

## International Term Assurance

Protection for tomorrow for peace of mind and financial security



## Because who knows what tomorrow will bring

Have you considered who depends on you today, whether it's for financial support or your professional expertise? The chances are that it's more people than you realise.

- Your income may support a household covering the mortgage, education costs and many other expenses.
- You may play a vital role in raising your children and managing the family home.
- You may be a sole trader, partner or controlling shareholder in a business.

These people rely on you today. But have you considered what would happen if you were to die tomorrow?

Whilst many of us haven't, or don't want to consider this question, protecting those that depend on you today will ensure that they are protected for tomorrow, providing peace of mind and financial security.

### **You may need life insurance if any of the following apply:**

- You're married.
- You have children.
- You're supporting a parent or relative.
- Your pension won't be enough for your family to live on.
- You own, or are a partner in a business.
- Someone else will be legally responsible for a debt if you die.

# Providing peace of mind

## What is International Term Assurance?

International Term Assurance is a level term life insurance policy. Term assurance is regarded as the easiest and most cost-effective way of providing future financial security for your dependants, should you die, suffer from one of the defined critical illnesses or become permanently and totally disabled.

If your business lost a key person, it could have a devastating effect resulting in a reduction in sales or a slowdown in production.

As a company director, shareholder or partner your business is often one of your major assets. It is therefore important to safeguard the ownership of the company so that:

- the remaining partners or shareholders have sufficient funds to buy your share in the business if you die or become critically ill and want to give up work, or
- the purchase of the deceased's persons share by somebody who does not act in the best interests of the business is prevented, or
- a lump sum is provided to your dependants for payment of their share of the business.

International Term Assurance runs for a fixed period of time (a term). The policy will pay out a cash sum, which is fixed for the term of the policy, if you die. If you survive to the end of the policy's term, the premium and cover cease.

International Term Assurance provides you with life cover that will pay a cash sum if you die during the term of the policy, or you are diagnosed with a terminal illness and have less than 12 months to live, provided that the diagnosis occurs before the last 18 months of the policy term.

## What you need to do

You pay a fixed, regular monthly or yearly premium for the term of the policy. If you stop paying the premiums, your cover stops too. As part of the application process, we ask about your current health, your medical history and your lifestyle.

## How much is the policy worth?

Your International Term Assurance policy has no cash value. The policy only pays out if you die or are diagnosed with a terminal illness during the stated term.

## How do you decide how much you need?

Your relevant financial professional can help you calculate this figure taking into account:

- your income
- your monthly living costs (mortgage, food, clothing, transport, etc.)

- allowances for future expenses such as education costs and settling debts
- any costs relating to your death – uninsured medical bills and funeral costs
- costs associated with bringing up a child (see illustration below).

### Parental spending throughout a child's first 18 years

Childcare and babysitting	USD81,675
Education	USD109,000
Food	USD27,225
Clothing	USD16,350
Holidays	USD13,600
Hobbies, toys and leisure	USD41,000
Pocket money	USD5,500
Personal and other	USD16,350
<b>Total</b>	<b>USD310,700</b>

Source: Candour Consultancy

## When is the best time to take out International Term Assurance?

The answer is simple. If you have identified a need you should take out cover now. It may be uncomfortable to contemplate your own death, but the reasons for starting an International Term Assurance policy are just as valid now as they will be in the future. In addition, it's likely that the earlier you start your policy the lower the premiums will be.

## Ownership

Your International Term Assurance policy can be owned by a single person or jointly by two people (owners must be at least 18 years old). Death benefit is paid on the death of the life insured or in the case of a joint policy, the first insured life to die. Lives to be insured must be between 18 to 59 years old.

## Cost

Your premiums are dependent on:

- how much cover you need
- how long you want cover for
- your age and gender
- your health and lifestyle, including whether you smoke or not
- the benefits you select.

# Additional benefits

You have the flexibility to add any combination of the following benefits to your International Term Assurance policy, as we realise that providing protection in the event of your death may not cover all the eventualities you wish to protect yourself and your dependants from.

- **Critical illness** benefit (CI).
- **Permanent and total disability** benefit (PTD).
- **Waiver of premium** benefit (WOP).

CI and PTD are offered as advanced payments of the life cover sum assured.

The following example shows how the benefits interact with each other on ITA.

Mr and Mrs Iyer take out a 20 year ITA policy with the following benefits options:

Life cover	USD2,000,000
CI	USD700,000
PTD	USD500,000
WOP	Both lives are insured

Five years into their policy term, Mr Iyer is diagnosed with a terminal illness and makes a claim. He receives the maximum terminal illness payment of USD1,000,000. Once the claim is paid the benefits on the ITA policy are reduced as follows:

Life cover	USD1,000,000
CI	USD700,000
PTD	USD500,000
WOP	Both lives are insured

Five months later, Mrs Iyer is diagnosed with a critical illness and this illness leaves her permanently disabled. She is able to claim under both critical illness benefit and permanent and total disability benefit. However, as the remaining life cover is USD1,000,000, this is the maximum total claim that can be paid. Once the life cover is paid, the policy ends and all benefits cease.

## Critical illness benefit

- 36% of the population in the UAE suffer from hypertension<sup>1</sup>.
- The UAE has the second highest rate of diabetes in the world affecting 19.6% of the population<sup>2</sup>.
- 1 in 3 people develop cancer at some point in their lifetime<sup>3</sup>.
- 1 in 4 males and 1 in 5 females will be diagnosed with a serious illness before retirement<sup>3</sup>.

