

Endowment, Risk and Unit Linked Life Insurance

Customer information according to the Swiss Federal Law on
Insurance Contracts (LIC) and the General Conditions of Insurance (GCI)

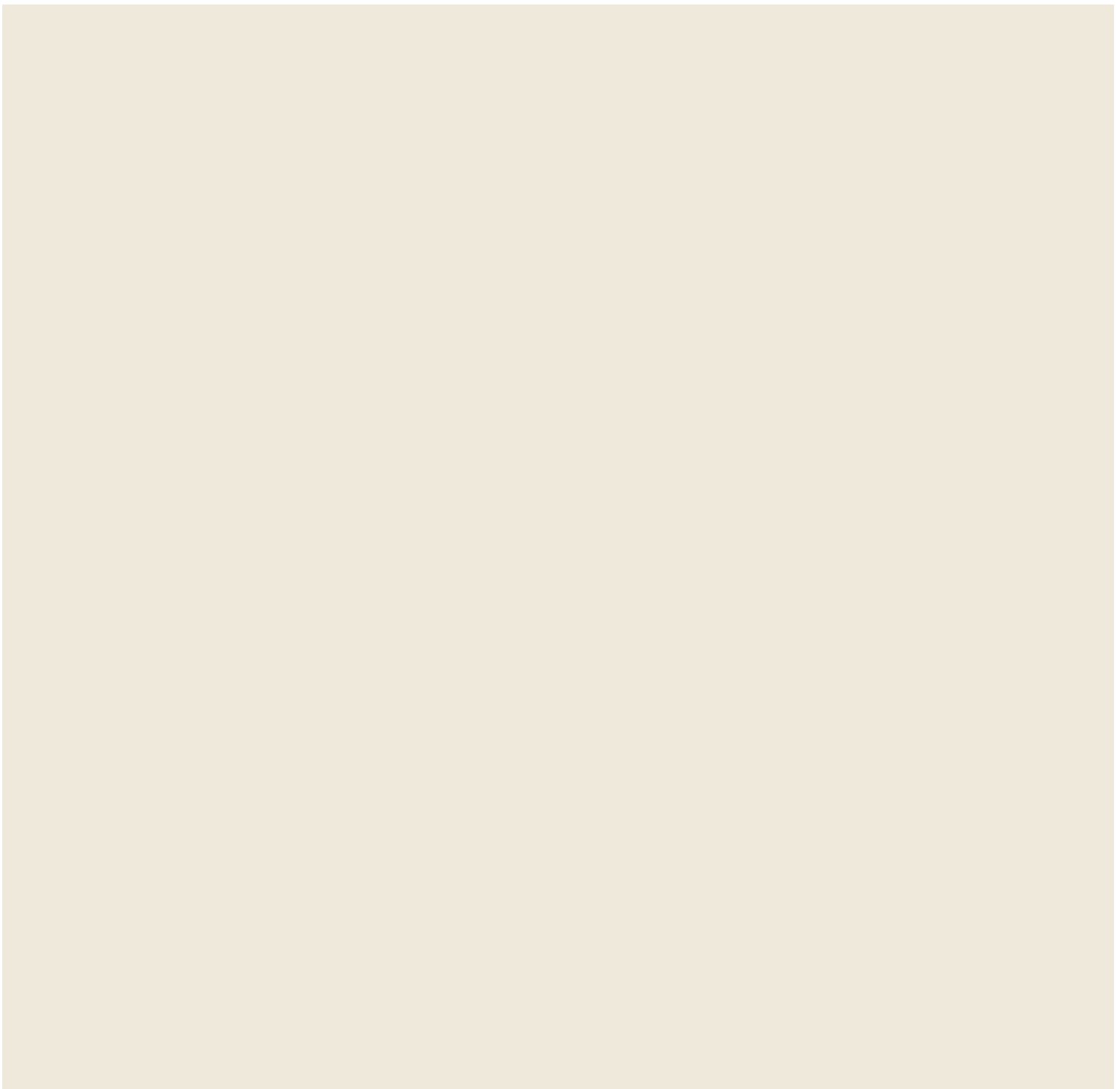


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Customer information according to the Swiss Federal Law on Insurance Contracts (LIC)

The following customer information shows a clear and summarized overview of the identity of the insurer and the material content of the insurance contract (Art. 3 of the Federal Law on Insurance Contracts, VVG). The rights and obligations of the contracting parties arise from the application and the associated schedule of benefits, the policy itself, the contractual conditions and the applicable laws, especially those stemming from the VVG and any applicable international agreements.

Once Zurich approves the application, the policyholder will be issued a policy. The contents of the policy are the same as those of the application; the policy may include additional agreements.

Who is the insurer?

The insurance carrier is Zurich Life Insurance Company Ltd with registered office at Austrasse 46, 8045 Zurich, hereinafter Zurich.

Zurich Insurance Company Ltd is responsible for policy management and is authorized to undertake all activities on behalf of and for the account of Zurich Life Insurance Company Ltd. Both companies are incorporated under Swiss law.

When does the insurance contract and coverage begin and end?

Generally, the contract begins on the date it is applied for and ends on the last day for which insurance term was applied. If the insurance is financed by means of a single premium, the insurance contract will commence on the first day of the month following confirmation of acceptance in writing by Zurich. Where payment of the single premium stipulated is received after confirmation of acceptance is issued by Zurich, the insurance contract will commence on the first day of the month following the date on which the single premium is received by Zurich's head office. The definitive dates are listed in the policy.

The insurance coverage might not begin on the same date as the insurance contract:

- Definitive insurance coverage commences as soon as Zurich confirms to the policyholder in writing the acceptance of the application or when Zurich hands over the policy, but at the earliest on the date specified in the application.
- Provisional insurance coverage is provided as soon as the application is received by Zurich's head office in Zurich. However, if the date of commencement applied for falls after the first of the month following the signing of the application, provisional insurance coverage will not be granted before the day on which the commencement of insurance was applied for. Provisional insurance coverage ends upon acceptance or rejection of the application, but at the latest 60 days after the application is signed. The specific details are covered in the contractual conditions.
- No provisional insurance coverage is provided for any benefits applied for if this fact is specified in the conditions of the main insurance applied for.

