

# AIA and health insurance



health insurance  
with **AIA** *Vitality*

# Agenda

1

Expanding our focus to health insurance

2

Health & wellbeing that solves real problems for your clients

3

Making it work for you



A woman with long brown hair, wearing a black sports bra and dark blue patterned leggings, is captured in a moment of joy and celebration. She is wearing black boxing gloves and has her arms raised in a triumphant gesture, with her mouth wide open in a hearty laugh. The background is a blurred gym environment with a wooden floor and a metal fence.

Expanding  
our focus  
to health  
insurance

# Health insurance is a large dynamic market

22  
billion<sup>1</sup>

Premium revenues

13.4  
million<sup>1</sup>

People covered

\$3,653<sup>2</sup>

Typical Family premium

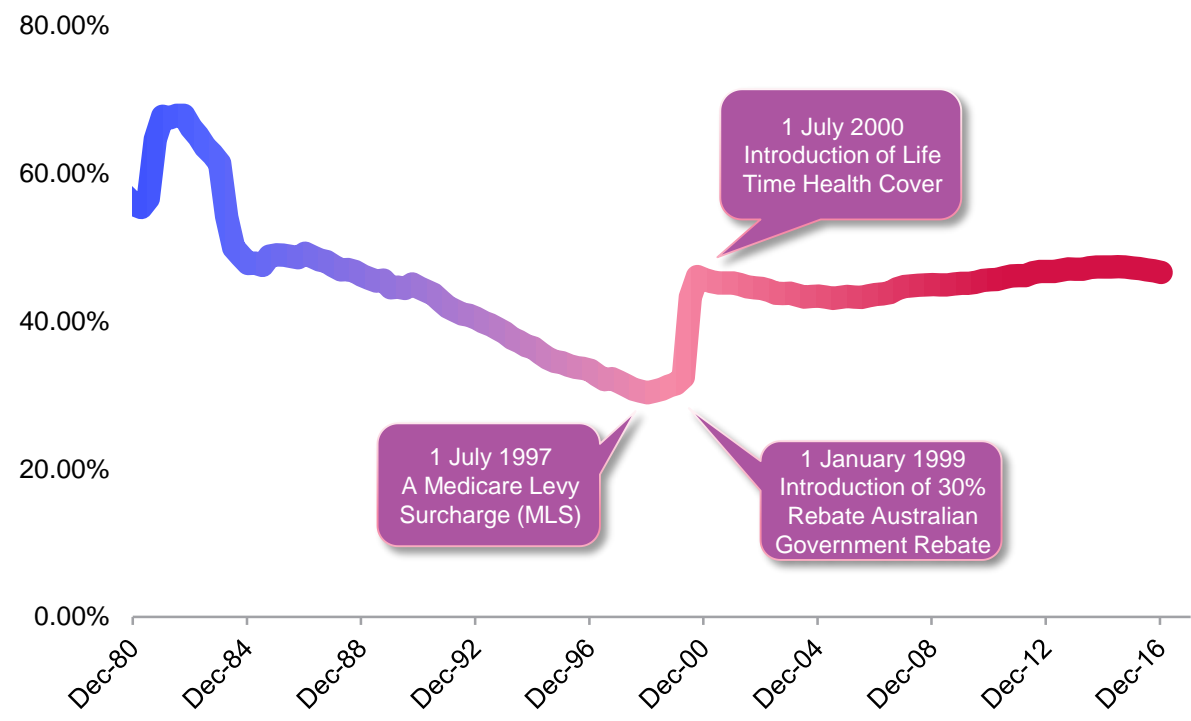
Mix of  
new and  
existing



1. APRA PHI Operations Report data 2015-2016 (released June 2016) - Whole fund Hospital treatment, General treatment & ambulance
2. Medibank's Standard Hospital and Extras annual premium for a family living in NSW with 25.934% Australian Government Rebate with a \$500 excess

# Government policy settings encourage take up of PHI

### Hospital Treatment Coverage



1 July 1997  
A Medicare Levy  
Surcharge (MLS)

1 July 2000  
Introduction of Life  
Time Health Cover

1 January 1999  
Introduction of 30%  
Rebate Australian  
Government Rebate

Medicare levy surcharge

Australian Government Rebate

Lifetime health cover loading



# But consumers increasingly question the value of health insurance

news.com.au | Compare life insurance  
Let iSelect guide you through the process to help you find a suitable policy. Go to [iselect.com.au](#)

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money budgeting

### Healthy ways to reduce your health insurance premiums costs

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Video Image

**Kazi Australia™** @Kazi\_Australia · Jan 15  
★ #News • Health insurance premiums set to rise: Australian families could soon be forking out an extra \$200 for...

