

Product Summary

July 2018



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FOR LIFE

This is a summary of the main features and terms of the AIA Australia Priority Protection product. For full details, please refer to the AIA Australia Priority Protection Product Disclosure Statement (PDS), Date Prepared 16 December 2017 and Supplementary Product Disclosure Statement (SPDS), Date Prepared 14 July 2018.

Life Cover

Why consider Life Cover?

- It can be used to help settle debt, outstanding loans and other financial costs in the event of death.
- It can pay out a lump sum that can be used to help provide financial security for loved ones when the life insured no longer can.
- It can assist business partners to continue running the business without added capital strain.

Preparing for the unexpected is preparing for life!

The Life Cover benefit and the 5-year and 10-year Term Cover benefits pay a lump sum if the life insured dies or is diagnosed with a Terminal Illness before the benefit expires. The lump sum amount will be paid to the policy owner or nominated beneficiary/ies.

Final Expenses benefit

If the life insured dies before the benefit expires, AIA Australia will make an advance payment of the lesser of 10% of the sum insured and \$25,000 to the policy owner or nominated beneficiary/ies, to assist them in dealing with immediate financial expenses.

AIA Australia will need to see a certified copy of the death certificate before the benefit is paid. Any payments AIA Australia makes under this benefit will be deducted from the Life Cover benefit, 5-year or 10-year Term Cover benefits or Accidental Death benefit.

Complimentary Final Family Expenses

On the death or diagnosis of a Terminal Illness of the life insured's child, a lump sum benefit of up to \$20,000 will be paid.

Family Protection

This optional benefit will pay a lump sum, if the life insured's child suffers one of the listed Crisis Events up to the full Family Protection Sum Insured amount. Please refer to the current AIA Australia Priority Protection PDS for further details on this benefit.

Financial Planning Reimbursement benefit

If a claim is paid for death or Terminal Illness, AIA Australia will reimburse the policy owner or nominated beneficiary/ies, the cost of obtaining advice (up to a maximum of \$3,000) from one or more financial planners. This advice must be in relation to how the claim proceeds should be managed or invested.

Guaranteed Future Insurability benefit

If the life insured experiences a 'personal event' or a 'business event' before the latest policy anniversary prior to age 55, the life insured will be eligible for the Guaranteed Future Insurability benefit. This allows the life insured to apply for increases in the Life Cover or Life Cover and Total and Permanent Disablement rider sum insured without supplying further evidence of health or insurability. The 'personal events' and 'business events' covered and conditions applying are explained in the current Priority Protection PDS.

School Fees Protector

If the life insured becomes totally and permanently disabled, terminally ill or dies (as applicable), this benefit will reimburse the life insured's children's school fees, up to \$8,000 a year per child, for primary school and \$16,000 a year per eligible child, for secondary school.

Total and Permanent Disablement (TPD)

If the life insured has an accident or illness resulting in his or her total and permanent disablement, the TPD benefit can pay a lump sum benefit which can be used to replace any future income that is lost, to settle debt or to pay for lifestyle adjustments such as wheelchairs, ramps and manual car controls. The TPD benefit will pay a benefit if the life insured is unable to perform their own occupation, any reasonably suited occupation or any work at all, dependent on which definition is chosen; Own Occupation, Any Occupation, All Duties or Home Duties.

This benefit also provides a partial benefit if the life insured suffers the permanent loss of use of:

- one arm, or
- one leg, or
- sight in one eye.

In addition, AIA Australia also offers **Accidental Total and Permanent Disablement** which will pay a benefit if the life insured is unable to perform any reasonably suited occupation or Home Duties, dependent on which definition is chosen.

Universal Total and Permanent Disablement is also available for non-workers and part-time workers.

Double Total and Permanent Disablement and **Double Universal Total and Permanent Disablement** are other TPD options available. Following a full TPD claim the Life Cover Sum Insured will not be reduced and future premiums on the Life Cover (full premium) will be waived or refunded until the the policy anniversary prior to the 55th or 65th birthday (depending on occupation category).