Who and which risks are insured, and what is the scope of the insurance?

The insured persons and risks and the scope of the insurance cover are contained in the application/policy and in the contractual conditions.

How much is the premium?

The amount of the premium depends on the respective insured persons and risks and the amount of coverage requested. A fee will be charged for installment payments. All information on the premium and any applicable fees are included in the application or in the policy itself.

What should you know about surpluses?

Any surpluses arise when, in comparison with the assumptions upon which the premium calculation is made,

- the return on investments is higher and/or
- risks and/or costs are lower.

The amount of the participation in surpluses is determined annually based on the factors specified; it is not guaranteed and may change in the future.

You can find more information about sharing in surpluses in the contractual conditions.

What obligations do the policyholder and beneficiaries have?

- **Changes in risk:** The insurance coverage remains unaltered even if there are changes to the insured person's/persons' professional, personal or health circumstances after the conclusion of the contract. It is not necessary to notify Zurich of any such changes. The sole exception to this is a change in nicotine consumption. If the insurance was concluded under non-smoker conditions and the insured person starts to consume more nicotine than the permitted amount, Zurich must be informed immediately. Please consult the "Special Conditions for Smokers and Non-Smokers" for more information.
- **Insured event:** If the insured person has died, Zurich must be informed immediately. If the insured person becomes disabled or an invalid, Zurich must be notified upon expiry of the agreed waiting period, but no later than six months after the onset of the disability or invalidity. Please refer to the contractual conditions for more details.
- **Ascertainment of the facts:** The policyholder/beneficiary and the insured person must provide assistance for investigations relating to the insurance contract, e.g. misrepresentation, increases in risk, verification of benefits and provide Zurich with all pertinent information and documentation or obtain such information from third parties for submission to Zurich, and authorize third parties in writing to issue the appropriate information, documentation, etc. to Zurich. Zurich is also entitled to carry out its own investigations.
- **Obligations to inform and notify:** This insurance is intended only for persons who are domiciled in Switzerland. The policyholder is obliged to inform Zurich in writing without delay of any change in domicile, in particular to a domicile in a different country. Zurich can at any time demand from the policyholder or the beneficiary the submission of a statement about his or her tax residency as well as complementary documents and information (e.g. a tax identification number or similar). In addition, the policyholder is obliged to report to Zurich in writing without delay about any change in his or her tax residency.

This list only contains the most common obligations. The contractual conditions and the VVG contain further obligations.

When is early cancellation of the contract possible?

Cancellation of the contract before the term stated in the policy is possible in the following instances:

- **Cancellation by the policyholder:** The contract may be cancelled when at least one year's premiums have been paid. In order to be valid, the insurer must receive the written cancellation notice before the new period of insurance (insurance year) begins.
- **Surrender by the policyholder:** If provided for in the applicable conditions of the main insurance, the contract may be surrendered once the deadline contained therein has expired. The contract is automatically cancelled if it is surrendered, and the available surrender value and any balance on the surplus account will be paid out to the policyholder. Restricted (pillar 3a) pension plans are subject to the restrictions prescribed by law. Specific details can be found in the contractual conditions for the relevant main insurance.

Customer information according to the Swiss Federal Law on Insurance Contracts (LIC)

- Expiry of the contract when premiums are not paid: please refer to the contractual conditions for more details.
- Zurich may cancel the contract if any fact material to the risk was concealed or misrepresented (breach of duty of disclosure).
- Zurich may withdraw from the contract:
 - if the beneficiary fails to observe the duty of disclosure in the event of a claim with the intent to commit fraud (art. 38, para. 3 VVG) or with the intent to deceive (art. 40 VVG),
 - if the policyholder or the beneficiary fail to comply with their duty to assist in the ascertainment of facts. Zurich is entitled to withdraw from the insurance contract with retroactive effect within two weeks after the expiry of a four-week extension agreed in writing,
 - in the event of insurance fraud.

This list only contains the most common reasons for termination. The contractual conditions and the VVG contain other possible reasons.

When is the obligation to pay indemnity restricted?

Zurich pays no benefits if the insured person dies as a result of suicide during the first three years of insurance. Zurich grants no coverage and provides no benefits if by doing so applicable economic, trade or finance sanctions are infringed.

This is only the most common reason for the refusal to pay benefits. The contractual conditions and the VVG contain other possible reasons for the non-payment or reduction of benefits.

How does Zurich handle data?

What data does Zurich report and to whom?

Zurich processes data derived from the application documentation or during the course of executing the contract and uses it mainly for the calculation of premiums, clarification of risk, processing of insured events and statistical evaluations. Zurich can likewise process the data for marketing purposes (e.g. analyses, creating customer profiles), enriching it with data from third-party sources and disclosing the data for marketing purposes to other companies of the Zurich Insurance Group Ltd in Switzerland and to the joint foundations of the occupational retirement provision of the Zurich Life Insurance Company Ltd. The customer profile serves to optimize service provision and the submission of tailor-made offers by the above-mentioned companies and their sales departments. The data are stored in physical and/or electronic form. Zurich may provide third parties in Switzerland and other countries who are involved in the administration of the policy with the data needed for processing, especially co-insurers and reinsurers, as well as domestic and foreign companies belonging to Zurich Insurance Group Ltd.

To the extent a broker or agent is acting on behalf of the policyholder or Zurich, Zurich may forward to same customer data, however not health data, for the above-named purposes.

Zurich may entrust third parties as well as other companies of the Zurich Insurance Group Ltd, in particular in connection with the complete or partial outsourcing of business areas and services (e.g. contract administration, payment transactions, collections, IT) with the processing of data, including data especially worthy of protection. Third parties and contractors (within and outside of the Zurich Insurance Group Ltd) may be based in Switzerland or abroad. If transmission of data occurs in this connection to countries where legislation for appropriate protection of the data is absent, Zurich shall guarantee the protection of the data through adequate safeguards.

