

Target Market Determination (TMD) for Zurich Ezicover Life Insurance



Issuer of this TMD:	Zurich Australia Limited (ZAL)
ABN:	92 000 010 195
Date TMD is effective:	27 September 2021
Policy name:	Zurich Ezicover Life Insurance
TMD version:	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 ZAL'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 consumer objectives, financial situation and needs.

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 Document and Policy (PDS) before making a decision to apply for this product.

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 customers who seek an easy and convenient process, to protect against death and terminal illness, and suits customers who want access to this type of cover through a self-initiated application process. These customers want an instant decision based on information provided in the application, with minimal further health, financial, and occupational assessment (underwriting). We recommend that customers consider the PDS and their personal objectives, financial situation and needs when determining if the product and level of cover selected is suitable for their circumstances.

Product and key attributes

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.

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:

- has financial dependants or loved ones and wants to continue providing financial support for 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.

Broadly, the target market is consumers with financial dependants or loved ones, who have or expect to have outstanding financial commitments that will not be satisfied 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.

Eligibility requirements

When applying for Ezicover Life Insurance, consumers must satisfy all of 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.

Financial capacity

Ezicover Life Insurance is designed for consumers who have the financial capacity to purchase it and to hold it over the life of the policy, 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 won't be covered if premiums are not paid.

Appropriate consumers will thus meet some or all of the following criteria:

- be earning income
- have personal savings
- have other means to fund premiums, and government charges, such as family or other relationships.

Key exclusions

The following events are not covered under Zurich Ezicover Life Insurance:

- death caused by suicide in the first 13 months, or cover reinstatement. This also applies to any increases in cover after the policy starts.

This product may be subject to additional exclusions, based on our assessment of an application.

Conditions and restrictions on distribution

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).

A distributor or referrer, must direct customers to one of the above access points to learn more and, or purchase a policy.

Ezicover Life Insurance is distributed only under General advice.

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.

ZAL'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. ZAL 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
 - 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 ZAL 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 condition that would reasonably suggest that the TMD is no longer appropriate.
- ZAL 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

This TMD will be reviewed every 2 years. Any of the above review triggers will bring forward the 2 yearly review.

Reporting period for any complaints about this product

Unless otherwise agreed, distributors should report complaints to us half-yearly, within 10 business days of the end of the calendar half-year. The first complaints report due is for the period ending 30 June 2022. Complaints data should include sufficient information to understand the substance of each complaint but should not include personal information.

How ZAL will decide if this TMD is no longer appropriate

ZAL will 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, expected and actual data for the following:
 - product claims ratio
 - 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 condition.
- A significant dealing in the product which ZAL's product manager becomes aware is not consistent with the TMD (within 10 business days of becoming aware of the dealing).

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 condition (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 (within 10 business days of becoming aware of the dealing).

Submitting data to ZAL

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