

Zurich Ezicover Life Insurance

Target Market Determination (TMD)

Issuer of this TMD:	Zurich Australia Limited (ZAL) ABN 92 000 010 195, AFSL 232510
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1. About this document

This document is a Target Market Determination (**TMD**). It sets out the target market for the Zurich Ezicover Life Insurance product. This TMD also sets out how the product is distributed, review periods and triggers related to the TMD, and reporting on and monitoring of 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 Ezicover Life Insurance, based on the objectives, financial situation and needs of the class of target market.

This document is not a product disclosure statement and is not 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 Ezicover Life Insurance Product Disclosure Statement and Policy Document (**PDS**) before making a decision to apply for this product. The PDS can be found at zurich.com.au/pds.

This product is sold as a stand-alone product and distributed online or over the phone without advice specific to your circumstances. The insurance cover is designed for consumers who seek an easy and convenient process, to protect against death and terminal illness, and suits consumers who want access to this type of cover through a self-initiated application process. These consumers want an instant decision based on information provided in the application, with minimal further health, financial, and occupational assessment (underwriting). Except when offered directly by Zurich under general advice, Ezicover Life Insurance is sold on a referral basis with no advice. Consumers may want to consider obtaining personal financial advice to ensure the cover they select is tailored to their objectives, financial situation and personal needs.

2. Product description

Ezicover Life Insurance is designed to provide financial protection for a consumer who wants financial support upon diagnosis of a defined terminal illness or the family's estate if the life insured dies. Consumers can select an appropriate benefit.

Ezicover Life Insurance is designed for consumers with the needs and objectives set out below. It pays either (but not both):

- a lump sum benefit if the life insured dies;
- an early payment of the death benefit in the case of terminal illness diagnosis.

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.

3. Target market

Needs and objectives

Ezicover Life Insurance is designed to provide financial protection, during the term of the policy, for consumers with the following personal objectives and needs.

A consumer who has any of the following objectives and needs is considered with the target market:

- has financial dependants or loved ones and wants to continue providing financial support for them in the event of their death or terminal illness diagnosis;
- has (or envisages that in future they will or may have) outstanding financial commitments 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. The financial commitments may include (but are not limited to) mortgage and other debt-servicing costs, income replacement, and funeral costs. In the case of a terminal illness diagnosis, they can also include medical costs, transportation and accommodation costs, and personal and palliative care;
- wants to leave a financial legacy in the event of their premature death.

When Cover may be suitable

Appropriate consumers will meet some or all the following criteria:

- meet the eligibility requirements as stated below;
- have financial means to fund the premiums, inclusive of government charges, through income, savings or other means;
- are able to complete a health assessment online or over the phone which may lead to an increase in premiums, limit to the sum insured, added special conditions, or declined cover;
- confidently navigate our application process, without the need to receive personal financial advice, to determine whether Ezicover Life Insurance is suitable;
- seek insurance cover for up to \$1,500,000 and is prepared to answer questions on their personal and family health without undergoing a health or medical assessment from a medical practitioner.

When Cover may not be suitable

Ezicover Life Insurance is not suitable for consumers who meet any or a combination of the following:

- don't meet the eligibility requirements as stated below;
- require cover of more than \$1,500,000;
- require and are willing to pay and receive personal financial advice to determine if Ezicover Life Insurance is suitable for their needs;
- have a complex medical history and may benefit from undergoing a health or medical assessment;

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- are ineligible for cover on the basis of medical history, occupation (for example hazardous occupations), pursuits or pastimes;
- already hold sufficient life insurance cover or are otherwise able to meet financial commitments in the event of their death or terminal illness diagnosis;
- work or engage in a hazardous or high-risk occupation, pursuits or pastimes;
- consumers who want to fund the insurance via their superannuation account; and/or
- are seeking cover for a benefit which is not offered in Ezicover Life Insurance or may be subject to the exclusion outlined below.

Financial capacity

Ezicover Life Insurance 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 level of cover selected, and government charges. This is important for these two reasons:

- the cost of cover will generally increase over time;
- 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

Ezicover Life Insurance provides value to consumers as it pays a lump sum in the event of the insured's death or terminal illness diagnosis.

Eligibility requirements

When applying for Ezicover Life Insurance, consumers must satisfy all the following:

- are aged between 19 and 69;
- are in Australia;
- have Australian residency or are in the process of applying for Australian residency.

Ezicover Life Insurance is subject to our assessment of health and consumers with pre-existing health conditions may not be eligible for cover.

Premium Structure

- Ezicover Life insurance premiums increase each year based on rates for the consumer's age. Premium rates are not guaranteed and can change.
- Other factors are considered as part of determining the level of premium payable. These include gender, death or terminal illness benefit amount, health, smoking status, discounts, government charges, and stamp duty.
- To protect consumers from the impacts of inflation, Zurich automatically increases the amount of the cover each year in line with CPI unless we are told otherwise.

Key exclusions

Ezicover Life Insurance will not pay any benefit under the following events or circumstances:

- suicide within 13 months of the date the cover starts, the latest reinstatement of cover, the date of a cover increase (for that increased cover), or the date the cover resumes after a suspension of cover;
- events or conditions that are excluded as described in the policy schedule.

Key limitations

- Terminal illness must meet the specified definition.
- Terminal illness cover cannot be purchased stand-alone cover.
- In the event of a claim for terminal illness cover, the policy will cease.

Full details of the terms and conditions of this policy are available in the PDS.



5. Appropriateness of the product for the target market

The target market is consumers with financial dependants or loved ones, who have or expect to have outstanding financial commitments that remain outstanding in the event of death or terminal illness and who have capacity to pay premiums on an ongoing basis. As the product pays a lump sum on death or terminal illness it is likely to meet the needs, or go towards meeting the needs, of consumers in the target market.

6. Conditions and restrictions on distribution

Distribution conditions

A distributor or referrer must only offer Ezicover Life Insurance to consumers who meet the product eligibility criteria.

An application for Ezicover Life Insurance must be submitted via the online application hosted on the Zurich microsite or via the Zurich contact centre (which may include a Zurich appointed external contact centre). In addition, for every application, Zurich's application process will require information covering the key eligibility criteria. If the eligibility criteria is not satisfied, cover will not be provided for those applicants. This will improve the likelihood that cover has been sold to consumers within that target market.

A distributor or referrer must direct consumers to one of the above access points to learn more about this product or purchase a policy.

Consumers are more likely to be in the target market if distributors distribute the product in alignment with the issuer's distribution conditions relating to the relevant distribution channel.

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 where Zurich considers this reasonably suggests that this TMD is no longer appropriate.
- Significant or unexpectedly high number of complaints regarding product design, product availability, claims and distribution conditions that would reasonably suggest that the TMD is no longer appropriate.
- A material modification is made to Ezicover Life Insurance features.
- Zurich determines that a significant dealing in the product outside the target market (except for an excluded dealing) has occurred.
- 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

Subject to intervening review triggers, this TMD will be reviewed no more than two years after the effective date of the TMD. Any of the above review triggers will bring forward the two-yearly review.

Reporting period for any complaints about this product

Unless otherwise agreed, 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 should not include personal information. If no complaints are received, half-yearly 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 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 the product manager becomes aware is not consistent with the TMD (within 10 business days of becoming aware of the dealing).

Where relevant, Zurich's product manager 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 and referrer's will be considered as part of the review:

- Complaints and the nature of the complaints regarding product design, claims and distribution condition (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).
- Customer feedback.

Submitting data to Zurich

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