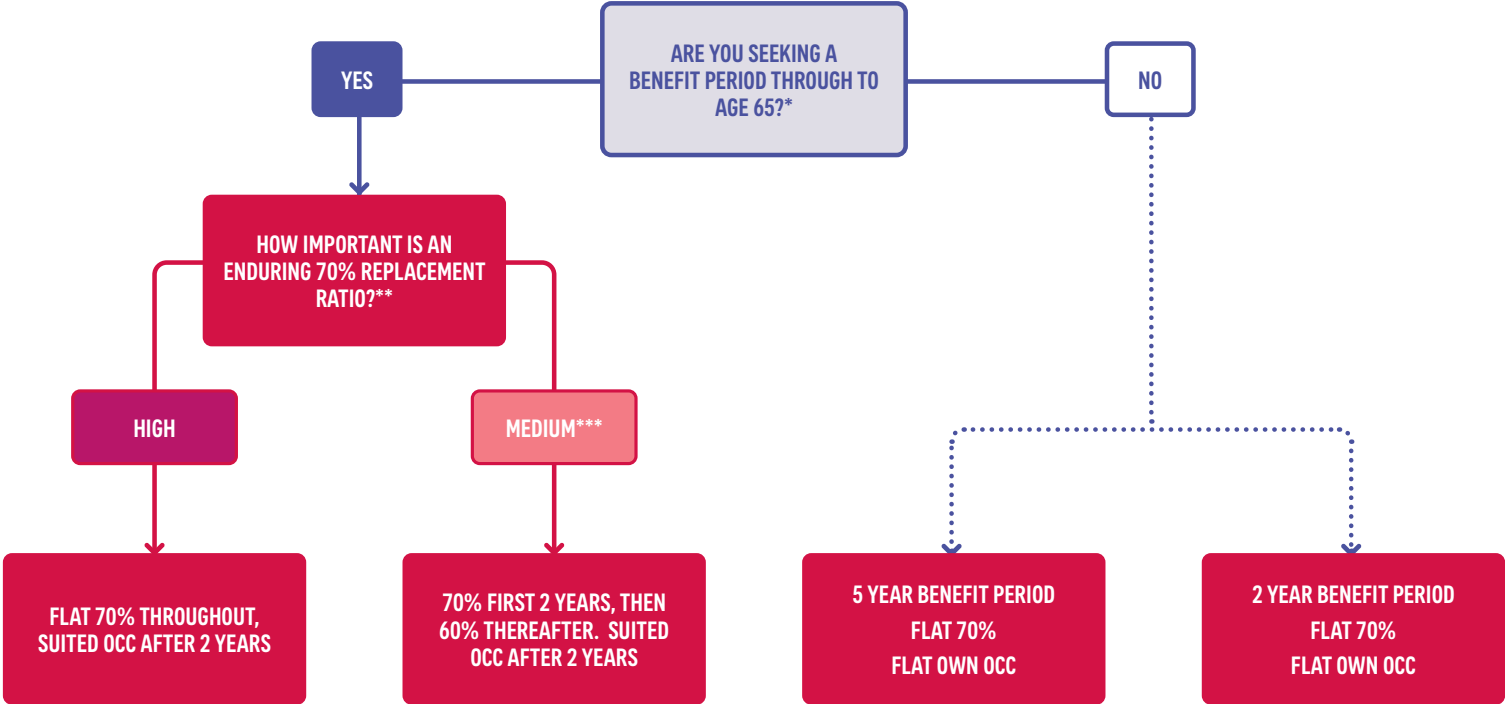


INCOME PROTECTION CORE DECISION TREE



June 2022



* For example, a shorter benefit period may be desirable due to client cost concerns or age of policyholder. The adviser's insurance philosophy and attitude may also lend support to a shorter benefit period particularly if the IP is supported by lump sum TPD/Crisis and in light of statistics revealing c.85% of retail IP claims being closed within 2 years of claim commencement.

** An enduring 70% replacement ratio may be desirable from an advice perspective and feasible given the client's cash flow position.

*** This structure may be desirable if say a more cost-effective premium is being targeted, or perhaps if a lower replacement ratio after 2 years on claim (noting average IP Claim duration being less than 2 years) can be countered with self-insurance funding mechanisms (meaningful cash reserves, emergency funds or strength in family balance sheet).

Copyright © 2022 Australia Limited (ABN 79 004 837 861 AFSL 230043). All rights reserved. This information is intended for financial advisers only and is not for wider distribution. This information is current at the date of distribution and is subject to change. This is general information in summary only, without considering the objectives, financial situation, needs or personal circumstances of any individual, and may not be exhaustive. It is not intended as financial, legal, medical, taxation or other advice. AIA Australia has prepared a Target Market Determination which describes the class of consumers that comprise the target market for this product. The Target Market Determination can be sourced at aia.com.au/tmds For queries regarding this Decision Tree please contact tece@aia.com