

AIA Vitality

Statement of Advice, Record of Further Advice and Positioning Guide for Advisers

May 2024



Adviser use only

This guide relates to:

- advice disclosure requirements and considerations when recommending an eligible AIA Australia life insurance policy with AIA Vitality membership
- how AIA Vitality may interact with an AIA Australia life insurance policy.

This document does not cover potential disclosure requirements if a client holds AIA Health Insurance and you recommend AIA Priority Protection or AIA Priority Protection for Platform Investors. For information on this please refer to the AIA Health Insurance advice document.

AIA Vitality is a health and wellbeing program, encouraging lives insured under eligible AIA Australia policies to get healthier and earn great rewards. Customers with an eligible AIA Priority Protection or Priority Protection for Platform Investor's policy where the life insured also has an AIA Vitality membership may be eligible for premium discounts on their eligible Priority Protection or Priority Protection for Platform Investor's policy.

Please refer to aiavitality.com.au for current details of the program.

Purpose of this Guide

This guide provides template wording that describes the features of certain AIA Australia products and possible recommendations advisers may give. Advisers should exercise their own professional judgement in determining whether particular wording is appropriate in relation to any particular Statement of Advice or Record of Further Advice document for a client.

This guide may be viewed and utilised in conjunction with AIA Australia Statement of Advice Guide for Priority Protection or Priority Protection for Platform Investors as well as the AIA Health advice document.

Advisers remain responsible for preparing and giving their clients a Statement of Advice or Record of Further Advice in accordance with applicable laws and their licensee's requirements, and for the content of those documents. AIA Australia takes no responsibility for reliance by any person on the information provided in this guide.

In addition to considering the regulatory obligations pertaining to these disclosure documents, AIA Australia recommends you refer to your Licensee's policy and/or checking with your compliance team, particularly in those instances where you are offering AIA Vitality to an existing AIA Australia client.

For the most up-to-date information and to view the terms and conditions governing the AIA Vitality Program please refer to aiavitality.com.au

Rules relating to premium discounts where the life insured is an AIA Vitality member are available as mentioned in the relevant PDS and in the Premium Adjustment Rules available from **Adviser Site, the Business Growth Hub (AIA Vitality Handbook) or contact your CDM for more details.**

Suggested Statement of Advice Wording

Executive Summary

If your Statement of Advice (SOA) includes an Executive Summary, you may wish to consider incorporating wording regarding AIA Vitality as follows:

- What your advice covers: in instances where you have specifically drawn out or discussed the client's view/objectives on health and wellbeing (For example: client requested advice as to how their health and wellbeing can benefit their personal insurance.
- My Recommendations: in instances where you have recommended that the client apply for AIA Priority Protection or AIA Priority Protection for Platform Investors insurance and also apply for an AIA Vitality membership
- Key Benefits: depending on the client's objectives you may outline the benefits of AIA Vitality in terms of:
 - affordability/ premium discounting,
 - improving and/or maintaining health,
 - access to ongoing benefits,
 - rewards or access to discounted flights which may link to holiday goals/ objectives and
 - aligns financial planning with supporting health improvement for your clients
 - access to \$500 AIA Vitality Silver Status Reward if you achieve Silver Status within six months of the risk commencement date of the AIA Priority Protection policy or the commencement of the new AIA Vitality membership, whichever is the later

Current Objectives / Needs

Within this section you may outline the client's individual health and wellbeing objectives which are dealt with in the SOA.

Strategy Recommendation

In order to achieve the client's objectives and needs, you will outline your recommendations. Within this you may outline applying for an AIA Vitality membership. Alternatively, you might have a section entitled 'Additional Recommendations' which you may feel is more appropriate to recommend the client applies for AIA Vitality.

Reasons for your Recommendation

This section will outline why you believe the advice is appropriate to the client's relevant circumstances. It should relate back to the client's objectives (such as wanting to receive discounted insurance premiums). It's important to note that insurance premium discounts go to the policy owner whilst AIA Vitality membership is for the life insured.

Things to Consider

If you have recommended AIA Vitality you should notify your client of the following:

AIA Vitality can only be taken out by lives insured under an eligible AIA Australia insurance policy. If the Priority Protection or Priority Protection for Platform Investors application is not completed due to AIA Australia not receiving relevant information or if your Priority Protection or Priority Protection for Platform Investors application is declined by underwriting, the AIA Vitality application cannot proceed.

