

PRIORITY PROTECTION PRODUCT SUMMARY

For Advisers

August 2022



HEALTHIER, LONGER,
BETTER LIVES

This is a summary of the main features and terms of the AIA Australia Priority Protection and Priority Protection for Platform Investors product. For full details, please refer to the AIA Australia Priority Protection Product Disclosure Statement and Policy Document (PDS), Date Prepared 14 August 2022.

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 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.

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 PDS.

Repayment Relief

Repayment Relief is available as a linked rider benefit under Life Cover, TPD Standalone or Universal TPD Standalone held through a separate policy as a separate contract of insurance. If the life insured becomes Involuntarily Unemployed, AIA Australia will pay their Minimum Monthly Home Loan Repayments for up to three months up to a maximum of \$7,500 per month. Involuntary Unemployment can be claimed up to four times during the life of the policy and premiums are waived while the benefit is being paid.

In addition to this, a death or Terminal Illness benefit of three times the sum insured is paid if the life insured dies or becomes Terminally Ill.

Counselling Benefit

Where we pay the Total and Permanent Disablement lump sum under your Double Total and Permanent Disablement benefit, we will pay \$200 for each session of grief counselling you and/ or an Immediate Family Member subsequently attend, up to a maximum total value of \$1,200 per Life Insured.

Accommodation Benefit

Where we pay the Total and Permanent Disablement lump sum under your Double Total and Permanent Disablement benefit, we will reimburse the accommodation costs incurred by your Immediate Family Members whilst you are confined to a bed more than 100 km from your usual place of residence (up to \$250 per day for up to 30 days).

TPD Cover

Why consider Total and Permanent Disablement (TPD) Cover?

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 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.

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 or Spinal Cord Tumour
- Coronary Artery Angioplasty
- Loss of use of one hand/foot/sight in one eye
- Chronic Diagnosis Advancement
- Rheumatoid Arthritis

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

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

Crisis Reinstatement

Crisis Reinstatement automatically reinstates the Crisis Recovery Sum Insured that is reduced after the payment of a full Crisis Recovery claim or a restricted benefit for the diagnosis of Prostate Cancer. The Crisis Recovery Sum Insured is reinstated on the date 12 months after the payment of a Crisis Recovery Rider Benefit claim, or 30 days after the payment of a Crisis Recovery Stand Alone claim.

This reinstated 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.

Crisis Extension

The Crisis Extension benefit will pay a lump sum in addition to the Crisis Recovery benefit if the life insured is diagnosed, within the terms of the policy definitions, with one of the conditions listed as a Crisis Extension Event.

Crisis Extension Events are medical conditions that have progressed or deteriorated from the initial diagnosis, or are more serious conditions. Some Crisis Extension Events are also Crisis Events (under Crisis Recovery) with additional criteria within each definition that reflect this.

You may meet the definition of both a Crisis Event (under Crisis Recovery) and a Crisis Extension Event, in which case both benefits would be payable.

Alternatively, you may first meet the definition of a Crisis Event (under Crisis Recovery) and receive a Crisis Recovery benefit and, if your condition progresses or deteriorates, you may later meet the definition of the Crisis Extension Event and receive the Crisis Extension benefit.

The following rider benefit is available under Total and Permanent Disablement 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?

Income Protection helps to protect your client's greatest asset – their ability to earn. If they are unable to work due to a sickness or disability, Income Protection can provide them with a monthly benefit to help manage their ongoing financial obligations.

Income Protection can also offer access to a range of support services aimed at supporting your client's recovery and, where possible, their return to work.

Income Protection CORE

Income Protection CORE can provide your clients with a monthly income of up to \$30,000 per month¹, if they become Totally or Partially Disabled solely due to Sickness or Injury.

You can select from a range of benefit options providing you with a monthly payment of up to a maximum of 70% of your actual income in the 12 months prior to your claim.

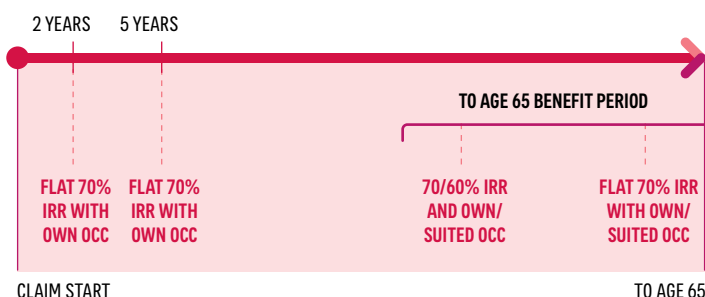
Options include:

- 2 year benefit period – offering a flat 70% income replacement and Own Occupation for duration of your claim
- 5 year benefit period – offering a flat 70% income replacement and Own Occupation definition for duration of your claim

To Age 65 there are two benefit period options available;

- Flat 70% income replacement with an Own Occupation definition transitioning to Suited Occupation after 24 months on claim, or
- 70% income replacement tiering to 60% and Own Occupation transitioning to Suited Occupation definition after 24 months on claim.

