	<ul style="list-style-type: none"> <li>A letter from the policy owner or a new application</li> </ul>
Altering a level premium policy	Where there is a decrease in risk, the age at commencement will be used to determine the new premium. Where there is an increase in risk, the current age will be used
Alter or update nominated beneficiaries	<ul style="list-style-type: none"> <li>Nomination of beneficiaries form</li> </ul>
Making binding nominations (risk only super)	<ul style="list-style-type: none"> <li>Zurich super estate management application</li> </ul>
Add/increase Optional Protection Benefits to existing ZSP plan	<ul style="list-style-type: none"> <li>New application (Adding/Increasing Optional Protection Benefits to existing ZSP Plan application form)</li> <li>Life Insured's Statement</li> <li>A letter from the life insured/member requesting the change</li> </ul>
Transfer of ownership: <ul style="list-style-type: none"> <li>Ordinary to ordinary</li> <li>SMSF to another SMSF</li> <li>SMSF to ordinary</li> </ul>	<ul style="list-style-type: none"> <li>Memorandum of Transfer form</li> <li>Policy document <b>OR</b> completed Statutory Declaration (for lost policy document) + \$100 lost policy advertising fee</li> </ul>
Transfer of ownership: <ul style="list-style-type: none"> <li>Ordinary to SMSF</li> </ul>	<ul style="list-style-type: none"> <li>New Wealth Protection application form ("Application Form" and "Declaration" sections only)</li> <li>Conversion of cover (supplementary) form</li> </ul>
Transfer of ownership: <ul style="list-style-type: none"> <li>Ordinary to Zurich trustee</li> <li>SMSF to Zurich trustee</li> </ul>	<ul style="list-style-type: none"> <li>New Wealth Protection application form ("Application Form" and "Declaration" sections only)</li> <li>Conversion of cover (supplementary) form</li> </ul>
Transfer of ownership: <ul style="list-style-type: none"> <li>Zurich trustee to SMSF</li> <li>Zurich trustee to ordinary</li> </ul>	<ul style="list-style-type: none"> <li>Conversion of cover form</li> <li>A letter from the policy owner requesting cancellation of existing policy</li> </ul>

## Management fees

The current management fees are set out in the Wealth Protection PDS.

If more than one policy is applied for at the same time, for the same life insured, only one management fee will be charged.

## Billing dates for monthly payments

The initial billing date will be the date the policy goes into force (unless that date is the 29th, 30th, or 31st of the month, in which case the policy will go into force on the 28th of that month).

Our regular billing dates are:

Institution	Dates
Bank account	
Credit Union	5, 10, 11, 14, 20, 25
Building Society	
Credit Card	4, 9, 17, 24

The next payment will occur on the next regular billing date unless you tell us otherwise on the Advisers Report in the Wealth Protection application form.

We do not pro-rata days; 12 monthly payments will be taken over the period of a year.

## LifeXpress quotes

If a LifeXpress quote is more than one calendar month old when it is received at New Business and the applicant has had a birthday in that month, we will request a new LifeXpress quote.

For example, if we receive an application on 1 April, the life insured's birthday is 15 March and the quote date is in February, a new quote will be requested.

As a result of changes to Death cover rates in 2009, LifeXpress cannot be used to quote additions or alterations to in force policies where the policy commencement date is prior to 1 April 2009. Quotes for this

business can be requested by emailing [adviser.service@zurich.com.au](mailto:adviser.service@zurich.com.au) or calling 131 551. LifeXpress may be used to quote for inforce business in most other circumstances if the entire sum insured is entered rather than just the new portion.

## Changing policy ownership

A memorandum of transfer (MOT) can be used to transfer ownership on certain policies including:

- Ordinary to ordinary
- Self Managed Super Fund (SMSF) to another SMSF
- SMSF to ordinary

However, where superannuation entities are involved, there are a number of instances when using an MOT could breach SIS rules. For this reason, Zurich will not accept an MOT for any other type of transfer. Instead, transfers of ownership in all other instances will be actioned via cancel and replace.

Please refer to the Alterations table on the previous page for information about requirements.

It is important to note that certain benefits may be restricted or become unavailable when cover is transferred from non-super to super ownership.



## Commission

Figures on this page include GST.

### Upfront commission

The standard rate is 121% initial and 11.55% on renewal.

