

Proposed Transfer of Integrity's Here for You policies to AIA Australia Limited

Adviser FAQs – December 2024

Why is this happening?

In September 2023, Integrity Life Australia Limited (**ILAL**) ceased writing new life insurance policies in the retail advised and corporate group insurance channels and began the process of responsibly transferring its existing policies to other life insurers.

As part of this process, ILAL is proposing to transfer the majority of its retail life insurance policies to AIA Australia Limited (**AIA Australia**), a leading life insurer with a strong presence in Australia and across Asia through a Scheme that requires the confirmation of the Federal Court of Australia under Part 9 of the *Life Insurance Act 1995*.

Both ILAL and AIA Australia believe this transfer is in the interests of policy owners, enabling the transferring ILAL policy owners to benefit from AIA Australia's financial strength, experience, and ongoing commitment to the Australian market.

Our priority throughout this process is to protect policy owner interests and ensure a smooth transition.

What does this mean for policy owners if the Scheme is confirmed?

For all transferring policies other than consumer credit insurance policies:

- If the Court confirms the Scheme, the new insurer of your policy will be AIA Australia from the Transfer Date.
- Transferring Life Policies referable to ILAL's Statutory Fund No.1, will become AIA Australia life policies referable to AIA Australia's Statutory Fund No.1.
- The terms and conditions of these policies will be replaced with the terms and conditions in the AIA Australia "Priority Protection" product disclosure statement and policy document. Collectively, we've sought to minimise the extent of changes by carefully mapping Integrity's policy benefits to AIA Australia's policy benefits.
- You will be issued with a new policy document and policy schedule that identifies your new terms and conditions of cover after the transfer has been completed.
- AIA Australia will administer these policies, manage and pay any claims, and meet all other obligations arising under the policy.
- Any premiums will also be payable to AIA Australia, but you won't have to change your payment arrangements – this will happen automatically.



For transferring consumer credit insurance policies, jointly issued by QBE Insurance (Australia) Ltd (QBE) and LFI Group Pty Ltd (LFI):

- If the Court confirms the Scheme, the new insurer of your policy will be AIA Australia from the Transfer Date.
- Transferring Life Policies referable to ILAL's Statutory Fund No.1, will become AIA Australia life policies referable to AIA Australia's Statutory Fund No.1.
- There will be no change to the terms and conditions of these policies.
- QBE or LFI (where relevant) will continue to administer these policies after the transfer, and AIA Australia will be responsible for managing and paying any claims and meeting all other obligations arising under the policy.

For AIA Australia life policy owners: There is no change to the terms and conditions of your existing AIA Australia policy.

For Integrity's Corporate Group policies and Five+ Group Income and Life Insurance policy owners: These policies will not be part of the Part 9 Transfer.

For Medibank policies and ahm policies issued by Integrity: These policies will not be part of the Part 9 Transfer.

How are policy owner interests being protected?

We're committed to protecting the interests of our policy owners and beneficiaries. As a result, we've conducted a rigorous review and confirmation process, which includes:

- Preparation of actuarial reports prepared by the appointed actuaries of ILAL and AIA Australia, along with an independent actuary.
- Findings that the Scheme will not materially prejudice the interests of ILAL and AIA Australia's policy owners.
- Copies of the actuaries' reports are available to download on our websites at:
 - www.integritylife.com.au/part-9/; and
 - www.aia.com.au/integritypart9.
- AIA Australia's "Priority Protection" policy is a comparable product to the transferring ILAL product. AIA Australia and ILAL have sought to minimise the extent of changes by carefully mapping the existing insurance benefits to AIA Australia's "Priority Protection" insurance benefits.
- The Scheme is subject to confirmation by the Court. In confirming the Scheme, the Court will consider the impact of the Scheme on policy owners, including any adverse impacts.
- Any affected policy owner may attend the hearing at the Court and can request to be heard on the application for confirmation of the Scheme. If you wish to be heard at the hearing, please contact the lawyers for ILAL before the scheduled hearing date of 13/02/2025:
 - ILAL, Hall & Wilcox, Level 18, 347 Kent Street, Sydney NSW 2000 (Tel: 02 8267 3800); or
 - AIA Australia, Ashurst, Level 16, 80 Collins Street, Melbourne VIC 3000 (Tel: 03 9679 3000).

