

# SUMMARY OF CHANGES

## For Advisers

14 August 2022



HEALTHIER, LONGER,  
BETTER LIVES

The following is a summary of product changes available under AIA Australia's Priority Protection benefit range effective 14 August 2022. The table below is a summary only and should be read in conjunction with the full terms and conditions relating to the amended benefit in the Priority Protection Product Disclosure Statement (PDS) 14 August 2022.

The description of the benefit or term 'Prior to change' shown is as per the PDS dated 12 June 2022.

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## 1. Income Protection CORE – extended premium guarantee for 5 year and 2 year Benefit Periods

Benefit	Prior to change	After change
Income Protection CORE	<p><b>Changes:</b></p> <p><b>AIA Priority Protection PDS V26 – Page 172</b></p> <p><b>11.1 Fees and Charges</b></p> <p><b>Premiums</b></p> <p>The premiums you pay for your insurance cover are based on premium rating factors such as your age, sex, occupation, state of health, and whether you are a smoker or non-smoker. Premium rates also take into account the level of cover and the optional benefits you choose and appropriate government charges.</p> <p>Premium rates allow for the cost of insurance and our expenses, including commission payable to a financial adviser by AIA Australia. A table of premium rates is available on request.</p> <p>The minimum premium is \$300 per year per Policy, inclusive of any discounts, loadings, policy fees and stamp duty. We will let you know your premiums before we issue your Policy and before you become a member of the Scheme, as applicable.</p> <p>The premium applicable to your Policy is input taxed for the purposes of GST. You do not have to pay GST on your premiums or on any benefits you receive.</p> <p>See Section 11.2 for detailed information about premiums, including premium structures and payment methods.</p>	<p><b>AIA Priority Protection PDS V27 – Page 172</b></p> <p><b>11.1 Fees and Charges</b></p> <p><b>Premiums</b></p> <p>The total regular premium you pay for your insurance cover is calculated by applying our premium rates (i.e. the base price we charge for the cover we provide) to your individual profile.</p> <p>Your profile includes the following:</p> <ul style="list-style-type: none"> <li>• your age, sex, occupation, state of health, and whether you are a smoker or non-smoker;</li> <li>• the type and amount of cover that applies under your policy, including any optional benefits you choose;</li> <li>• any premium discounts that apply to your policy; and</li> <li>• the government charges and taxes that apply to your policy (such as stamp duty).</li> </ul> <p>Even if we do not or cannot change our premium rates (because, for example, a rate guarantee applies), the total regular premium you pay for your policy will change to reflect a change in your age (but only where Stepped Premiums or the Stepped Premium phase of the Optimum premium structure, apply), the type and amount of your cover or the premium discounts or government charges and taxes that apply to your policy.</p> <p>Premium rates allow for the cost of insurance and our expenses, including commission payable to a financial adviser by AIA Australia. A table of our premium rates is available on request.</p> <p>The minimum premium is \$300 per year per Policy, inclusive of any discounts, loadings, policy fees and stamp duty. We will let you know your premiums before we issue your Policy and before you become a member of the Scheme, as applicable.</p> <p>The premium applicable to your Policy is input taxed for the purposes of GST. You do not have to pay GST on your premiums or on any benefits you receive.</p> <p>See Section 11.2 for detailed information about premiums, including premium structures and payment methods.</p>