This commission option is not available to advisers writing business on their own lives. Refer to the PDS for details.

Initial commission	Renewal commission	Ongoing premium reduction
121%	11.55%	0%
101.75%	8.8%	5%
82.5%	6.05%	10%

### Level commission

The standard rate is 33%.

Commission amount	Ongoing premium reduction
33%	0%
27.5%	7%
22%	13%
16.5%	18%
11%	22%
5.5%	26%
0%	30%

### Hybrid commission

There are two hybrid commission options available:

#### Hybrid 1

The standard rate is 88% initial and 19.8% on renewal.

Initial commission	Renewal commission	Ongoing premium reduction
88%	19.8%	0%
77%	15.4%	5%
66%	11%	10%
55%	6.6%	15%
44%	2.2%	20%

#### Hybrid 2

The standard rate is 60.5% initial and 27.5% on renewal.

Initial commission	Renewal commission	Ongoing premium reduction
60.5%	27.5%	0%
55%	22%	6%
49.5%	16.5%	12%
44%	11%	17%
38.5%	5.5%	21%
33%	0%	25%

### Commission rules on transfer of cover

The commission type must remain the same when transferring cover or increasing cover.

New business commission will only be paid on the increased premium received.

If you believe you have done sufficient work to qualify for the repayment of new business commission, you can apply for consideration through your BDM. Once a policy has been put into force, the commission style cannot be changed ie. a policy which was originally issued with upfront commission cannot be altered to a level commission at a later point in time.

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# Section 10

# Platform

# Platform

## Insurance with Zurich on platform

Our Wealth Protection product range is available via investment and superannuation platforms.

We have a number of agreements with different platform providers. Please speak with your BDM for details on which platform providers we have an agreement with for the provision of individual insurance.

To help you understand what insurance cover we offer on platform, please see the below diagram.

	Non-super	Super
Death	✓	✓
TPD	own + any occupation	any occupation
Income replacement	agreed + indemnity	indemnity

Although restrictions apply to the cover available under super, additional cover can be held in conjunction with a platform policy using related policies. More information can be found in the section on Tailored super structuring.

## How to apply

When quoting in LifeXpress, you should make a selection from the 'Policy Type' drop down menu of either:

- Platform super (cover via a superannuation platform)
- Platform non super (cover via an investment platform with non super ownership)
- Platform SMSF (cover via an investment platform with SMSF ownership).

You will also need to select a Platform name and provide a platform member number for the life insured. You don't have to enter the member number if it is not yet available, but we cannot issue a policy without it, so it will become an outstanding requirement if it is not included in the quote.

You can apply using the Wealth Protection paper application form or electronically via LifeXpress.

## Transfer of Zurich policies to and from platform

It is possible to transfer an existing Zurich insurance policy to and from a platform arrangement without underwriting. Please refer to the table below for requirements.

Type of transfer	Requirements
Transfer to non-super platform (including SMSF)	Transfer of existing policy to platform form (non-super)
Transfer to super platform	Transfer of existing policy to platform form (super)
Transfer from non-super platform (including SMSF) no change of ownership	Letter from policy owner <b>AND</b> new Direct debit request form
Transfer from non-super platform (including SMSF) with change of ownership	Letter from policy owner <b>AND</b> new Direct debit request form <b>AND</b> relevant transfer of ownership documentation *
Transfer from super platform with change of ownership	New Wealth Protection application form (Application and Declaration sections only) <b>AND</b> Conversion of cover (supplementary form)

\*Refer to the Alterations table in the Policy Maintenance and Administration section for documentation required to transfer ownership.

# Section 11

# Discounts

# Loyalty discounts

Policy owners may be eligible to receive the following discounts on the premium payable for their policy:

Discount	Description
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 (or one multi-life policy) 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 (or one multi-life policy) with Zurich. The more people involved, the higher the discount which will apply 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'.

## Discountable products

Discounts are applied to Wealth Protection products and Zurich Superannuation Plan (ZSP) Optional Protection Benefits, ie:

- Zurich Protection Plus
- Zurich Income Replacement
- Zurich Superannuation Term Life Plus
- Zurich Superannuation Income Replacement
- ZSP Superannuation Term Life Plus
- ZSP Income Replacement (superannuation version)

The management fee and stamp duty are not discounted.