Additionally, Zurich is authorized to procure pertinent information from government offices and other third parties in connection with the application for insurance, the execution of the contract or any insurance claim made thereunder. In particular, attending physicians, hospitals and other third parties may provide Zurich or its medical service with any information required in connection with the application for insurance and execution of the contract. These persons are expressly released from their duty of secrecy for this purpose. Zurich may disclose the data to preserve legitimate interests and to fulfill regulatory or legal obligations. In particular, Zurich may in accordance with the applicable law report data in connection with the insurance contract to the responsible tax authority or to another official responsible according to the law. This applies regardless of whether the contract is formed. The policyholder and the insured persons have the right to request that Zurich provide information envisaged under legislation in respect of the processing of data pertaining to them.

What happens in the event of changes to taxes or charges?

The benefits agreed in the contract have been calculated with the statutory taxes and charges or other public duties applicable at the time when the contract was concluded. (For the sake of simplicity these are referred to below as "duties").

If additional duties should be introduced after the contract has been concluded or if there is any increase in the duties calculated and this concerns and/or affects the contract, Zurich will be entitled to pass on these duties as follows:

- Duties on the premium will be charged in addition.
- Duties on the contract's actuarial reserve will be debited directly from the actuarial reserve. In the case of unit-linked insurance policies any additional charges for transactions (purchases, sales and switches of investments) may be debited from the actuarial reserve.
- Duties on benefits will be debited directly from the benefit in question.

If there should be any change in the personal circumstances of the policyholder or of the insured person after the contract has been concluded – for instance as the result of moving home – and if this should result in new or higher duties, these will be debited or charged as described above.

Zurich cannot exercise these rights if this is not allowed by the laws forming the basis for the introduction of the duties.

Where can you turn in the event of any questions or differences of opinion with Zurich?

You can reach Zurich from Switzerland at 0800808080 or seek out your customer advisor.

If no solution is found for any differences of opinion, the Ombudsman Foundation for Private Insurance and the Federal Accident Insurance Institution are also available to you. Further information can be found at <http://www.ombudsman-assurance.ch>

The masculine forms of personal and possessive pronouns used below to enhance readability shall always be understood to stand for the corresponding feminine forms.

General Conditions of Insurance (GCI)

Basis of the contract

Art. 1

What is meant by the following terms?

Contracting parties...

...are the applicant as the policyholder and Zurich Life Insurance Company Ltd – hereinafter referred to as Zurich – as the insurer.

Insured person...

...is the policyholder. For unrestricted policies, this may also be a third party.

Beneficiaries...

...are those persons who are to receive all or part of the insurance benefit.

Premium payer...

...is the policyholder, provided that the policyholder has not designated another person.

Age, birthday...

All details associated with age relate to the main insurance premium payment date. The age of the insured person on the birthday which falls closest to the main premium payment date shall be applicable.

Art. 2

Which documents form the basis of the contract?

The basis of the insurance contract is the application together with any other documents (such as the report of the examining physician or the information provided by the person to be insured concerning his or her state of health and other risk factors), the policy, the General Conditions of Insurance (GCI), Special Conditions and any endorsements.

Art. 3

When does the insurance coverage commence?

Unless otherwise stipulated in the conditions of the main insurances contained in the contract, **provisional insurance coverage** is granted as soon as the application is received by Zurich's Head Office. However, if the date of commencement applied for falls after the first of the month following the signing of the application, provisional insurance coverage will not be granted before the day on which the commencement of insurance was applied for.

Provisional insurance coverage does not apply to existing health disorders and their consequences. If Zurich submits a counter-offer to the applicant, the conditions mentioned therein also apply to the provisional insurance coverage. Changes to the insured person's state of health occurring during the period of provisional insurance coverage are not taken into consideration for the risk assessment up to the level of the amounts mentioned below; nevertheless, such changes are to be reported immediately to Zurich.

In the case of insurances financed by a single premium, the provisional insurance coverage relates to the difference between the sum insured and the single premium. The provisional insurance coverage applies up to the total amount of max.

- CHF 200,000 in the event of death, and
- CHF 200,000 in the event of disability

For calculation purposes, all the single or periodic insurance benefits applied for are added up for each person.

Provisional insurance coverage ends upon acceptance or rejection of the application but at the latest 60 days after the application is signed.

Definitive insurance coverage commences when Zurich confirms to the policyholder in writing the acceptance of the application or on handing over the policy, at the earliest, however, on the date of inception specified in the application.

If the insurance is financed by means of a single premium, definitive insurance coverage will commence no earlier than the date on which the stipulated single premium is received by Zurich's head office (value date).

Scope of benefits

Art. 4

Where can a description of the insurance benefits be found?

The nature and amount of the insurance benefits are described in the policy.

Art. 5

What is the scope of the insurance coverage?

Geographical

The Zurich policy is a worldwide policy. The agreed insurance coverage is valid throughout the world. If the insured person is domiciled outside Switzerland, there is an age limit on benefits in the event of disability. If applicable, this may be found in the corresponding conditions of insurance. Subject reserved to Art. 7.

Changes after conclusion of the contract

The insurance coverage remains unaltered even if there are changes to the insured person's professional, personal or health circumstances after the conclusion of the contract. It is not necessary to notify Zurich of any such changes. The sole exception to this is a change in nicotine consumption. If applicable, the regulations applying in such cases may be found in the "Special Conditions for Non-Smokers and Smokers".

Gross negligence

In the event of gross negligence, Zurich will pay the full benefits.

Scope of benefits

Suicide

If the insured person dies as a result of suicide or the consequences of attempted suicide, even if the act was committed while in a mentally disturbed state, Zurich shall be liable to the extent of the actuarial reserve of the insurance calculated to the date of death.

Zurich will pay the full benefits in the event of death if, at the time of the insured person's death, three years have passed since the date of inception of the insurance. This period will recommence after reinstatement of a policy with a new risk assessment.

These conditions also apply in the same way to subsequent increases in benefits.

Art. 6 What obligations come with a change in domicile?

This insurance is intended only for persons who are domiciled in Switzerland. The policyholder is obliged to inform Zurich in writing without delay of any change in domicile.

Art. 7 What consequences can a change in domicile have? When can Zurich modify the contract?