Benefit	Prior to change	After change									
	AIA Priority Protection PDS V26 – Page 172	AIA Priority Protection PDS V27 – Page 172									
	11.1 Fees and Charges	11.1 Fees and Charges									
	Premium rate guarantee	Premium rate guarantee									
	<p>The premium rates under all Plans are guaranteed for a minimum of two years from the commencement of the Policy.</p>	<p>The premium rate tables under all Plans are guaranteed not to increase for a minimum number of years from the commencement of the Policy, as follows:</p>									
	<p>Any increase in a table of Stepped, Level, Optimum or Term Level premium rates will not take effect in respect of a benefit until the second anniversary of the Policy Commencement Date or the next Policy Anniversary following the latest increase in the table of premium rates for that benefit, if later.</p>	<table border="1"> <thead> <tr> <th data-bbox="919 566 1007 589">Policy type</th> <th data-bbox="1086 506 1230 589">Premium rate guarantee period from policy commencement</th> <th data-bbox="1238 544 1505 589">The date any change in premium rates will apply from</th> </tr> </thead> <tbody> <tr> <td data-bbox="919 611 1082 678"><b>Income Protection CORE –5 year and 2 year Benefit Periods</b></td> <td data-bbox="1086 611 1145 633">5 years</td> <td data-bbox="1238 611 1505 723">The fifth anniversary of the Policy Commencement Date or, if later, the Policy Anniversary following the latest increase in the table of premium rates for the benefit.</td> </tr> <tr> <td data-bbox="919 745 1082 857"><b>All other benefits (including Income Protection CORE To Age 65 Benefit Period)</b></td> <td data-bbox="1086 745 1145 768">2 years</td> <td data-bbox="1238 745 1505 880">The second anniversary of the Policy Commencement Date or, if later, the Policy Anniversary following the latest increase in the table of premium rates for the benefit.</td> </tr> </tbody> </table>	Policy type	Premium rate guarantee period from policy commencement	The date any change in premium rates will apply from	<b>Income Protection CORE –5 year and 2 year Benefit Periods</b>	5 years	The fifth anniversary of the Policy Commencement Date or, if later, the Policy Anniversary following the latest increase in the table of premium rates for the benefit.	<b>All other benefits (including Income Protection CORE To Age 65 Benefit Period)</b>	2 years	The second anniversary of the Policy Commencement Date or, if later, the Policy Anniversary following the latest increase in the table of premium rates for the benefit.
Policy type	Premium rate guarantee period from policy commencement	The date any change in premium rates will apply from									
<b>Income Protection CORE –5 year and 2 year Benefit Periods</b>	5 years	The fifth anniversary of the Policy Commencement Date or, if later, the Policy Anniversary following the latest increase in the table of premium rates for the benefit.									
<b>All other benefits (including Income Protection CORE To Age 65 Benefit Period)</b>	2 years	The second anniversary of the Policy Commencement Date or, if later, the Policy Anniversary following the latest increase in the table of premium rates for the benefit.									
	<p>This guarantee does not apply to any standard increases such as age-based or CPI increases, alterations, premium frequency charge increases or reductions in discounts. It also does not apply to a policy that is cancelled and replaced.</p>	<p>This guarantee applies to Stepped, Level, Optimum and Term Level premium rates where applicable.</p>									
		<p>PLEASE NOTE: The premium rate guarantee only applies to the premium rates set out in our tables and does not mean the premium you pay won't change during the guarantee period. Your premium may still change during the guarantee period as a result of various factors. This may include, but is not limited to, the following:</p>									
		<ul style="list-style-type: none"> <li>• Changes to your age</li> <li>• The application of a Benefit Indexation factor</li> <li>• Increases in the Policy Fee</li> <li>• Changes to the government charges and taxes that apply to your Policy (such as stamp duty)</li> <li>• Changes in applicable premium discounts</li> <li>• Changes to your benefits</li> <li>• A change in premium frequency</li> </ul>									
		<p>PLEASE NOTE: If you alter your Policy or cancel your Policy and replace it with another Priority Protection Policy, the premium rate guarantee period does not restart from the date of the alteration or replacement. The start of the premium rate guarantee period will be considered to be the date the original cover commenced</p>									
		<p>If the premium rate guarantee period has not already ended by the date of the alteration or Policy replacement, the premium rate guarantee will continue for any remaining duration from the date of the alteration or Policy replacement.</p>									

