

Education Savings Plan

Customer Product Disclosure

Bahrain



Helping you decide

This important document explains the main features of Education Savings Plan.

You should read this document carefully, together with the Education Savings Plan Policy Terms and Conditions and your personalised illustration, so that you understand what you are buying and keep them in a safe place for future reference.

Your financial professional will help you decide if this policy is right for you and the funds you should invest in.

In the event of any discrepancies between this document and the Policy Terms and Conditions, the Policy Terms and Conditions will prevail.

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What is the Education Savings Plan?

Education Savings Plan is a whole of life, unit-linked, regular premium policy, which includes death and disability protection for the parents and life insurance for the child.

The plan is specifically designed for parents who want to save towards their child's higher education, with the aim to grow the value of their contributions over time.

It includes a Future Premium Protection benefit that provides financial security for the child's university education and wellbeing, in the event of disability or death of the parents.

Our Education Savings Plan helps you save towards a defined amount for your child's university education fees. With this plan, you can help your child pursue the career they've always dreamt of and have the best possible start to their adult life.

Please refer to the Policy Terms and Conditions for detailed information on the protection benefits.

Why choose Education Savings Plan?

The policy is designed to

- Help you save on a regular basis towards funding your child's higher education.
- Let you make additional single premiums if you need to.
- Pay the remaining premiums as a lumpsum payment into the plan in the event of death or disability of an insured parent.
- Pay 101% of the policy value in the unfortunate event of the child's passing away.
- Allow you to make withdrawals to pay for your child's university education.
- Offer a range of Zurich Allocated Passive funds that you can choose from to suit your risk profile.

What you need to do

- Provide us with all the information we ask for at the time of applying for your policy.
- Answer all the application questions truthfully and accurately.
- Ensure you are satisfied that you understand the important aspects of your policy and the funds you choose, especially the associated risks and charges.
- Ensure you complete all your payments.
- Seek ongoing financial advice and consult your advisor before making changes to your policy or when your circumstances change.
- Let us know about any changes in your health, family history, occupation, country of residence, or if you take up any hazardous activities before your policy starts.

What you need to be aware of

Investing in the Education Savings Plan is a medium to long term commitment. The policy does not have any capital guarantee. Investments carry varying degrees of risk. Your policy value may fall as well as rise depending on the performance of your investment funds, and you may get back less than you originally invested.

Investment risk

The investment options available under this policy are from the Zurich Allocated Passive fund range and have different features and risk profiles.

You should ensure that you are aware of the level of risk and the potential investment performance of the funds you choose under this policy. Your financial professional can help you to decide the funds that suit your risk profile.

If the growth of the underlying assets does not cover the charges of this policy, this will reduce the value of your policy. The value of funds can fall as well as rise and is not guaranteed. If you choose to invest in more volatile funds and/or funds with a higher risk rating, the risk of not achieving your illustrated growth rate is increased as greater risk/volatility could result in larger and more sudden falls in the prices of funds compared with less volatile and/or lower risk rated funds.

Further information on the Zurich Allocated Passive funds available with Education Savings Plan, including the fund prices, charges, fund performance and historical data are available on the Zurich Bahrain fund centre on our website www.zurich.bh under the “External Funds” section. Once your policy is active, you should access the fund centre through your secure Zurich Online account. To register, go to www.zurich.bh and click on ‘Login’.

Other considerations

Benefit claims - Failing to answer all the application questions fully, truthfully, and accurately when you apply may lead to a claim for the Future Premium Protection benefit not being paid.

Currency - If the underlying investments chosen are in a currency which is different to that of your policy, you will be exposed to currency exchange risk in addition to investment risk. This can increase volatility and exaggerate investment gains or losses. Currency conversion will also apply in the event of switching funds between currencies or making withdrawals from funds which are in a different currency to the policy. All the costs associated with the currency conversion will be charged to the policy.

