

Ezicover[®] Accident Income

Product Disclosure Statement

Issue date: 21 July 2011

Ezicover Accident Income is do-it-yourself insurance paying a monthly benefit for up to 12 months if you are unable to work due to accidental injury

About this PDS

Preparation Date: 10 June 2011

This Product Disclosure Statement (PDS) is an important document and you should read it in full before making a decision about Ezicover Accident Income. This PDS will help you to:

- decide whether this product will meet your needs; and
- compare this product with other products you may be considering.

Information in this PDS is general information only. It does not take into account your individual objectives, financial situation or particular needs. You should consider the appropriateness of this product having regard to your objectives, financial situation and needs. You may wish to consider seeking professional financial advice, or compare the product with products offered by other insurers.

If an organisation has referred this product to you (Referrer), it is acting only as a referrer for the issuer, Zurich Australia Limited ABN 92 000 010 195, and as such does not provide advice or recommendations concerning the product or its suitability for you.

Definitions

Throughout this document, 'Zurich', 'us', 'our' and 'we' means Zurich Australia Limited.

All terms appearing in *italics* (other than in headings) are defined terms with special meanings (see page 4).

Important notice

The primary purpose of the Ezicover Accident Income policy is to pay a monthly benefit should you be *unable to work* as a result of an *accidental injury*. It is not a savings plan. If you terminate your policy at any time other than during the cooling off period (see Cooling off period), you will not get any money back.

Contact us

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What are the benefits?

Accident income benefit

We will pay you a benefit for each month that you are *unable to work* in your *usual occupation* due to *accidental injury*.

You must be *unable to work* for 30 consecutive days (the "waiting period"), before any benefit is payable. After that, we will pay a proportion of the benefit twice monthly, with the first payment due to you 15 days after the 30 day waiting period ends. Any part-payment will be calculated on the basis of 1/30th of the benefit amount for each day that you are entitled to a benefit.

The Accident income benefit is designed to cover some or all of your monthly expenses; it is not intended to replace all of your monthly income. We will reduce any amount we pay you if the benefit payable exceeds 75 per cent of the monthly income you earn from your *usual occupation* at the time of claim.

The Accident income benefit is payable to you until any one of the following events occurs:

- you are able to return to work
- you are no longer under the regular care of a *medical practitioner* for treatment of the injury or are no longer following medical advice
- you have been paid the Accident income benefit for one *accidental injury* for a period of 12 months
- the policy ends
- your death.

We will only pay one benefit at any one time, regardless of the number of *accidental injuries* sustained.

If you return to work for no more than 5 consecutive days during the waiting period but then become *unable to work* again, the waiting period will not start again. We will simply extend the waiting period by the number of days that you were able to work.

If you return to work and then are *unable to work* again due to the same or related cause:

- within 6 months of returning to work, your claim will be considered to be a continuation of the previous claim and a further waiting period will not apply
- later than 6 months after returning to work, your claim will be considered a continuation of your previous claim, but further benefits will only be payable after expiry of a further 30 day waiting period.

Once you have been paid benefits for any *accidental injury* for a period of 12 months, you cannot make another claim for that same *accidental injury* again.

After a claim is paid, your policy can continue so that you can claim again in the future for *accidental injury* which is unrelated to any previous claim.

No premiums are payable while the Accident income benefit is payable.

Family benefit

We will pay your spouse your selected monthly benefit in the event of your *accidental death* for a period of six months following your death.

No premiums are payable while the Family benefit is payable.

Are there any exclusions?

We will not pay a benefit if your *accidental injury* or *accidental death* is caused directly or indirectly by:

- war (formally declared or not), including hostilities, civil commotion and insurrection (except death on war service)
- any form of aerial ascent or descent, or air travel of any form (other than as a fare-paying passenger)
- participation in or training for speed contests or professional sports
- a self-inflicted act or suicide
- an intentional or deliberate act or omission
- misuse of alcohol and/or drugs
- participation in any criminal act.

We will not pay a benefit if you have been unemployed for 12 consecutive months directly prior to the *accidental injury*.

Are there any significant risks?

There are certain risks associated with holding an Ezicover policy:

- if premiums are not paid when due, the policy will lapse meaning your cover ends and you cannot make a claim
- if you have been out of work for 12 months or more at the time you suffer an *accidental injury*, no benefit will be paid
- if you do not comply with your duty of disclosure, we may not pay your claim, pay only a portion of your claim or cancel your cover. See the section Your duty of disclosure
- the level of cover you select is important as it may:
 - not be sufficient to provide adequate cover for your circumstances
 - be greater than the benefit we will pay you because benefits may be capped.

