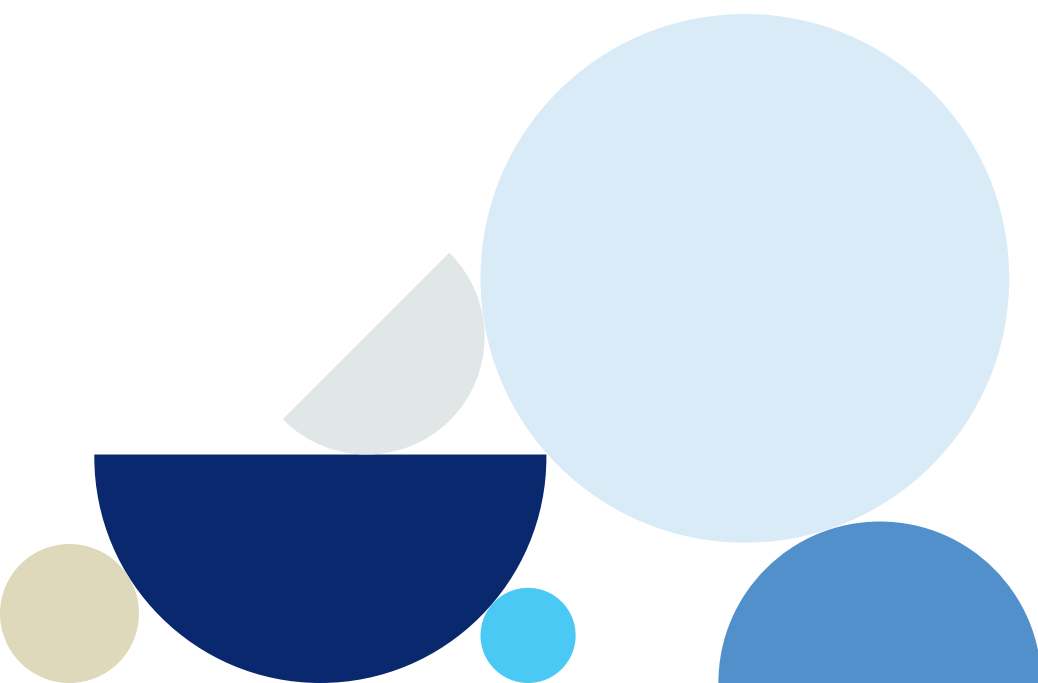


# Your guide to commission for Zurich protection plans



This Commission Guide sets out the current terms on which Zurich Assurance Ltd (ZAL) will pay commission to Intermediaries for protection policies not on the platform.

The commission rates shown are for those protection contracts currently not offered by ZAL on the platform. Commission rates and terms can be changed.

## 1. Definitions and Interpretation

**1.1** The definitions set out in Clause 3 of the Terms of Business also apply to this Commission Guide. Additional Definitions are as follows:

“Initial Commission” means commission payable by ZAL to the Intermediary on premiums paid during the initial commission period as described in the tables at the end of this Commission Guide.

“Renewal commission” means commission payable by ZAL to the Intermediary on premiums paid after the initial commission period as described in the tables at the end of this Commission Guide.

**1.2** If there is any conflict between any term in this Commission Guide and a term in the Terms of Business, the terms in this Commission Guide will prevail.

## 2. Scope

**2.1** This Commission Guide sets out the terms on which ZAL will pay commission to the Intermediary in respect of protection plans issued to Customers as a result of applications submitted by the Intermediary.

**2.2** ZAL may at any time vary any of the terms of this Commission Guide as set out in Clause 14 of the Terms of Business.

**2.3** ZAL will not be required to make any payment of commission to an Intermediary where such a payment would, in the reasonable opinion of ZAL, result in ZAL breaching Regulations.

**2.4** ZAL may impose any obligation or requirement on an Intermediary that ZAL reasonably believes is necessary to ensure that a payment of commission does not breach Regulations.

**2.5** While the Intermediary may appoint agents or representatives, ZAL will not have any contractual relationship with any such agent or representative and will be under no obligation to make any payment of commission to such an agent or representative.

## 3. Types and calculation of Commission

**3.1** Commission is payable on applications submitted by Intermediaries and which are accepted by ZAL.

**3.2** Commission is payable to the Intermediary who submits the application for a new contract or who submits an application for an additional investment to an existing contract.

**3.3** Initial commission is calculated using the applicable rate, as a percentage of each payment or amount that is due and paid into a protection plan held by a Customer during the initial commission period relevant for the product.

**3.4** Renewal commission is calculated using the applicable rate, as a percentage of each payment or amount that is due and paid into a product account held by a Customer and paid after the end of the initial commission period for the relevant product.

**3.5** The commission rates shown in this guide are the standard normally available. If the Intermediary chooses to take a lower amount of commission, or none at all, the Customer’s protection plan will be enhanced.

**3.6** The figures used in this Commission Guide are provided for guidance only as the actual commission payable or payment discounts may vary slightly due to rounding rules.