Stopping premiums - If you stop paying premiums, the Future Premium Protection remains active, however all the charges will continue to be deducted from your policy value, and you may not reach your child’s university fund goal.

Partial withdrawal - If you make withdrawals during the premium payment term, your policy value will reduce and if the policy value falls to zero the policy will lapse. Hence it is required to leave a minimum residual surrender value of USD 6,000, GBP 4,200, EUR 4,800.

The partial withdrawal amount is deducted from your policy value, and you may not reach your child’s university fund goal.

Note: If your surrender value does not reach USD 6,000, GBP 4,200, EUR 4,800 by the end of the fifth policy year, we reserve the right to surrender the policy on your behalf and pay the surrender value.

Full surrenders - If you fully surrender your policy during the premium payment term, we will apply a surrender charge.

Full details of our charges are in the charges section of this document.

Policy details

Who does the policy cover?

Education Savings Plan provides insurance cover for the child and the parents.

Child – will be the child life insured under the policy and covered for Child Life Cover.

Parents – will be the parent life insured on the policy covered for life insurance and permanent total disability under the Future Premium Protection benefit.

One or both parents can choose to be insured under the policy.

The plan works on a joint-life first claim basis, which means that after the first claim for death or disability, the claim amount is paid and the insurance cover ends.

The parents can be the plan owners on a:

- joint ownership basis taken by both parents.
- single ownership basis taken by one parent.

Age eligibility

When the policy starts

- **Policy owners / Parent life insured** - minimum attained age of 18 years and less than 70 years.
- **Child life insured** - from birth up to their 15th birthday.

The Child Life Cover ends when the child reaches age 20.

What type of insurance cover does the plan provide?

The Education Savings Plan offers additional financial security during the premium payment term with Future Premium Protection benefit and Child Life Cover benefit.

Future Premium Protection benefit

If an insured parent faces a permanent and total disability or passes away during the premium payment term, we will make a lump sum payment equal to the total remaining regular premiums into the policy.

The benefit amount is calculated based on the value of all the remaining premiums from the claim event until the end of the premium payment term. A permanent and total disability claim is subject to a 180 day deferment period.

It's important to note that this benefit does not include any unpaid premiums prior to the claim being made.

The Future Premium Protection benefit ends when the:

- oldest of the parent life insured reaches age 70, or
- premium payment term ends, or
- claim under this benefit is paid, or
- benefit is removed, or
- policy ends or lapses.

Child Life Cover benefit

In the unfortunate event of the passing of the child insured under the plan, we will pay the parent an amount of 101% of the policy value, and the policy will end.

The Child Life Cover benefit ends when the:

- child reaches age 20, or
- end of the premium payment term, or
- claim under this benefit is paid, or
- policy ends or lapses.

How long is the policy term?

Education Savings Plan is a whole of life policy, which means there is no fixed length of time that the policy has to be held for. In order to increase the potential for capital growth, this policy has been designed to be held for a minimum of five years.

What are my premium payment options?

Regular premiums

The regular premiums for your policy can be paid monthly, quarterly, half-yearly, or yearly.

Additional single premiums

You also have the option to pay additional single premiums at any time if needed. This can provide you the flexibility to adjust your payments towards your child's evolving education goal or to cover for any missed premiums along the payment term.

Policy currency

When you apply for your policy, you have the option to choose the currency in which you pay premiums, make investments, and take withdrawals. This choice is displayed on your policy schedule and cannot be modified after selection.

The available currency options are USD, GBP, or EUR.

Premium payment term

Pay your regular premiums for a period of 5 to 20 years. The length of the premium payment term is determined by you, taking into consideration your child's current age and when you plan to start covering higher education expenses.

It's important to note that the maximum term should not exceed your child's 20th birthday, to ensure that the funds are available when they are needed most.

Can I make changes to my premiums?

Yes, you can increase or decrease your regular premiums at any time. Any changes to the premium amount will change the amount of the Future Premium Protection benefit, if applicable.

What is the minimum premium?

