

# Target Market Statement

## Zurich Relevant Life

The Zurich Relevant Life 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 Relevant Life product is designed for



To help employers, usually a small business, to provide tax efficient 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 term.

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, the Zurich Relevant Life product should only be sold on an advised basis.

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



# The target market

## Customers that have a specified need for:

- A lump sum payout when they die or are diagnosed with a terminal illness, regardless of their age or changes to their health.

## They'll also understand that:

- It's designed as a long-term commitment meaning they'll need to be prepared to pay premiums for the term of the policy.
- 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 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 (the life assured) must:

- Be a UK resident with no current intention or plans to live abroad.
- Be aged between 18 and 73 when applying for the product.
- Be registered with a UK doctor when the policy starts for at least six months before applying for the product.
- 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 terminal illness or receiving palliative care.

### Customers (the policyholder) must:

- Be a UK resident, if they are an individual, with no current intention or plans to live abroad.
- Be registered or incorporated in the UK if they are a business.
- Pay the premiums from a UK bank account.

# Likely needs of the target market

## Death-in-service benefit provision

The Relevant Life product will support businesses who wish to provide death-in-service benefits to employees without setting up a group life scheme, or to provide death-in-service benefits to their employees that exceed those payable under the main company scheme.

## 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 the sum assured being insufficient to meet the customer's objectives and needs. This option is only available to be chosen when the policy starts.



### Decreasing cover

This Decreasing Cover option is suitable where the business may want to provide death-in-service benefits to match their employee's financial commitments such as a mortgage. This option is only available to choose when the policy starts.



### Trust options

The policy must be written into a Zurich Relevant Life Policy Trust for the employee's beneficiaries.

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

### The Zurich Relevant Life product will not provide the intended value to customers who:



- Are under the age of 18 or over the age of 73. 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 an investment product or cash-in value.
- Need a lump sum to be paid if they're diagnosed with a critical illness.
- Need a monthly income if they can't 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.
- Decide to move abroad and reside in a country where we are unable to properly assess and manage their claim.

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