



Mortgage Protection

Customer Guide & Policy Document



This booklet contains your Vhi Mortgage Protection **Customer Guide** and **Policy Document**.

Your Customer Guide is designed to give you all the information required to make an informed purchase decision and includes some sample policy illustrations.

Your Policy Document explains in detail the workings of your Vhi Mortgage Protection policy. It is important that you read each section of the document carefully to ensure that you understand what you are covered for and what events may affect this cover.

The policy document is divided into sections that contain the detailed description of your policy's operation and conditions. Some conditions may not apply to your policy.

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If you have any queries you should contact Vhi Healthcare by telephone on 056 77 07600 or by email at info@vhi.ie

If you prefer you can write to:

Vhi Life Team

Vhi Healthcare, IDA Business Park, Purcellsinch, Dublin Road, Kilkenny.

Customer Guide

Introduction

This guide applies to the Vhi Mortgage Protection plan.

Zurich Life Assurance plc ('Zurich') and Vhi Healthcare want to make sure that you purchase a policy that meets exactly with your requirements. Part A of this guide is designed to give you all the information required to make an informed purchase decision.

Part B of this guide gives you information about Zurich, Vhi Healthcare and any service fees that you are charged.

A. Information about the policy

1. Make sure the policy meets your needs

- i. The primary purpose of this policy is to cover the Life/Lives Insured against death within the insurance term.
- ii. **The life sum insured under your policy decreases over the term of the policy in line with the balance outstanding on a notional mortgage at the fixed rate of interest of 6%.**
- iii. This policy is a regular premium protection plan.
- iv. This policy is a long-term financial commitment necessitating a regular premium payment for the term of the policy. Regular premiums are paid monthly. You should be satisfied as to the nature of this commitment with regard to your needs, resources and circumstances before entering into a contract.
- v. **Warning: If you have taken out this policy in complete or partial replacement of an existing policy, please take special care to satisfy yourself that this policy meets your needs. In particular, please make sure you are aware of the financial consequences of replacing your existing policy. If you are in doubt about this, please contact your insurer or financial advisor.**
- vi. Zurich will treat your telephone application and/or paper application as relevant, as a true copy of the application you completed.

2. What happens if you want to cash in the policy early or stop paying premiums?

- i. The policy never acquires a cash value and is not appropriate for retirement funding or savings purposes.
- ii. As this is a protection plan, if the premiums cease to be paid, no encashment value will be paid, and the policy will be terminated, after which Zurich will have no further liability under this policy.

3. What are the projected benefits under the policy?

The benefit of this policy is the provision of a lump sum payable on the death of a Life Insured within the insurance term.

This illustration is based on two non-smokers, aged 35 next birthday, paying a premium of €12.85 per month for a 25 year term and €125,000 initial Life Cover. The mortgage interest rate is 6%. The sum insured decreases over the term in line with the outstanding balance on a notional mortgage with this interest rate.

Zurich will provide you with illustrations based on your own exact details when your policy is issued.

Illustrative table of projected benefits and charges

	A	B	C	D	E = A+B-C-D
End of year	Total amount of premiums paid into the policy to date	Projected investment growth to date	Projected expenses & charges to date	Projected cost of protection benefits to date	Projected policy value
	€	€	€	€	€
1	€154.20	€0.00	€36.65	€117.55	€0.00
2	€308.40	€0.00	€65.80	€242.60	€0.00
3	€462.60	€0.00	€86.20	€376.40	€0.00
4	€616.80	€0.00	€96.77	€520.03	€0.00
5	€771.00	€0.00	€96.77	€674.23	€0.00
10	€1,542.00	€0.00	€96.77	€1,445.23	€0.00
15	€2,313.00	€0.00	€96.77	€2,216.23	€0.00
20	€3,084.00	€0.00	€96.77	€2,987.23	€0.00
25	€3,855.00	€0.00	€223.52	€3,631.48	€0.00

The premium payable includes the cost of all charges, protection benefits, expenses and intermediary/sales remuneration. The Projected Costs of Protection Benefits may exceed the Premium Paid in later policy years but any excess is met by Zurich Life out of reserves set up from Expenses and Charges in earlier policy years. This Illustration must be read in conjunction with the Important Notes on Page 3.

Projected sums insured

Remaining years	Life Sum Insured
	€
25	125,000.00
20	112,156.79
15	94,969.67
10	71,969.43
5	41,189.92
4	33,882.98
3	26,137.62
2	17,927.54
1	9,224.85
0	0.00

4. What intermediary/sales remuneration is payable?

Illustrative table of intermediary/sales remuneration

End of year	Premium payable in that year €	Projected total intermediary/sales remuneration payable in that year €
1	€154.20	€336.71
2	€154.20	€45.49
3	€154.20	€45.49
4	€154.20	€45.49
5	€154.20	€45.49
10	€154.20	€4.63
15	€154.20	€4.63
20	€154.20	€4.63
25	€154.20	€4.63

The sales remuneration shown includes remuneration that reflects the quality of business written by your financial advisor with Zurich Life and does not result in any increased charges on your policy.

5. Are returns guaranteed and can the premium be reviewed?

The premium is guaranteed to provide the benefits selected for the term of the policy and cannot be reviewed by Zurich.