**Health insurance premiums set to rise**  
Australian families could soon be forking out an extra \$200 for private health cover as insurers lobby the federal government for their annual premium hike.  
[perthnow.com.au](#)

**Matthew Taylor** @MattCNBC · 8h  
CEO @Medibank Craig Drummond talks to @CNBCi at #MacquarieConference about demand in Australia for health insurance

**'We'd like to see some reforms' to make health insurance more affor...**  
Craig Drummond, CEO of Medibank, says affordability is a big issue and reforms, such as prostheses reviews, could see notable savings for cust...  
[video.cnbcm.com](#)

**Veronica Best** @veronicabest2u · Mar 28  
Health insurance in Australia: Will premium rise make you quit private cover?  
[news.com.au/finance/busine...](#) via @newscomauHQ

**Is it worth having private health insurance?**  
"REMINDE me: Why in heck am I paying for this?!" wondered millions of Aussies last month, as they heard health insurance premiums were risi...  
[news.com.au](#)



# There are unique dynamics of the health insurance market aren't understood by consumers

Current state	They way consumer's see it
Community rated - not risk rated	I'm healthy - why don't I pay less than unhealthy people?
Opportunities to differentiate are limited	It's too hard to tell the difference
Provider networks create confusion	I never know what I'll get back - but its usually much less than I expect
Premium rate rises are regulated - but health cost increases aren't	Health insurance is a rip-off - why do they increase faster than inflation?
Fragmented market - many providers	It's too hard to tell the difference





Health & wellbeing  
that solves  
real problems



# Introducing....

9



health  
insurance  
with **AIA Vitality**

Health insurance that gives back. With AIA Vitality we reward people for taking care of their health.

Our brand promise is to partner with people to own their future. To take control of their physical wellbeing.



# myOwn gives back with a strong health insurance product...

Simple, easy to understand product range



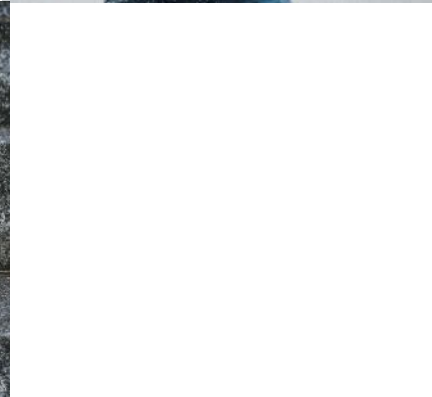
Extra's cover with a focus on wellbeing



From 50% to 70% back from any recognised provider up to annual limits



AIA Vitality membership included for up to two adults per policy



# ... bundled with AIA Vitality

5% upfront premium discount held as long as Silver AIA Vitality status is maintained



Weekly rewards from Woolworths, iTunes or Boost Juice - or donate it to charity - for meeting activity targets



\$250 cash back and AIA Vitality fee waived if you hold AIA Priority Protection cover



Discounts that support your healthy lifestyle - active wear, gym memberships, shopping rewards



Discounts that reward your healthy lifestyle - up to 50% off flights and spa treatments