If Zurich is unable to continue the contract as agreed due to a change in domicile of the policyholder to another country and due to compulsory legal specifications, Zurich is entitled to modify the contract to the changed specifications or to end it.

The same applies if and when compulsory legal specifications change after the conclusion of a contract such that Zurich is no longer able to continue it as agreed.

Zurich informs the policyholder in advance about the modified contract components. The contract modification becomes effective 30 days after the notification has been sent to the policyholder. If the policyholder does not agree with the changed conditions, he can terminate the insurance contract within 60 days of the notification being sent. If the insurance contract shows a surrender value at the time of the termination, this will be paid.

Art. 8 What information does Zurich need from the policyholder or the beneficiary? To what offices can Zurich forward this information? What consequences does a missing statement of tax residency have?

Zurich can at any time demand from the policyholder or the beneficiary the submission of a statement about his or her tax residency as well as complementary documents and information (e.g. a tax identification number or similar).

The policyholder is obliged to report to Zurich in writing any change in his tax residency without delay.

In accordance with the applicable law, Zurich reports data in connection with the insurance contract, in particular the name, address, date of birth, tax residency, tax identification number and financial information to the responsible tax authority or to other authorities responsible under the law.

If the policyholder does not meet his information obligations during the ongoing contract at all, or not completely, or not truthfully, Zurich may modify (e.g. conversion into a paid-up policy) or end the contract.

Art. 9 Tax handling/Disclaimer

The policyholder or beneficiary of the policy is to clarify independently whether and/or to what extent the insurance policy or income arising from the insurance policy is subject to tax, especially abroad. In particular, Zurich cannot be made liable for any tax-related disadvantages which the policyholder or beneficiary of the policy may incur due to a change in taxation status and/or a change of domicile or a change in relation to the beneficiary of the policy.

If and wherever there is a risk for Zurich being liable for taxes, Zurich is entitled to withhold a corresponding portion of the insurance benefit until this risk subsides or to pay over a corresponding portion of the insurance benefit to the competent domestic or foreign tax authorities. Zurich is under no obligation to refund any costs incurred by the beneficiary to have the paid-over amounts refunded by the tax authorities.

Art. 10 What are the advantages of Zurich's surplus participation?

Zurich guarantees the benefits and premiums for the full period of the contract, with the exception of disability pensions, to which changes may be made if stipulated in the corresponding conditions of insurance. This guarantee means that Zurich has to make its calculations carefully. If the risk trend turns out to be better, the return on investments higher or the costs lower than assumed, this results in surpluses. Zurich will give the policyholder a share in this surplus.

In accordance with the contractual agreement, shares in surplus

- are either deducted from the premiums due;
- or are accumulated in an interest-bearing surplus account and paid out with compound interest to the rightful claimant at the end of the contract;
- or are used to raise the fund credits of the main insurance.

The participation in surpluses is determined annually. Zurich will inform the policyholder of the amount of the allocated share and – in the event of accumulation in a surplus account – the current balance on the account.

Credit balances in the surplus account may not be used before the end of the contract except to pay outstanding premiums for the unrestricted pension plan.

The policyholder will be notified of any change to the existing surplus system before it takes effect, subsequent to information being provided to the supervisory authority.

Customer rights

Art. 11

How can a beneficiary designation be set up or altered?

The policyholder may designate persons who are to receive the insurance benefits (beneficiary designation) by sending written notification to Zurich.

The beneficiary designation may be changed at any time unless the policyholder waives the right of revocation in the form prescribed by law (signed waiver declaration in the policy and handing over of the policy to the beneficiary). All changes must be notified to Zurich in writing.

The policyholder can also set up a beneficiary designation in his/her will or testamentary contract, or may alter such arrangements; however, it should be noted that

- express reference should be made to this policy in such documents, and
- Zurich must be notified immediately of any such arrangements in the event of death.

If Zurich is not provided with the will or testamentary contract in the event of death, or if such documents do not refer to the policy, Zurich may pay the benefits to the beneficiaries designated in the policy and will thus be released from all obligation to pay benefits under this policy.

Art. 12

Can the insurance policy be surrendered or converted to paid-up insurance?

It depends on the type of insurance as to whether it may be surrendered or converted to paid-up insurance. Details may be found in the corresponding conditions of insurance.

Art. 13

Can a lapsed or paid-up insurance policy be reinstated?

Depending on the type of insurance, the policyholder may reinstate a lapsed or paid-up insurance policy.

Reinstatement is permitted within a certain period, as stipulated in the conditions of the insurance in question, without the need for a new risk assessment by payment of the outstanding premiums including interest on arrears.

Reinstatement with a new risk assessment may be applied for at any time. Zurich reserves the right to apply the tariff guidelines and conditions in force at the time of reinstatement.

Art. 14

How can the insurance policy be used to secure and procure loans?

The conditions in this article do not apply to restricted pension plans.

The policyholder may pledge or assign his/her insurance entitlements to a creditor as security for a loan. The requirements in this case are a written pledge agreement, the transfer of the policy to the creditor, and notification to Zurich in writing.

A policy loan can be granted upon request. Zurich retains the right to reject an application for a policy loan without giving its reasons for the rejection. Exceptions to the foregoing are set out in the conditions of the main insurance. The amount of the policy loan depends on the surrender value. If the policy is pledged or assigned to a third party, the written consent of the creditor is to be sent to Zurich.

Art. 15

How can the application be revoked?

Within the first seven days of signing the application, the applicant has the option of revoking the application. The revocation must be sent by registered letter to Zurich's Head Office in Zurich.

On sending the declaration of revocation, the provisional insurance coverage or any definitive insurance coverage which might already exist shall lapse.

Claims, processing of the contract

Art. 16

How does a beneficiary claim insurance benefits?

In the event of survival

When survival benefits become due, Zurich issues the policyholder a statement that must be completed, signed, and returned to Zurich.

In the event of death

If the insured person has died, Zurich must be informed immediately. The cause of death is to be stated. In addition, in the interests of rapid settlement of the claim, the following documents must be provided as soon as possible:

- an official death certificate;
- a medical report on the cause, start and course of the fatal disease. If no medical treatment took place, a medical certificate stating the cause of death and the precise circumstances of death is to be submitted. If death was the result of an accident, an official accident report is to be provided.