Please refer to the current Priority Protection PDS for further details on this benefit.

Crisis Recovery

Why consider Crisis Recovery?

- Crisis events such as heart attack, stroke and cancer can happen to anyone unexpectedly.
- Physical impairments, such as the loss of use of arms, legs or eyes, could change a person's lifestyle completely.
- When an unpredictable event happens, there is an immediate need for financial help.

Making sure that when lifestyle adjustments need to be made, there is cover

The Crisis Recovery and Double Crisis Recovery benefits will pay a lump sum if the life insured is diagnosed within the terms of the policy definitions, with one or more of the conditions listed in the Crisis Event groups following:

- Cancer Events
- Coronary Events
- Other Serious Crisis Events.

Crisis Recovery can be purchased as a:

- Stand alone benefit, and /or
- Rider benefit under the Life Cover benefit.

If the rider benefit is selected, the sum insured must not be more than the sum insured of the Life Cover benefit.

Additionally, any claim payment made under the Crisis Recovery rider benefit will reduce the sum insured under the Life Cover benefit.

For example:

Joe purchases \$1,000,000 of Life Cover benefit and \$600,000 as a Crisis Recovery rider benefit. If Joe makes a claim under his Crisis Recovery benefit, after paying Joe his Crisis Recovery claim of \$600,000, his Life Cover sum insured will reduce by \$600,000 leaving him with \$400,000 of Life Cover.

Following a full Double Crisis Recovery claim, the Life Cover sum insured will not be reduced and future premiums on the Life Cover (full premium) will be waived or refunded until the expiry of the benefit.

Male Cancer

The Crisis Recovery benefit will provide 100% of the sum insured, up to a maximum of \$500,000, for malignant prostate cancers classified as T1a (or its equivalent). The full Crisis Recovery benefit sum insured will be paid for all types of malignant cancers classified as T1b or greater.

Financial Planning Reimbursement

If a claim is paid for the full Crisis Recovery, Crisis Recovery Stand Alone, or Double Crisis Recovery benefits, AIA Australia will reimburse the policy owner the cost (up to a maximum of \$3,000) of obtaining advice from one or more financial planners. This advice must be in relation to how the claim proceeds should be managed or invested.

Death Cover

If the Crisis Recovery Stand Alone benefit is selected, AIA Australia will pay the policy owner or nominated beneficiary/ies, up to \$5,000 on death of the life insured if no benefit was payable for a crisis event.

Partial benefits payable under Crisis Recovery

- Carcinoma in Situ:
 - Female Cancers (vagina, ovary, vulva, fallopian tube and cervix-uteri)
 - Breast
 - Male Cancers (penis and testicle)
- Skin Cancer
- Benign Brain Tumour
- Coronary Artery Angioplasty
- Loss of use of one hand/foot/sight in one eye
- Chronic Diagnosis Advancement
- Rheumatoid Arthritis

Please refer to the current Priority Protection PDS for the full list of partial crisis events covered and the amounts paid.

Chronic Diagnosis Advancement benefit

A Chronic Diagnosis Advancement benefit provides an advanced payment of 25% of the Crisis Recovery, Crisis Recovery Stand Alone or Double Crisis Recovery sum insured (maximum \$25,000). This payment will be made if the life insured suffers or is diagnosed with Motor Neurone Disease, Multiple Sclerosis, Muscular Dystrophy or Parkinson's Disease but have not yet met the definition of that crisis event.

Complimentary Family Protection Recovery benefit

If the life insured's Child is aged at least two years and younger than 18 years at the time of positive diagnosis, AIA Australia will pay a lump sum benefit up to \$20,000 under the Crisis Recovery, Crisis Recovery Stand Alone or Double Crisis Recovery benefits, if the life insured's Child is diagnosed with one or more of the serious listed crisis events or if the life insured's Child dies. This benefit covers all of the life insured's Children.