Benefit	Prior to change	After change
	<p><b>AIA Priority Protection PDS V26 – Page 172</b></p> <p><b>11.1 Fees and Charges</b></p> <p><b>Changes to fees and charges</b></p> <p>We may vary any premiums, fees and charges with effect from your next Policy Anniversary Date, provided that any such variations are reasonably necessary to protect our legitimate business interests.</p>	<p><b>AIA Priority Protection PDS V27 – Page 173</b></p> <p><b>11.1 Fees and Charges</b></p> <p><b>Changes to fees and charges</b></p> <p>Subject to any premium rate guarantee applicable, we may vary any premiums, fees and charges with effect from your next Policy Anniversary Date, provided that any such variations are reasonably necessary to protect our legitimate business interests.</p>
	<p><b>AIA Priority Protection PDS V26 – Page 174</b></p> <p><b>11.2 Premiums</b></p> <p><b>Changes to your premium rates</b></p> <p>Premium rates can only be altered for all policies in a group; rates may not be altered individually and your Policy cannot be singled out for an increase.</p>	<p><b>AIA Priority Protection PDS V27 – Page 175</b></p> <p><b>11.1 Fees and Charges</b></p> <p><b>Changes to your premium rates</b></p> <p>Premium rates can only be altered for all policies in a group. Premium rates may not be altered individually and your Policy cannot be singled out for an increase.</p>
	<p><b>AIA Priority Protection PDS V26 – Page 165</b></p> <p><b>Under 10.2 General terms and conditions</b></p> <p><b>Replacement Policies</b></p> <p>Please note the following in relation to the cancellation and replacement of an existing Priority Protection policy</p> <ul style="list-style-type: none"> <li>• that references in this PDS (and incorporated by reference material) to commencement, commencement of cover or Commencement Date is, unless otherwise stated, the date cover under the new replacement policy commenced as stated on the Policy Schedule.</li> <li>• that, unless otherwise stated, entry age requirements are only applicable for new cover or cover increases. They are not applicable when replacement policies are being issued.</li> <li>• pre-existing medical conditions at time of replacement are not considered (only pre-existing conditions at time of original application are relevant).</li> <li>• that references in this PDS (and incorporated by reference information) to time of application, in the case of a replacement policy is the date of the original application for the existing policy that is being replaced.</li> </ul>	<p><b>AIA Priority Protection PDS V27 – Page 165</b></p> <p><b>Under 10.2 General terms and conditions</b></p> <p><b>Replacement Policies</b></p> <p>Please note the following in relation to the cancellation and replacement of an existing Priority Protection policy</p> <ul style="list-style-type: none"> <li>• that references in this PDS (and incorporated by reference material) to commencement, commencement of cover or Commencement Date is, unless otherwise stated, the date cover under the new replacement policy commenced as stated on the Policy Schedule.</li> <li>• that, unless otherwise stated, entry age requirements are only applicable for new cover or cover increases. They are not applicable when replacement policies are being issued.</li> <li>• pre-existing medical conditions at time of replacement are not considered (only pre-existing conditions at time of original application are relevant).</li> <li>• that references in this PDS (and incorporated by reference information) to time of application, in the case of a replacement policy is the date of the original application for the existing policy that is being replaced.</li> <li>• the premium rate guarantee period applicable to the replacement policy, will commence from the original commencement date of the cancelled policy (or previously replaced policy where applicable).</li> </ul>

**Benefit****Prior to change****AIA Priority Protection PDS V26 – Page 83****Under Section 7 - Built-in Benefits****7.6 Premium and Cover Pause Benefit****IMPORTANT**

- Both during the Premium and Cover Pause period and any subsequent period after your premiums and cover have recommenced, you will not be eligible to claim for any sickness, injury, specified medical event, death or any other event (including signs, symptoms or diagnosis of such Illness, Injury or condition) that occurred for the first time during the Premium and Cover Pause period.
- A sickness, injury or specified medical event is taken to have happened when:
  - a Medical Practitioner first gave the Life Insured advice, care or treatment or recommended that the Insured Person seek advice, care or treatment for the sickness, injury or specified medical event; or
  - in relation to a health condition, you experienced symptoms which, to a reasonable person, would have indicated the presence of that health condition or the need to seek medical treatment or investigation that would have revealed the presence of that health condition prior to the end of your Premium and Cover Pause period, notwithstanding that you were not in fact aware that you had the health condition.
- You will **NOT** be able to resume cover prior to the end of the agreed Premium and Cover Pause period.

**After change****AIA Priority Protection PDS V27 – Page 83****Under Section 7 - Built-in Benefits****7.6 Premium and Cover Pause Benefit****IMPORTANT**

- Both during the Premium and Cover Pause period and any subsequent period after your premiums and cover have recommenced, you will not be eligible to claim for any sickness, injury, specified medical event, death or any other event (including signs, symptoms or diagnosis of such Illness, Injury or condition) that occurred for the first time during the Premium and Cover Pause period.
- A sickness, injury or specified medical event is taken to have happened when:
  - a Medical Practitioner first gave the Life Insured advice, care or treatment or recommended that the Insured Person seek advice, care or treatment for the sickness, injury or specified medical event; or
  - in relation to a health condition, you experienced symptoms which, to a reasonable person, would have indicated the presence of that health condition or the need to seek medical treatment or investigation that would have revealed the presence of that health condition prior to the end of your Premium and Cover Pause period, notwithstanding that you were not in fact aware that you had the health condition.
- You will **NOT** be able to resume cover prior to the end of the agreed Premium and Cover Pause period.
- Any premium rate guarantee period applicable to your policy, will continue during the premium pause period.