The death benefits will be paid on compliance with the requirements and provision of the stated documentation and information.

Disability; invalidity

If the insured person becomes disabled or an invalid, Zurich must be notified upon expiry of the agreed waiting period, but no later than six months after the onset of the disability or invalidity. In the event of failure to do so, Zurich can consider the time of the delay as an additional waiting period which will not be indemnified.

Following receipt of notification of disability or invalidity, Zurich will issue a questionnaire which must be completed by the physician treating the case.

Zurich can request that additional medical examinations take place; the company may also require that the insured person be examined by a physician in Switzerland designated by Zurich. Any associated traveling expenses will be for the policyholder's account.

Should one of these actions be omitted despite the request specifying an appropriate period of time within which such action is to be taken, the insurance benefits may be reduced or refused. If, however, proof can be supplied that one of these actions was omitted innocently, Zurich will not reduce or refuse insurance benefits.

Claims, processing of the contract

Art. 17

Assistance in determining exact circumstances; data protection

The policyholder is obliged to provide assistance for investigations in relation to the insurance contract, such as verification of benefits, misrepresentation, etc., and to provide Zurich with all pertinent information and documentation or to obtain such information from third parties for submission to Zurich.

Zurich is entitled to carry out its own investigations and to contact third parties in this regard. If so requested by Zurich, the policyholder is obliged to provide a written statement releasing third parties from their duty of confidentiality (e.g. data protection, professional or official secrecy) and to authorize them to provide Zurich with the required information and documentation. If the policyholder does not comply with this requirement, Zurich is entitled to withdraw from the insurance contract with retroactive effect within two weeks of the expiry of a four-week extension period to be notified in writing.

The same applies to the insured person and the beneficiaries, if such persons are not the same as the policyholder.

Art. 18

Where and to whom will the insurance benefits be paid?

All insurance benefits less any balance of Zurich will be furnished solely via transfer to an account that is held under the name of the beneficiary and is maintained by a financial institution in the country where the beneficiary has his or her domicile. Any third-party transfer charges must be covered by the beneficiary.

For this reason, Zurich must be informed if the policy has been lost, mislaid or stolen.

Zurich may consider the holder of the policy as the rightful claimant. The right to verify the claim is reserved. For this reason, Zurich must be informed as soon as possible if the policy has been lost, mislaid or stolen.

Financing

Art. 19

How may the premiums be paid?

Depending on the type of insurance, the premiums may be paid periodically or in one lump sum (single premium).

Insurance premium payments may exclusively be effected through a money transfer from a Swiss or foreign bank account or from a post office.

Art. 20

What conditions apply in the case of periodic premium payments?

Premiums are payable annually in advance. It is also possible to pay in installments during the year, at an extra charge and by special agreement. Premiums may also be paid from a (blocked) premium deposit account at Zurich.

Premiums are to be paid within one month of the due date. If payment is not received, Zurich will send a reminder to the policyholder. The premium and the dunning costs are to be paid within 14 days of the reminder dispatch date.

If the premium is still not paid and if the insurance does not have a surrender value, Zurich is freed of all obligations and the insurance lapses. Accumulated surplus shares will be paid out. Restricted pension plan policies remain subject to the restrictions prescribed by law.

If, however, the insurance policy has a surrender value, it will be converted to a paid-up insurance policy. The insurance benefits will be reduced accordingly. Any supplementary insurances will lapse.

Art. 21

Fees

Zurich is entitled to charge fees for certain services required by the policyholder. These fees cover the expenditure for extraordinary services which are not included in the premium (e.g. reinstatement of a policy, frequent changes to a contract, withdrawal of the surrender value for the acquisition of residential property under a restricted pension plan). The fees are charged in accordance with the fee regulations in force at the time.

Miscellaneous

Art. 22

When are communications legally binding?

Communications are legally binding when they are received in writing by the Head Office of Zurich in Zurich.

Art. 23

Notification of change of address

Zurich must be informed in writing about all changes of address. Communications forwarded to the last address notified to Zurich shall be considered valid.

Art. 24

Where is the place of jurisdiction and who can offer additional help in the event of a difference of opinion?

In the event of disputes arising from this contract, the policyholder or the beneficiary may select as the place of jurisdiction either:

- Zurich as the head office of Zurich;
- the location of the Zurich branch which has a practical connection to this contract;
- the Swiss domicile or residence of the policyholder or beneficiary.

The Ombudsman Foundation for Private Insurance is available, free of charge, if any advice is required:

- **in Zurich:** Ombudsman der Privatversicherung;
- **in Lausanne:** Ombudsman de l'assurance privée;
- **in Lugano:** Ombudsman dell' assicurazione privata.

Art. 25

When does the Swiss Federal Law on Insurance Contracts apply?

The rights and obligations of the contracting parties are specified in the policy, any endorsements or insurance certificates to the same and the Conditions of Insurance. Where there is no specific ruling on a particular aspect, the Swiss Federal Law on Insurance Contracts applies.

Art. 26

Sanctions

Zurich does not grant coverage and is not obliged to furnish benefits to the extent a risk is created due to such coverage or provision of benefit that infringes on the applicable economic, trade or finance sanctions.

If economic, trade or finance sanctions are imposed on the policyholder, the insured person or other beneficiary, Zurich can terminate the contract.

Art. 27

What are the consequences of breach of contract?

If the policyholder, the insured persons and/or the beneficiary violate their duties or obligations, Zurich's obligation to pay indemnity shall cease, unless proof is furnished that the breach of contract was not due to any specific fault or has had no effect on the claim or Zurich's legal position.

Art. 28

What must be observed with special agreements?

Special agreements are only legally valid when they have been confirmed in writing by the management of Zurich.

Art. 29

What effect will new insurance conditions have?

The present conditions apply for the whole duration of the insurance. If Zurich introduces new conditions, the company will check at the request of the policyholder whether and to what extent the new conditions can also be applied to his/her contract.

Art. 30

How are brokers remunerated?