Only one payment will be made per Child, regardless of the number of policies that cover the Child.

Please refer to the current Priority Protection PDS for the full list of crisis events covered.

The following rider benefit is available under Crisis Recovery at an additional cost:

Crisis Reinstatement

One year following a claim payment for a crisis event under the Crisis Recovery rider benefit, the life insured has the opportunity to re-purchase 100% of the Crisis Recovery sum insured without additional loadings. If the Crisis Recovery Stand Alone benefit is selected, the life insured may repurchase the Crisis Recovery Stand Alone sum insured after 30 days from the date that the claim was paid.

This re-purchased sum insured excludes coverage on the crisis event already claimed on. It also excludes any future claims on the crisis events Loss of Independence and Terminal Illness.

The following rider benefit is available under Total and Permanent Stand Alone, Crisis Recovery Stand Alone benefit and under a rider benefit to Total and Permanent Disablement under Crisis Recovery Stand Alone:

Life Cover Purchase

After 100% of a Total and Permanent Disablement Stand Alone benefit claim or Crisis Recovery Stand Alone benefit claim or Total and Permanent Disablement rider claim under the Crisis Recovery Stand Alone benefit (where selected) has been paid, the life insured has the option to purchase Life Cover without further medical underwriting up to the sum insured of the claim payment after the first anniversary of the date their claim was paid.

Forward Underwriting

Why consider the Forward Underwriting benefit?

Forward Underwriting allows the life insured to use his or her state of health at the time of policy application to secure the option to buy cover in the future, with no further medical underwriting for Life Cover, Crisis Recovery and Total and Permanent Disablement benefits. The policy owner can select any amount of Forward

Underwriting cover between \$100,000 and \$10 million (Total and Permanent Disablement and Crisis Recovery cover is available up to \$5 million and \$2 million respectively, depending on occupation categories). The policy owner can exercise the option to buy cover without further evidence of health when a 'business event', 'personal event' or 'other event' has occurred. The amount of Forward Underwriting cover that can be exercised is dependent on the type of event that has been experienced.

Business Safeguard Forward Underwriting

The optional Business Safeguard Forward Underwriting benefit allows the customer to use the life insured's state of health at the time of policy application to secure the option to buy cover in the future when a 'business event' has occurred.

The policy owner can select any amount of Business Safeguard Forward Underwriting cover between \$100,000 and \$10 million (Total and Permanent Disablement and Crisis Recovery cover is available up to \$5 million and \$2 million respectively, depending on occupation categories).

Income Protection

Why consider Income Protection?

- To provide an income when the life insured cannot earn one because of becoming disabled or severely ill.
- To ensure that business continuity is catered for even when the owner can no longer run the business.

Get paid an income – even when one cannot be earned!

The Income Protection and Income Protection Essentials benefits will provide a monthly income if the life insured becomes disabled solely due to injury or sickness. The Income Protection Accident Only benefit will provide a monthly income if the life insured becomes disabled solely as a result of an accidental injury only. These benefits are guaranteed renewable as long as the premium is paid. The cover will continue each year until the expiry date of the benefit regardless of changes in health, occupation or pastimes.

These benefits are available on an agreed value, indemnity or extended indemnity basis. Agreed value means that the insured monthly benefit is agreed with the policy owner at time of application and is based on the life insured's income at that time. Indemnity means that the benefit paid at time of claim is based on the life insured's income at time of claim. In addition, the extended indemnity benefit allows you to choose your best consecutive 12 months over the three years prior to disablement. All income must be verified at time of claim, if not verified earlier.

This benefit provides no offsets to the insured monthly benefit for white collar professionals and medical professionals (A1, A2 or M occupation) with regard to worker's compensation payments or motor accident claims.

A 'to age 70' benefit period is available for Occupation Categories A1, A2, M, A3 & A4.