What is the cost of cover?

Premiums and charges

Your premium will depend on:

- your selected level of cover (the higher the sum insured, the higher the premium)
- your age when cover begins (for example, premiums are generally higher for older lives). Premiums do not increase based on your age as you get older
- your gender (premiums are generally higher for females) and
- your occupation (premiums are generally higher for occupations with greater manual duties or higher occupational risk).

Your premiums include any stamp duty charged by State Governments as well as any other taxes that may be levied by State or Federal Governments. On request, a table of premium rates and calculation methods will be provided.

Premium rates are not guaranteed and can change from time to time. Any change, however, will affect all policies in the same category, not just an individual policy.

Premiums are payable via credit card or direct debit from your Bank, Building Society or Credit Union account. Direct Debits from your financial institution may incur an additional fee.

If Zurich changes premium rates or introduces any new charges, or there is an increase to current charges, you will be notified 30 days prior to such change taking effect.

Should changes in the law result in additional taxes or imposts in relation to your policy, these amounts may be added to your policy.

What if you don't pay your premium?

We can cancel your policy if a premium remains unpaid for 30 days after it was due. This means you will not be covered and you cannot make a claim.

Commission

If this product has been referred to you by a Referrer, they receive a payment of 20 per cent (plus GST) of each premium paid. For example, if your monthly premium is \$30.00, the Referrer will receive a payment of \$6.60 per month. Zurich will pay these amounts out of your premium payments. They are not a separate charge to you.

Applying for Ezicover Accident Income

This offer is only available to Australian residents, aged between 19 and 60 receiving it (including electronically) within Australia, and working in an eligible occupation at least 26 hours per week.

You can apply for cover by completing and submitting the Application Form accompanying this PDS. You can select a cover amount of \$2,000, \$2,500, \$3,000, \$3,500 or \$4,000. The Application Form contains details of eligible occupations. Monies received must always be in Australian dollars.

When does cover begin?

Your cover begins when we accept your application and issue you a Policy document. This sets out the terms and conditions of your cover. You will also receive a Policy schedule which outlines the start date and the specific details of your particular cover. These are important documents and should be read carefully. Please keep them in a safe place because you will need them to make a claim.

Each year Zurich will send you an annual statement stating your premium.

When does cover end?

Your policy ends on the first to occur of the following:

- payment of the Family benefit
- the non-payment of any premium within 30 days of its due date
- on receipt of your written notification to terminate the policy
- policy anniversary following your 65th birthday
- your death in circumstances where the Family benefit is not payable.

Can I increase my cover?

You can apply to increase your cover under this policy up to the maximum cover available at the date of the increase. The maximum level of cover currently available under this product is \$4,000. The minimum increase amount is \$500.

Additional information about Ezicover

Issuer information

This product is issued and administered by:
Zurich Australia Limited
ABN 92 000 010 195, AFSLN 232510
5 Blue Street North Sydney NSW 2060

Up-to-date information

The information in this PDS is up to date at the preparation date. Certain information in this PDS may change from time to time – this includes but is not limited to possible changes which we have identified in this PDS. Where we indicate to you that we will give notice of such changes, then you will be advised of such changes in writing. Where other changes that are not materially adverse to you occur, we will update such information on our website, www.zurich.com.au. A paper copy of the updated information will be available free of charge upon request if you contact us.

24 hour world wide cover

The policy provides you with cover 24 hours a day, seven days a week, world wide.

Claims

If you need to make a claim you should notify Zurich as soon as is reasonably possible after the occurrence of the event giving rise to claim. You can contact us and a claim form will be forwarded to you to complete, sign and return to Zurich. Before a claim is payable, we must receive proof to our satisfaction of the insured event.

We reserve the right to require you to undergo an examination or other reasonable tests to confirm the occurrence of the insured event. In assessing your claim we will also rely on any information you have disclosed to us as part of your application. Where information has not been verified at the time of application we reserve the right to verify it at the time of claim. We will seek the opinion of your *medical practitioner* to determine whether you are capable of returning to work.

You must, on our request, provide us (or our agent) with information (or access to information) that we require to verify your income, occupation and other relevant matters in respect of your claim and any benefits to which you may be entitled. For example: tax returns for all entities including assessment notices issued by the Australian Taxation Office, profit and loss and financial statements.

All of the information you need about the claims process is set out in the Policy document. You should read the Policy document carefully when you receive it.