If a third party such as a broker represents the interests of the policyholder when concluding or administering this insurance policy, it is possible that Zurich may pay this third party commission in return for his or her activities on the basis of an agreement. If the policyholder wishes to receive further information about this, he/she should contact the third party.

Art. 31

Who is available to answer further questions?

Zurich insurance advisors across the whole of Switzerland are available to answer further questions.

Art. 32

What applies in the event of military service and war?

The following conditions, approved by the supervisory authority, apply to all life insurance companies operating in Switzerland:

Active service in defense of Switzerland's neutrality as well as for the maintenance of law and order within the country, in either case without engaging in warlike operations, shall be deemed to be peacetime military service and, as such, is automatically included within the framework of the contractual conditions. If Switzerland engages in war or is drawn into warlike activities, there will be a single war premium calculated from the beginning of the war and due one year after the war's conclusion, irrespective of whether the insured person participates in the war or whether he/she happens to be in Switzerland or in any other country.

The additional war premium shall serve to cover any damage directly and indirectly caused by the war, insofar as such damages relate to insurances for which these conditions apply. The ascertainment of such war damage and of the available reserve funds, as well as the determination of the additional war premium and of the facilities for its payment – possibly by curtailment of the insured benefits – shall be effected by Zurich in consultation with the Swiss supervisory authority.

Should benefits be due under the contract prior to determination of the war contribution, Zurich may defer payment of a reasonable part of the benefit for up to a year after conclusion of the war. Zurich, together with the Swiss supervisory authority, shall determine the proportion of the benefit to be deferred and the interest rate to which the deferred amount shall be subject.

The dates deemed to be the dates of outbreak and termination of the war for the purpose of the above provisions shall be determined by the Swiss supervisory authority.

Should the insured person participate in a war or be drawn into warlike actions without Switzerland being engaged in war or warlike actions, and should the insured person die in the course of such a war or within six months of an armistice or cessation of hostilities, Zurich owes the policy reserve calculated for the date of death, the amount not exceeding the maximum benefit insured in the event of death. If survivors' annuities have been insured, then these annuities shall take the place of the policy reserve and shall be equivalent to the policy reserve calculated as of the date of death, but shall not exceed the annuities insured.

Zurich reserves the right to amend, in consultation with the Swiss supervisory authority, the provisions of this Article, and to apply such amendments to the present insurance. In addition, any legislative and official measures – particularly such as relate to the surrender of the policy – which may be enacted in connection with a war are expressly reserved.

Supplementary conditions for restricted pension plans

If this policy is concluded as a restricted pension plan, the following supplementary conditions also apply:

Art. 33 **When does an insurance policy qualify as a restricted pension plan?**

Restricted pension plans are special retirement insurance policies. The special features of these policies are defined in the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (hereinafter referred to as BVG) as well as the Swiss Federal Ordinance on the Fiscal Deduction of Contributions to Recognized Pension Plans OPP 3. In supplement to the regulations below, these legal provisions and the conditions of the Law on Insurance Contracts also apply, in accordance with Article 22 above.

A mandatory condition for a restricted pension plan, pillar 3a, is the existence of an employment and the compulsory (or voluntary) insurance within the AHV.

Art. 34 **How are restricted pension plans treated for tax purposes?**

Persons who are in employment or self-employed may deduct premiums for pension policies from their income taxable in Switzerland, regardless of whether they are members of an occupational pension plan or not. The insurance benefits will be subject to tax when the policy matures.

Art. 35 **How can the policy be used to reduce tax liability?**

Zurich provides the policyholder with a certificate confirming the premiums paid, which have been received by Zurich, for the pension policy during the expired calendar year. By enclosing this certificate the certified amount to be deducted from income can be stated in the Swiss tax return.

Art. 36 **What rules apply to the payment of insurance benefits and pledging?**

Regular withdrawal

The policyholder only has power of disposal over the restricted pension plan within the limits prescribed by law. The OPP 3 and the Swiss Federal Law on Vesting in Retirement, Survivors' and Disability Pension Plans govern the details relating to payment of retirement benefits. The main points are listed below:

Retirement benefits may be paid out at the earliest five years before reaching regular AHV retirement age (Art.21 para 1 of the Swiss Federal Law on Old Age and Survivors' Insurance). Such benefits become due for payment on reaching regular AHV retirement age. If the policyholder can prove that he/she continues to be gainfully employed, he/she can defer payment until a maximum of five years after reaching the regular AHV retirement age.

Early withdrawal

Early payment of the retirement benefits is permitted if the restricted pension plan is terminated for one of the following reasons:

- if the policyholder receives a full disability pension from the Swiss Federal Disability Insurance and the risk of disability is not insured;
- if the policyholder uses the benefits paid out to buy into a tax-free pension plan or other recognized form of retirement provision;
- if the policyholder gives up his/her previous self-employment and takes up another type of self-employment;
- if the policyholder leaves Switzerland permanently;
- if the policyholder becomes self-employed and is no longer subject to the obligation to join a compulsory occupational pension plan; or
- if the termination benefit amounts to less than one year's contribution.

Acquisition of residential property

The retirement benefits can also be paid out early for the following purposes:

- acquisition and construction of residential property for the policyholder's own use;
- acquisition of shares in residential property for the policyholder's own use;
- repayment of mortgage loans for owner-occupied residential property.

In such a case, the policyholder may continue the policy with the same premium but the contract will be adjusted to take account of the amount of surrender value withdrawn.

Early withdrawals may be made every five years.

Pledging of entitlements to acquire residential property

Within the limits prescribed by law, the policyholder may pledge his/her entitlement to retirement benefits in order to acquire residential property for his/her own use or to acquire shares in a cooperative housing association or similar shares, provided that any such apartment cofinanced in this way is for the policyholder's own use.

Art. 37 **What are the restrictions on beneficiary designation?**

In partial amendment of Article 11, the following shall apply:

The beneficiary designation may only be set up or altered in line with the legal options provided in the OPP 3. These are detailed in the policy. It is not permitted to waive the right to revoke the beneficiary designation for restricted pension plans.

Art. 38 **What is the maximum premium possible?**

The premium is linked to the insured benefits. It may not exceed the maximum tax-deductible amount applicable at the time as defined in the OPP 3. This also applies to subsequent payment of outstanding premiums and interest on arrears when reinstating a policy.