Sources: **1** [www.healthofnations.com](http://www.healthofnations.com)  
**2** <http://www.ncbi.nlm.nih.gov/pmc/articles/PMC3210043/>  
**3** [www.life-assurance-bureau.co.uk/critical-illness-cover](http://www.life-assurance-bureau.co.uk/critical-illness-cover) 2011

### What does it do?

It pays you a lump sum if you're unfortunate enough to be diagnosed with one of the defined illnesses or disabilities covered by your policy (including cancer, heart attack and stroke) which could have a severe impact on your lifestyle.

CI benefit is perfect if you have financial commitments that would need to be honoured if you are diagnosed with a critical illness. Consider the likelihood of a reduced income whilst you're recovering from a critical illness. It's likely you'll need an extended period off work and when you do return, if indeed you are able to, you may have to work fewer hours.

CI benefit can help ensure that you'll have sufficient money to pay for the care you need including hospital or nursing costs, or other expenses such as your mortgage. Are you planning to start a family, or do you already have one? Then what about child care, education costs and so on.

## Permanent and total disability benefit

### What does it do?

PTD benefit provides a lump sum if an illness or accident leaves you permanently unable to return to work.

It's hard to imagine becoming disabled, and harder still to imagine a disability lasting longer than a few weeks. But serious disabilities can last years or even a lifetime. It can therefore seriously threaten your finances if you do not have insurance.

### How does PTD differ from CI?

PTD pays out on any condition that leaves you unable to work for the rest of your life, rather than paying out for specific conditions. You don't necessarily have to be suffering a serious illness; a significant bodily injury may result in you being in a position where you can claim.

## Waiver of premium benefit

### What does it do?

Waiver of premium ensures your policy – and the cover it provides – continues when you need it most.

This option will waive premiums for the life or lives insured (for all benefits under your policy), provided that they are totally incapacitated by illness or accident before age 79.

## Summary of benefits

Whether you choose CI, PTD and/or WOP, they will apply for the duration of the policy term. For joint life policies, cover must be the same for both lives. Once the policy is issued, additional benefits cannot be removed.

In the event of death, CI or PTD, the benefit payment will be a single lump sum in the currency requested by the policy owner, representative or beneficiary.

Please refer to the policy terms and conditions for full details of CI, PTD and WOP.







## Zurich International Life

Zurich International Life (Zurich) offers life assurance, investment and protection solutions throughout the world\* with licensed offices in the United Arab Emirates, Hong Kong, Bahrain, Qatar, Singapore and Taiwan.

As part of the Zurich Insurance Group, we can offer you innovative and individual financial solutions. We have been tailoring our products and services to meet the requirements of local markets for many years, ensuring that we can offer truly flexible and portable financial solutions. As part of one of the world's leading providers of international insurance and investment products, we have a reputation for excellent performance and commitment to the customer.

At Zurich we understand your requirements for peace of mind and your needs for good, tax-efficient financial planning. We are committed to providing a stable, secure and profitable home for your money. Our approach is to create flexible plans that continue to meet your financial objectives as your circumstances change, and to provide proactive and innovative solutions to meet the requirements of a fast moving, global marketplace.

Zurich International Life is registered in the Isle of Man. The Isle of Man has established its own Insurance Act, ensuring that authorised companies have sound and professional management and that the interests of policy owners are protected. The favourable financial regulations have been a major influence on the Island's growth as a renowned financial centre, and from here has earned a reputation for quality in the expatriate and international market. Zurich can offer you innovative and individual solutions that can fulfil all your financial needs – now and in the future.

\* Not all products are available in all regions.

### **Committed to the international investor**

At Zurich International Life we are committed to the international investor and strive to be an outstanding provider of international savings and investment products and to offer excellent service and value. We are a major player in the world of international products and are well known and trusted in the marketplace.

### **The Isle of Man**

As a base for your investments, the Isle of Man offers three distinct benefits.

- The island is a thriving offshore centre with stringent legislation under the Isle of Man Insurance Act and the Isle of Man's Life Assurance (Compensation of Policyholders) Regulations to protect policy owners. All authorised companies must demonstrate the soundness and expertise of their management.
- The parliament in the Isle of Man is one of the longest standing in the world, and the Island has enjoyed the stability of its own government for more than 1,000 years.
- We do not pay capital gains tax or income tax on investments held on behalf of our investors. You should note that the value of tax benefits depends on your individual circumstances and can change.

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## Important information

Zurich International Life is a business name of Zurich International Life Limited.

Zurich International Life Limited is fully authorised under the Isle of Man Insurance Act 2008 and is regulated by the Isle of Man Government Insurance and Pensions Authority which ensures that the company has sound and professional management and provision has been made to protect policy owners.

Not for sale to residents or nationals of the United States including any United States federally controlled territory or residents of the Isle of Man.

For life assurance companies authorised on the Isle of Man, the Isle of Man's Life Assurance (Compensation of Policyholders) Regulations 1991, ensure that in the event of a life assurance company being unable to meet its liabilities to its policy owners, up to 90% of the liability to the protected policy owner will be met.

Zurich International Life Limited is registered (Registration Number 63) under UAE Federal Law Number 6 of 2007, and its activities in the UAE are governed by such law.

Zurich International Life Limited is registered in Bahrain under Commercial Registration No. 17444.

Zurich International Life Limited is authorised by the Qatar Financial Centre Regulatory Authority.

Calls may be recorded or monitored in order to offer additional security, resolve complaints and for training, administrative and quality purposes.

Zurich International Life Limited provides life assurance, investment and protection products and is authorised by the Isle of Man Government Insurance and Pensions Authority.

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