Within this section you may wish to notify your clients of the following:

Some benefits and rewards available through AIA Vitality are based on the member's AIA Vitality Status or AIA Vitality Points balance, and that members will only optimise the value of those discounts and benefits by activating their AIA Vitality membership and engaging in the AIA Vitality program. You need to be aware that there is a potential payment to you of \$500 if your client achieves Silver Status within the first six months of AIA Vitality membership and that early engagement with the program is recommended to ensure your best chance to secure this payment.

By providing your client with the resources available to you on the adviser portal including flyers, information sheets, and customer-centric resources you can aid your client in engaging with their AIA Vitality membership.

For full details regarding all the terms and conditions of the AIA Vitality program please refer to aiavitality.com.au

Alternative Strategies

Whilst this section is not directly related to your recommendation of AIA Vitality, it is worth considering what the implication would be if the client did not proceed with AIA Vitality. This may include impacts to the client's premium/affordability or not fulfilling their health and wellbeing objectives.

Insurance Policy Recommendations

Within this section you should state the annual premium AFTER AIA Vitality discounts are applied. We suggest reviewing the below suggested wording and tailoring it to fit the format and wording of your SOA so that you are disclosing the premium reduction.

Premium Discounts and Benefits for AIA Vitality members

Reasons for recommending AIA Australia

Lump Sum benefits

Applicable to both ordinary and superannuation policies

AIA Australia offers a health and wellbeing program called AIA Vitality. Where the life insured under your policy is a member of AIA Vitality, the premium payable on your insurance policy for your **(specify lump sum benefits)** will generally be eligible for an initial discount of **17.5%** (which may change from time to time to reflect current campaign offers). This discount will be adjusted either positively or negatively depending on the AIA Vitality Status achieved by the life insured at the end of each policy year with a maximum discount of up to 20%.

If you are the life insured, your engagement with AIA Vitality can help you manage the premiums you pay on your **(specify lump sum benefits)**.

You may be entitled to the payment of a one-off \$500 AIA Vitality Silver Status Reward if you achieve Silver Status within six months of the risk commencement date of your AIA Priority Protection policy or the commencement of your new AIA Vitality membership, whichever is the later.

Where AIA Vitality is added to an existing AIA Australia policy issued on the 18 May 2019 PDS and prior, the policy will only receive a 12.5% lump sum discount (which may change from time to time to reflect current campaign offers).

Full details of the rules relating to premium discounts (where the life insured is also an AIA Vitality member) can be found in the Premium Adjustment Rules at www.aia.com.au/en/health-and-wellbeing/aia-vitality

Income Protection/Business Expenses benefit

Applicable to both ordinary and superannuation policies

AIA Australia offers a health and wellbeing program called AIA Vitality. Where the life insured under your policy is a member of AIA Vitality, the premium payable on your insurance policy for your **(specify Income Protection/Business Expenses benefits)** will generally be eligible for an initial discount of 7.5%. This discount will be adjusted either positively or negatively depending on the AIA Vitality status achieved by the life insured at the end of each policy year with a maximum discount of up to 20%.

Your engagement with AIA Vitality can help you manage the premiums you pay on your **(specify Income Protection/Business Expenses benefits)**.

You may be entitled to the payment of a one-off \$500 AIA Vitality Silver Status Reward if you achieve Silver Status within six months of the risk commencement date of your AIA Priority Protection policy or the commencement of your new AIA Vitality membership, whichever is the later.

Full details of the rules relating to premium discounts (where the life insured is also an AIA Vitality member) can be found in the Premium Adjustment Rules at www.aia.com.au/en/health-and-wellbeing/aia-vitality

Membership Fee

We also suggest considering including reference to the AIA Vitality membership fee (\$11.50/mth) that the client will be required to pay, in addition to the discounted Annual Premium and the Policy Fee. For example, if you display your recommendation in table format you may include a separate row which states the AIA Vitality membership is \$11.50/mth (in addition to the insurance premium).

When the client has applied for Priority Protection or Priority Protection for Platform Investors with AIA Health and both the life and health products are active, the membership fee will be removed from the Priority Protection or Priority Protection for Platform Investors policy.

Fees, Commissions and Other Benefits

Depending on your licensee requirements there may also be an entitlement to a one-off AIA Vitality Silver Status Reward if your client achieves Silver Status within 6 months of their membership commencement or policy commencement date (whichever is the later).

Depending on the structure of your SOA and licensee requirements, you may also restate the insurance premium here. If so, we suggest restating the discounted annual premium and including an* which will provide the wording/ explanation of the premium discount (refer to table above).

Depending on whether your licensee passes on the full AIA Vitality Silver Status Reward, you may include wording regarding what you receive. You may either disclose the one-off \$500 AIA Vitality Silver Status Reward in a table format or you may insert wording as follows:

If you become eligible and qualify for the \$500 AIA Vitality Silver Status Reward within the first six months of your AIA Vitality membership, this will result in a one-off payment of \$500 made to me as your Adviser, under the full Terms and Conditions of this Reward. This payment is made by AIA Australia and there is no additional expense to you.