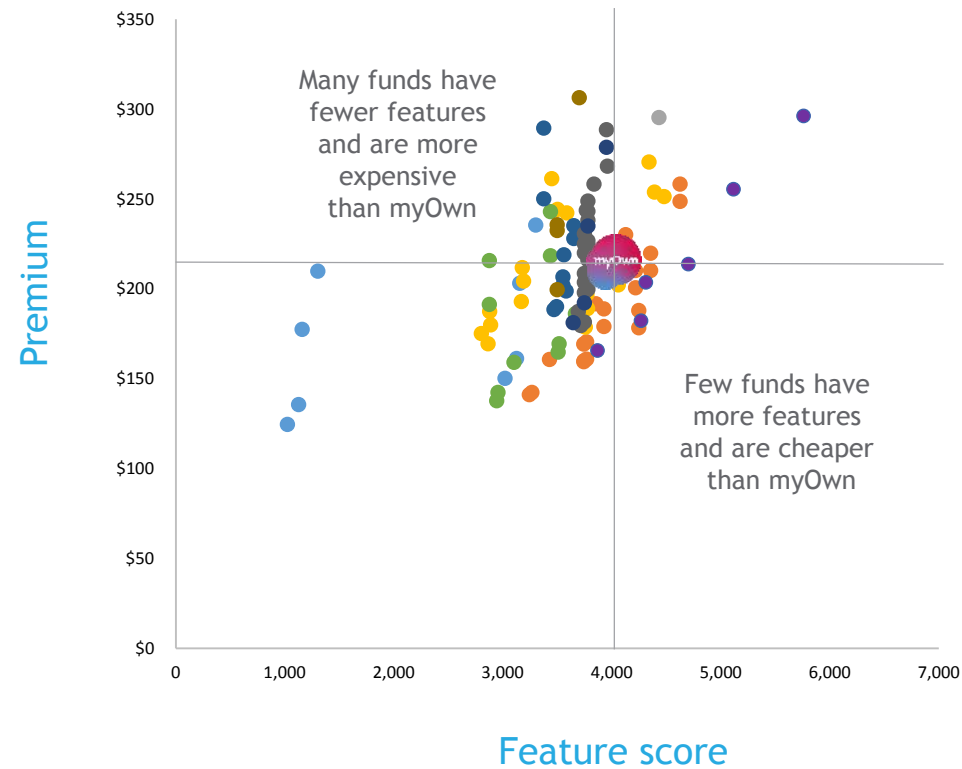


Its easy to earn AIA Vitality points and myOwn is backed by AIA and GMHBA



# myOwn is a quality health insurance product at a competitive price

## Victoria



Mid Package

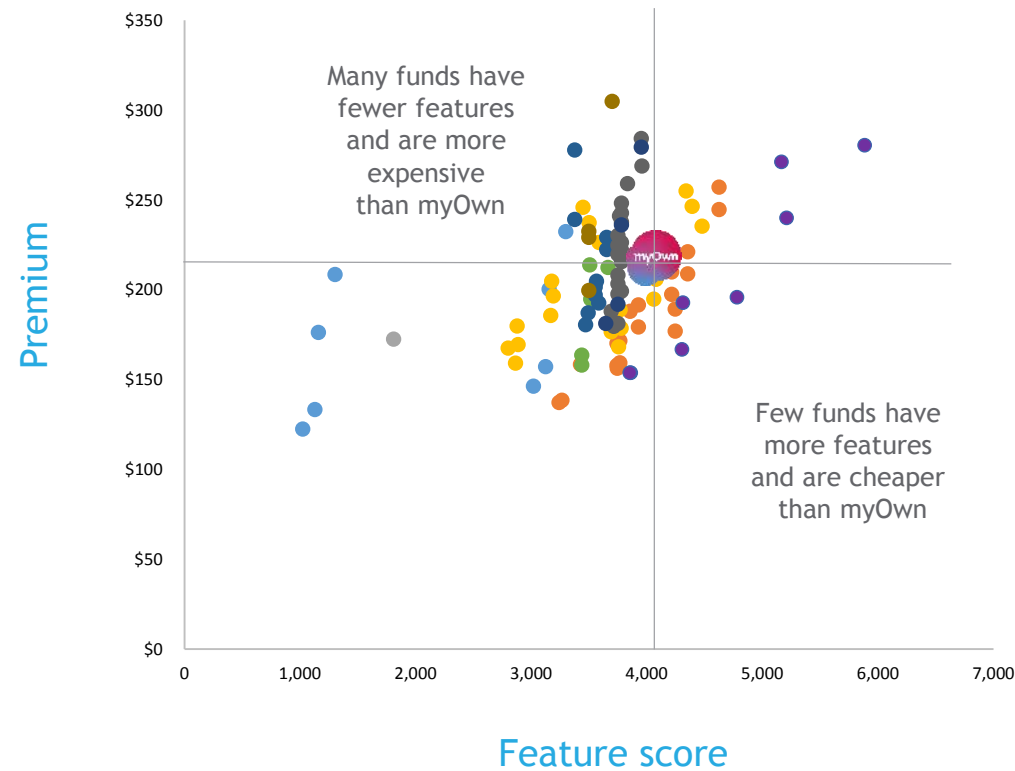


# myOwn is a quality health insurance product at a competitive price



# myOwn is a quality health insurance product at a competitive price

## Queensland



Mid Package



myOwn is backed by brands with a mix of local knowledge and global experience



WE'RE  
FOR LIFE



# myOwn's is for everyone

Young singles



Growing families



Established families





# Why buy life, health and AIA Vitality together?

5% upfront health premium discount held as long as the member maintains Silver AIA Vitality status

\$150<sup>1</sup>

AIA Vitality fee linked to AIA Priority Protection is waived

\$120

AIA Vitality Flex discount on AIA Priority Protection<sup>2</sup>

\$375  
12.5% on a \$3000 policy

\$250 prepaid Visa card<sup>3</sup>

\$895  
Year 1 value

\$645  
Year 2 value

Assuming Gold Vitality status<sup>2</sup>



This is Brian. Brian came to you for advice around life insurance, but you discovered he wasn't loyal to his health insurance provider. This is the combined value you could present to Brian for buying myOwn health with AIA Vitality and AIA Priority Protection together



1. Example only. If pre-discount is Health insurance premium was \$3000 a 5% Discount equals \$150 off (Premium becomes \$2,850)