Terminal Illness

If the life insured is receiving a benefit under the Income Protection Plan and is diagnosed with a Terminal Illness before the Expiry Date of the benefit we will pay a forward payment of the Death Benefit.

Death benefit

If the life insured dies before the expiry date of the benefit AIA Australia will pay a death benefit of six times the insured monthly benefit up to a maximum of \$60,000.

Involuntary Unemployment Waiver of Premium

If the life insured becomes involuntarily unemployed (and suitable evidence is provided to us), premiums will be waived or refunded for a period of up to three months. Cover will not cease during this period.

Guaranteed Future Insurability benefit

Whenever the life insured's salary package increases the Guaranteed Future Insurability benefit provides an option to increase the insured monthly benefit up to \$2,500, without medical underwriting. This is restricted to employees only, i.e. a self-employed person is unable to exercise this benefit.

Optional Benefits

Carer's Allowance benefit

Where the life insured is required to give up work to look after their child on a full time basis, this benefit will pay up to \$2,000 a month for up to six months.

Retirement Optimiser

Pays an additional 5% of the life insured's average monthly income to the life insured's superannuation fund for Superannuation contributions while an Income Protection benefit is being paid.

Advantage Optional benefit and PLUS Optional benefit

Specified Injury benefit

Pays the insured monthly benefit for up to 60 months for a listed event under paralysis, loss or partial loss of various limbs and fracture of various bones due to injury.

Total Disablement and Partial Disablement – Multi Definition

If the life insured becomes Totally Disabled or Partially Disabled, they will be assessed under the three tiered 'Multi' definition of duties, time and/or income. The life insured will be assessed as being totally disabled if he or she is:

- 1 unable to perform one or more of the important income producing duties in their usual occupation, or
- 2 not working more than 10 hours per week in their usual occupation, or
- 3 earning 20% or less of their Pre-disablement Income in their usual occupation.

Only one of the three criteria needs to be met.

PLUS Optional benefit

No Claim Bonus

If a claim is not made for at least three years after purchasing the PLUS Optional benefit, the life insured will be rewarded in the form of an increased insured monthly benefit, at no additional

cost. The following table outlines the increase to the insured monthly benefit according to the number of claim-free years.

Claim-free years	Bonus
3	5%
4	10%
5	15%

The increased benefit will be paid for up to 12 months while claim payments are being made. AIA Australia will only pay this benefit once during the life of the policy.

Crisis Recovery benefit

Upon confirmation by us of the diagnosis of any of the 42 listed crisis events in terms of the policy definition by a medical practitioner, AIA Australia will pay a lump sum benefit equal to six times the insured monthly benefit. The Crisis Recovery benefit is payable more than once for unrelated Crisis Events during the term of the Income Protection PLUS Optional benefit.

Severity Benefit

If the life insured has been on claim for more than six consecutive months after the end of the Waiting Period, and at that time the life insured is totally disabled to the extent that he or she is unable to perform at least two of the Activities of Daily Living and is under the continuous care and supervision by another adult, AIA Australia will pay an additional 1/3 of the insured monthly benefit (up to a combined maximum of \$30,000) until the end of the benefit period as long as the life insured continues to be totally disabled to the extent that they are unable to perform at least two of the Activities of Daily Living.

Income Protection Essentials

Provides cover for home makers and part-time workers.

Business Expenses

The Business Expenses benefit is specifically designed for self-employed individuals (employed full-time) who need to ensure that the fixed expenses of their business or practice will still be paid even if they cannot work due to injury or sickness. The benefit covers business expenses less any amounts reimbursed from elsewhere.

To be eligible for this benefit, the life insured's occupation must be acceptable to us as a self-employed practitioner; whether alone, in partnership with others, or a working director. This benefit can be purchased on its own under the Business Expenses Plan, or together with the Income Protection benefit. This benefit is not able to be purchased in combination with the Income Protection Accident Only or Income Protection Essentials benefits.