Optional Approach – Ongoing Services:

If you choose to provide ongoing support and services to your client you may need to consider your pricing approach to charging an ongoing fee, outlining your ongoing services and considering your FDS/ opt-in obligations.

Summary of Actions

You may include here the additional next step of completing the AIA Vitality application form (in addition to all other steps as per your advice recommendation).

We suggest also referring the client to the AIA Vitality Process for clients flyer which provides them a step by step outline of the process of applying for and activating their AIA Vitality membership.

Supporting Information

You may wish to include supporting material as an attachment. There are a range of options available and can be found on AIA Australia's Business Growth Hub (aia.com.au/business-growth-hub) and on the Adviser Site.

- AIA Vitality Partners and Rewards Discount flyer
- What is AIA Vitality brochure
- AIA Vitality Process for Clients

Suggested Record of Further Advice Wording

AIA Australia offers payment of the AIA Vitality Silver Status Reward should you recommend AIA Vitality on an enforce Priority Protection or Priority Protection for Platform Investors policy.

Strategy Recommendation

In order to achieve the client's objectives and needs, you will outline your recommendations. Within this you may outline applying for an AIA Vitality membership.

Depending on the layout of your Record of Further Advice and whether you are making any other recommendations, you may include (at a minimum) comparison between current annual premium and policy fee and proposed new annual premium and policy fee (post-application of the discount).

We also suggest considering including reference to the AIA Vitality membership fee (\$11.50/mth) that the client will be required to pay, in addition to the discounted Annual Premium and the Policy Fee. For example, if you display your recommendation in table format you may include a separate row which states the AIA Vitality membership is \$11.50/mth (in addition to the insurance premium).

When the client has a Priority Protection or Priority Protection for Platform Investors policy and also has AIA Health, the AIA Vitality membership fee will not be added to the Priority Protection or Priority Protection for Platform Investors policy since it is built in to the AIA Health insurance policy.

Reasons for your Recommendation

This section will outline why you believe the advice is appropriate to the client's relevant circumstances. It should relate back to the client's objectives (such as wanting to receive discounted insurance premiums).

See the table below for suggested wording you could also include.

Premium Discounts and Benefits for AIA Vitality members

Reasons for recommending AIA Australia

Lump Sum benefits

Applicable to both ordinary and superannuation policies

AIA Australia offers a health and wellbeing program called AIA Vitality. Where the life insured under your policy is a member of AIA Vitality, the premium payable on your insurance policy for your (**specify lump sum benefits**) will generally be eligible for an initial discount of **17.5%** (which may change from time to time to reflect current campaign offers). This discount will be adjusted either positively or negatively depending on the AIA Vitality status achieved by the life insured at the end of each policy year with a maximum discount of up to 20%.

If you are the life insured, your engagement with AIA Vitality can help you manage the premiums you pay on your (**specify lump sum benefits**).

You may be entitled to the payment of a one-off \$500 AIA Vitality Silver Status Reward if you achieve Silver Status within six months of the risk commencement date of your AIA Priority Protection policy or the commencement of your new AIA Vitality membership, whichever is the later.

Where AIA Vitality is added to an existing AIA Australia policy issued on the 18 May 2019 PDS and prior, the policy will only receive a 12.5% lump sum discount (which may change from time to time to reflect current campaign offers).

Full details of the rules relating to premium discounts (where the life insured is also an AIA Vitality member) can be found in the Premium Adjustment Rules at www.aia.com.au/en/health-and-wellbeing/aia-vitality

Income Protection/Business Expenses benefit**Applicable to both ordinary and superannuation policies**

AIA Australia offers a health and wellbeing program called AIA Vitality. Where the life insured under your policy is a member of AIA Vitality, the premium payable on your insurance policy for your **(specify Income Protection/Business Expenses benefits)** will generally be eligible for an initial discount of 7.5%. This discount will be adjusted either positively or negatively depending on the AIA Vitality Status achieved by the life insured at the end of each policy year with a maximum discount of up to 20%.

Your engagement with AIA Vitality can help you manage the premiums you pay on your **(specify Income Protection/Business Expenses benefits)**.

You may be entitled to the payment of a one-off \$500 AIA Vitality Silver Status Reward if you achieve Silver Status within six months of the risk commencement date of your AIA Priority Protection policy or the commencement of your new AIA Vitality membership, whichever is the later.