Will the Scheme impact current and future claims or disputes?

For transferring policy owners, the Scheme will not affect:

- active insurance claims or insurance claims under assessment.
- active requests, or complaints submitted.
- claims decisions that are under internal review or in dispute.

Policy owners who are currently on claim or who may make a claim in the future, will be better off as a result of the Scheme because AIA Australia can provide greater financial security for these claims.

How can I help my clients?

If you would like to explore ways to help your clients manage their premiums, here are some options provided by AIA Australia that can be discussed directly with them from the Transfer Date (1 March 2025, unless specified otherwise by the Court):

- Review their cover – it might be a good time to ensure their cover aligns with their current needs.
- Premium discounts with AIA Vitality – By joining AIA Vitality, a personalised, science-backed health and wellbeing program, your clients could receive a discount on their life insurance premiums. The program incentivises them to know their health, improve their health and get rewarded with lower insurance premiums, * discounts and cashbacks on great partners and more. *With eligible policies, terms and conditions apply.

Can policy owners make changes to their product or policy?

To ensure a smooth transition, transferring ILAL policy owners can continue to request changes to their policy:

- Until 10 January 2025, for any requests that require underwriting for example increasing cover or review of a loading or exclusion, subject to all requirements being met.
- Until 10 February 2025, for all other requests, subject to all requirements being met.

Between 11 February 2025 and the Transfer Date, no policy changes will be possible. Following the Transfer Date, policy owners can request policy changes to AIA Australia.

Whilst all efforts have been made to provide policy owners with an equivalent policy under an AIA Australia Priority Protection policy if your clients would like to make changes to their policy, these changes can be made after the 1st of March 2025.

What will happen to my distribution agreements with AIAA & ILAL?

- If you or your licensee do not have an existing distribution agreement with AIA Australia, then AIA Australia will contact you prior to the Transfer Date to establish a distribution agreement – this will commence from early January 2025.
- For licensee's with an existing distribution agreement, on the Transfer Date, your business will automatically transition to the distribution agreement your Licensee has with AIA Australia.
- A new adviser code will be established specifically for the ILAL policies being transferred.
- Commission on these transferred policies will be paid as per the terms of your AIA Australia distribution agreement.
- Your distribution agreement with ILAL will cease on the Transfer Date.

Who pays the commissions leading up to and post the transition?

- Commission earned prior to the transfer will be paid by ILAL.
- Commission earned post transfer will be paid by AIA Australia.

What changes will I see post transfer?

- The commissions for these impacted policies will be included in your AIA Australia commissions statements.
- Any communications related to the impacted policies will be distributed from AIA Australia.
- AIA Australia will administer these policies, manage and pay any claims, and meet all other obligations arising under the policy.
- The terms and conditions of these policies will be replaced with the terms and conditions in the AIA "Priority Protection" product disclosure statement and policy document.
- Policy owners will be issued with a new policy document and policy schedule after the transfer has been completed.
- Policy change requests will be made to AIA Australia directly, via the AIA Priority Protection forms.
- Customers' policy information will be accessible through the AIA Adviser Portal.

Who can I contact for further information?

For information regarding your customers' existing policies – contact Integrity directly on 1300 54 33 66 between 9am and 5pm AEDT, Monday to Friday or via email at hello@integritylife.com.au

For Adviser queries and questions relating to AIA's Priority Protection product or pricing contact AIA Australia directly on 1800 033 490 between 8am and 6pm (AEDT/AEST), Monday to Friday.