6. Can the policy be cancelled or amended by the insurer?

- i. The policy can normally only be cancelled or materially amended by Zurich as a result of changes required by Government legislation.
- ii. Any failure on your behalf to disclose a fact material to your application (a '**Material Fact**') may invalidate the contract and result in all or part of any claim being rejected. A Material Fact is any fact that may influence the assessment and acceptance of an application for insurance or may increase the possibility that you will make a claim under this policy. If you are in any doubt about whether a fact is material, you should disclose full details. It is vital that you let Vhi Healthcare know ALL Material Facts relating to this contract including any Material Fact that comes to light between the date of your application and the date this policy pack is issued. The same applies for any statement or declaration that you make to Vhi Healthcare that is subsequently found to be untrue. If knowingly or recklessly made, this may lead to the policy being terminated. The same applies to any fraudulent attempts to obtain benefits under this policy. The policy can also be altered if you provide a date of birth on your application which subsequently proves to be incorrect.

iii. The following important requirements apply:

Policy cessation

The policy will cease immediately on payment of the life sum insured.

Terminal illness cessation event

Terminal illness ceases one year prior to the end of the policy term, or on cessation of the policy if earlier.

This means that claims will not be paid if the insured event occurs after the relevant date and, in the case of Waiver of Premium benefit, claims in payment will cease on the relevant date.

Waiver of Premium cessation event

If Waiver of Premium benefit is included on your policy, it ceases on the relevant Life Insured's 60th birthday, or on cessation of the policy if earlier.

Guaranteed Insurability Option cessation event

If Guaranteed Insurability Option is included on your policy, it ceases on the 55th birthday of the Life Insured where basis of cover is single life and on the 55th birthday of the older Life Insured where the basis of cover is joint life.

Exclusions

It is important to point out that risk benefits will not be paid for certain causes of claim. These are referred to as exclusions and are outlined in Section Seven of your Policy Document.

Territorial limits

Where the Life/Lives Insured resides or travels may also affect the risk benefits payable under the policy. Details of the territorial limits are described in Section Seven of your Policy Document.

Time limits on submission of claims

It is very important to realise that there are time limits within which you must notify Zurich in relation to claims. Failure to notify Zurich within these time limits may result in the claim being declined or a delay in payment of a Waiver of Premium benefit claim. Details of these time limits are contained in Section Seven of your Policy Document.

7. Information on taxation issues

Taxation of benefits

No taxation liability arises on payment of the benefits. Where the Life Cover benefit is payable to your personal representatives it may be taxable as part of your estate.

Insurance levy

Zurich will collect the Government insurance levy (currently 1% as at May 2018 and may change in the future) from you, in addition to your premium.

8. Additional information in relation to your policy

It is important to note that some of the benefits and options described in this section may not apply to your policy.

i. When am I on cover?

You will have Life Cover from the date your policy is issued. However, as you are entitled to review details of the terms and conditions, your Vhi Mortgage Protection contract is deemed to be entered into and binding on you 10 days after the issue of your policy pack. From that date, you have a cooling off period as described in paragraph v of this section.

After your policy is issued, but before you are bound by the contract, we will still pay the life sum insured on the death of a Life Insured, except if the Life Insured dies by their own act. In the event of a claim, Zurich will require the Original Death Certificate. In addition, Zurich may obtain reports from doctors that have attended the deceased Life Insured to establish the claim. The payment of the benefit is subject to all declarations and statements which the Life Insured has made being true.

ii. Descriptions of benefits and options

Basis of cover

When you fill out the application form, you will have two choices for the basis of cover: single and joint. If there is only one life insured on the policy, the basis of cover is single life. If there are two lives insured on your policy, the basis of cover is joint life.

Joint life cover means that the Life Cover benefit applies only once in respect of both lives insured. A claim by one life insured in respect of a specific benefit terminates that benefit in respect of the second life insured.

Life Cover benefit

On proof of the death of a Life Insured, Zurich will pay the life sum insured in force at the date of death. The policy will then cease, and Zurich will have no further liability under the policy.

Terminal illness benefit

This is an automatic additional benefit. On proof of the diagnosis of a terminal illness of a Life Insured after the start date and at least twelve months before the end of the insurance term, Zurich will pay the life sum insured in force at the date of diagnosis of the terminal illness. The policy will then cease, and Zurich will have no further liability under the policy.

There are other conditions and restrictions applying to this option described in Section Seven of your Policy Document.

Accidental death benefit

This benefit does not apply where the basis of cover is joint life. Where the basis of cover is single life, this is an automatic additional benefit. For 30 days after the issue date of your policy, the Life Insured's spouse or civil partner will be automatically covered for accidental death benefit free of charge. This means that if the Life Insured's spouse or civil partner dies from bodily injury as a result of an accident, Zurich will pay the life sum insured, up to a maximum of €250,000.

This cover will cease 30 days after the issue date of your policy.

This benefit can only be considered if death occurs directly as a result of an accident where the Life Insured's spouse or civil partner dies within 30 days of the date of the accident.

Waiver of Premium benefit

This is an automatic additional benefit. This benefit provides for the payment of premiums by Zurich if you are disabled for a period longer than 13 weeks.