Extension of benefit period

If at the end of the benefit period the life insured remains totally disabled and the total benefit paid is less than 12 times the insured monthly benefit, payments will continue subject to the earliest to occur of the:

- payment of 12 times the insured monthly benefit;
- expiry of a further 12 months;
- cessation of the total disablement; or
- expiry date of the benefit.

Incorporated Business Expenses

The Incorporated Business Expenses benefit is specifically designed for business owners (i.e. partners or shareholders who are employed full-time in the business) who need to ensure that the fixed expenses of their business or practice will still be paid even if they cannot work due to injury or sickness.

This plan is owned by the business entity (i.e. partnership or company) with the business owner as the life insured.

The Incorporated Business Expenses benefit will pay an agreed value amount for the first 12 months that the life insured is disabled and will pay an indemnity amount for a further 12 months should the life insured continue to be disabled.

Term Level premium

Our Term Level premium pattern is a unique and flexible way to pay insurance premiums. The Term Level premium pattern provides the predictability of a level premium for an initial term of 5, 10 or 15 years before the premium pattern defaults to stepped. All benefits purchased on a Term Level premium pattern will receive a loyalty discount at the end of the initial term.

When compared to level premiums, Term Level premiums could provide significant savings dependent on the client's situation and cover chosen. For example, John, a 45 year old Accountant, may save 57%* on his Life and TPD premiums over a 5 year term.

In addition to savings over the selected term, clients will also enjoy cumulative premiums that are always lower than cumulative stepped premium.

Insurance through Superannuation

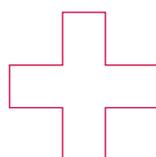
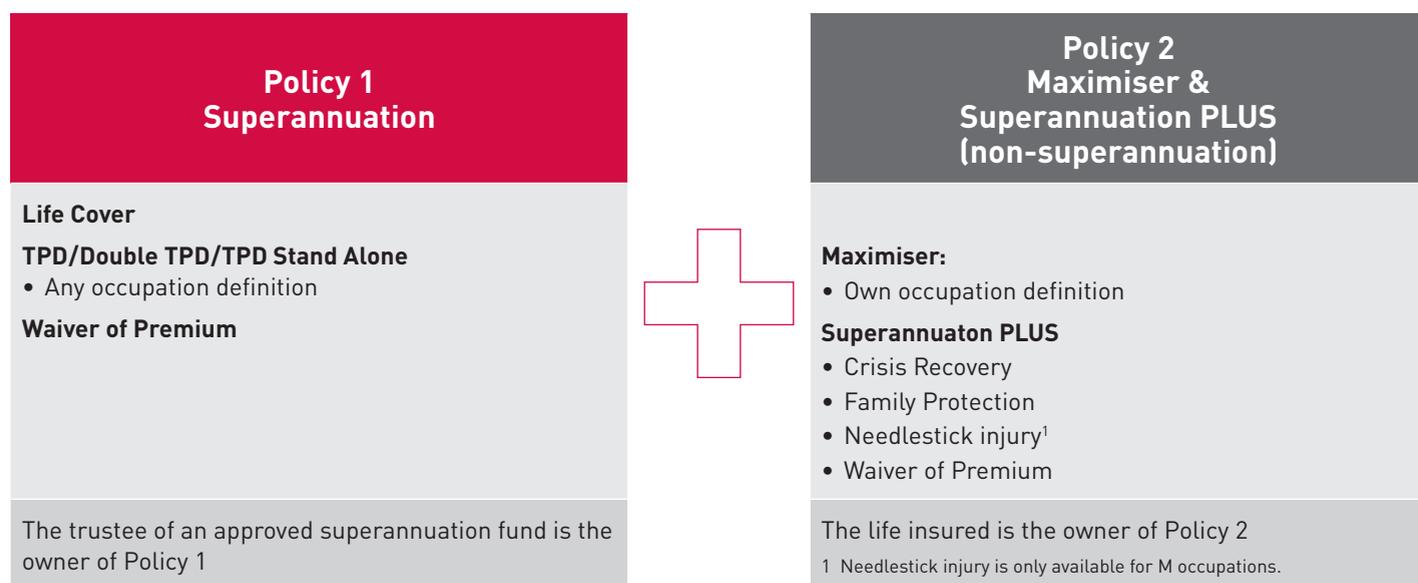
Superannuation Life Cover and Superannuation Income Protection Plans