The minimum regular and single premium amounts are as follows:

Minimum regular premium

Currency	Monthly	Quarterly	Half-yearly	Yearly
USD	400	1,200	2,400	4,800
GBP	280	840	1,680	3,360
EUR	320	960	1,920	3,840

Minimum regular premium increases

Currency	Monthly	Quarterly	Half-yearly	Yearly
USD	50	150	300	600
GBP	35	105	210	420
EUR	40	120	240	480

Minimum additional single premiums

Currency	Premium
USD	5,000
GBP	3,500
EUR	4,000

What happens if I stop paying premiums?

Your policy will become Paid-up if you stop paying regular premiums.

You can restart paying premiums during the premium payment term. You can also make an additional single premium to cover any missed premiums during the payment term.

If your policy becomes Paid-up:

- We will continue to deduct the Future Premium Protection benefit and policy charges.
- If your policy value cannot sustain the policy charges the policy will lapse without value and will come to an end.
- Once a policy has lapsed, it cannot be reinstated.

What are the investment choices?

This plan gives you the option to select funds from the Zurich Allocated Passive fund range that cover a range of investment styles, risk levels and asset types.

Further information on the Zurich Allocated Passive range of funds offered with Education Savings Plan, including the fund prices, charges, fund performance and historical data is available on the Zurich Bahrain fund centre on our website www.zurich.bh under the "External Funds" section.

When can I take out the university education fund?

Once you have completed the premium payment term, you have the flexibility to receive 'payouts' for your child's university education.

You can choose to receive the payout as a single payment or schedule them as regular payouts over a period of up to 5 years. This allows you to tailor the payout structure according to your specific needs and the educational milestones of your child.

Estimates of the university education fund and payouts are shown in your personalised illustration.

You can request for payouts by contacting us directly or through your financial advisor.

Can I take withdrawals from the plan during the premium payment term?

You can make partial withdrawals at any time without charge subject to a minimum remaining surrender value of USD 6,000, GBP 4,200, EUR 4,800 following a withdrawal.

You can request a withdrawal by contacting us directly or through your financial advisor.

It's important to note that making withdrawals from the plan will affect your ability to meet your child's university education fund goal.

Full surrender

A full surrender made before the end of the premium payment term will result in a surrender charge being applied - details of the charge are in the charges section.

How to make a claim

Zurich should be the first point of contact in the event of a benefit claim. Your relevant financial professional will also be able to assist you or the claimant.

- You or the person making the claim should notify us as soon as possible at benefit.claims@zurich.com.
- In the event of a claim under the policy we may need to see the relevant life insured's medical records. You will be required to supply this information at your own expense.
- Full details on how to make a claim can be found in the Policy Terms and Conditions.

When a claim won't be paid

Please refer to the Policy Terms and Conditions for a full list of reasons why a benefit claim may not be paid.

Generally, we may not be able to pay a benefit claim if:

- The policy was fully surrendered or terminated prior to a claim being made.
- The claim is directly or indirectly attributable to the policy owner knowingly or recklessly failing to disclose or deliberately misrepresenting any fact when:
 - they apply for a policy, or
 - an increase to the premium is made, or
 - restarting premiums from when the policy was paid-up, and the non-disclosure or misrepresentation is such that it would cause us either to decline any benefits, accept in part with exclusion or accept with additional premium.
- The policy owner did not disclose all matters which they know, or would reasonably be expected to know, that are relevant to the acceptance of the risk by us.
- The claim arises directly or indirectly as a result of the policy owner's active involvement in:
 - war or warlike operations (whether war is declared or not),
 - invasion, hostilities, mutiny, riot, civil commotion, civil war, rebellion, insurrection or the usurping of government power,
 - an act committed by a foreign enemy,
 - any activity (military or otherwise) or conspiracy that causes or leads to the proclamation of martial law or a state of siege, or
 - terrorism or conspiracy to commit terrorism which includes any activity that jeopardises the continuance of human life or causes damage to property.
- The claim arises as a result of a self-inflicted injury.