Guaranteed Insurability Option

This is an automatic additional benefit. This option provides you with a mechanism to increase your Life Cover benefit by the lesser of 50% of the original benefit at the start date of the policy and €100,000, without underwriting, in the event that you gain approval for a new mortgage or increase in an existing mortgage and subsequent drawing down of these funds.

The total maximum increase is the lesser of €200,000 and the relevant original sum insured at the policy start date in respect of Life Cover.

In addition, the monetary limits described above relate to all similar policies that the Life Insured has with Zurich and not individually to each policy.

iii. Term of policy

The term of the policy will be chosen by you when you are completing the application form.

iv. Policy termination

In the event that you wish to terminate the contract, you should call Vhi Healthcare, quoting your policy number. If you would prefer to cancel your policy in writing, please write to Zurich Life, Zurich House, Frascati Road, Blackrock, Co. Dublin. Zurich will write to you confirming that your policy has been cancelled and Zurich's liability for any benefits will cease.

v. Cooling-off period

On receipt of your policy documentation, you will have an opportunity to cancel the policy if you feel it will not meet your needs. To do this, you should call Vhi Healthcare, within 30 days of the date you are bound by the contract, quoting your policy number. Zurich will write to you confirming that your policy has been cancelled and Zurich's liability for any benefits will cease.

vi. Law applicable to policy

The terms and conditions of your contract with Zurich are governed by the laws of Ireland and are contained in your Policy Document and accompanying Policy Certificate. Your Policy Document is evidence of a legal contract.

vii. Complaints procedure

If you are a policy owner, beneficiary or an insured person, and are not satisfied in any way with this policy, you should contact either Vhi Healthcare or Zurich Customer Services. If your complaint is not satisfied, you may have recourse to the Financial Services and Pensions Ombudsman. Details of the services provided by the Financial Services and Pensions Ombudsman can be given upon request.

Vhi Healthcare Customer Services

IDA Business Park,
Purcellsinch,
Dublin Road,
Kilkenny
Tel: (056) 770 7600
Email: info@vhi.ie

Zurich Customer Services

Tel: (01) 799 2988
Fax: (01) 283 2890
Email: customerservicesvhi@zurich.com

Useful Contacts

Central Bank of Ireland
P.O. Box 559
Dublin 1
Tel: (01) 224 6000

Insurance Ireland
Insurance Centre
5 Harbourmaster Place
IFSC
Dublin 1

Financial Services and Pensions Ombudsman
3rd Floor, Lincoln House
Lincoln Place, Dublin 2
Tel: 01 567 7000

B. Information about the insurer/financial advisor/sales employee and service fee

This part of the booklet provides information about Zurich, Vhi Healthcare and any service fee that they charge you in respect of the product described in this booklet.

1. Information about Zurich

Zurich Life Assurance plc is registered in Ireland under number 58098 and is licensed by the Central Bank of Ireland to transact life business in Ireland. Zurich is registered for Value Added Tax (VAT) under registration number 1410723M.

Zurich's head office is situated in Ireland at the address given below:

Zurich House, Frascati Road, Blackrock, Co. Dublin.

Tel: (01) 283 1301

Fax: (01) 283 1578

Website: www.zurich.ie

For further information on your policy, please contact:

Customer Services

Tel: (01) 799 2988

Fax: (01) 283 2890

Email: customerservicesvhi@zurich.com

2. Information about Vhi Healthcare

Vhi Healthcare's correspondence address is the address given below:

Vhi Healthcare
IDA Business Park
Purcellsinch
Dublin Road
Kilkenny

Tel: 056 77 07600

Fax: 056 77 61741

Email: info@vhi.ie

Vhi Healthcare is a tied agent of Zurich.

3. Information on the service fees charged

There are no service fees charged by Zurich or Vhi Healthcare other than those outlined in your Disclosure Certificate.

Policy Document

The life insurance contract between you and Zurich Life Assurance plc is comprised of:

1. the telephone conversation with a Vhi Healthcare agent where you gave verbal confirmation or the paper application form that you signed;
2. all the declarations and statements you have made;
3. this Policy Document; and
4. the Policy Certificate (with any Special Terms Appendix).

The contract shall be deemed to be entered into and binding on you 10 days after the issue date of this policy pack (this date will be referred to throughout the rest of this Policy Document as the 'Contract Commencement Date'), to provide you with enough time to review the contract documents. However, you will have life cover from the date your policy is issued.

Zurich will pay to you or your legal representative or the *assignee* of your policy the insurance benefits when the insured event happens, subject to the conditions contained in this policy and providing that the following requirements are met:

- (a) Premiums are paid as stated on the Policy Certificate or, if applicable, as calculated in the most recent *premium recalculation*; and
- (b) all declarations and statements you, and the Life Insured have made are true and complete.

This is a term insurance policy. Its aim is the provision of a lump sum in the event of your death. It does not provide any benefit on retirement.

