

Key features of the Zurich Relevant Life policy



Contents

Helping you decide

This important document gives you a summary of the Zurich Relevant Life policy.

For more details on how this policy works, please see the Zurich Relevant Life terms and conditions.

We'll also provide you with a personal illustration which will show details of the cover you choose.

The Financial Conduct Authority is a financial services regulator.

It requires us, Zurich Assurance Ltd., to give you this important information to help you to decide whether our Zurich Relevant Life policy is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

Its aims	3
Your commitment	3
Risk factors	3
Questions and answers	4
About the policy	4
What is a relevant life policy?	4
Who can take out the policy?	4
Who can the policy cover?	4
How long can the policy last?	5
When will my employee be covered?	5
How much does the policy pay out?	5
Does the level of cover on the policy stay the same?	5
How much does the policy cost?	6
How can I pay?	6
Can my premiums change in the future?	6
What if I stop paying?	6
When will the policy not pay out?	6
What if my employee stops working for me?	7
After your policy starts	7
Can I change my policy after it starts?	7
Cancelling your policy or making a claim	8
Can I change my mind and cancel?	8
How can I make a claim?	8
Current tax rules	8
Other information	9
How to contact us	11

About the Zurich Relevant Life policy

The Zurich Relevant Life policy provides life cover. Your financial adviser will help you decide if a policy is right for you and let you know how to apply.

Its aims

What the policy is designed to do

Zurich Relevant Life offers a tax efficient way for you, as an employer, to provide life cover for an employee (the 'life assured'). It is designed to help protect their family against the impact of their death or diagnosis with a terminal illness whilst they're employed. The policy can only be issued into a relevant life policy trust.

Your commitment

What we ask you to do

You need to:

- Make sure your premiums are paid on time over the policy's term.
- Answer all the questions on your application fully, honestly, and accurately, to the best of your knowledge. Please don't assume we'll contact the life assured's doctor for any medical information.
- Tell us about any changes to the information on your application that happen before your policy starts. Please see 'When will the policy not pay out?' on page 6.
- Review the cover regularly, to make sure it continues to be right for your and your employee's needs. In particular you should consider whether:
 - the level of cover and term are suitable
 - the interest rate chosen remains appropriate to pay off the life assured's mortgage or loan if you've selected decreasing cover.
- Arrange a relevant life policy trust to ensure the policy complies with HM Revenue and Customs (HMRC) conditions for tax relief – you'll need to do this before your policy can start. We provide a draft relevant life policy trust available, although we can't confirm it will be suitable for your individual business circumstances and you should always seek professional advice.

Risk factors

What you need to be aware of

- If you don't tell us about something that's incorrect on your application, or something that's changed before your policy starts, we may cancel your policy, its terms may be changed or a claim may be rejected or not fully paid.
- We won't pay a claim in the circumstances described in 'When will the policy not pay out?' on page 6.
- If you stop paying for your policy, the cover will end and we won't refund any premiums you've already paid.
- If you choose decreasing cover, the percentage by which the cover will reduce may be different from the percentage decrease in the life assured's outstanding mortgage or loan, so there's a chance that the amount we'd pay on a claim may be more or less than the amount they owe.
- The policy has no cash-in value.
- A relevant life policy can attract beneficial tax treatment compared to an ordinary life policy, providing it meets certain legislative requirements. However your tax position will depend on individual circumstances and a favourable tax position may not always apply. Please talk to your adviser for how this affects you.
- If the government changes the tax treatment of relevant life protection products, the taxation of premiums and claims payments could change.
- If the policy is no longer held in the relevant life policy trust, this will affect the tax efficient benefits potentially available and will result in additional tax charges for your business and also for the life assured.

Questions and answers

About the policy

What is a relevant life policy?

Relevant life cover offers a tax efficient way for an employer, usually a small business, to provide life cover for individual employees. It offers financial protection for the employee's spouse, partner or dependants, paying out a cash lump sum if the employee dies or is diagnosed with a terminal illness during the policy's term.

Premiums are paid by the employer and are usually viewed as an allowable business expense by HMRC, as long as they meet the necessary legislative criteria. This means both the premiums and any benefit paid are eligible for relief from income tax, corporation tax and national insurance contributions.

Relevant life cover may be suitable if:

- you're a small business without enough employees to set up a group life scheme
- you want to provide death-in-service benefits to your employees that exceed those payable under the main company scheme
- your employees have substantial pension funds and don't want their death-in-service benefits to form part of their pension lifetime allowance, or for premiums to impact their protection from the lifetime allowance.

The policy can only be issued into a relevant life policy trust, which you will need to set up when you apply. The employee's family or dependants can be beneficiaries. If a claim is made, a lump sum payment will be made to the trustees and the policy will then end.

Who can take out the policy?

The policy can only be taken out by the employer, who can be:

- a sole trader with employees
- a partnership
- a limited liability partnership
- a limited company
- a charity.

Who can the policy cover?

The policy can cover one employee ('life assured') only. Company directors (including shareholding directors) and company officers will also be treated as 'employees' for this purpose.

