

YOUR QUESTIONS ANSWERED



AIA Priority Protection

12 April 2024



This document has been prepared to provide Advisers with support regarding the AIA Priority Protection changes introduced on 12 April 2025.

Further resources relating to this release can be found on the AIA Adviser Portal or by contacting your local AIA Client Development Manager.

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What is changing?

Q. What is included in the 12 April 2025 release?

The changes include:

- changes to AIA Priority Protection new business premium rates
- an increase in the minimum entry age for Variable premium
- changes to discount structures
- a number of changes to PDS wording; and
- PDS changes related to the pending AIA Vitality membership fee increase.

Q. Where can I find more information on the specific product changes?

To learn more about the specific product changes you can refer to the Summary of Changes document available on the AIA Adviser Portal, alternatively you can speak with your AIA Client Development Manager.

Q. Why have AIA made changes to their products?

The changes are being made to:

- reflect the outcome of our most recent pricing review
- deliver increased simplicity by providing alignment and consistency between benefits
- improve clarity in PDS wordings so the intent of the product design can be clearly understood by clients; and
- provide information which aims to improve client's understanding of their obligations at claim time, the nature and requirements of the claims process and to detail expectations around how we will assess their claim.

Q. Do the changes impact existing policies?

Yes, some of the PDS changes are being passed back to existing policies, the changes are mostly minor wording updates and clarification to wording. These include updates to:

- the AIA Vitality Fee (note this will be implemented from May 2025)
- the Claim Escalation Benefit expiry date
- the Benign Brain or Spinal Cord Tumour with serious functional impairment definition
- the Needlestick Injury benefit wording
- the Counselling Benefit wording
- the Premium Expiry dates for some benefits relating to Buy-back and Reinstatements.

More information on the PDS changes which will be passed back to existing policies is detailed in the Policy Enhancement Summary.

The pricing changes only impact new business applications (existing policies won't be affected).

New business pricing changes

Q. Why is AIA making pricing changes?

At AIAA we're here to support your clients when they need us the most, therefore we regularly review our pricing structure to make sure AIA Priority Protection premiums are not only competitively priced but sustainable over the long-term.

Q. What pricing changes are AIA making?

Our latest review has helped us identify some areas where we can reduce our premiums to enhance client value, whilst identifying others where we believe premiums need to increase to reflect higher than expected claims. We also consider changes in product terms when setting premium rates and incorporate our view of expected future trends.

These changes only impact premiums for new business applications (existing policies won't be affected). The impact for individual clients will vary depending on several factors including age, gender, occupation and benefit type.

Whilst there are variations based on the above factors, these changes at a benefit level generally result in a reduction in the premium of Life Cover benefit and Crisis Recovery benefit and increases in the premium of TPD benefit. For a number of clients, these changes result in an overall reduction in the premium of Lump Sum bundle and Lump Sum and Income Protection bundle.

Q. Advisers have seen a number of providers increase TPD rates – why is this?

The changes to TPD rates reflect a wider industry trend of higher than expected claims experience which has resulted in TPD rate increases being implemented by a number of other insurers over 2024.

TPD claims experience has progressively worsened since 2019 and KPMG have reported a 48% increase in TPD premiums over the past 3 years up to 2023. Industry findings indicate deteriorating TPD claims experience, relating to mental health trends and increasing exposure to Own occupation.

Q. Are there any changes to Income Protection premiums?

There are no rates changes associated with Income Protection.

Q. Do the new premiums offer good value to my clients?

Competitive first year premiums, comprehensive product features and the benefits of the **AIA Vitality** program, coupled with our claims support ecosystem **AIA Embrace**, continues to deliver a compelling proposition for your clients.

AIA Vitality provides your clients the ability to maintain a significant initial discount*, not just in year 1, but for every year thereafter where they engage with the AIA Vitality program to achieve Gold or Platinum Status – simple, everyday actions can deliver significant premium savings over the term of your client's insurance.

In 2023, AIAA paid \$844 million in claims to Retail clients, supporting clients like yours not only with essential financial benefits but the personal support of our AIA Embrace ecosystem and the AIA Vitality program. Whether it's improving health and wellbeing or support through a life changing claim event, AIAA are here to support you and your clients.

*17.5% for lump sum and 7.5% for income protection.

Q. When will new business quotes start to reflect the revised rates?

The revised rates will be effective for all quotes generated from 12 April 2025.

Quotes generated prior to 12 April 2025 can still be submitted on quoted terms, so long as an application is submitted within 30 days of the 'Current Date' shown on the quote.

In circumstances where the new pricing is lower, you may want to consider generating a new quote instead.

AIA Vitality Fee

What is happening to the AIA Vitality fee?

From May 2025 the AIA Vitality Fee is increasing from \$11.50 to \$12.50 per month and will continue to be included on the client's insurance quote.

Why is the AIA Vitality fee being increased?