## 4. Indemnity Commission

**4.1** On application by an Intermediary ZAL may agree to pay Initial Commission on an indemnity terms basis (“Indemnity Commission”) under which the full amount of Initial Commission payable in respect of a Product is paid on the issue of the Product subject to a discount for early payment at a rate determined from time to time by ZAL in its discretion.

**4.2** Indemnity Commission is payable conditionally on premiums being paid during the initial commission period (please refer to the tables at the end of this guide). If regular premiums cease or reduce that part of the Indemnity Commission already paid to the Intermediary but which relates to premiums (or parts of premiums) not received shall be repaid to ZAL.

**4.3** ZAL reserves the right to withdraw or limit the payment of Initial Commission on Indemnity Terms to the Intermediary generally or on any individual contract.

## 5. Payment of Commission

**5.1** Commission payments due to be paid by ZAL to an Intermediary will be paid on a weekly, twice monthly or monthly basis, as agreed with the Intermediary and subject to the minimum payment thresholds set out in paragraph 5.4.

**5.2** Commission will be paid by ZAL (or its agent) by way of direct credit to the Intermediary's bank or building society account, unless ZAL agrees otherwise.

**5.3** The amount of commission paid will equal the balance of the Intermediary's account after taking into account all credits and debits applied since the previous payment.

**5.4** The minimum payment thresholds are:

Frequency	Threshold
Weekly	£250
Twice monthly	£250
Monthly	£50

and can be changed by ZAL without notice.

**5.5** If the payment due to be paid by ZAL to an Intermediary is less than the minimum payment threshold then no payment will be made by ZAL until the balance due to be paid exceeds the minimum payment threshold.

**5.6** If there is any indebtedness whatsoever outstanding from an Intermediary to ZAL:

- (a) all sums owing by the Intermediary will be payable immediately upon request by ZAL;
- (b) any commission that is due and payable to the Intermediary will, to the extent of the indebtedness, instead be payable to ZAL;
- (c) ZAL may set off any monies subsequently due to be paid as commission to the Intermediary against such indebtedness; and
- (d) ZAL reserves the right to pass relevant information about the Intermediary's indebtedness to the FCA, other financial institutions and third parties providing data gathering information services on their behalf.

**5.7** ZAL will notify each Intermediary of the balance of its commission account on a regular basis. Such notification will be a conclusive record of the commission due to the Intermediary, save in the case of manifest error or omission. If an Intermediary's commission account has a debit balance for three consecutive months ZAL will charge compound interest at a rate set periodically by ZAL (currently 1.5% per month) on the debit balance from the date the Intermediary was first notified of the debt.

## 6. Commission Clawback

**6.1** Without prejudice to ZAL's rights under paragraph 5.6 the Intermediary's account will be debited with:

- (a) any commission paid or advanced to the Intermediary in respect of a premium which is subsequently refunded by ZAL to the payer, whether it is legally obliged to do so or not;
- (b) any commission paid or advanced to the Intermediary that subsequently does not accrue;
- (c) any commission paid or advanced to the Intermediary in respect of any premium not paid by the Customer.

## 7. Payments

**7.1** All premiums or amounts paid in respect of any product applied for or held by a Customer must be paid to ZAL without any deduction of commission by the Intermediary unless otherwise agreed by ZAL in writing.

## 8. Servicing Transfers

- 8.1** Subject to paragraph 8.2 below the right to receive Initial Commission and Renewal Commission belongs to the Intermediary who submitted the application for the relevant protection plan or who submitted the application for an increase in premium to the relevant protection plan ('the Selling Intermediary').
- 8.2** If, after the relevant protection plan is issued or is amended to reflect an increase in premium, the Customer appoints an Intermediary to service the relevant protection plan ('the Servicing Intermediary') the Servicing Intermediary will be entitled to any Initial Commission and Renewal Commission payable in respect of increases in premium to the relevant protection plan made after the date of the notification to ZAL of his appointment ('the Notification Date') but will not be entitled to receive any Initial Commission or Renewal Commission already earned by the Selling Intermediary before the Notification Date. As set out below:

	Original Selling Intermediary Initial Commission	Original Selling Intermediary Renewal Commission	New Servicing Intermediary Initial Commission	New Servicing Intermediary Renewal Commission
Original 'slice' of plan sold by Selling Intermediary	Yes	Yes	No	No
Increase or GIO (new slice/s) sold by Selling Intermediary	Yes	Yes	No	No
Increase or GIO (new slice/s) sold by New Servicing Intermediary	No	No	Yes	Yes