Please note when completing either your telephone or paper application that you and the Life (Lives) Insured must disclose all facts material to your application (referred to throughout the rest of this Policy Document as "Material Facts"). A Material Fact is any fact that may influence the assessment and acceptance of an application for insurance or may increase the possibility that you will make a claim under this policy. If you are in any doubt about whether a fact is material, you should disclose full details. It is vital that you let Vhi Healthcare know ALL Material Facts relating to this contract including any Material Fact that comes to light between the date of your application and the date this policy pack is issued. If you fail to disclose all Material Facts or fail to provide Vhi Healthcare with full and accurate information any subsequent claim may be rejected and your policy cancelled from the Contract Commencement Date.

Where this policy is replacing an existing policy with Zurich or any other insurer, you must still disclose all Material Facts that occurred between the date your original policy was issued and the date this new Zurich policy is issued.

This is a mortgage protection policy. Its aim is the provision of a lump sum in the event of death of a Life Insured. (There are a number of additional benefits that may be applicable to you - see the Policy Certificate and Additional Benefits / Special Terms Appendix for details of the applicable benefits.)

The only benefits that apply to your policy are those that have been accepted by Zurich and are included in your Policy Certificate.

So how does your policy work?

You will pay premiums to Zurich for the insurance term shown on the Policy Certificate. The premium payable will be that amount shown on your Policy Certificate or, if applicable, the amount calculated in the most recent *premium recalculation*. A *premium recalculation* will take place if you exercise the Guaranteed Insurability Option; it can also take place if the Lives Insured travel to or reside in certain foreign countries for an extended period or change their occupations. The Sums Insured in force over the period of the Insurance Term shall reduce according to the schedule set out in the Schedule of Life Sums Insured.

In this document, certain words have been assigned certain meanings. Any reference to 'you' or the second person applies to the owner of the policy. Any reference to 'he' or the third person should be interpreted in the feminine where appropriate. Any reference to the age of a Life Insured refers to the age next birthday. Any reference to the relevant sum insured or relevant benefit means the sum insured or benefit of the Life Insured in respect of whom a claim is being made or an option is being exercised.

If there are two Lives Insured, the Life Cover Benefit is payable on the first claim on either Life Insured (but not on both).

In Appendix A of the Policy Document, there is a glossary of technical terms; any technical terms that arise in the Policy Document are printed in *italics* and explained in the glossary.

Section One - Payment of premiums

This section explains when your premiums must be paid and what happens if payment stops.

Methods of payment

1. It is your responsibility to ensure premiums are received by Zurich. If your chosen method of paying premiums is no longer in operation, you must contact Vhi Healthcare or Zurich to arrange payment by another, acceptable, method.
2. A receipt for any premiums paid will not be valid unless it is printed on Zurich paper.

Days of grace

3. Your first premium is due on the start date of your policy. Unless this premium is received within 30 days of the start date, your policy will be deemed never to have commenced, and Zurich will have no liability under the policy.
4. Subsequent premiums are due at the frequency shown in the Policy Certificate. You are allowed 30 *days of grace* for the payment of each of your subsequent premiums. If your premium is not received within these *days of grace*, your policy will be cancelled, and Zurich's liability for any benefits under your policy will cease.
5. If a claim occurs during the *days of grace*, Zurich will deduct any unpaid premiums from the amount payable on settlement of that claim.

Reinstatement of your policy

6. If you, your legal representatives, or the *assignee* of your policy pay the unpaid premiums due on your policy within three months of the date your first unpaid premium was due, your policy will be *reinstated*. In these circumstances, paragraph 4 above does not apply, and Zurich is entitled to charge you a late payment fee. The late payment fee will be at a rate of 1% per month of the amount of the unpaid premiums.

Your policy can be *reinstated* even if a claim has arisen for a Life Cover or Terminal Illness during this *reinstatement* period. Your policy cannot be *reinstated* if Zurich receives a request from you to cancel your policy or if you cancel the direct debit authorisation for this policy with your bank.

Ceasing premium payment

7. If you cease paying premiums, Zurich's liability for any benefits will cease.
8. You will cease paying premiums at the end of the insurance term.

Section Two - Life Cover benefit

This section explains the Life Cover benefit.

Amount payable on death

1. On proof of the death of a Life Insured after the Contract Commencement Date and before the end of the insurance term, Zurich will pay the life sum insured in force at the date of death, subject to the specific restrictions given in this section and the general terms and conditions of this policy on provision of an Original Death Certificate and any other documents as required under the terms of the policy.
2. The life sum insured in force at any date is that shown in the Schedule of Life Sums Insured (ref. VHIM0518(B)) as varied by the provisions of paragraph 6 of Section Six - Guaranteed Insurability Option or as subsequently reduced in accordance with your instructions.
3. Your policy will cease on payment of the life sum insured in force.

Payment of benefit

4. If a life sum insured on your policy is not paid within 30 days of Zurich's receiving written notification of the death of a Life Insured, the amount payable on death will be increased in respect of the period between the date of notification of death and the date of payment at a rate determined by the *Head of Actuarial Function*.
5. In the event of a claim, Zurich will require the Original Death Certificate. In addition, Zurich may obtain reports from doctors that have attended the deceased Life Insured to establish the claim.

Events that may affect this benefit (Restrictions)

6. The benefit payable on death under your policy is not affected by the future occupation, residence, travel, or recreational pursuits of a Life Insured, unless specifically stated in the Policy Certificate or any other Certificate issued to you by Zurich.
7. If a Life Insured dies by his own act (whether or not he is sane at the time), the life sum insured in force at the date of death will not be paid if the death occurs within one year of the following dates:
 - the policy issue date of your policy; or
 - the date of *reinstatement* of your policy.

