

Target Market Statement

Zurich Whole of Life

The Zurich Whole of 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 product features and how they meet customer needs
- Who the product won't be suitable for (the non-target market)

What the Zurich Whole of Life product is designed for



To provide customers with lifelong financial protection so on their death, or diagnosis of a terminal illness, they or their beneficiaries will receive a lump sum payout to help cover the costs of things like inheritance tax (IHT), funeral cover, repaying a lifetime mortgage or provide support for the ongoing care of a dependant.

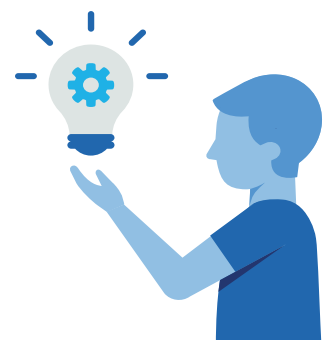
A claim for terminal illness will be paid where there is a definite diagnosis that the illness either has no known cure or has progressed to the point where it cannot be cured, and the illness is expected to lead to death within 12 months.

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 the long-term affordability considerations, we would normally expect the Zurich Whole of Life product to be sold on an advised basis particularly where it's being used for inheritance tax planning. Policies sold on a non-advised basis would only be suitable where the needs of the customer are simple such as provision of funeral cover.

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 payout when they die or are diagnosed with a terminal illness, regardless of their age or changes to their health.
- Long-term planning giving certainty that, following their death, their beneficiaries will receive a financial settlement.

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 rest of their life to benefit.
- 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 must:

- Be a UK resident with no current intention or plans to live abroad.
- Be aged between 18 and 83 for Single Life and Joint Life Second Death cover or between 18 and 69 for Joint Life First Death cover when applying for the product.
- 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 terminal illness or receiving palliative care.

Likely needs of the target market

Inheritance Tax Planning

The amount of 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.

Funeral Cover

We would typically expect customers who have purchased the Zurich Whole of Life product to cover this need to be aged 50 and over with the cover written on a Single Life basis. We would also expect most customers, especially younger customers, to use our Increasing Cover option to protect against the risk of inflation and to ensure that the sum assured is still suitable when a claim is made.

Lifetime Mortgage Protection

We would expect suitable customers to be homeowners aged 55 or over. Typically, the cover is likely to be written on either a single or joint life second death basis depending on the nature of the mortgage.

Lifetime Dependent Protection

The needs of the target market for lifetime dependent protection will largely be driven by the individual circumstances of the customer and the level of care required for their dependant. However, we would typically expect the need for the cover to be paid out either on a single life or joint life first death basis.

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. Typically, this would be to protect against the likely increase in the costs of funerals and providing care to dependants. 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.



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.



Trust options

Suitable to support customers' IHT planning needs and allow their death benefits to fall outside their estates for IHT purposes. We would typically expect trusts to be used on policies with larger sums assured where the value of any claim could cause an additional or increased IHT liability.

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

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

The Zurich Whole of Life product won't provide the intended value to customers who:



- Are under the age of 18 or over the age of 83, or over the age of 69 if they want Joint Life First Death cover. 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 a fixed term.
- 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're unable to properly assess and manage their claim.

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Registered Office: Unity Place, 1 Carfax Close, Swindon, SN1 1AP.

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