The policy can start any time from the life assured's 16th birthday until the day before their 74th birthday.

Both you and the life assured must be UK resident when this policy starts.

The policy cannot be taken out to provide cover for:

- a sole trader in their personal capacity as business owner
- an equity partner in a partnership
- a member of a limited liability partnership.

How long can the policy last?

You can choose how long you want the policy to last for – this may be a specific number of years (a minimum of one) or until a specific birthday. Cover must end before the life assured's 75th birthday.

Your policy will run from the start date to the end of the term unless we pay out the lump sum or the policy is cancelled.

Terminal illness cover can end sooner if the life assured leaves your employment – see page 7, 'What if my employee stops working for me?'

When will my employee be covered?

The cover will begin on the start date you agree with us. If we're not able to make an immediate decision on your application, we may be able to offer free cover whilst we're assessing your application.

How much does the policy pay out?

You and your employee decide how much cover is needed when you buy a policy. The level of cover we agree with you will be shown on your 'Confirmation of terms'.

The maximum sum assured will be limited according to the life assured's total remuneration:

Age 16-39	30 x total remuneration
Age 40-49	20 x total remuneration
Age 50 onwards	15 x total remuneration

Remuneration includes salary, bonuses, benefits in kind and dividends earned.

The policy has no cash-in value.

Does the level of cover on the policy stay the same?

At the start of your policy you choose whether you want level cover, increasing cover or decreasing cover.

You can only choose increasing cover or decreasing cover before your policy starts – you can't add them later. You can check the level of cover at any time on the customer portal.

Level cover

If you choose level cover, the amount your employee is covered for will stay the same throughout the life of the policy, unless you change the cover.

Increasing cover

You can choose for the cover to increase each year by 3%, 5%, or in line with the Retail Prices Index. Your premiums will increase each year to pay for the increased cover.

Decreasing cover

Decreasing cover is designed to reduce in line with the outstanding amount on a repayment mortgage or loan of the same interest rate. The cover will reduce, taking account of a fixed interest rate between 2% and 18% per year. The cover will decrease each month and will reduce to zero by the end of the term.

How much does the policy cost?

How much the policy costs depends on:

- the life assured's personal circumstances – for example their age, health, occupation, whether they smoke, or how long it is since they stopped smoking
- the amount and type of cover
- how long you want the cover to last.

Your 'Confirmation of terms' will tell you how much the policy will cost.

How can I pay?

We'll collect your premiums by direct debit. You can choose to pay monthly or annually, unless the policy runs to a specific birthday, in which case you'll need to pay monthly.

Can my premiums change in the future?

Your premiums are guaranteed – this means they'll stay the same during the term of the policy unless you:

- choose increasing cover
- change the cover.

What if I stop paying?

If you stop paying your premiums, the cover and policy will end. You won't get back any of the premiums you've already paid.

When will the policy not pay out?

A claim may be rejected or may not be fully paid, or the policy may be cancelled or its terms may be changed if:

- you don't answer the questions we ask fully, honestly, and accurately, to the best of your or the life assured's knowledge when you apply for the policy or when you make a claim
- you don't tell us if you think anything you've told us is wrong, or if anything changes between you agreeing to take out the policy and the policy start date
- you haven't paid all the premiums that were due
- the life assured commits suicide or dies as a result of a self-inflicted injury within 12 months of the start date or the date the cover is increased.

Terminal illness cover will end sooner if:

- the life assured is no longer in the employment of the employer who is paying the premiums
- you assign the policy to the life assured.

See next section for more details.

The Zurich Relevant Life terms and conditions include full details of all the situations when we won't pay out.

What if my employee stops working for me?

If the life assured leaves your employment, you may wish to end the policy or you may choose for it to continue in one of the following two ways:

Continue relevant life cover with a new employer

The policy can remain in the relevant life policy trust when the employee starts a new job, providing the new employer agrees to take over responsibility for the policy and the trust. There must be no break in premiums between the old and new employer.

Transfer ownership of the policy to the employee

You, and any other trustees, can assign the policy out of the relevant life policy trust to the employee in their own name. A deed will be required to do this so you'll need to talk to your financial adviser. If ownership of the policy is transferred in this way, terminal illness cover will no longer be provided and there will also be tax implications. For more information, see the 'Relevant Life Policy: Technical Guide for Employers and Employees', available from your financial adviser.

After your policy starts

Can I change my policy after it starts?

You can make a range of changes to the cover on the policy after it starts, so that it can remain suitable for your employee if their circumstances change.

The following changes are available:

- increasing or reducing the amount of cover
- changing the rate the policy increases or decreases if you've chosen increasing or decreasing cover
- removing the increasing cover option
- changing the term of the policy
- reviewing your premium if the life assured previously smoked and has now given up.

Depending on the change, we may need to ask you about the life assured's personal circumstances to see if we are able to make the change.

Your premiums are likely to change if you make a change to the policy.

Milestone benefit

The policy may also include milestone benefit, which allows you to increase the amount of cover on the policy within 90 days of a significant life event for the life assured (such as moving house, getting married or having a child). You won't have to tell us about any changes in their personal circumstances at the time.