## Multi policy discount

### Eligibility

A multi policy discount may apply to the premium for any eligible policy when the same life insured takes:

- more than one policy or
- two or more stand-alone lump sum covers on a single policy.

### Discount amount

The multi policy discount is dependent on the number of policies:

Number of policies	Discount available
2	5%
3 or more	7.5%

### Examples –

#### *applying discounts to new business:*

Action: New policy  
Zurich Protection Plus (policy A)

+

Action: New policy  
Zurich Superannuation Term Life Plus (policy B)

=

5% multi policy discount applies to policies A & B from outset

Action: New policy  
Zurich Protection Plus (policy A)

+

Action: New policy  
Zurich Superannuation Term Life Plus (policy B)

+

Action: New policy  
Zurich Income Replacement (policy C)

=

7.5% multi policy discount applies to policies A, B & C from outset

#### *applying discounts to existing business:*

Action: New policy or Increase existing policy  
Zurich Protection Plus  
Death cover & stand-alone Trauma cover

=

5% multi policy discount applies to the policy from outset / date of increase

Action: New policy or Increase existing policy  
Zurich Protection Plus (policy A)

+

In-force policy  
Zurich Income Replacement (policy B)

=

5% multi policy discount applies to policy A from outset / date of increase and to policy B from the next policy anniversary

Action: New policy or Increase existing policy  
Zurich Protection Plus (policy A)

+

In-force policy  
Zurich Income Replacement (policy B)

+

In-force policy  
Zurich Protection Plus (policy C)

=

7.5% multi policy discount applies to policy A from outset / date of increase and to policies B and C from the next policy anniversary



### **Lapsed cover**

If policies lapse (or are cancelled) and only one policy remains, the multi policy discount will no longer apply. The discount will be removed from the remaining policy at next policy anniversary.

### **Management fee waiver**

Zurich will continue to waive one management fee where a life insured applies for more than one policy at the same time.

### **Related policies**

A set of two related policies is considered one policy only for the purposes of applying multi policy discounts.

## Family discount

A family discount may apply to the premium for any eligible policy if there are two or more lives insured on the one policy or if separate policies are grouped together because there is a 'family' relationship.

Children insured under the Insured child option do not count towards a family discount.

A family discount may apply to policies for members of the same family (or one multi-life policy). The more lives involved, the higher the discount which will apply to each policy.

### Discount table

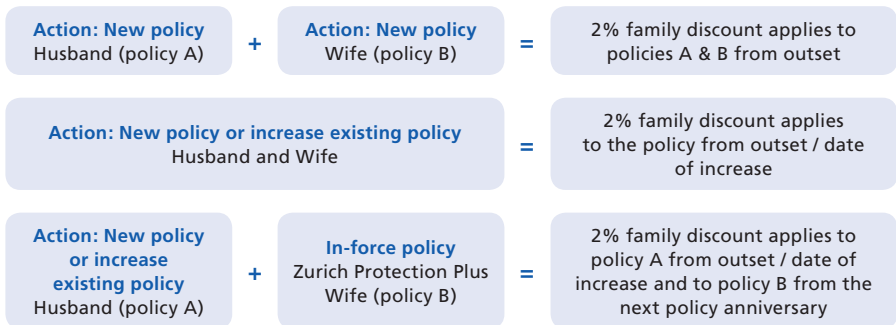
The discounts available for family groups are:

Number of members	Discount available	Number of members	Discount available	Number of members	Discount available
2	2%	5	5%	8	8%
3	3%	6	6%	9	9%
4	4%	7	7%	10 or more	10%

### Eligibility

'Family members' are defined as spouse/de facto spouse (including same sex), parents, children and siblings.

### Examples



### Lapsed cover

If policies lapse (or are cancelled), causing the number of family members in the group to change, the family discount amount will be adjusted at the next policy anniversary.

If the number of family members in the group reduces to one, then the family discount will be removed.

## Business discount

A business discount may apply to the premium for any eligible policy if there are two or more lives insured on the one policy or if separate policies are grouped together because there is a 'business' relationship.

A business discount may apply to policies for employees/partners in the same business (or one multi-life policy). The more lives involved, the higher the discount which will apply to each policy.

