

Target Market Statement

Zurich Personal Protection

The Zurich Personal Protection target market statement supports intermediaries and helps them understand the distribution strategy and identify the likely characteristics and eligibility of the customers in the target market. It outlines:

- What the product is designed to do
- How it should be distributed
- Target market customer characteristics and risk profile
- Key eligibility criteria for customers in the target market
- Key features of the benefit and how they meet customer needs
- Who the product won't be suitable for (the non-target market)

What the Zurich Personal Protection product is designed for



To provide customers with financial protection so on their death, or diagnosis of a critical or terminal illness during a fixed term, they or their beneficiaries will receive a payout to help cover the costs of things like repaying a mortgage or loan, the financial impact of a serious illness or inheritance tax (IHT).

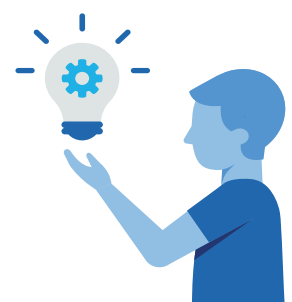
A claim for terminal illness will be paid where there is a definite diagnosis that the illness either has no known cure or has progressed to the point where it cannot be cured, and the illness is expected to lead to death within 12 months.

Distribution Strategy

This product is designed for customers who want to buy with the help of an insurance intermediary. It may be sold either face-to-face or by telephone but must not be sold on an execution-only basis.

Due to the nature of the product and its various options, we would normally expect the Zurich Personal Protection product to be sold on an advised basis particularly where it is being used for inheritance tax planning.

Where an intermediary becomes aware of a change in a customer's circumstances or as part of a regular customer review process, they should assess whether the product still meets the customer's long-term needs and objectives. To support intermediaries, Zurich provides customers with annual statements detailing their current options and what changes can be made to their policy.



The target market

Customers that have a specified need for:

- A lump sum or monthly payment if they die or are diagnosed with a critical or terminal illness during the term of the policy.

They'll also understand that:

- It's designed as a long-term commitment and must pay premiums for the duration of the policy term.
- Missing premiums for two consecutive months will result in the policy ending and loss of cover with no refund of premiums.
- If they don't fully, honestly and accurately answer all the underwriting questions in their application, this could mean we won't pay out when they die, or are diagnosed with a critical or terminal illness, or we could pay a reduced amount.
- It's a long-term commitment and the real value of the payout could be impacted by inflation, unless Increasing Cover is chosen.
- It isn't an investment product and has no surrender or cash value.

Eligibility criteria for customers in the target market



Customers must:

- Be a UK resident with no current intention or plans to live abroad.
- When applying for the product, be aged between 18 and:
 - 83 for Life Cover (or 82 if the conversion option is selected and 68 if the renewal option is selected)
 - 69 for Life Cover and Critical Illness or Critical Illness Cover (64 if the renewal option is selected)
- Be registered with a UK doctor when the policy starts and for at least six months before applying for the product.
- Pay the premiums from a UK bank account.
- Allow access to their medical records during the application and claim process.
- Not be undergoing any medical investigations for unexplained symptoms when they apply for the product which would impact our ability to offer acceptance terms.
- Not have any existing health conditions that is likely to mean they'll fail Zurich's underwriting requirements. This would include but may not be limited to customers who have already been diagnosed with a critical or terminal illness or receiving palliative care.

Likely needs of the target market

Family Protection

For those thinking about the future and wanting to protect their family by covering any financial commitments such as ongoing school fees or care costs, to protect against the financial impact of illness or injury such as home alterations, treatment cost, or to replace a loss of income. We would typically expect this cover to be written on a Single Life or Joint Life First Event basis.

Mortgage or personal loan protection

For those wanting cover to help pay off outstanding debt or settle their mortgage. We would expect the terms of the cover will be specific to the customer's individual circumstances and written on a Single Life or Joint Life First Event basis.

IHT

The amount of Life Cover will be specific to the customer's individual circumstances. We would typically expect this cover to only be written on a Single Life or Joint Life Second Death basis, within an appropriate trust.

Available product options to support customer needs



Increasing cover

As a long-term product, the Increasing Cover option is suitable where customers need to help protect against the impact of inflation and reduce the risk of the sum assured being insufficient to meet the customer's objectives and needs. For customers where the need is to provide inheritance tax planning, the Increasing Cover option can be used to help protect against increases in asset values that would increase a customer's IHT liability. This option is only available to be chosen when the policy starts.



Decreasing cover

This option is suitable for customers that would like the sum assured to decrease each month in line with the outstanding amount on a repayment mortgage at a set interest rate (chosen by the customer) and reduce to zero by the end of the term.



Family Income Cover

In the event of a successful claim, this option allows customers to receive a regular monthly payment for the remainder of the term of the policy, instead of a single lump sum payment. Customers may find this useful when looking to protect a loss of monthly income or regular ongoing financial commitments.