2. Assumes new Priority Protection customer - starting AIA Vitality flex discount of 12.5% and assumes Gold status in Year. This maintains Life discount at 12.5% and Health discount at 5%
3. \$250 prepaid Visa card reward payable when Life cover is active and 90 days after purchase of Health cover. Applicable to all AIA Priority Protection products. Full terms available at launch.

Making  
it work  
for you



# 6 ways myOwn's proposition could help your business

1. Supplies a new client touch point via an expanded product offering
2. Gives the ability to increase your revenue per client and supplies an important diversification to income
3. Helps open more doors and supports your segmentation model
4. Leads to referrals which are targeted to your ideal client and where your time wants to be focused
5. Firms up your evolving business proposition in delivering your clients real financial and physical wellbeing
6. Places your business that continued one step ahead of the competition



# Commission structure



## Remember Brian?

Brian has agreed to purchasing myOwn health with AIA Vitality and AIA Priority Protection cover

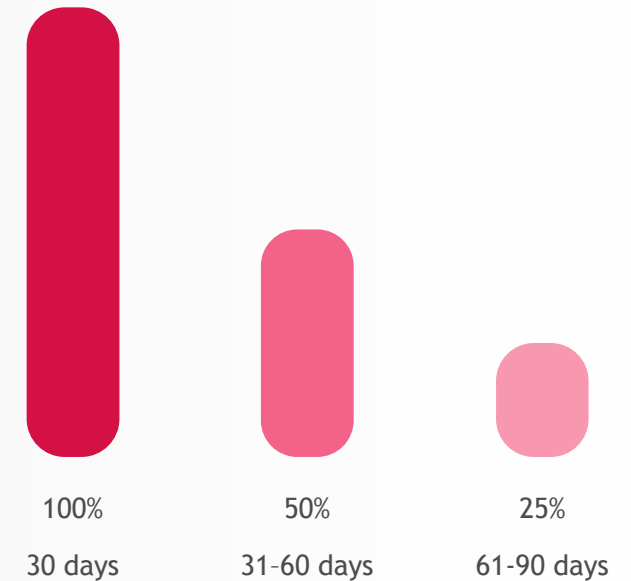
## Brian's scenario

\$3000 Health Premium  
\$3000 Life, TPD, Crisis & IP Premium

\$600 Health commission  
\$2400 Life commission  
\$250 AIA Vitality activation fee

**\$3250 Year 1 revenue**

## myOwn health commission clawback provision



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