Supplementary conditions for the insurance of children

These conditions are supplementary to the General Conditions of Insurance as well as to the conditions for main and supplementary insurances up to the time when the insured child reaches the age of 16.

Art. 39

What benefits does Zurich pay in the event of invalidity or disability?

If the insured child becomes an **invalid** before the agreed expiry date of the insurance, Zurich will pay the insured pension.

If the insured child becomes **disabled** before the agreed expiry date of the insurance, Zurich will pay the insured pension from the age of 16 and will also take over the premium payments.

Art. 40

What does invalidity mean?

Invalidity is considered to be any medically and objectively attestable damage to health as a consequence of sickness, accident or congenital defect that will presumably require permanent extraordinary care or attention or that will presumably lead to permanent disability at a level of at least 66⅔%.

Art. 41

What does disability mean?

Disability exists if the insured person is fully or partially incapable of carrying out gainful employment with a reasonable income as a result of medically and objectively attestable consequences of disease, accident or congenital defect. A reasonable income is considered to be the income that could have been achieved on completion of any vocational training that had already been started.

If the insured event occurs prior to the start of vocational training, the graduated average income according to the age of the employee, based on the Swiss survey on wages and salary structure for the year of the beginning of the benefits, is taken as the basis for assessment.

Art. 42

What restrictions apply in the event of death?

If an insured child dies before the age of two years and six months, the premiums paid will be refunded with 5% compound interest, whereupon the insurance will lapse.

If an insured child dies after the age of two years and six months, but before completing its 12th year of age, the sum insured is limited to a total of CHF 20,000 for all existing policies taken out with Zurich on the life of this child.

For the amount exceeding CHF 20,000, only the premiums paid will be refunded with 5% compound interest, at the most, however, the corresponding part of the sum insured. Any necessary reductions will be made for the policies most recently concluded.

In the case of insurances financed by a single premium, the death benefit will correspond to no more than the insured benefits in the event of survival.

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Conditions for Employment Risk Disability Pension

Main insurance IR

These conditions are supplementary to the General Conditions of Insurance (GCI).

Only the masculine forms of personal pronouns and adjectives are used in this document to enhance readability, but shall always be understood to include the corresponding feminine forms.

1. Which benefits are insured?

If the insured person becomes disabled during the agreed term of insurance, Zurich will pay the agreed disability pension in accordance with the conditions set out below.

Under the terms of the main insurance, premium waiver in the event of disability is also covered. Zurich will pay the premiums in accordance with the degree of disability and for the period during which the insured is entitled to a pension.

In the event of an illness, Zurich will provide the insured benefits irrespective of whether third parties are providing benefits; such benefits will not be taken into account.

Zurich reserves the right to reduce the benefits it provides *in the event of an accident* if the insured person receives benefits from other social and/or private insurers. Such benefits include, in particular, benefits from accident insurance, military insurance, disability insurance, benefits from obligatory and non-obligatory pension provision benefits from liable third parties and benefits from private insurances.

Zurich shall be entitled to reduce the benefits it provides *in the event of an accident* to the extent that the total benefits from all insurances exceed the loss of income suffered by the insured person. If other private insurers apply similar reductions in benefits, Zurich's reductions will be made proportionally.

Zurich shall be entitled to request reimbursement of excess benefits already provided.

Definition of the term "accident"

The term "accident" applies to any bodily injury sustained involuntarily by the insured person through the sudden impact of external force. The following shall also be considered accidents: drowning, frostbite, heat stroke, sunstroke, poisoning, cauterization and the involuntary inhalation of gases and vapors.

2. What does disability mean?

An **employed person** is disabled if he is wholly or partially unable to carry out his occupation or another acceptable form of gainful employment as a result of medically and objectively attestable consequences of an illness or accident. Another form of employment is considered acceptable if it corresponds to the abilities of the insured person, even if the skills required for this employment must first be obtained by retraining. Disability benefits will be provided during the period of time required for such retraining.

An **unemployed person** is considered to be disabled if he is wholly or partially unable to carry out his normal activities (e.g. household chores, childrearing) as a result of medically and objectively attestable consequences of an illness or accident.

A **person in education** is considered to be disabled if he is wholly or partially unable to continue with his current education as a result of medically and objectively attestable consequences of an illness or accident, and is also unable to complete any other form of education corresponding to his knowledge and abilities.

The date on which this is medically determined (=date of medical consultation) is considered to be the beginning of the disability.

3. When is there an entitlement to a pension?

If the insured person is disabled and if the disability has continued with a degree of at least 25 percent without interruption throughout the agreed waiting period, Zurich will pay a pension, quarterly in advance, for the remaining duration of the insured person's disability, at most until the expiration date of the agreed insurance period of benefits. If the disability starts or ends within a quarterly period, a partial pension will be paid, or any pension paid in excess will be reclaimed, respectively.

The amount of the pension is determined by the degree of disability. Entitlement to a full pension arises if there is a disability of 66 $\frac{2}{3}$ percent or more. With a degree of disability of less than 25 percent, there is no entitlement to a pension.

If the degree of disability changes, the pension will be reviewed. A reduction in the degree of disability during the period of benefits will result in a corresponding reduction in benefits. An increase in the degree of disability after expiration of the period of insurance will not result in an increase in benefits, however.

A disability recurring within twelve months due to the same cause is considered to be a relapse. The waiting period shall then be decreased to the extent that it has already been completed for the first incidence of disability.

4. How is the degree of disability determined?

For **employed persons**, the degree of disability is determined by comparing the income that the insured person earned before the occurrence of the disability with the income that he still earns or could earn on a balanced employment market after expiration of the waiting period. The difference, expressed as a percentage of the previous income, indicates the level of disability.

To determine the loss of income for employees who have a fluctuating or irregular income (employees on commission, temporary workers, employees with income that is seasonally dependent, etc.) and self-employed persons, the average income subject to AHV earned during the 24 calendar months immediately before the start of the disability is used as a basis. For other employed persons, the income as agreed in the employment contract and subject to AHV at the time when the disability began is used.