Charges

It is important that you understand the charges applicable to your policy. Please note we reserve the right to vary the charges or apply new charges, and we will give you at least three months' notice in writing of the changes unless it is not reasonably possible in the circumstances.

Policy charges

Charge	Applicable rate	How is it deducted?
Premium allocation charge	2.5% is deducted from each regular premium paid and any additional single premium paid during the premium payment term.	We deduct this charge before each premium is invested up until the end of the premium payment term.
Policy Management Charge	This is a yearly charge expressed as a percentage of the policy value. We deduct this monthly at a rate of one twelfth of the yearly charge rate.	We deduct this charge at the beginning of each policy month by cancelling units in your funds.
	The charge depends on the policy value:	
	Policy value (in USD)	Charge%
	Less than 75,000	1.50%
	Between 75,000 and 149,999	1.00%
	150,000 and higher	0.50%
	Values are shown in USD and will be converted to the equivalent amount in GBP or EUR, depending on your chosen currency.	

Fund charges

Charge	Applicable rate	How is it deducted?
Annual Management Charge (AMC)	Represents the total charges deducted from each fund by the fund manager, prior to calculating the unit price. This includes charges levied by fund managers to cover the fees and costs incurred in the running of the funds. The AMC of Zurich Allocated Passive funds is 0.75%.	This charge is included in the price for the fund. This means it is not deducted from the policy but is instead included in the price at which units are purchased and sold.

Benefit charge

A charge will apply for the Future Premium Protection benefit for the parents protected under the policy. This charge is specific to the parent life insured and depends on factors such as the – level of cover, smoker status, age, gender, health, and lifestyle.

We deduct this charge monthly at the start of each policy month by cancellation of units, for the duration of the premium payment term.

Conditional charges

Surrender charge

A charge is deducted if the policy is fully surrendered before the end of the premium payment term.

For a full surrender, the amount deducted will be the charge percentage (in the table below) x the total premiums paid to date.

We deduct this charge from the policy value before the surrender value is paid out.

	Payment term in years																			
	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20				
At the start of policy	17.03%	21.21%	25.39%	29.57%	33.75%	37.93%	39.79%	41.66%	43.52%	45.39%	47.25%	50.03%	52.81%	55.59%	58.36%	61.14%				
End of policy year	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20				
1	17.03%	21.21%	25.39%	29.57%	33.75%	37.93%	39.79%	41.66%	43.52%	45.39%	47.25%	50.03%	52.81%	55.59%	58.36%	61.14%				
2	10.64%	13.32%	16.04%	18.80%	21.59%	25.84%	27.31%	28.80%	30.30%	31.82%	33.34%	35.53%	37.73%	39.96%	42.20%	44.46%				
3	7.09%	9.99%	12.83%	15.21%	17.54%	21.81%	23.15%	24.51%	25.89%	27.29%	28.71%	30.70%	32.71%	34.75%	36.81%	38.89%				
4	4.66%	7.12%	8.71%	9.58%	10.22%	12.51%	13.10%	13.68%	14.27%	14.85%	15.43%	15.88%	16.32%	16.77%	17.21%	17.65%				
5		3.56%	5.81%	7.19%	8.17%	10.43%	11.27%	12.11%	12.94%	13.78%	14.62%	15.06%	15.51%	15.95%	16.39%	16.84%				
6			2.90%	4.79%	6.13%	8.34%	9.10%	9.86%	10.62%	11.38%	12.14%	12.71%	13.28%	13.85%	14.43%	15.00%				
7				2.40%	4.09%	6.26%	7.05%	7.85%	8.65%	9.44%	10.24%	10.76%	11.28%	11.80%	12.31%	12.83%				
8					2.04%	4.17%	5.07%	5.96%	6.86%	7.75%	8.64%	9.14%	9.64%	10.13%	10.63%	11.13%				
9						2.09%	3.12%	4.15%	5.19%	6.22%	7.25%	7.75%	8.24%	8.74%	9.23%	9.73%				
10							1.07%	2.15%	3.22%	4.30%	5.37%	5.84%	6.31%	6.78%	7.24%	7.71%				
11								1.04%	2.08%	3.12%	4.17%	4.67%	5.17%	5.67%	6.18%	6.68%				
12									1.03%	2.07%	3.10%	3.62%	4.14%	4.66%	5.18%	5.70%				
13										1.50%	2.04%	2.60%	3.15%	3.71%	4.26%	4.82%				
14											1.00%	1.60%	2.21%	2.81%	3.41%	4.02%				
15												0.66%	1.31%	1.97%	2.63%	3.28%				
16													0.64%	1.27%	1.91%	2.55%				
17														0.64%	1.27%	1.91%				
18															1.17%	1.27%				
19																0.62%				
20																	0%			