However, if your policy has been *assigned* as a condition of the granting of a loan, and the *assignee* can prove entitlement to some or all of the benefits under your policy, Zurich will pay the lesser of the outstanding loan amount and the amount that would otherwise be payable under your policy.

8. If a Life Insured dies by his own act (whether or not he is sane at the time), and the sum insured has increased within the preceding year, Zurich will limit the amount payable to the amount of the sum insured immediately prior to the increase(s).

Section Three - Terminal illness benefit

This section explains the terminal illness benefit.

Amount payable on terminal illness

1. On proof of the diagnosis of a terminal illness of a Life Insured after the Contract Commencement Date and at least twelve months before the end of the insurance term, Zurich will pay the relevant life sum insured in force at the date of diagnosis of terminal illness, subject to the specific restrictions given in this section and the general terms and conditions of this policy.
2. Your policy will cease on payment of the life sum insured due to Terminal Illness. Terminal Illness Claims cannot be considered in the final twelve months of the policy before the expiry of the Insurance Term.
3. The life sum insured in force at any date is that shown in the Schedule of Life Sums Insured (ref. VHIM0518(B)) as varied by the provisions of paragraph 6 of Section Six - Guaranteed Insurability Option or as subsequently reduced in accordance with your instructions.

Definition of terminal illness

4. For the purposes of this policy, 'terminal illness' is defined as an advanced or rapidly progressing, incurable illness where, in the opinion of the attending Consultant and Zurich's Chief Medical Officer, the life expectancy is no greater than twelve months. The date of diagnosis for the purposes of this policy shall be the date that Zurich receives medical reports confirming that the Life Insured is terminally ill.

Payment of benefit

5. If a terminal illness benefit on your policy is not paid within 30 days of Zurich's receiving written notification of the diagnosis of terminal illness of a Life Insured, the amount payable under this section will be increased in respect of the period between the date of notification of diagnosis of terminal illness and the date of payment at a rate determined by the *Head of Actuarial Function*.
6. In the event of a claim, Zurich may obtain reports from doctors that have attended the relevant Life Insured to establish the claim.

Events that may affect this benefit (Restrictions)

7. *Territorial limits* apply.
8. If a Life Insured contracts a terminal illness by his own act (whether or not he is sane at the time), no payment will be made under this section.
9. The benefit payable on diagnosis of terminal illness under your policy is not affected by the future occupation or recreational pursuits of a Life Insured, unless specifically stated in the Policy Certificate or any other Certificate issued to you by Zurich.

Section Four - Accidental death benefit

This section explains the accidental death benefit.

Amount payable on accidental death

1. This benefit does not apply where the basis of cover is joint life. Where the basis of cover is single life, on proof of the death of a Life Insured's spouse or civil partner Zurich will pay the life sum insured shown on the Policy Certificate, up to a maximum of €250,000. This is subject to the specific restrictions given in this section and the general terms and conditions of this policy on provision of an Original Death Certificate and any other documents as required under the terms of the policy.
2. This cover only commences where the accident occurs after the date your application is received by Zurich and will cease 30 days after the policy issue date. This benefit can only be considered if death occurs directly as a result of an accident where the Life Insured's spouse or civil partner dies within 30 days of the date of the accident.

Payment of benefit

3. If the accidental death benefit is not paid within 30 days of Zurich's receiving written notification of the death of a Life Insured's spouse or civil partner, the amount payable on death will be increased in respect of the period between the date of notification of death and the date of payment at a rate determined by the *Head of Actuarial Function*.
4. In the event of a claim, Zurich will require the Original Death Certificate. In addition, Zurich may obtain reports from doctors that have attended the deceased Life Insured's spouse or civil partner to establish the claim.

Events that may affect this benefit (Restrictions)

5. Accidental death benefit will not be payable if the claim arises from any of the following:
 - Bodily or mental infirmity, illness or disease of any kind.
 - Service in any armed force in any country.
 - Taking part in (or practising for) boxing, caving, climbing, horse-racing, jetskiing, martial arts, mountaineering, off-piste skiing, pot-holing, power boat racing, underwater diving, yacht racing or any race, trial or timed motorsport.
 - Intentional self-inflicted injury.
 - Where the Life Insured's spouse or civil partner is under the influence of drugs or alcohol.
 - Active participation in criminal acts.

Section Five - Waiver of Premium benefit

This section explains the Waiver of Premium benefit.

1. This section only applies if the Additional Benefits / Special Terms Appendix states that Waiver of Premium benefit applies.

Amount payable on claim

2. On proof that a Life Insured has been disabled for a period of 13 weeks, Zurich shall waive the premium under this policy, subject to the specific restrictions given in this section and the general terms and conditions of this policy.
3. If, within 13 weeks following recovery from disablement, the Life Insured again becomes totally disabled solely from the same cause or causes, Zurich will not require a further 13 weeks before waiving the appropriate premium.
4. The premium will continue to be waived until the earlier of the following events:
 - the death of the relevant Life Insured;
 - the recovery of the relevant Life Insured;
 - the 60th birthday of the relevant Life Insured; and
 - the termination of the policy.