Members' engagement with the program has continued to grow year-on-year with more members than ever before enjoying great value from the program. The increase from \$11.50 per month to \$12.50 per month will ensure the program can continue to provide relevant rewards to members taking steps to improve their health. This means that the annual cost of AIA Vitality is increasing from \$138 to \$150 per year in May 2025. You can read more on the AIA Vitality fee increase in the [December 2024 Adviser News article](#).

What are the unique benefits that AIA Vitality offers?

AIA Vitality is a personalised, science-backed health and wellbeing program that supports your clients every day to make healthier lifestyle choices. The program incentivises your clients to know their health, improve their health and get rewarded with lower insurance premiums, discounts and cashbacks on great partners and more.

Benefits include:

- Exclusive insurance benefits on selected AIA insurance plans
- 40% off eligible gym memberships with Virgin Active, Goodlife and Fitness First
- Up to \$260 per membership year in weekly rewards for achieving physical activity goals
- Up to \$500 per membership year in Shopping Rewards vouchers
- Cash back on eligible domestic and international flights with Virgin Australia, and more.

Unlike other initial discounts, your clients can maintain a significant initial discount (17.5% for lump sum and 7.5% for income protection not just in year 1 but for every year thereafter where they engage with the AIA Vitality program to achieve Gold or Platinum status – simple everyday actions can help deliver significant premium savings over the term of your client's insurance.

What is the AIA Vitality Silver Status Reward (VSSR) and is it still available?

The VSSR was introduced in April 2024 and offers an additional \$500 reward to new AIA Vitality members when they achieve Silver Status within the first six months of their membership*

Since launching, the reward has helped to drive improved engagement with the program and we have paid out over \$250,000 in rewards.

This is available to new members in addition to the initial premium discount rewards and other benefits available to AIA Vitality members.

Advisers also receive a \$500 reward for each client that meets the eligibility criteria and achieves Silver Status in six months. .

* Terms and Conditions apply. For more information on the terms and conditions of the offer please refer to the member and adviser terms and conditions

[Member Terms and Conditions](#)

[Adviser Terms and Conditions](#)

When is the new AIA Vitality fee increasing for existing clients?

From May 2025, the AIA Vitality fee will increase from 11.50 to \$12.50 per month. This new fee will apply on their next billing date. Billing notices are sent 30-35 days prior to billing date.

Medical Definitions updates

Q. What are the changes?

We have made two medical definitions wording updates;

- a correction to the Benign Brain or Spinal Cord Tumour with serious functional impairment definition; and
- wording clarification when we will pay a partial benefit payment relating to a second Cancer Event.

These changes have been passed back to existing policyholders. Please refer to the Summary of Changes and Policy Enhancement Summary for details.

Other changes

Q. When are we removing genetic testing questions from our application?

Effective 12 April 2025, the genetic testing questions will be permanently removed both from the URE (eApp) and from our paper-based application forms for AIA Priority Protection.

AIA is taking action ahead of the legislation on this topic and is the first to make this change.

Cancel & Replace

Q. I am trying to do a Cancel and Replace of existing cover, but the quote is showing Variable for Family Protection or Needlestick when the existing cover is on Stepped/Variable age-stepped?

We have reviewed the premium types available for each benefit to simplify our product and align with our pricing intention. This has resulted in the removal of some premium types for certain rider benefits, where the cost was the same regardless of premium type selected. Family Protection or Needlestick previously could be quoted as either Variable age-stepped or Variable. For new policies they will now only be quotable as Variable regardless of the Plan premium type selected.

Q. I am trying to do a Cancel and Replace of existing cover, but the occupation rating for my client has changed, will their new policy reflect the new rating?

No, their rating does not change. If an existing client is doing a Cancel and Replace, they can retain a similar/equivalent occupation rating under the new policy.

For example, where the new occupation rating changed to 'D', and their current policy is 'C2' rating they can retain the rating 'C2'. You will need to quote the rating using the occupation rating only (rather than an occupation name/description).

Cancel and Replace requests on existing policies mean the replacement policy will be set up under the new PDS terms. Please note changes are subject to the Cancel and Replace rules and eligibility criteria.

Business rule for New Applications

Q. What are the pipeline rules for business already submitted prior to 12 April 2025?

There is a 30-day grace period for this release.

This means, all “Applications” submitted prior to the release date of 12 April 2025 will remain on the previous pricing.

The 30-day grace period relates to quotes generated prior to 12 April 2025 and resumed within 30 days after. Those resumed quotes can still be submitted with an application within that 30-day period and will be based on the previous PDS and pricing.

Need further assistance?

Q. What if I have any questions?

If you have any questions about this latest AIA Priority Protection release, please contact your AIA Client Development Manager or call 1800 033 490 (Monday – Friday 8:00AM – 6:00PM (Melbourne time)).

Q. Where can I find updated PDS and Adviser Guide?

You can find a copy of the latest AIA Priority Protection PDS and Adviser Guide on the AIA Adviser Portal.

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