### Discount table

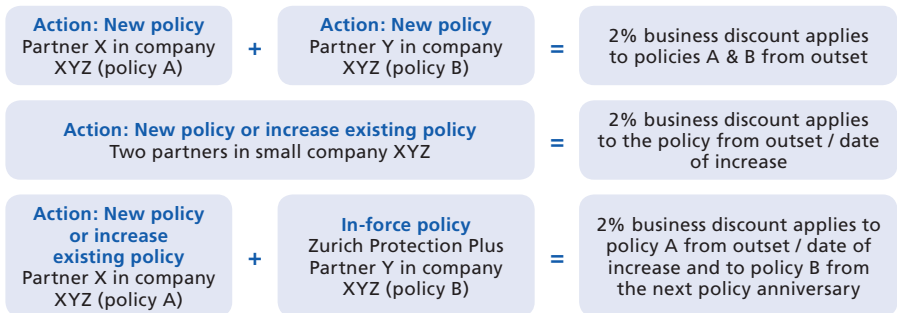
The discounts available for business groups are:

Number of members	Discount available	Number of members	Discount available	Number of members	Discount available
2	2%	5	5%	8	8%
3	3%	6	6%	9	9%
4	4%	7	7%	10 or more	10%

### Eligibility

'Business members' are defined as business partners, employer and employees, associated businesses with common directors/shareholders (and can include the spouses of business members).

### Examples



### Lapsed cover

If policies lapse (or are cancelled), causing the number of business members in the group to change, the business discount amount will be adjusted at the next policy anniversary.

If the number of business members in the group reduces to one, then the business discount will be removed.

## More information about Loyalty discounts

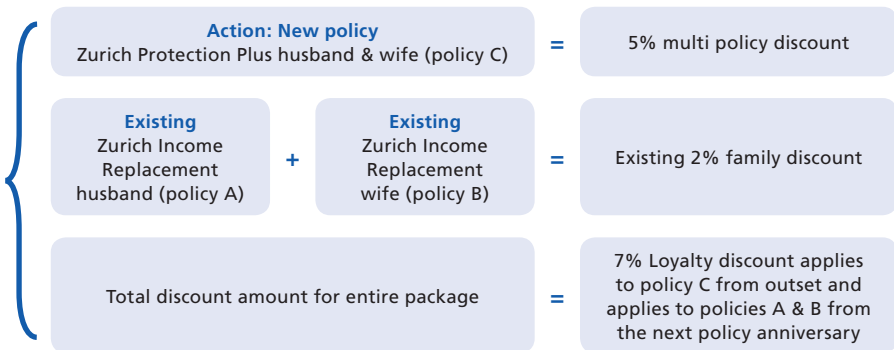
### More than one discount

It is possible that more than one discount may apply to a policy, ie.

- multi policy discount + family discount; or
- multi policy discount + business discount.

### For example

If a husband and wife take a new eligible policy and they already each have an in-force eligible policy, a 5% multi policy discount plus a 2% family discount will apply to the total premium (excluding management fee and stamp duty) for all of their policies, ie. the Loyalty discount will be 7%.



### Commission impact

Adviser commission will not be reduced when discounts are applied – commission will be based on the full, pre-discounted premium.

### Loadings impact

Discounts will apply to the total premium (excluding the management fee and stamp duty) including any medical loadings imposed at Underwriting. Discounts will not apply to any dollar per mille loadings.

### Changes to family or business groups

Zurich does not need to be advised of any changes in relationships between family or business group members (for example, in the event of divorce or resignation).

The discount will not change, unless a member lapses a policy or requests to leave the group.

### **In-force policies**

Discounts can only be applied to in-force eligible products if a trigger event occurs (provided they otherwise qualify for a discount). Discounts cannot be applied to in-force policies which are written with level premium. However, if an in-force level premium policy is added to a discount group (multi policy, family or business) discounts will be applied to future increases, including CPI increases.

### **Trigger events**

- a new policy is taken out; or
- an existing policy is increased.

### **How to apply for Loyalty discounts**

LifeXpress will allow you to calculate Loyalty discounts by asking you to select the type of discount for the illustration being prepared.

The quote must be accompanied by an Application Form and Life Insured's Statement (LIS). The LIS contains a Loyalty discount section which will allow any in-force policies or family/business relationships to be nominated. Discounts cannot be set up on the basis of any request not submitted on the correct form.