The most you can increase the cover by is the lower of the original lump sum or £200,000. The life assured will need to be 54 years or younger when you make this change.

Milestone benefit will be included on the policy unless we specifically exclude it on your 'Confirmation of terms'.

Cancelling your policy or making a claim

Can I change my mind and cancel?

Yes you can. When you first take out the policy, we'll send details of how to cancel the policy if you've changed your mind. If you do cancel within the first 30 days, we'll refund any premiums you've paid.

You can cancel the policy at any time by contacting us to let us know, but if this is after the first 30 days we won't refund any premiums you've already paid towards the policy.

How can I make a claim?

To make a claim, you should contact us using the details below. We'll confirm what information we need in order to process the claim as quickly as possible. You must tell us within six months of any claim you wish to make.

Call us on:

Tel. 0370 243 0827

(opening hours: 9am to 5pm, Monday to Friday)

Alternatively, go to the customer portal or visit us online at:

www.zurich.co.uk/life-insurance/claim

Current tax rules

We've based this information on our understanding of current UK law and HMRC practice. Future changes in law and tax practice or individual circumstances could affect taxation.

Other information

How to complain

If you need to complain, please see the 'How to contact us' section on page 11. You can ask us for details of our complaints handling process.

If you're not satisfied with our response to your complaint, you can complain to:

Financial Ombudsman Service
Exchange Tower
Harbour Exchange Square
London
E14 9SR

Telephone: 0800 023 4567 or 0300 123 9123

Email: complaint.info@financial-ombudsman.org.uk

Website: www.financial-ombudsman.org.uk

This service is free to you and you can find out more by contacting the Financial Ombudsman Service. You do not have to accept a decision by the Financial Ombudsman Service and you are free to go to court instead if you wish.

Compensation

We are covered by the Financial Services Compensation Scheme (FSCS). If we cannot meet our obligations, you may be entitled to compensation under the scheme.

Any compensation you receive under the scheme will be based on the FSCS's rules. For this type of policy, the scheme covers 100% of the claim. Please note that for life assurance products the FSCS's first responsibility is to ensure the cover continues rather than pay compensation.

If you need more information, you can contact the FSCS at:

Financial Services Compensation Scheme
10th Floor
Beaufort House
15 St Botolph Street
London
EC3A 7QU

Telephone: 0800 678 1100 or 020 7741 4100

Website: www.fscs.org.uk

Financial strength

If you'd like to know more about our financial strength, including our Solvency and Financial Condition Report (SFCR) when available, please visit our website at www.zurich.co.uk/SFCR

Terms and conditions

This key features document gives a summary of the Zurich Relevant Life policy. It doesn't include all the definitions, exclusions or terms and conditions.

We'll provide you with a copy of the full terms and conditions when the policy starts. If you'd like a copy before then, please contact us direct.

We'll let you know if there are any changes to the terms and conditions. For details of changes we can make, see the 'Changes we can make to the policy' section of the Zurich Relevant Life terms and conditions.

Moving abroad

If you or the life assured move abroad you need to tell us. This may result in you having tax obligations in that country. Please refer to the 'Moving abroad' section of the Zurich Relevant Life terms and conditions.

Conflicts of interest

We make every effort to identify conflicts of interest. A conflict of interest is where the interests of our business conflict with those of a customer, or if there is a conflict between customers of the business. Once identified, we aim to either prevent the conflict or put steps in place to manage it so that it is no longer potentially detrimental to our customers.

We have processes in place to ensure we conduct our business lawfully, with integrity, and in line with current legislation. We operate in line with our conflicts of interest policy, available on request or on our website, which details the types of conflicts of interest that affect our business and how we aim to prevent or manage these. Where we cannot prevent or manage a conflict which may be detrimental to you, we will fully disclose it to you in line with our policy.

Law

The policy is governed by the law of England.

Our regulator

Zurich Assurance Ltd is an insurance company. We are authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority. We are entered on the Financial Services register under number 147672. This is on the website www.fca.org.uk. You can phone the FCA free from a landline on 0800 111 6768.

Communicating with you

Our policy documents and terms and conditions are in English and all communications with you will be in English.

How to contact us

Keep in touch

It's important that we keep in touch so, if you change your address or any of your contact details, please let us know.

We'd like everyone to find it easy to deal with us. Please let us know if you need information about our policies and services in a different format.

If you are a textphone user, we can answer any questions you have through a Typetalk operator. Please call us on **18001 01793 514514**. Or, if you prefer, we can introduce you to a sign language interpreter.

If you want to contact us before you buy this policy you can phone or write:



Phone: 01793 514514
Monday to Friday 8.30am – 6pm
(excluding bank holidays)
We may record or monitor calls to improve our service.

An answerphone is in operation outside office hours.



Write to: Zurich Assurance Ltd
Tricentre One
New Bridge Square
Swindon
SN1 1HN
UK

Please let us know if you would like a copy of this in large print, braille, audio or CD.

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Telephone: 01793 514514.

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