Taxation

Generally, the premiums you pay for your policy can be claimed as a tax deduction by both employees and self-employed people. Any income benefit you receive from your policy must be included in your tax return and will be taxed at your applicable marginal income tax rate. This information is a guide only and is based on current taxation laws, their continuation and their interpretation. For information about your individual circumstances, contact your tax adviser.

Guaranteed renewable

If you meet your obligations, including paying your premium when due, your policy cannot be cancelled by Zurich.

Cooling off period

If after receiving your Policy document you wish to cancel for any reason, you have 30 days to do so. Any premiums or charges paid will be fully refunded. To cancel please advise Zurich in writing and return your Policy document.

You cannot cancel the policy and receive a refund if you exercise any rights in relation to your policy (for example, you make a claim) before the 30 day period has elapsed. You also cannot make a claim after cancelling your cover.

Residency and compliance with laws

The Zurich worldwide group of companies has obligations under various Australian and foreign laws. Despite anything to the contrary in this or any other document related to the policy, your policy terms will operate subject to all laws with which a Zurich worldwide company considers it must comply. The policy is designed for Australian residents, and its operation and your rights may be restricted if you cease to be an Australian resident.

If you have a complaint about your policy

Please contact us. We acknowledge all complaints within 5 days and we aim to resolve your complaint within 45 days (or up to 90 days if you agree). If you are not satisfied with our response or we haven't resolved the complaint within 45 days (or any extended period you approve) you can raise the matter with the Financial Ombudsman Service Limited, GPO Box 3, Melbourne, VIC 3001. The telephone number is 1300 780 808, or email info@fos.org.au.

Your duty of disclosure

Before you enter into a contract of life insurance with us, you have a duty, under the *Insurance Contracts Act 1984*, to disclose to us every matter that you know, or could reasonably be expected to know, is relevant to our decision whether to accept the risk of the insurance and, if so, on what terms.

You have the same duty to disclose those matters to us before you extend, vary or reinstate a contract of life insurance.

Your duty of disclosure however does not require disclosure of a matter a) that diminishes the risk to be undertaken by us; b) that is common knowledge; c) that we know or, in the ordinary course of business, ought to know; or d) where we have waived compliance.

Your duty of disclosure continues until we have informed you as to whether we accept or decline your application. This means that you must advise us of any changes to the information included in your application up until the date that we confirm in writing that the application has been accepted or declined.

Non-disclosure

If you fail to comply with your duty of disclosure and we would not have entered into the contract on any terms if the failure had not occurred, we may avoid the contract within 3 years of entering into it. If your non-disclosure is fraudulent, we may avoid the contract at any time.

If we are entitled to avoid a contract of life insurance we may, within 3 years of entering into it, elect not to avoid it but to reduce the sum that you have been insured for in accordance with a formula that takes into account the premium that would have been payable if you had disclosed all relevant matters to us.

Your privacy

Zurich collects your personal information to assess your application and administer your policy. If you do not provide all information requested, we may not be able to issue or administer the policy.

We may disclose your information to related entities or our agents, contractors and service providers. More information about how we collect, use, disclose and handle your personal and sensitive information is set out in our Privacy Policy, available at www.zurich.com.au. In most cases, you can access the personal information we hold about you by contacting us on 132 687.

Direct debit request service agreement

The Account Holder (ie. you or the person whose account is used to pay the premiums) needs to agree to the Direct Debit Request Service Agreement which sets out the terms and conditions on which the Account Holder has authorised Zurich to debit money from their account, and the obligations of Zurich and the Account Holder under this Agreement. This information will be forwarded with your Policy documents, and can also be found at www.zurich.com.au.

Defined terms

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

accidental injury / accidental injuries means bodily injury caused by accidental, violent, external and visible means while the policy is current.

medical practitioner means a medical practitioner legally qualified and registered to practise medicine in Australia or New Zealand or a medical practitioner legally registered to practise medicine in another country approved by us, but does not include you, or a relative of yours, or your business partner or your employee. Medical practitioners do not include other paramedical professions such as chiropractors, physiotherapists or naturopaths.

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

unable to work means in our opinion, all of the following apply:

- you have stopped working in your *usual occupation* directly as a result of an *accidental injury*
- you are not earning any income from personal exertion
- you are under the regular care of, and following the advice of, a *medical practitioner*.

usual occupation means the occupation you predominantly performed in the 12 months prior to the *accidental injury*. If you have been on long service, maternity or paternity leave for more than 12 consecutive months immediately prior to the *accidental injury* then your usual occupation is any occupation you are capable of performing.



Because change happenz[®]