Disability is assessed with reference to you client's ability to perform the Material and Substantial duties of their Own or Suited occupation.



The benefit will start to be paid after the end of the selected 30, 60 and 90-day or 2-year waiting period and payments will continue until your client is no longer Totally Disabled or Partially Disabled, the end of the Benefit Period or when the insurance cover ends, whichever comes first.

Cover is provided on an Indemnity basis which means that the maximum benefit paid at the time of the claim will typically² be based on the life insured's income in the 12 months immediately preceding the date of the disability.

The monthly benefit paid will be the lesser of the selected Sum Insured or 70% of your client's Pre-Disablement Income in the first 24 months of the claim period, then 60% thereafter. This benefit will also be reduced by the value of any ongoing income or benefits received in relation to the disability.³

Your Client can continue to work and continue to receive an Income Protection CORE Partial Disablement Benefit subject to them not earning more than 80% of their Pre-Disablement Income. To support and encourage a return to work during this period, we will reduce the proportion of any ongoing Income offset from the benefit from 100% to 70%.⁴

After 24 months of claim, your Client must also be incapable of working the lower of 40 hours or 80% of pre-incapacity hours to continue to be eligible for Partial Disablement Benefit.

These benefits are guaranteed renewable as long as the premium payments are up to date. The cover continues each year until the expiry date of the cover regardless of changes in your client's occupation or pastimes.

Income Protection Core is available under an Ordinary or Superannuation plan.

In addition to Total and Partial Disablement benefits this policy also includes the following benefits:

5 Year-Rate Guarantee

Your client can enjoy greater certainty of future premiums with our 5-year rate guarantee available on the 2-year and 5-year benefit period options.

Benefit Indexation

Automatically increases the Sum Insured each year by the level of the CPI Increase and adjusts the premium accordingly.

Salary Increase Benefit

This benefit allows your clients to increase their Insured Monthly Benefit by 15% up to a maximum of \$2,500 when their salary permanently increases, without providing further evidence of their health or insurability.

¹ Maximum allowable under all income protection held with AIAA and other insurers

² In certain circumstances the Pre-Disablement Income may be calculated differently. Please refer to the PDS for full details.

³ Please refer to PDS for full details.

⁴ For TA65 policies transitioning to 60% income replacement after 2 years on claims, the proportion of ongoing income offset will also reduce to 60%.

Recurrent Disablement

If, after payment of a disability benefit, you Client returns to paid, full pre-disability duties and hours and a disablement due to the same or related cause reoccurs within 12 months, we will recommence payments on the same claim without a further Waiting Period.

Rehabilitation Expenses benefit

Pays the cost of your client's participation in a pre-approved Occupational Rehabilitation Program that is part of a structured return to work program and is necessary to assist in their rehabilitation back to work. We must approve the program prior to your client's participation.

Involuntary Unemployment Waiver of Premium

If your client becomes involuntarily unemployed), premiums will be waived or refunded for a period of up to three months. The Involuntary Unemployment needs to have occurred within three months of a request to utilise this benefit and suitable evidence needs to be provided. We will only provide this benefit once in any 12-month period.

Complimentary Interim Accidental Income Protection Cover

Pays a monthly benefit outside superannuation of up to \$10,000 for up to six months after the proposed Waiting Period in the event your client becomes Totally Disabled due to an Accidental Injury whilst we are assessing their application. This cover applies for up to 90 days from the date of the signed application and is cancelled at 90 days or when the policy completes which ever is the earliest.

Needlestick Injury (Occupation Category M only)

Pays a benefit if your client's earnings are reduced due to them being accidentally infected with HIV, AIDS or Hepatitis B or C resulting from a needlestick or splash injury whilst performing duties of their normal occupation.

Elective Surgery

Pays a monthly benefit if you remain Totally Disabled after the Waiting Period due to cosmetic surgery, elective surgery, or as a result of surgery to transplant an organ or bone marrow into another person. A six-month qualifying period applies.