The surrender charge is reduced monthly but is shown yearly for illustrative purposes.

Transactional charges

Currency switch charge

There is no charge for switching funds or redirecting premiums. We reserve the right to introduce a switch charge in the future. If switching between funds of different currencies, then there will be a charge of 0.175% of the currency switch amount.

The currency switch charge will be deducted by cancellation of units immediately after the switch has been processed.

Currency exchange charge

This charge is applicable if you pay premiums into the policy or if we pay money out of the policy in a currency different to your policy currency. The charge is 1%.

The charge is not a deduction of units but is reflected in the currency exchange rate used.

Further information

Can I change my mind?

Yes, you have the right to cancel your policy within 30 days of receipt of your policy documents.

You will need to complete and return the cancellation notice provided within your policy pack to us. On acceptance of your cancellation notice, Zurich will refund your premium after adjusting for any realised investment gains or losses between the date of purchase of units and the date of redemption of those units. This means that the refund you receive may not equal your premium.

You can also cancel your policy before you receive your policy documents by contacting us or your financial professional.

Our contact details are provided in the 'How to contact us' section.

How to make a complaint

If you have any issues with your policy, please contact us in the first instance using the address or the contact numbers in the 'How to contact us' section. Details of our complaint handling process are available in the Policy Terms and Conditions and on our website www.zurich.bh.

How will I know how my policy is doing?

You can keep up-to-date and manage your child's Education Savings Plan through Zurich Online. To register, go to www.zurich.bh and click on 'Login'. You can also access the plan on the go via the MyZurichLife app, available on Google Play and App Store.



Scan to download the app

How to contact us

Your financial advisor will normally be your first point of contact for any financial advice related to your policy. If you wish to contact us for any queries, you can call us, email or write to us:



Phone: +973 1756 3321

We're available Sunday to Thursday between 8am and 5pm.



Email: helppoint.bh@zurich.com or benefit.claims@zurich.com for benefit claims.



Write to:

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Important information

Zurich International Life is a business name of Zurich International Life Limited.

Zurich International Life Limited is fully authorised under the Isle of Man Insurance Act 2008 and is regulated by the Isle of Man Financial Services Authority which ensures that the company has sound and professional management and provision has been made to protect policy owners.

For life assurance companies authorised in the Isle of Man, the Isle of Man's Life Assurance (Compensation of Policyholders) Regulations 1991, ensure that in the event of a life assurance company being unable to meet its liabilities to its policy owners, up to 90% of the liability to the protected policy owners will be met.

The protection only applies to the solvency of Zurich International Life Limited and does not extend to protecting the value of the assets held within any unit-linked funds linked to your policy.

Not for sale to residents or nationals of the United States including any United States federally controlled territory.

Zurich International Life Limited is registered in Bahrain under Commercial Registration No. 17444 and is licensed as an Overseas Insurance Firm - Life Insurance by the Central Bank of Bahrain.

Zurich International Life Limited provides life assurance, investment and protection products and is authorised by the Isle of Man Financial Services Authority.

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