### **Policy owner communications**

Information about any Loyalty discounts applying to a particular policy will be included on the Policy schedule. Recalculated Loyalty discounts will be shown on annual renewal notices.

## **Rollover reward**

A rollover discount will automatically apply to Superannuation Term Life Plus and Superannuation Income Replacement policies where the annual policy premium is paid via rollover from a superannuation fund. The discount is earned in the year which is funded by the rollover and calculated as 15% of the value of the annual premium paid by rollover (excluding management fee). This discount is then applied as a reduction in premium payable in the following year.

The rollover discount will be applied to total premium due.

The rollover discount only applies where the rollover amount exactly matches the annual premium and does not apply to any partial rollover payments.

## **Commission impact**

Adviser commission is calculated on the actual premium received, so in any year when the 15% rollover discount is applied, renewal commission will be reduced accordingly.

## **Loadings impact**

The rollover discount will apply to the total premium (excluding management fee) including any medical loadings imposed at underwriting.

## **Rules and restrictions**

The following rules apply:

- the rollover discount will only be applied to an eligible policy where the annual premium in the previous year was funded by a rollover (and recorded on our policy administration system)
- the rollover discount will be calculated as 15% of the annual premium paid by rollover (excluding management fee), and deducted from the premium due at anniversary in the following year
- future premiums do not have to be funded by rollover but a rollover discount will only be earned in any year where premiums are funded by a rollover
- if the premium in the year when the rollover discount is applied is not an annual premium, the rollover discount will still be applied
- if superannuation law changes and premiums funded by rollover cease to generate a tax benefit for the ZMSF, then Zurich will no longer offer the rollover discount.

### For example

**New member:** John takes out cover under Zurich Superannuation Income Replacement and elects to pay the first annual premium by rollover. Eligibility for the rollover discount is recorded on the policy and the 15% discount is calculated. The discount is applied to the premium due at the first policy anniversary (in 12 months time) and is shown on the anniversary notice.

**Renewing member:** Claire has cover under an existing Zurich Superannuation Term Life Plus policy. She contacts Zurich to arrange an annual premium payment via rollover from her employer superannuation fund at the upcoming policy anniversary. Eligibility for the rollover discount is recorded on the policy and the 15% discount is calculated. The discount is applied to the premium due at the next policy anniversary (in 12 months time) and is shown on the anniversary notice.

## Sum insured discounts

Policy owners may be eligible to receive the following discounts on the premium payable for their policy based on the following levels of cover:

### Death & TPD

Sum insured	Protection Plus and Superannuation Term
\$250,000 – \$499,999	11%
\$500,000 – \$749,999	21%
\$750,000 – \$999,999	22%
\$1,000,000 – \$1,999,999	29.5%
\$2,000,000+	33.5%

### Trauma

Sum insured	Discount
\$100,000 – \$149,999	3%
\$150,000 – \$249,999	16%
\$250,000 – \$349,999	24%
\$350,000 – \$499,999	25.5%
\$500,000 – \$749,999	29%
\$750,000 – \$999,999	32%
\$1,000,000+	36.5%

### Income replacement

Insured monthly benefit	Discount
\$0 – \$2,499	+15%
\$2,500 – \$3,499	+12%
\$3,500 – \$4,999	5%
\$5,000 – \$7,499	13%
\$7,500 – \$9,999	18%
\$10,000 – \$14,999	20%
\$15,000+	21%



# Section 12

# Claims

# Claims

## Zurich and life insurance claims

Claim time is the moment of truth in life insurance, not just for the claimant, but for our industry, as it is the point at which we deliver on the promise. And the more we as an industry deliver on that promise, the greater will be the demand for, and appreciation of, life insurance cover.

When you recommend Zurich, you can do so with the confidence that your clients are in safe hands.

## Our claims philosophy

Our claims philosophy is based on starting assumption that all claims are lodged for genuine reasons, and that our role is to look for ways to pay claims, not for ways to deny them.

We aim to assess claims:

- promptly
- fairly
- consistently
- transparently and
- sensitively.

## How our team works with you

All claims are allocated to a dedicated case manager, so you have just one point of contact throughout the claim.

Our experienced claims specialists employ a flexible approach when partnering with advisers to seek the best possible outcomes for clients.

