

Ezicover[®] Life Insurance

Product Disclosure Statement

Issue date: 1 December 2011

Ezicover Life Insurance is low-cost, do-it-yourself insurance paying a lump sum in the event of death or medically diagnosed terminal illness.

About this PDS

Preparation Date: 17 November 2011

This Product Disclosure Statement (PDS) is an important document and you should read it in full before making a decision about Ezicover Life Insurance. 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.

Important notice

The primary purpose of the Ezicover Life Insurance policy is to pay a lump sum on your death. 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

Telephone: 131 551
Facsimile: 02 9995 3797
Email: ezicover.response@zurich.com.au
PO Box 1399 North Sydney NSW 2059

What are the benefits?

Death and Terminal illness benefits

The policy pays a lump sum benefit on death or on confirmed medical diagnosis of a terminal illness where your life expectancy is less than 12 months (supported by specialist medical practitioners and by Zurich's medical advisers).

Inflation protection benefit

Your insurance cover is protected against the impact of inflation by an automatic increase to the benefit amount each year on your policy anniversary by the greater of 5% and the most recently published change in the Consumer Price Index (CPI)*. Premiums will reflect this increase. Refer to the Policy document for full details. You may decline any increase if you contact us.

*'CPI' means the 'Weighted Average of Eight Capital Cities Index' as published by the Australian Bureau of Statistics or, if that index ceases to be published or is substantially amended, such other appropriate index as we will select.

Are there any exclusions?

We will not pay a benefit where your death is as a result of suicide within 13 months of the start date of the cover, any increase in cover (but only in respect of the increase) or the latest reinstatement of the policy.

We will not pay a benefit where your death is as a result of an excluded condition at any time. If we intend to apply any additional exclusion to your policy, we will agree the exclusion with you before your cover begins and the exclusion will be shown on your Policy schedule.

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 you will no longer be covered and you cannot make a claim.
- your chosen level of cover may not be sufficient to provide adequate cover for your circumstances.
- 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.

What is the cost of cover?

Premiums and charges

Your premium will depend on:

- your level of cover (the higher the sum insured, the higher the premium)
- your age (generally premiums increase each year in line with age)
- your gender (premiums are generally higher for males)
- whether or not you smoke (premiums are higher for smokers; a non-smoker is defined as a person who has not smoked tobacco or any other substance for the past 12 months)
- your health and
- any pastimes you participate in (generally premiums are higher for those who engage in hazardous activities).

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. Generally, your premium increases in line with your age and if your level of cover increases because of automatic indexation (see Inflation protection benefit). 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 Life Insurance

This offer is only available to Australian citizens or those holding Permanent Resident status of Australia, who are residing in Australia on a permanent basis, aged between 19 and 59 and receiving it (including electronically) within Australia.

You can apply for cover by completing and submitting the Application Form accompanying this PDS. Depending on your age, you can apply for cover amounts between \$50,000 and \$1,500,000:

Maximum cover available	Eligible ages
\$1,500,000	19 to 45
\$1,000,000	46 to 54
\$750,000	55 to 59

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 new premium amount and, where applicable, an offer to increase your level of cover in line with the increase in the CPI.

When does cover end?

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

- payment of the Death or Terminal illness benefit
- the non-payment of any premium within 30 days of its due date
- on receipt of your written notification to terminate the policy
- the policy anniversary following your 99th birthday
- your death in circumstances where the Death or Terminal illness 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 for your age at the date of the increase. The maximum level of cover currently available under this product is \$1,500,000.

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

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.

Benefit payments

Benefits under this policy are payable to you or your estate. If you would prefer that benefits were paid to one or more beneficiaries nominated by you, you can contact us to set up a nomination.

Taxation

In most cases, you cannot claim a tax deduction for the premiums you pay for your policy. Any benefit received would not normally be assessable for taxation purposes. 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.

In particular, you should advise us of any changes in medical or physical conditions, and of any visits to medical service providers.

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.