Optional Benefits:

Income Protection CORE can be purchased as Stand Alone cover with the following optional cover for an additional premium:

Claims Escalation

Claim Escalation allows for your client's claim payments to be increased each year in line with the Consumer Price Index Increase (CPI Increase).

Retirement Protector

With Retirement Protector, you Client can insure up to the current rate of the Employer Statutory Contribution rate (10% as of 1 July 2021) of their average monthly Income. When we pay a Total Disablement or Partial Disablement benefit under Income Protection CORE, we will also pay a Retirement Protector benefit into a nominated superannuation account.

This can help to replace or complement any previous retirement planning arrangement which has ceased or has been compromised by your Client's disability.

Please note: Several of the above benefits are provided through a Complimentary Income Protection CORE Extras policy provided to all insured under an Income Protection CORE policy. Please refer to the Product Disclosure Statement (PDS) for full details on Income Protection CORE and Income Protection CORE Extras.

Important information relating to the alteration of existing AIA Priority Protection Income Protection and Income Protection Accident Only policies

AIA Priority Protection Income Protection and Income Protection Accident Only policies are not open to new business following the implementation of the APRA IDII Guidelines in September 2021.

However, existing AIA Priority Protection customers who already hold these benefits are still able to make changes to these policies including canceling and replacing their existing policy and replacing it with a new equivalent policy where an alteration to the existing policy is not available.

Detailed information on the replacement of existing Priority Protection Income Protection and Income Protection Accident Only plans is available in Section 5.3 of the Priority Protection Product Disclosure Statement and Sections 16 to 18 of the associated incorporated by reference material. This information can be accessed on the [AIA Australia website](#).

Please note this information is not relevant to the cancel and replacement of any other AIA Priority Protection benefits including Income Protection CORE.

Business Expenses Cover

Why consider Business Expenses insurance cover?

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

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

Extension of benefit period

The Benefit Period is 12 months from the end of the Waiting Period.

The maximum payable is 12 times the insured monthly benefit.

If, at the end of the benefit period, your client 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 in total of 12 times the insured monthly benefit;
- expiry of a further 12 months;
- cessation of the Total Disablement (Business Expenses) benefit; or
- expiry date of Business Expenses cover.

Premium and Cover Pause

To support instances of financial hardship, all Priority Protection policyholders with eligible policies can apply for their policy's premiums (including policy fee) and cover to be temporarily suspended for a period of 3, 6 or 12 months in certain circumstances.

The maximum, total cumulative pause period available is 12 months per policy (including pause periods utilised under a policy replaced with the existing policy). Cover cannot be reinstated during an agreed paused period.

For full details of the Premium and Cover Pause Benefit, please refer to the PDS.

Insurance through Superannuation

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 and Maximiser and for Income Protection CORE via a Complimentary Income Protection CORE Extras policy, with ownership of these benefits split between super and nonsuper.

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).

Policy 1: Superannuation	Policy 2: Maximiser Superannuation PLUS and Repayment Relief (non-superannuation)
Life Cover	Maximiser
TPD/Double TPD/TPD	<ul style="list-style-type: none"> • Own occupation definition
Stand Alone	Superannuation PLUS
<ul style="list-style-type: none"> • Any occupation definition 	<ul style="list-style-type: none"> • Crisis Recovery • Crisis Extension • Family Protection • Needlestick injury¹ • Waiver of Premium • Elective surgery
Waiver of Premium	Repayment Relief
The trustee of an approved superannuation fund is the owner of Policy 1	The life insured is the owner of Policy 2

1. Needlestick injury is for Occupation M only.

Superannuation Income Protection

A small number of Income Protection benefits offered are provided through a Complimentary Income Protection CORE Extras policy.

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 the Complimentary Income Protection CORE Extras policy, direct to the life insured.

Complimentary Income Protection CORE Extras is a separate policy owned by the person who is the life insured under the Income Protection CORE policy.

Please refer to the Product Disclosure Statement (PDS) for full details on Income Protection CORE and Complimentary Income Protection CORE Extras.

Policy 1: Superannuation	Policy 2: Complimentary Income Protection CORE Extras
Income Protection CORE	Payment of benefits when not gainfully employed on the date of disablement
Claim Escalation	
Retirement Protector	
The trustee of an approved superannuation fund is the owner of Policy 1	The life insured is the owner of Policy 2

This is a summary only.

Full descriptions of benefits are outlined in the PDS available at aia.com.au or by calling 1800 033 490.

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