Benefit	Prior to change	After change
	<p><b>AIA Priority Protection PDS V26 – Page 166</b></p> <p><b>Under Section 10 – Important information about your policy.</b></p> <p><b>Lapse and reinstatement of your Policy</b></p> <p>If premiums are not paid within 60 days of the premium due date, your Policy will lapse and your cover will cease. You or the trustee (where applicable) can apply for your Policy to be reinstated after it has lapsed. However, you may be required to provide evidence of continued good health and eligibility prior to reinstatement of your Policy.</p> <p>You will also need to pay any unpaid premiums.</p> <p>Reinstatement can occur within 90 days from the premium due date for the first unpaid premium.</p> <p>After reinstatement without any further medical evidence, the Policy will not cover any event where the symptoms leading to that event were apparent after the Policy lapsed and prior to reinstatement.</p> <p>You may not reinstate a Policy if a Linked Benefit is selected unless the applicable Superannuation Life Cover Plan or Superannuation Income Protection Plan that the Policy is linked to, is also reinstated from the same effective date.</p> <p>If reinstatement relates to cover under a Superannuation Plan a membership application for the Scheme may be required in some circumstances.</p>	<p><b>AIA Priority Protection PDS V27 – Page 166</b></p> <p><b>Under Section 10 – Important information about your policy.</b></p> <p><b>Lapse and reinstatement of your Policy</b></p> <p>If premiums are not paid within 60 days of the premium due date, your Policy will lapse and your cover will cease. You or the trustee (where applicable) can apply for your Policy to be reinstated after it has lapsed. However, you may be required to provide evidence of continued good health and eligibility prior to reinstatement of your Policy.</p> <p>You will also need to pay any unpaid premiums.</p> <p>Reinstatement can occur within 90 days from the premium due date for the first unpaid premium.</p> <p>After reinstatement without any further medical evidence, the Policy will not cover any event where the symptoms leading to that event were apparent after the Policy lapsed and prior to reinstatement.</p> <p>You may not reinstate a Policy if a Linked Benefit is selected unless the applicable Superannuation Life Cover Plan or Superannuation Income Protection Plan that the Policy is linked to, is also reinstated from the same effective date.</p> <p>If reinstatement relates to cover under a Superannuation Plan a membership application for the Scheme may be required in some circumstances.</p> <p>Any premium rate guarantee period applicable to the reinstated policy, will commence from the original commencement date of the lapsed policy (or a previously replaced policy where applicable).</p>
	<p><b>AIA Priority Protection PDS V26 – Page 100</b></p> <p><b>Section 8.4 Waiver of Premium</b></p> <p><b>8.4.4 When cover begins and ends</b></p> <p>The Waiver of Premium benefit will begin on the Commencement Date shown on your Policy Schedule and end at the earliest of:</p> <ul style="list-style-type: none"> <li>• the lapse or cancellation of the benefit or Policy (see Section 10.2)</li> <li>• the lapse or cancellation of the Superannuation Life Cover Plan (where Waiver of Premium benefit is taken as a Superannuation PLUS benefit)</li> <li>• your passing away, or</li> <li>• the Expiry Date of the benefit.</li> </ul>	<p><b>AIA Priority Protection PDS V27 – Page 100</b></p> <p><b>Section 8.4 Waiver of Premium</b></p> <p><b>8.4.4 When cover begins and ends</b></p> <p>The Waiver of Premium benefit will begin on the Commencement Date shown on your Policy Schedule and end at the earliest of:</p> <ul style="list-style-type: none"> <li>• the lapse or cancellation of the benefit or Policy (see Section 10.2)</li> <li>• the lapse or cancellation of the Superannuation Life Cover Plan (where Waiver of Premium benefit is taken as a Superannuation PLUS benefit)</li> <li>• your passing away, or</li> <li>• the Expiry Date of the benefit.</li> </ul> <p>Any premium rate guarantee period applicable to the policy on which premiums are being waived will continue during the waive period.</p>