For **unemployed persons**, the degree of disability is determined on the basis of the degree to which the person is prevented from carrying out his normal activities.

For **persons in education**, the degree of disability is determined by comparing the income that the insured person could have earned in the event of unrestricted ability to work after completing the education that was being undertaken with the income that he still earns or could earn in a balanced employment market, after expiration of the waiting period, on the basis of another form of education corresponding to his knowledge and abilities.

When determining the degree of disability, clarifications made by the Swiss Federal Disability Insurance and Accident Insurance may be taken into account, but are not binding.

The degree of disability may change. The insured person must inform Zurich immediately of any such changes.

5. When is there no entitlement to a pension?

Age

The insured person cannot claim a disability pension before the age of 16 or after the age of 65.

Provided no other agreement is made with Zurich, the entitlement to a pension ceases at the age of 60 if the insured person resides outside Switzerland. However, pensions will continue to be provided beyond the age of 60 if both the start of the disability and fulfillment of the contractual obligations entitling the insured person to this benefit occurred at a point in time when the insured person resided in Switzerland.

Upon moving abroad, the policyholder is advised to contact Zurich to ensure that the insurance coverage and premium can be adjusted to take account of the new situation.

War

A disability pension cannot be claimed if the insured person becomes unable to work while outside Switzerland in a country that is waging war or is involved in warlike events. If, however, it can be proven that the disability is neither directly nor indirectly connected with such events, the entitlement is maintained.

War and warlike events are deemed to be conflicts between larger groups of people, such as states, nations or other groups at an international, national or local level, including groups within the same state ("civil war"), involving force of arms.

This exclusion also includes acts of terrorism occurring in connection with a war or warlike events.

Lapsed insurance

A disability pension cannot be claimed if the disability or the event causing the disability occurs at a point in time when the insurance has lapsed.

Attempted suicide, self-mutilation

A disability pension cannot be claimed if the disability is the result of attempted suicide or of intentional self-mutilation.

Termination of gainful employment

A disability pension cannot be claimed if the insured person terminates his gainful employment without being disabled. If the insured person enters education or takes up household activities after giving up employment, the entitlement to benefits in the event of full disability in this situation will be at most the maximum insurable benefit in accordance with Zurich's acceptance guidelines.

6. On what is the premium calculation based?

Occupation

The amount of the premium depends, among other things, on the occupational activity exercised by the insured person upon conclusion or any extension of the policy. Zurich does not have to be notified of a change in employment. Zurich is entitled to reduce the insurance benefits by half if false information was provided about the occupation and/or the additional information to define the premium upon conclusion of the policy or any benefits increase, and if the policyholder was allocated to a more beneficial premium group as a result.

7. Can the premiums be adjusted?

Zurich is entitled to adjust the premiums at the start of the new insurance year if a significant change to the basis of calculation has occurred or is anticipated. The policyholder will be notified of this premium adjustment at the latest 30 days before commencement of the new insurance year.

After the announcement of a premium adjustment, the policyholder may terminate the insurance affected by this adjustment in writing at the end of the current insurance year. A termination is deemed valid if it is received by Zurich on the last day of the last day of the current insurance year at the latest.

If the premium adjustment causes the maximum amount stipulated in the Ordinance on the Fiscal Deduction of Contributions to Recognized Pension Plans (OPP 3) to be exceeded, the disability pension will be reduced accordingly. If more than one pension is insured, the reduction will be applied to the pension with the shortest residual term. If all pensions have the same residual term, the reduction will be applied to the pension with the longest waiting period. The policyholder may apply for a separate unrestricted pension plan policy without risk assessment to cover this reduction, provided that the minimum insurance benefit is reached in accordance with Zurich's acceptance guidelines.

8. How are shares in surplus used?

Shares in surplus are fixed each year in advance and deducted from the premiums due.

The first share in surplus is conferred at the beginning of the first insurance year. The last share in surplus is conferred at the start of the year in which the final premiums are due.

9. Can this insurance policy be surrendered or converted to a paid-up policy?

This insurance may not be surrendered and cannot be converted to a paid-up policy.

10. What applies with regard to reinstatement?

Reinstatement of a lapsed insurance policy is only possible with the approval of Zurich and subject to a fresh assessment of the risk in question.



Special Conditions for Smokers and Non-Smokers

These special conditions are supplementary to the General Conditions of Insurance, the Conditions for LifeRisk, the Conditions for Term Insurance, the Conditions for EmploymentRisk and the Conditions for Disability Pension.

1. What does the premium calculation depend on?

Among other things, the calculation of premiums for LifeRisk, term insurance, EmploymentRisk and disability pensions depends on whether the insured person is a smoker or a non-smoker.

2. Who is eligible to take out term and disability insurances with conditions for non-smokers?

Individuals may be insured under non-smoker conditions if they are non-smokers according to Zurich's definition.

3. Who is considered to be a non-smoker?

A person is considered to be a non-smoker if he/she has smoked no cigarettes in the previous twelve months and if he/she consumes or uses a maximum of two cigars, pipes or other products containing nicotine (excluding cigarettes) per week.

4. Who is considered to be a smoker?

A person is considered to be a smoker if he/she has smoked cigarettes in the previous twelve months or if he/she consumes or uses a number of cigars, pipes or other products containing nicotine greater than that stated in Article 3.

5. What must be considered if an insured person changes his/her smoking habits?

Zurich must be notified immediately if a person who is insured under non-smoker conditions no longer complies with the definition of a non-smoker as described in Article 3 during the term of the policy.

The policy will then continue under smoker conditions with the premium adjusted accordingly. If Zurich is not informed immediately, Zurich shall pay only half of the agreed insurance benefits in the event of a claim. Zurich is entitled to arrange for the necessary investigations to establish smoking habits to be carried out in the event of a claim.

If a person who is insured under smoker conditions fulfils the requirements for a non-smoker as described in Article 3, the policyholder may request that non-smoker conditions be applied. For the examination Zurich requires the question about the consumption of nicotine signed by the insured person and a new proof of good health. Any costs resulting from the change shall be borne by the policyholder. This change to a policy can only be made at the beginning of an insurance year.