# Adaptable Life Plan

Summary of commission terms available

Age Next Birthday	Initial Commission Period (Months)	Total Initial Commission	Indemnity Terms	
			Monthly Payments	Annual Payments
0	48	170.00%	143.39%	149.35%
42	47	166.46%	140.90%	146.65%
43	47	166.46%	140.90%	146.65%
44	46	162.92%	138.38%	143.94%
45	46	162.92%	138.38%	143.94%
46	45	159.38%	135.85%	141.24%
47	45	159.38%	135.85%	141.24%
48	44	155.83%	133.30%	138.53%
49	44	155.83%	133.30%	138.53%
50	43	152.29%	130.74%	135.82%
51	43	152.29%	130.74%	135.82%
52	42	148.75%	128.15%	133.12%
53	42	148.75%	128.15%	133.12%
54	41	145.21%	125.54%	130.41%
55	41	145.21%	125.54%	130.41%
56	40	141.67%	122.91%	127.70%
57	40	141.67%	122.91%	127.70%
58	39	138.13%	120.27%	125.00%
59	39	138.13%	120.27%	125.00%
60	38	134.58%	117.60%	122.29%
61	37	131.04%	114.92%	119.58%
62	35	123.96%	109.48%	113.92%
63	34	120.42%	106.74%	110.96%
64	32	113.33%	101.18%	105.04%
65	31	109.79%	98.37%	102.08%
66	30	106.25%	95.54%	99.12%
67	28	99.17%	89.81%	93.20%
68	27	95.63%	86.92%	90.24%
69	25	88.54%	81.07%	84.32%
70	24	85.00%	78.11%	81.36%
71	22	77.92%	72.12%	74.88%
72	21	74.38%	69.09%	71.64%
73	19	67.29%	62.97%	65.17%
74	18	63.75%	59.87%	61.93%
75	16	56.67%	53.61%	55.45%
76	14	49.58%	47.25%	48.98%
77	13	46.04%	44.04%	45.74%
78	11	38.96%	37.54%	38.96%
79	10	35.42%	34.25%	35.42%
80	8	28.33%	27.61%	28.33%

# Level Protection Plan and Decreasing Mortgage Cover Plan

Summary of commission terms available

Term (years)	Initial Commission Period (months)	Total Initial Commission	Indemnity Terms	
			Monthly Payments	Annual Payments
1	4	16.33%	16.15%	16.33%
2	9	36.75%	35.67%	36.75%
3	13	53.08%	50.78%	52.73%
4	17	69.42%	65.43%	67.67%
5	22	89.83%	83.15%	86.33%
6	26	106.17%	96.85%	100.62%
7	30	122.50%	110.15%	114.28%
8	34	138.83%	123.06%	127.93%
9	39	159.25%	138.66%	144.11%
10	43	175.58%	150.73%	156.60%
11	47	191.92%	162.44%	169.08%
12	48	196.00%	165.32%	172.20%
13+	48	196.00%	165.32%	172.20%

**Notes:**

The above rates apply to the Level Protection Plan and Decreasing Mortgage Cover plan from 30 July 2007.

The commission % is applied to the annualised payment.

Renewal commission of 2.5% per year is paid on payments paid after the initial commission period until the end of the original term. The above rates are increased by a multiple of 1.07 for applications submitted electronically.

# Level Protection Plan and Decreasing Mortgage Cover Plan (Reduced initial commission period)

Summary of commission terms available

Term (years)	Initial Commission Period	Total Initial Commission	Level Option	
			Monthly Payments	Annual Payments
1	2	13.15%	13.10%	13.15%
2	4	26.30%	26.01%	26.30%
3	6	39.45%	38.72%	39.45%
4	9	59.17%	57.44%	59.17%
5	11	72.32%	69.69%	72.32%
6	13	85.47%	81.76%	84.91%
7	15	98.62%	93.64%	96.93%
8	17	111.77%	105.36%	108.95%
9	19	124.92%	116.89%	120.97%
10	22	144.64%	133.88%	139.01%
11	24	157.79%	145.00%	151.03%
12	24	157.79%	145.00%	151.03%
13	24	157.79%	145.00%	151.03%

**Notes:**

The above rates apply to the Level Protection Plan and Decreasing Mortgage Cover plan from August 2009.

The commission % is applied to the annualised payment.

Renewal commission of 2.5% per year is paid on payments paid after the initial commission period until the end of the original term. The above rates are only available for applications submitted electronically.

# Income Protection Plan

## Summary of commission terms available

Term (years)	Initial Commission Period (months)	Total Initial Commission	Indemnity Terms	
			Monthly Payments	Annual Payments
1	4	10.83%	10.71%	10.83%
2	9	24.38%	23.66%	24.38%
3	13	35.21%	33.66%	34.98%
4	17	46.04%	43.40%	44.88%
5	22	59.58%	55.15%	57.26%
6	26	70.42%	64.24%	66.74%
7	30	81.25%	73.06%	75.80%
8	34	92.08%	81.62%	84.85%
9	39	105.63%	91.97%	95.59%
10	43	116.46%	99.97%	103.86%
11	47	127.29%	107.74%	112.14%
12+	48	130.00%	109.65%	114.21%

### Notes:

The above rates apply to Income Protection plans (HA) from 1 January 2005.

The commission % is applied to the annualised payment.

Renewal commission of 2.5% per year is paid on payments paid after the initial commission period until the end of the original term.

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