## 2. Maximum total TPD allowable under an Own Occupation definition, previously stated as \$5m, changed to \$3m

Benefit	Prior to change	After change
<b>Change applicable to all Total and Permanent Disability variants and options</b>	<b>Changes:</b> On the following pages of the AIA Priority Protection PDS content have been amended to reflect that the maximum total TPD allowable under an Own Occupation definition previously stated as \$5m has been changed to \$3m.	
	<b>AIA Priority Protection PDS V26.</b> Page 23 – TPD Page 28 – TPD & Accidental TPD Page 92 – Double TPD Page 129 – Forward Underwriting Page 132 – Business Safeguard Forward Underwriting	<b>AIA Priority Protection PDS V27</b> Page 23 – TPD Page 28 – TPD & Accidental TPD Page 92 – Double TPD Page 129 – Forward Underwriting Page 132 – Business Safeguard Forward Underwriting
	<b>AIA Priority Protection PDS V26 – Page 154</b> <b>9.3.2 How Maximiser works</b> When you purchase Maximiser, it gives you access to enhanced TPD definitions not available within your Superannuation Life Cover Plan. Maximiser gives you access to the enhanced TPD ‘Own Occupation’ definition outside of super and the TPD ‘Any Occupation’ definition inside super and splits the total cost across the two policies. By linking the two definitions inside and outside of super, it means that we only pay the full TPD Sum Insured under one definition (never both). Your claim will first be assessed under the TPD ‘Any Occupation’ definition within super and if this is not met your claim will then be assessed under the TPD ‘Own Occupation’ definition outside of super. Note: under Maximiser the TPD Sum Insured must be the same amount inside and outside of super.	<b>AIA Priority Protection PDS V27 – Page 154</b> <b>9.3.2 How Maximiser works</b> When you purchase Maximiser, it gives you access to enhanced TPD definitions not available within your Superannuation Life Cover Plan. Maximiser gives you access to the enhanced TPD ‘Own Occupation’ definition outside of super and the TPD ‘Any Occupation’ definition inside super and splits the total cost across the two policies. By linking the two definitions inside and outside of super, it means that we only pay the full TPD Sum Insured under one definition (never both). Your claim will first be assessed under the TPD ‘Any Occupation’ definition within super and if this is not met your claim will then be assessed under the TPD ‘Own Occupation’ definition outside of super. Note: under Maximiser the TPD Sum Insured must be the same amount inside and outside of super and cannot exceed \$3m.

### 3. Correction to Section 5.2.3 Partial Disablement (Complimentary Income Protection CORE Extras) wording

Benefit	Prior to change	After change
<b>Income Protection CORE</b>  <b>Partial Disablement (Complimentary Income Protection CORE Extras)</b>	<p><b>Changes:</b></p> <p><b>AIA Priority Protection PDS V26, Page 61</b></p> <p>Occupation Categories – B1, B2, C1, C2 and D</p> <p>If you are:</p> <ul style="list-style-type: none"> <li>• Totally Disabled for at least seven out of 12 consecutive days during the Waiting Period, and</li> <li>• continuously disabled (either Totally Disabled or Partially Disabled) for the balance of the Waiting Period, and</li> <li>• Totally Disabled from the end of the Waiting Period, a Partial Disablement monthly benefit is payable under this policy provided you meet the Total Disablement definition that applies to you under your Income Protection CORE policy at the end of the Waiting Period.</li> </ul>	<p><b>AIA Priority Protection PDS V27, Page 61</b></p> <p>Occupation Categories – B1, B2, C1, C2 and D</p> <p>If you are:</p> <ul style="list-style-type: none"> <li>• Totally Disabled for at least seven out of 12 consecutive days during the Waiting Period, and</li> <li>• continuously disabled (either Totally Disabled or Partially Disabled) for the balance of the Waiting Period, and</li> <li>• Partially Disabled from the end of the Waiting Period, a Partial Disablement monthly benefit is payable under this policy provided you meet the Partial Disablement definition that applies to you under your Income Protection CORE policy at the end of the Waiting Period.</li> </ul>