## Claims procedures

### 1. Initial notification

To notify of us of a potential claim, call 1800 500 655 and speak to one of our Claims specialists, who can clarify our requirements. At this stage we would also confirm the client contact details so we could contact them promptly and put their mind at ease.

If your client, or their representative, calls us directly, one of our specialists will discuss your client's situation with them; explaining how we would manage their claim and what type of information we would require. We can also answer any questions they may have.

### 2. Claims kit sent

Following the initial discussion with your client, we will then send them a claims kit, containing:

- a summary of our claims process
- a list of our requirements to be able to assess the claim, and how to obtain them
- claims forms and authorities specific to that claim
- Frequently Asked Questions (FAQs)

**Note:** We will generally send the claims kit within 24 hours of the discussion with your client, and will send you a copy of this correspondence.

### 3. Initial Requirements by Claim type

A list of our initial documentary requirements, by claim type is set out on the following pages. An easy way to facilitate the prompt and smooth processing of a claim is to ensure all requirements are provided as soon as possible.

If you are unsure as to how to satisfy some of the requirements listed, call our Claims team on 1800 500 655 for assistance.

Please note that depending on individual circumstances we may from time to time seek information over and above that listed here.

### 4. Dedicated Case Manager allocated

Once initial requirements have been received, a claims case manager will be assigned to the claim, providing you and your client with a single point of contact. The case manager will keep you fully informed as to the progress of that claim.

### 5. Key contact details

**Phone:** 1800 500 655

**Fax:** (02) 9995 3732

**Email:** [life.claims@zurich.com.au](mailto:life.claims@zurich.com.au)

**Post:** Zurich Life Risk Claims  
Locked Bag 994  
North Sydney NSW 2059

### 6. Downloadable claims documents

Our claims kits can also be download from our website at

[www.zurich.com.au/lifeclaims](http://www.zurich.com.au/lifeclaims)

## Claims requirements

Type of claim	Initial requirements	Who to complete/provide
Income Replacement	Income Replacement Claim Form <i>Part one</i>	Life insured
	<i>Part two – Physicians report</i>	Life insured's treating doctor
	Claim Declaration and Authority	Life insured
	Medicare and Pharmaceutical Benefits Scheme Release Authority	Life insured
	Certified copy of birth certificate, passport or drivers licence	Life insured
	<b>Additional requirement for indemnity policy claims only</b> Financial Statements for 12 consecutive months within the 24 month period prior to claim. This can include tax returns (individual and business), profit and loss statements, group certificates, trading accounts and Notices of Assessment.	Life insured and their registered accountant
Business Expenses	As for Income replacement plus Business Expenses Claim form	Life insured and their registered accountant
Trauma and Terminal Illness	Claimant's Statement Form	Life insured and policy owner
	Treating Specialist Report	Treating specialist
	Claim Declaration and Authority	Life insured
	Original policy documents (or Lost Policy Declaration if original cannot be located)	Policy owner
	Medicare and Pharmaceutical Benefits Scheme Release Authority	Life insured
	Certified copy of birth certificate, passport or drivers licence	Life insured

Type of claim	Initial requirements	Who to complete/provide
Death	Death Claim Form	Executor of estate of life insured
	Full death certificate (original or certified copy), obtained from Registrar of births, deaths and marriages in each state	Executor of estate of life insured
	Statutory Declarations 211 and 212	Executor of estate of life insured
	<b>For claims under \$50,000</b> Certified copy of will (if applicable)	Executor of estate of life insured
	<b>For claims over \$50,000</b> Letters of administration or probate	Executor of estate of life insured
	Original policy documents (or Lost Policy Declaration if original cannot be located)	Executor of estate of life insured
	Proof of age of deceased – certified copy of birth certificate, passport or drivers licence	Executor of estate of life insured
TPD	TPD Claim Form <i>Part one</i>	Life insured
	<i>Part two – physicians report</i>	Life insured's treating doctor
	Employer's Statement	Last employer of the life insured
	Employment and education history form	Life insured
	Claim declaration and authority	Life insured
	Certified copy of birth certificate, passport or drivers licence	Life insured
	Original policy documents (or Lost Policy Declaration if original cannot be located)	Life insured/policy owner
	Medicare and Pharmaceutical Benefits Scheme Release Authority	Life insured

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