Full details of the rules relating to premium discounts (where the life insured is also an AIA Vitality member) can be found in the Premium Adjustment Rules at www.aia.com.au/en/health-and-wellbeing/aia-vitality

It's important to note that insurance premium discounts go to the policy owner whilst AIA Vitality membership is for the life insured.

Things to Consider

If you have recommended AIA Vitality you should notify your client of the following:

AIA Vitality can only be taken out by lives insured under an eligible AIA Australia insurance policy. If the Priority Protection or Priority Protection for Platform Investors application is not completed due to AIA Australia not receiving relevant information or if your Priority Protection or Priority Protection for Platform Investors application is declined by underwriting, the AIA Vitality application cannot proceed.

Within this section you may wish to notify your clients of the following:

Some benefits and rewards available through AIA Vitality are based on the member's status or points balance, and that members will only optimise the value of those discounts and benefits by activating their AIA Vitality membership and engaging in the AIA Vitality program. You need to be aware that there is a potential payment to you of \$500 if your client achieves Silver Status within the first six months of AIA Vitality membership and that early engagement with the program is recommended to ensure your best chance to secure this payment.

By providing your client with the resources available to you on the adviser portal including flyers, information sheets, and customer-centric resources you can aid your client in engaging with their AIA Vitality membership.

For full details regarding all the terms and conditions of the AIA Vitality program please refer to aiavitality.com.au

Alternative Strategies

Whilst this section is not directly related to your recommendation of AIA Vitality, it is worth considering what the implication would be if the client did not proceed with

AIA Vitality. This may include impact to the client's premium/affordability or not fulfilling their health and wellbeing objectives.

Fees, Commissions and Other Benefits

Within this section you would disclose any fees and/or commission received for your advice. If the only recommendation within your RoFA is to add AIA Vitality to the existing Priority Protection or Priority Protection for Platform Investors policy you would disclose the \$500 AIA Vitality Silver Status Reward (assuming your licensee passes on the full fee). You may insert wording as follows:

If you become eligible and qualify for the \$500 AIA Vitality Silver Status Reward within the first six months of your AIA Vitality membership, this will result in a one-off payment of \$500 made to me as your Adviser, under the full Terms and Conditions of this Reward. This payment is made by AIA Australia and there is no additional expense to you.

Supporting Information

You may wish to include supporting material as an attachment.

There are a range of options available and can be found on AIA Australia's Business Growth Hub (aia.com.au/business-growth-hub) and on the Adviser Site.

- AIA Vitality Partners and Rewards Discount flyer
- What is AIA Vitality brochure
- AIA Vitality Process for Clients

How to Position AIA Vitality & Handle Objections

Below are some examples of wording to help you position the AIA Vitality program when presenting your Statement of Advice, Record of Further Advice or during your conversations with clients. This is a guide only and we encourage you to alter the wording to suit your own style and phrasing and obtain your own advice.

Option 1:

'AIA Vitality is a science-backed health and wellbeing program that is designed to encourage its members to make small changes to their lifestyle to slowly improve their health over time. In a similar sense to how your car insurance works – when you make no claims – you are rewarded with more competitive premiums on your car insurance. AIA has taken a step in this direction and now when an AIA Vitality member lives a healthy and active life the policy owner will be rewarded with more competitive premiums on your Life Insurance.'

Option 2:

'I am recommending an AIA Australia product for you as their Life Insurance offering suits your needs by xxxxx.

One fabulous initiative that AIA Australia offers on top of your Life Insurance policy is AIA Vitality, a health and wellbeing program which gives its members the freedom to focus on their health and happiness and gives the policy owner discounts on their premiums.

The program also allows you to gain access to some fantastic rewards and benefits. Have a look at this list of partners (using the flyer) for the program and let me know if you would like me to find out more specific details on any of the benefits and rewards.'

Handling Objections:

'I understand where you are coming from. One thing you might not be aware of is the reason why the program was originally designed and who it has been designed for.

The premise of the program is to effectively alter three behaviours – 1. Smoking, 2. Poor Nutrition, 3. Inactivity.

These three behaviours are responsible for significantly increasing the risk of chronic disease. Unlike traditional life insurance policies, AIA offers an integrated wellness and insurance proposition which actively supports its customers to make healthier lifestyle choices to ultimately lower their mortality and morbidity risk, whilst still providing the financial security to ensure you continue to be adequately protected for your lifestyle. Assisting individuals to either stop smoking, start making healthy eating choices and becoming aware of their nutrition as well as simply getting moving can significantly reduce this risk. In saying this, healthy people still get sick. This is why AIA Vitality is coupled with Life Insurance policies as healthy people still can get sick.'

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