Critical Illness

This option is for customers that want our standard, comprehensive Critical Illness Cover. It provides protection against 39 conditions that would pay the full sum assured. It also covers 2 less severe conditions that would payout up to £25,000.

Available product options to support customer needs (continued)



Critical Illness Enhanced

This option is for customers that want our broadest range of Critical Illness Cover. It provides protection against 52 conditions that would pay the full sum assured and 33 less severe conditions that would payout up to £25,000.



Critical Illness Enhanced Plus

For customers who want the same breadth of condition coverage as Critical Illness Enhanced but with higher pay out levels for all additional payment conditions, up to £50,000, as well as additional cover for 16 life changing critical illnesses if diagnosed before age 55.



Children's Cover

This option is designed for customers with children, or those planning to have children in the future, who want our standard comprehensive Children's Cover which provides protection if a child was to be diagnosed with a critical illness, require a prolonged stay in hospital or was to die. Covers children until their 22nd birthday at which point the option should be removed. This can help support customers if they need to take off work to care for their sick child.



Children's Enhanced Cover

Similar to the Children's Cover option however provides cover for a broader range of critical illness conditions. Covers children until their 22nd birthday at which point the option should be removed.



Pregnancy and Early Childhood Cover (available if Children's Cover or Children's Enhanced Cover is selected)

This option is designed for customers who are pregnant or planning to have children in the future. We recommend adding this option when they are planning to start or expand their family. It should be removed when they decide not to have any more children, and their youngest child is seven years old.



Conversion Option (available on Life Cover only)

Designed for customers who currently have a whole of life protection need which may reduce in the future. This will primarily be for IHT planning where the customer may feel that their IHT liability could be reduced by government changes to IHT limits and legislation, or they may reduce this themselves by gifting or using their financial assets.

The conversion option may also be suitable for customers who cannot currently afford a whole of life policy due to their current financial circumstances. They may have another liability such as a mortgage or the need to cover dependants that will end at a specific point in the future, making larger premiums more affordable at that point in time.

This option may also be suitable for customers who have personal liabilities that do not have a fixed ceasing date and dependants who could be dependent for life.



Renewal Option

Designed for customers where there is an indefinite liability or a dependant to protect but the term this is needed for is unknown. Examples where this benefit could be suitable include interest only borrowing to be repaid on death, long term or serious illness and providing cover to enable ongoing care to be paid for dependants such as parents or disabled children.

Available product options to support customer needs (continued)



Total Permanent Disability (available on Life Cover and Critical Illness and Critical Illness Cover only)

Designed for customers who want to protect themselves against an eventuality (not covered by the critical illness conditions under the policy) that would mean they are never able to do their own occupation ever again, or at least three of six work tasks if the work tasks definition applies, due to any illness or injury.



Waiver of Premium

This optional benefit will only be suitable for customers who are in a paid occupation. It meets their needs by protecting them against the risk of not having sufficient funds available to continue to pay premiums due to being unable to work due to illness or injury. This benefit is only available to customers who are age 54 or younger when the policy starts and will end the day before their 70th birthday.



Zurich Accelerate

Designed to provide customers and their children up to their 22nd birthday with quick access to expert medical services to investigate, diagnose and treat specific serious medical conditions. Zurich Accelerate has its own Target Market Statement which can be found here or in the document library on www.zurichintermediary.co.uk.



Multi-Fracture Cover

Designed to provide customers with financial support whilst they recover from a broken bone, dislocation, Achilles tendon ruptures or cruciate ligament tears. Multi-Fracture Cover has its own Target Market Statement which can be found here or in the document library on www.zurichintermediary.co.uk.



Trust options

Trusts provide clarity as to who any benefits should be paid to at the claim stage.

Zurich offers two online trust options for our Personal Protection policies – a Discretionary Trust and a Discretionary Survivorship Trust. Both allow the settlor(s) to decide whether they want to keep any critical illness or terminal illness benefits to themselves or to also gift them to the trust along with the death benefit.

The Absolute Trust Deed form should be used by those wanting to make outright gifts that can never be changed.

Who the product won't be suitable for (non-target market)

The Zurich Personal Protection product won't provide the intended value to customers who:



- Are under the age of 18 or over the age of:
 - 83 for Life Cover (or 82 if the conversion option is selected and 68 if the renewal option is selected)
 - 69 for Life Cover and Critical Illness or Critical Illness Cover (64 if the renewal option is selected)
- These customers are outside of the age eligibility criteria.
- Have any unexplained, or existing health conditions that could affect their access to the product.
- Want cover for the rest of their life - unless the conversion option is selected
- Want an investment product or cash-in value.
- Need a replacement income for periods where they are unable to work because of an illness or injury.
- Don't fully, honestly and accurately answer all the underwriting questions during the application.
- Don't provide consent to Zurich to access their medical records.
- Are at risk of death as a result of suicide or self-inflicted injury in the first 12 months of the policy.
- Are unable to pay the premiums for the duration of the policy.

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