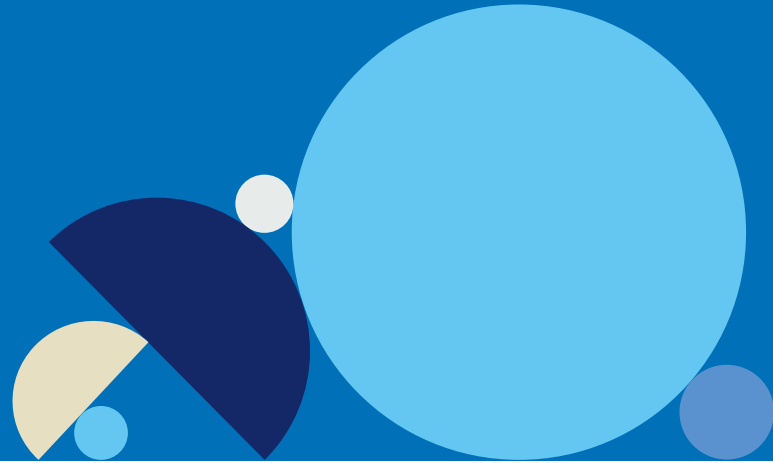


Zurich Home Loan Protection Insurance

Target Market Determination (TMD)



Issuer of this TMD:	Zurich Australia Limited (Zurich) ABN 92 000 010 195, AFSL 232510
Date TMD is effective:	2 May 2025
Policy name:	Zurich Home Loan Protection
TMD version:	1

1. About this document

This document is a Target Market Determination (**TMD**). It sets out the target market for the Zurich Home Loan Protection product. This TMD also sets out how the product is distributed, review periods, and triggers related to the TMD. It forms part of Zurich's design and distribution framework and is required under section 994B of the *Corporations Act 2001* (Cth).

This TMD has been prepared to give consumers, Distributors, and staff an understanding of the target market for this product, based on the objectives, financial situation and needs of the class of consumer comprising the target market.

This document isn't a product disclosure statement and isn't a summary of the features or terms of the products. This document does not take into account any person's individual objectives, financial situation or needs.

Persons interested in acquiring this product should carefully read the Zurich Home Loan Protection Product Disclosure Statement and Policy Document (**PDS**) before making a decision to apply for this product. The PDS can be found at **Zurich Home Loan Protection PDS**.

The policy is designed to be linked to a home loan, and for borrowers who seek a process that is easy and convenient to protect their home loan against death and terminal illness and, to temporarily protect the home loan repayments against the loss of their income, because of involuntary unemployment, illness, or injury. These borrowers want an instant decision based on information provided in the application, without further health, financial, and occupational assessment (underwriting). Given Zurich Home Loan Protection is sold with only general financial advice, consumers may want to consider obtaining personal financial advice to ensure the cover they select is tailored to their objectives, financial situation and needs.

2. Product description

Zurich Home Loan Protection is designed for borrowers with either or both of the needs and objectives set out below. It pays:

- a lump sum, up to \$1,000,000, in the event of death or terminal illness diagnosis, and/or
- a monthly benefit:
 - for up to 18 months if an illness or injury prevents them from work for more than 30 days, or
 - for up to three months if they lose their job through no fault of their own and are unable to find work for more than 30 days.

Each policy covers one borrower, and each borrower, can choose from one of three options of cover:

1. Life only;
2. Illness & Injury and Involuntary Unemployment benefits only; or
3. All the above benefits.

This product provides insurance protection only, so that benefits are only payable if an insured event occurs. It is not a savings product and does not accumulate a cash or surrender value.

The amount of each benefit can be periodically adjusted in line with the outstanding loan balance and minimum monthly repayments.

3. Target market

Needs and objectives

Zurich Home Loan Protection is designed to provide financial protection for borrowers with the following personal objectives and needs.

Option	Needs and objectives
Life only	<ul style="list-style-type: none">• has financial dependants or loved ones and wants to continue providing financial support in the event of their death or terminal illness diagnosis by removing the cost of servicing the home loan.• has an outstanding balance on their home loan that will not be satisfied by their estate and any other insurance, or superannuation benefits, in the event of their death or terminal illness diagnosis.
Illness & Injury and Involuntary Unemployment benefits only	Need to ensure they have temporary replacement funds to meet loan repayments, if: <ul style="list-style-type: none">• an illness or injury prevents them from working for more than 1 month and up to 18 months, or• they lose their job through no fault of their own and are unable to find work for more than 1 month and for up to 3 months.
All the above	This is the more comprehensive option and is designed for borrowers who have one or more needs or objectives in both of the above options.