As the following diagrams illustrate, AIA Australia's Superannuation Life Cover Plan and Superannuation Income Protection Plan provide the life insured with the flexibility to link their Superannuation Life Cover and Superannuation Income Protection benefits to non-superannuation benefits via Superannuation PLUS, Maximiser and Super Extras with ownership of these benefits split between super and non-super.

Superannuation Life Cover

Allows a Life Cover benefit that is held within a superannuation environment to link Total and Permanent Disablement and Crisis Recovery benefits outside of the super environment. The Total and Permanent Disablement and Crisis Recovery benefits are issued in the life insured's name and structured outside of the superannuation environment. This way, if the life insured suffers a listed crisis event, AIA Australia will pay the lump sum claim amount to the life insured directly. The Life Cover sum insured under the Superannuation Life Cover Plan will be subsequently reduced by the same claim amount.

This flexibility allows the Life Cover and Total and Permanent Disablement (TPD) premiums to be paid from a SMSF or the AIA Insurance Super Scheme No2; and the Crisis Recovery and/or Total and Permanent Disablement premiums to be paid outside of super by the life insured (i.e. direct debit, credit card or BPAY).



*Scenario is based on a comparison of level 'to age 65' and Term Level quoted yearly premiums as at 14 July 2018 for a 45 year old male, non-smoker, 'A1' occupation category purchasing \$1,000,000 of Life Cover with linked TPD (Own Occupation) cover on a 5 year initial term. Calculation includes VIC stamp duty and policy fee.

Superannuation Income Protection

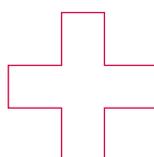
Super Extras is a linked rider benefit to the superannuation Income Protection and superannuation Income Protection Accident Only benefits.

Super Extras will provide the life insured with a non-superannuation version of each benefit they have selected under the Superannuation Income Protection Plan (including Retirement Optimiser, Claim Escalation and Day 1 Accident optional benefits).

Income Protection benefits that cannot be paid under the Superannuation Income Protection Plan because they do not satisfy a permitted condition of release may be paid outside of the superannuation environment via Super Extras direct to the life insured.

The Superannuation Income Protection Plan allows ownership and premium payment by either an SMSF or the AIA Insurance Super Scheme No2 and the Super Extras premium to be paid and owned outside of super by the life insured (i.e. direct debit, credit card or BPAY).

Policy 1 Superannuation	Policy 2 Super Extras (non-superannuation)
<p>Income Protection</p> <p>Day 1 Accident</p> <p>Claim Escalation</p> <p>Retirement Optimiser</p>	<p>Advantage Optional*</p> <ul style="list-style-type: none"> • Multi Definition for Total Disablement • Multi Definition for Partial Disablement • Specified Injury benefit <p>PLUS Optional*</p> <ul style="list-style-type: none"> • Multi Definition for Total Disablement • Multi Definition for Partial Disablement • Specified Injury benefit • Crisis Recovery benefit • Bed Confinement benefit • Accommodation benefit • Family Care benefit • Home Care benefit • No Claim Bonus • Relocation benefit • Rehabilitation Incentive benefit • Guaranteed Future Insurability <p>Income Protection Lump Sum*</p> <p>Carer's Allowance</p>
<p>The trustee of a superannuation fund is the owner of Policy 1</p>	<p>The life insured is the owner of Policy 2</p>



*Not available under the Income Protection Accident Only benefit.

This is a summary only.

Full descriptions of benefits are outlined in the current Priority Protection PDS available at AIA.COM.AU

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