Definition of 'disabled' for Waiver of Premium benefit

5. For the purposes of the Waiver of Premium benefit, the term 'disabled' means being completely unable to follow the occupation, as a result of injury or sickness, that a Life Insured was following prior to disablement and being in no other *gainful occupation*.
6. If a Life Insured was not in *gainful occupation* prior to disablement, 'disabled' means that, in *medical opinion*, the Life Insured is unable to perform three or more activities of daily living without assistance.
7. Activities of daily living are listed in below.

WASHING: Ability to take a bath or shower or otherwise maintain adequate cleanliness, with or without the aid of special equipment.

DRESSING: Ability to dress and undress, including putting on and taking off medically necessary surgical appliances usually worn, and fastening and unfastening all necessary items of clothing.

FEEDING: Ability to eat and drink, once food or drink has been prepared and made available.

TOILETING: Ability to use the toilet or otherwise manage bowel and bladder function so as to maintain a satisfactory level of personal hygiene.

TRANSFERRING: Ability to move in and out of a chair or bed, with or without the aid of equipment.

Events that may affect this benefit (Restrictions)

8. *Territorial limits* apply.
9. *Contributory exclusions* apply.
10. A *claim time limit* applies.

Section Six - Guaranteed Insurability Option

This section describes the Guaranteed Insurability Option.

1. This section applies unless the Additional Benefits / Special Terms Appendix states otherwise.
2. At any stage during the term of this policy, apart from the restrictions detailed in paragraph 7 of this section, you have the option to increase the life sum insured on your policy, without the need to supply further medical evidence, in the event that a Life Insured gains approval for a new mortgage or increase to an existing mortgage and subsequently draws down these funds.
3. On any occasion that you exercise this option, the increase in the life sum insured under this option cannot exceed 50% of the original sum insured shown on your Policy Certificate. Over the term of your policy, the total increase in the sum insured cannot exceed the original sum insured shown on your Policy Certificate. The total increase in life sum insured on all your policies with Zurich under this option cannot exceed €100,000 on any one mortgage or increase in mortgage, or €200,000 over the term of your policy.
4. If the basis of cover is Joint life, the limits in paragraph 3 above apply to the joint sum insured, even if the new mortgage or increase to an existing mortgage applies to both Lives Insured.
5. Zurich will require evidence to show that approval for a new mortgage or increase to an existing mortgage has been granted.
6. The revised current and future sums insured will be calculated by multiplying those values in the Schedule of Life Sums Insured by the ratio of the "sum insured in force immediately prior to option being exercised plus the relevant increase in sum insured" to the "sum insured in force immediately prior to option being exercised".

Cessation of option

7. This option will cease to be available under the policy on the older Life Insured's 55th birthday.

Premium for an increase under Guaranteed Insurability Option

8. Your premium will be recalculated each time you exercise this option.
9. If any special terms apply to this policy, they will continue to apply on the increase in protection.

Notification to Vhi Healthcare

10. You must advise Zurich within six months of drawing down or increasing the mortgage if you wish to exercise this option.

Section Seven - Exclusions and limits

This section describes some circumstances in which Zurich will not pay claims.

Territorial limits

1. If a Life Insured travels to or resides outside the *territorial limits* for more than 13 weeks in any 52-week period, you should inform Zurich. Zurich may then apply a *premium recalculation* or restrict the benefits under this policy. If you do not inform Zurich, Zurich has the right not to pay these benefits. The reasons for *territorial limits* are to ensure that Zurich can obtain satisfactory evidence to substantiate a claim and to ensure that Zurich has the opportunity to assess the risk in respect of causes of a claim that are more probable outside the *territorial limits*.
2. The *territorial limits* for Waiver of Premium benefit are the following:
 - Norway;
 - Switzerland; and
 - the European Union as at May 2018 – Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom.
3. The *territorial limits* for terminal illness benefit are the following:
 - Australia;
 - Canada;
 - Hong Kong;
 - Iceland;
 - Japan;
 - New Zealand;
 - Norway;
 - Singapore;
 - South Africa;
 - Switzerland;
 - USA; and
 - the European Union as at May 2018 – Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom.
4. There are no *territorial limits* for the Life Cover benefit.

Contributory exclusions

5. Zurich will not pay for some benefits if the Life Insured has contributed to the likelihood of a claim. This is detailed below.

6. The Life Cover benefit has a *contributory exclusion* in respect of suicide only. This is detailed in Section Two - Life Cover benefit.
7. The terminal illness benefit has a *contributory exclusion* in respect of self-inflicted terminal illness only. This is detailed in Section Three - terminal illness benefit.
8. Zurich will not pay claims in respect of Waiver of Premium benefit that arise from any of the following:
 - intentional self-inflicted injury, whether the Life Insured be sane or insane, including failure to follow reasonable medical advice in relation to a cause or latent cause of claim;
 - alcohol abuse or the taking of drugs other than under the direction of a qualified medical practitioner;
 - illnesses or bodily injuries that are sustained as a consequence of any form of war or civil war or as a consequence of wilful participation in acts of violence, including riot, civil commotion, insurrection, or usurpation of power or any act incidental to such participation;
 - any form of aerial flight other than as a fare-paying passenger on a regular public airline;
 - participating in or training for scuba-diving, climbing or mountaineering, pot holing, motor racing, motorcycle racing, horse racing, professional sport, or other hazardous pursuits or pastimes;
 - any Human Immunodeficiency Virus (HIV) or Acquired Immune Deficiency Syndrome (AIDS);
 - breach of any criminal law by the Policy Owner or by the relevant Life Insured.