When Cover may be suitable

Zurich Home Loan Protection may be suitable for consumers who:

- meet the eligibility criteria below;
- have financial means to fund the premiums, inclusive of government charges, through income, savings or other means;
- seek cover with a benefit amount that is flexible and can adjust periodically with change to the outstanding loan amount and minimum loan repayment amount.

When Cover may not be suitable

Zurich Home Loan Protection may not be suitable for consumers who do not meet the eligibility requirements as stated below, and consumers who

- require cover of less than \$30,000 or more than \$1,000,000,
- require personal financial advice to determine if Zurich Home Loan Protection is suitable for their individual needs,
- have sufficient funding to temporarily service the home loan in the event of illness, injury or involuntary unemployment,
- already hold sufficient death cover or are otherwise able to meet financial commitments of the home loan in the event that the life insured dies or is diagnosed with a terminal illness,
- are seeking cover for a benefit which is not offered in Zurich Home Loan Protection.

Financial capacity

Zurich Home Loan Protection is designed for consumers who have the financial capacity to purchase it and to hold it over the timeframe identified for financial protection, i.e. a consumer who has the financial capacity to pay premiums in accordance with the chosen cover type, and government charges. This is important for these two reasons:

- the cost of cover will generally increase over time; and
- cover will be cancelled, and the life insured will not be covered if premiums are not paid.

4. Product design and key attributes

Product value

Zurich Home Loan Protection provides value to consumers as it pays:

- a lump sum in the event of death or terminal illness diagnosis which will pay down their outstanding home loan balance; and/or
- a regular benefit in the event of illness, injury or involuntary unemployment as specified in the PDS, to cover their ongoing minimum monthly loan repayment for a period of time.

The benefit amount can be adjusted periodically with changes to the outstanding loan balance and minimum loan amount.

Eligibility requirements

When applying for an Zurich Home Loan Protection policy, consumers must:

- be a borrower of a loan contract from a minimum of \$30,000 to a maximum of \$1,000,000;
- be 18 to 59 years old;
- be an Australian or New Zealand citizen or hold an Australian Permanent Residency Visa;
- have no more than \$1,000,000 in total Life Benefit across all Zurich Home Loan Protection policies;
- have received the PDS in Australia; and
- have lived in Australia for at least six months continuously during the past 12 months.

When applying for Illness & Injury and Involuntary Unemployment benefits, in addition to the above requirements, borrowers must be employed for more than 20 hours a week.

Premium structure

Zurich Home Loan Protection premiums are calculated based on:

- customer's last updated Life and Illness and Injury and Involuntary Unemployment benefit amounts;
- customer's age (premium rates generally increase with age);
- cover type; and
- government charges and stamp duty.

Premium rates aren't guaranteed and can change. Detailed information on understanding premiums, what factors impact them and why they change are available in the PDS.

Key exclusions and limitations

Life only	<ul style="list-style-type: none">• a pre-existing medical condition that was the subject of a medical consultation in the 12 months before the policy start date;• suicide within the first 13 months after the policy commencement date.
Illness & Injury benefit	<ul style="list-style-type: none">• a pre-existing medical condition that was the subject of a medical consultation in the 12 months before the policy start date;• illness which occurs in the first 30 days after the policy commencement date;• any intentionally self-inflicted injury.
Involuntary Unemployment benefit	<ul style="list-style-type: none">• involuntary unemployment within 90 days of policy commencement;• employment for less than 20 hours a week;• fixed-term contract or apprenticeship ends;• voluntarily resignation or retirement, or the take up of voluntary redundancy or employment abandonment.

Full details of the terms and condition of this product are available in the PDS.

Illness and Injury and Involuntary Unemployment benefits are for a limited period only and are not payable for the remaining duration of the loan.

Benefit amounts under the policy may vary from the actual loan amount or repayment amount. See PDS for further information on how the benefit amounts are set.

5. Appropriateness of the product for the target market

The target market is borrowers who have or expect to have an outstanding home loan balance that may not be paid in the event of death or terminal illness, or those who need to ensure their minimum home loan repayments continue to be paid in the event of temporary injury, illness or involuntary unemployment. These borrowers have capacity to pay premiums on an ongoing basis. As the product pays a lump sum on death or terminal illness, and, or can pay the minimum home loan repayments, it is likely to meet the needs, or go towards meeting the needs, of borrowers in the target market.

