

PRIORITY PROTECTION

Helping your clients manage their premiums

For Advisers

September 2024



At AIA Australia (AIAA), our purpose is to make a difference. We do this by providing your clients with certainty and financial security and supporting them when they need us most.

We understand that the current economic conditions continue to be challenging for your clients. Below you'll find information to support your client conversations with options to manage the cost of their Priority Protection premiums and address any affordability concerns that may arise.

Making Policy Changes

There are a number of policy changes that you could make to help your clients retain their valuable life insurance, along with the option to review the sum insured or monthly benefits. The information below outlines some of these options and the potential premium savings for your clients. You can review your client's specific situation in the upcoming anniversaries report available on the [adviser portal](#).

Please note that if your client wants to re-apply for the same benefit or same policy structure that have been altered, it might incur an additional cost or underwriting might be required.

Income Protection alterations (Closed to New Business Series)

The below options apply to Priority Protection Income Protection (closed to new business) and do not apply to our current on-sale Income Protection CORE product.

The below options are examples only and may not apply to your client. You can request a quote specific to your client's situation from AIAA or access our requote tools.

The premium saving percentages are indicative only and will depend on a range of factors and may vary from policy to policy.

Option	Premium saving
Change from To Age 65* to 5 year benefit period	Up to 45%
Change from Agreed Value to Indemnity	Up to 15%
Change from 30 days to 90 days waiting period	Up to 45%
Remove Claim Escalation rider	Up to 15%
Remove PLUS Optional rider	Up to 20%
Remove Advantage Optional rider	Up to 5%
Change from Smoker to Non-smoker	Up to 20%

Disclaimer: These premium saving percentages are calculated based on a To Age 65 benefit period, ages 30–60, Variable age-stepped premiums (also known as stepped premiums), 30-day waiting period and no AIA Vitality membership attached. The premium saving percentages are relative to the premium of the Income Protection benefit being altered.

* To age 65 means to the policy anniversary prior to the life insured turning 65.

Lump Sum alterations

Option	Premium saving
Change TPD definition from Own to Any Occupation	Up to 35%
Replace Double TPD with TPD	Up to 45%
Convert Crisis Recovery to Crisis Extension	Up to 30%
Replace Double Crisis Recovery with Crisis Recovery	Up to 30%
Remove Crisis Reinstatement	Up to 7%
Remove Crisis Buy Back	Up to 6%
Remove TPD Buy Back	Up to 6%
Change from Smoker to Non-smoker	Up to 50%

General alterations

Option	Premium saving
Remove sum insured indexation	Up to 5%
Change premium frequency to semi-annual or annual	Up to 8%

Disclaimer: The premium saving percentages in these tables are based on the premium of the benefit being altered and are calculated based on ages 30-60, Variable age-stepped premiums (also known as stepped premiums) and no AIA Vitality membership attached.

Taking Advantage of Discounts and Rewards

AIA VITALITY

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

When AIA Vitality is attached to your clients' cover, it means the **premium discount** they receive **flexes up or down** depending on the engagement status at each policy anniversary.

Status	Bronze	Silver	Gold	Platinum
Initial Discount	17.5% for Lump Sum [^] , 7.5% for IP			
Premium Flex	-2.5%	-1.25%	-0.0%	+1.0%

The AIA Vitality discount flexes between 0% to 20% for eligible Lump Sum and Income Protection policies.

PLUS, AIA Vitality members can earn rewards of up to \$760 in e-gift cards or cashback for making healthier choices. They also have access to up to 50% off gym memberships, up to 50% cashback on eligible Virgin Australia flights and more.

Read more about [how the AIA Vitality discounts work](#).



BUNDLED DISCOUNT

If your client has a Lump Sum and Income Protection policy with AIAA, they may be eligible to receive a Bundled discount of up to 12.5% on their Lump Sum premiums. If they don't have an Income Protection policy included, they may be eligible for a Lump Sum Bundled discount of 4% on their lump sum premiums.



HEALTH AND LIFE DISCOUNT

Clients who take out an eligible AIA Health policy receive an additional 5% discount on their Priority Protection premium as long as the AIA Health policy has AIA Vitality attached and is in force.



For full details about the availability of the discounts, see the Adviser Guide – Section C.

* With eligible policies.

[^] The 17.5% initial lump sum discount is only available for applications on the 7 December 2019 SPDS and after. Policies issued on the 18 May 2019 PDS and prior will only receive a 12.5% lump sum discount.

[^] means the discount is reduced each year by this amount.

AIA Reporting Tools to Assist with Client Conversations

Propensity to Lapse reporting

Available from your CDM, this report leverages predictive modelling to identify which of your clients have a high likelihood of lapsing. This tool can help you take a proactive and targeted approach to manage policy renewals with your clients.

Upcoming anniversaries report

Download this report from the adviser portal which gives you a snapshot of your clients who have an annual renewal in the next three months. The report shows you what the new premium will be, any changes in discounts such as AIA Vitality, and the premium impact if you change the waiting period, remove CPI increase or add AIA Health.

You can access the report at [Adviser Portal > Reports > Reports > Upcoming Anniversaries Report](#).

To find out more, please contact a member of our team on 1800 033 490.