Claim time limits

9. You must make your claim for benefit in writing within the time limits specified below. If you do not, and Zurich has difficulty in assessing the claim due to the delay, Zurich will not pay the claim.
10. For the Waiver of Premium benefit, the first Waiver of Premium will take place no earlier than three months after the date of notification of claim.
11. For terminal illness claims you must submit a completed claim form at least 12 months before the end of the insurance term. If a claim form is submitted after this date a claim for terminal illness benefit cannot be considered.

Section Eight - General conditions

This section sets out general conditions and rights that apply to your policy.

Rights of Cancellation

1. You may cancel your policy by calling Vhi Healthcare within 30 days of your Contract Commencement Date. Zurich will then refund all the premiums paid on your policy, and Zurich's liability for any benefit will cease.

Notice to Zurich

2. You may notify Zurich of any fact relating to your policy in writing, by fax, electronically or, subject to satisfactory identification, by telephone. For certain facts given by telephone, Zurich may require confirmation in writing.

3. Zurich will not be bound by any changes in the terms of your policy unless there is written confirmation from Zurich.

Notice from Zurich

4. Zurich will assume that any correspondence sent has been received by you at the time it would have arrived at the address last notified to Zurich. You should notify Zurich or Vhi Healthcare immediately if you change your address.

Currency

5. All monies payable by or to Zurich will be payable in the currency of Ireland. All amounts payable by Zurich under this policy shall be payable at Zurich's head office.

Laws and interpretation

6. Your policy shall be subject to the laws of Ireland.
7. On the death of either Policy Owner (where there is more than one Policy Owner), the policy vests in the name of the surviving Policy Owner, unless the policy has been previously *assigned*.

Subsequent legislation

8. Zurich will have the right to make such adjustment in the basis of calculating the benefits and/or premium under the policy as the *Head of Actuarial Function* will determine in accordance with your *reasonable expectations* if at any future time, as a result of current or subsequent legislation, any of the following occur:
 - the investment rights of Zurich are restricted or removed;
 - it becomes impossible or impractical to carry out any or all of the procedures laid down in your policy; or
 - a premium or additional tax, stamp duty, or levy is imposed.

Disclosure

9. Zurich has assessed this policy based on the application you have submitted, together with all declarations and statements you and each Life Insured have made. Zurich may cancel your policy if any of the declarations or statements were knowingly or *recklessly* made incorrectly. However, if such incorrect declarations or statements were not knowingly or *recklessly* made, your policy will not be cancelled, but the premium and benefits will be recalculated by the *Head of Actuarial Function* to adjust for any under or over-payment of premium. If your policy is cancelled, Zurich will not make any payment of benefit.
10. In the event of a claim on your policy, Zurich may require proof of the age of the Life Insured where the date of birth of the Life Insured on your application form is later than the Life Insured's actual date of birth. In such circumstances, your policy will not be cancelled, but the benefit(s) will be recalculated by the *Head of Actuarial Function* using the correct age and the premiums paid. However, if a Life Insured's date of birth is such that either the Life Insured's age at the start date of the policy or the Life Insured's age at the time of claim exceed the maximum limits allowed by Zurich at the start date of the policy, then Zurich will cancel your policy from inception and no benefits will be payable.

11. No benefit will be paid under your policy if you, or anyone acting on your behalf, uses any fraudulent means in order to obtain any benefit under your policy. In such an event, Zurich reserves the right to cancel your policy and take any actions as it shall deem proper.

Ceasing of policy

12. The policy will cease on the death of a Life Insured or on payment of terminal illness benefit.
13. The policy will cease if, at any time, you do not have at least one life sum insured in force.
14. Your policy will cease at the end of the insurance term shown in the Policy Certificate.

Claims administration

15. Where the claim is other than a Life Cover claim, you must continue to pay the premium until the claim has been determined. Any overpayment of premiums will be refunded.
16. On request, you must provide Zurich with any medical or other information it reasonably requires in the assessment of a claim. In the event that you fail to do so no benefit will be paid.
17. For terminal illness or Waiver of Premium claims it may, in certain circumstances, be necessary for the Life Insured to undergo medical or other examinations or tests, including blood tests, in order to verify a claim. In the event that you fail to do so no benefit will be paid.
18. Expenses incurred in the provision of such evidence or information as are required by paragraphs 16 and 17 above are payable by you.
19. Any claim forms, medical reports or other information required by Zurich must be completed in English.
20. Where a claim is for Life Cover and the Policy Owner is deceased, Grant of Probate will be required before payment can be made. Payment will be subject to full admission of liability.