The benefit amounts can be adjusted periodically with changes to the outstanding loan balance and minimum repayment amount.

6. Conditions and restrictions on distribution

Distribution conditions

The following distribution conditions for Zurich Home Loan Protection make it likely it will be distributed to the target market:

- Zurich Home Loan Protection can only be distributed by the issuer or by the issuer's approved distributors;
- Zurich Home Loan Protection must only be distributed through Zurich's online application platform;
- The online application process distributes Zurich Home Loan Protection to customers who meet the key eligibility requirements and satisfy underwriting criteria;
- Zurich Home Loan Protection cannot be distributed unless there is a published up to date TMD.

Zurich's online application process is supported by business processes and controls including knock out underwriting questions. Zurich staff and distributors receive training to make it likely the product will be distributed to the intended target market.

7. Zurich's TMD review process

Review triggers

The following events and circumstances (review triggers) will trigger a review of this TMD as they may mean that it is no longer appropriate.

- The commencement of a significant change in law that materially affects the product design or distribution of the product or class of products that includes this product. This triggers a mandatory review. Zurich may choose to undertake a review even if this review trigger is not met.
- Product performance is materially inconsistent with the product issuer's expectations of the appropriateness of the product to consumers having regard to:
 - product claims ratio (i.e. the proportion of premiums returned to consumers as benefits)
 - the number or rate of paid, denied, and withdrawn claims
 - the number of policies sold
 - policy lapse or cancellation rates
 - percentage of applications not accepted.
- The use of Product Intervention Powers in relation to the distribution or design of this product that suggests that this TMD is no longer appropriate.
- Significant or unexpectedly high number of complaints regarding product design, product availability, claims and distribution condition that would reasonably suggest that the TMD is no longer appropriate.
- Zurich determines that a significant dealing in the product outside the target market (except for an excluded dealing) has occurred.
- A material modification is made to Zurich Home Loan Protection features.
- Changes in medical advances impact product design or the market for the product.
- Distribution conditions set out in the TMD are otherwise no longer appropriate.

Maximum TMD lifespan

Initial review period: The first review of this TMD will be completed by 2 May 2026. Any of the above review triggers will bring forward the initial review.

Ongoing review period: Each subsequent review of this TMD will be completed within two years after the completion of the prior review. Any of the above review triggers will bring forward the initial review.

Reporting period for any complaints about this product

Unless agreed otherwise, Distributors must report complaints to us half-yearly, within 10 business days of the end of the calendar half-year. Complaints data should include sufficient information to understand the substance of each complaint but will not include personal information. If no complaints are received, quarterly reporting should confirm no complaints have been received in the period.

How Zurich will decide if this TMD is no longer appropriate

Zurich will regularly review the information set out below on a regular basis to ensure that the TMD is still appropriate.

- Relevant regulation, legislation and/or ASIC instruments relating to the change in law.
- During the review period, compare expected and actual data for the following:
 - product claims ratio (i.e. the proportion of premiums returned to consumers as benefits)
 - the number or rate of paid, denied, and withdrawn claims
 - the number of policies sold
 - policy lapse or cancellation rates
 - percentage of applications not accepted.
- Relevant Product Intervention order.
- Complaints and the nature of the complaints regarding product design, claims and distribution conditions.
- A significant dealing in the product which Zurich becomes aware is not consistent with the TMD (must be reported within 10 business days of becoming aware of the dealing).

Where relevant, Zurich will consider actual data against expected amounts, with thresholds around the expected position. Thresholds are set at green, amber and red levels, and results in the amber or red thresholds are analysed and monitored more closely and escalated for action as considered appropriate. Metrics are also monitored for trends and step changes.

The following information collected from Distributors will be considered as part of the review:

- Complaints and the nature of the complaints regarding product design, claims and distribution conditions (must be reported within 10 business days of the end of the half-year);
- A significant dealing in the product which the Distributor becomes aware is not consistent with the TMD (must be reported within 10 business days of becoming aware of the dealing); and
- Customer feedback.

Submitting data to Zurich

Distributors will submit data to Zurich in any of the agreed formats. Refer to our website for more information: zurich.com.au/tmd.