Residency

21. This policy has been designed for customers resident in Ireland. Should you or the Life Insured move to another country during the life of the policy, mandatory laws and regulations of the jurisdiction where you or a Life Insured move to may impact Zurich's ability to continue to service your policy in accordance with these terms and conditions. Please note in such circumstances Zurich may be required to amend your terms and conditions and Zurich may not be able to accept premium payments or process transaction requests. Should any such change be required Zurich will provide you with reasonable advance notice. If you are not happy with the changes you do have the right to cease premium payments to your policy and Zurich's liability for any benefit will cease.

Sanctions

22. All financial transactions, including but not limited to acceptance of premium payments, claim payments and other reimbursements, are subject to compliance with applicable trade or economic sanctions laws and regulations.

Further, Zurich shall not be deemed to provide coverage to you and reserves the right not to provide any service or benefit under this policy to you or any other party if Zurich determines this places it at risk of violating applicable trade or economic sanctions laws or regulations.

Zurich may terminate the policy if it considers you or your directors or officers as sanctioned persons, or you conduct an activity which is sanctioned, according to trade or economic sanctions laws and regulations.

General adaptation right

23. Your insurance contract has been concluded based on the legal and regulatory requirements in force and applicable at the time of conclusion. Should the legal and regulatory requirements change and influence the contractual terms and conditions in a material way, Zurich is entitled to adapt the contractual terms and conditions to the changed legal and regulatory requirements. Zurich is not entitled to make such changes if the changes in regulation would preclude Zurich to make such changes.

Zurich will inform you about the changes in the contractual terms and conditions and the changes in regulation beforehand. The changes will become effective 30 days after the information has been sent to you.

Appendix A - Glossary of technical terms

An explanation follows of technical terms found in this document. These terms have been printed in *italics* during the course of this document.

Assign/assignee

An *assignee* is a person or company to whom ownership of your policy is transferred; *assign* means to transfer ownership to a person or company.

Claim time limits

These are restrictions on the time that may elapse before a claim must be notified to Zurich. Full details are given in Section Seven - Exclusions and limits.

Contributory exclusions

These are circumstances in which Zurich will not pay some benefits. Full details are given in Section Seven - Exclusions and limits.

Days of grace

These are extra days after the date on which your premium is due during which Zurich will accept your premium and maintain your benefits.

Gainful occupation

Any occupation for which the Life Insured receives remuneration, profit or reward.

Head of Actuarial Function

Every life insurance company in Ireland is required by Irish law to have a *Head of Actuarial Function*. The *Head of Actuarial Function* has statutory and professional duties in respect of Zurich and its policyholders. Reference to the *Head of Actuarial Function* includes suitable persons acting on the instructions of the *Head of Actuarial Function*.

Hospital/hospitalised/hospitalisation

A *hospital* is a legally constituted institution that has the following characteristics:

- is licensed to carry out medical and surgical procedures;
 - is operated primarily for the care and treatment of sick and injured persons as *in-patients*;
 - continuously provides 24-hour medical care by registered nurses or doctors;
 - is equipped with an operating room in which anaesthesia is administered under proper medical supervision, and surgical operations are regularly performed by licensed physicians or surgeons;
- and
- is not primarily a clinic, health hydro, nursing home, rest home, convalescent home, or similar establishment.

To be *hospitalised* is to be an *in-patient* in a *hospital*; *hospitalisation* is the condition of being *hospitalised*.

In-patient

This is a patient in a *hospital* that occupies a bed overnight for the sole purpose of receiving surgical or medical procedures whose sole purpose is the cure or relief of acute illness or injury.

Medical opinion

Where *medical opinion* is required, Zurich will accept that of its Chief Medical Officer or a physician that currently holds an appointment as a consultant by a *hospital* in Ireland or the United Kingdom. In the event of a dispute with you, Zurich will seek the opinion of an appropriate independent physician. Zurich will not accept the opinion of any medical expert normally operating outside the *territorial limits*.

Premium recalculation

This is where the premium is recalculated and a revised premium is payable. It happens if you exercise the options described in Section Six - Guaranteed Insurability Option. It can also happen in the circumstances described in paragraphs 1 and 8 of Section Seven - Exclusions and limits.

Reasonable expectations

This is a term used by the actuarial profession implying fair treatment of policyholders from an informed actuarial point of view.

Recklessly

In this context, it means that statements or declarations have been made without caring whether they are true or not.

Reinstated/reinstatement

This is where Zurich agrees to restore a policy that has been lapsed because premiums due were not paid within their *days of grace*.

Territorial limits

These are geographical areas within which the Life Insured must generally reside for the policy to operate normally. Full details are given in Section Seven - Exclusions and limits.

Vests in

This is a legal term for giving title or rights of ownership.

If you have any outstanding queries regarding the above terms or other terms in this document, please contact Vhi Healthcare by telephone at 056 77 07600 or by email: info@vhi.ie



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Vhi Healthcare DAC trading as Vhi Healthcare is regulated by the Central Bank of Ireland. Vhi Healthcare is tied to Zurich Life Assurance plc for Vhi Mortgage Protection which is underwritten by Zurich Life Assurance plc.

GR: 1956 Policy Ref: VHIM 0718



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The information contained herein is based on Zurich Life's understanding of current Revenue practice as at July 2018 and may change in the future.

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