

# AIA Vitality

## Premium discounts explained

April 2020



**AIA Priority Protection with AIA Vitality protects what is most important to you, and encourages you to live a healthier life. AIA Vitality is a personalised, science-backed program that supports you every day to make healthier lifestyle choices. It shows you how healthy you are now, provides the tools to start improving your health right away, and offers amazing rewards to keep you motivated along your journey.**

With AIA Vitality you will receive the tools to:

### 1. Know your health

- Free AIA Vitality Health Check at participating TerryWhite Chemmart, Amcal and Guardian pharmacies each membership year
- A number of online health assessments
- Discounted expert nutrition and fitness advice

### 2. Improve your health

- Discounted gym memberships and fitness devices
- Smoking cessation program (30% discount off the retail price and 70% cash back after attendance)
- Weekly personalised physical activity target

### 3. And enjoy the rewards

- Up to 50% cashback on the base fare of eligible Virgin Australia flights
- Earn up to \$650\* in shopping vouchers (Myer, Woolworths, Rebel Sport, Ticketmaster and Dymocks)
- Weekly Active Benefits rewards. Members can choose from:
  - a \$5 voucher for Uber, Uber Eats, Google Play, App Store & iTunes, Woolworths
  - OR
  - 300 Velocity Frequent Flyer Points (must be a current Velocity member)
  - OR
  - a \$5 donation to one of four Australian charities: Black Dog Institute, Cancer Council Australia, Diabetes Australia or Youngcare
- Up to 50% off spa e-Gift cards and movie vouchers
- Up to 20% off your insurance premiums

With each step you take towards a healthier life, we'll reward you with discounts on your life insurance premiums. You will automatically receive the 17.5% AIA Vitality Initial Lump Sum discount and the 7.5% AIA Vitality Initial Income Protection discount off your first year premium. These discounts will flex on your policy anniversary and can increase up to 20% if you are engaged with AIA Vitality. Here we explain how much you can save with AIA Vitality when you join, and over 10 years based on a Platinum AIA Vitality status being achieved.

Please refer to the AIA Vitality website for changes to benefits during the COVID-19 crisis.

\*Current at date of issue and may be subject to change.

## Case study

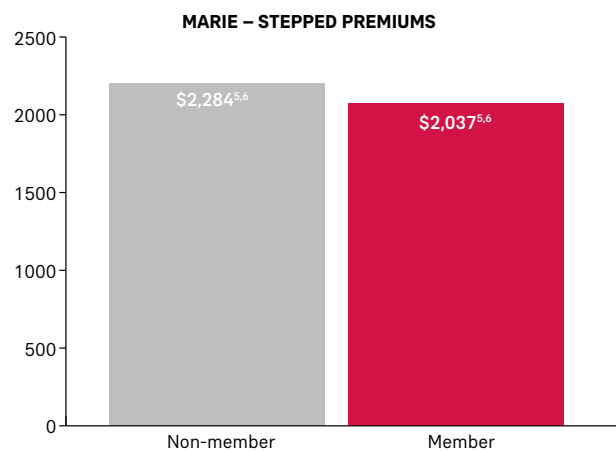
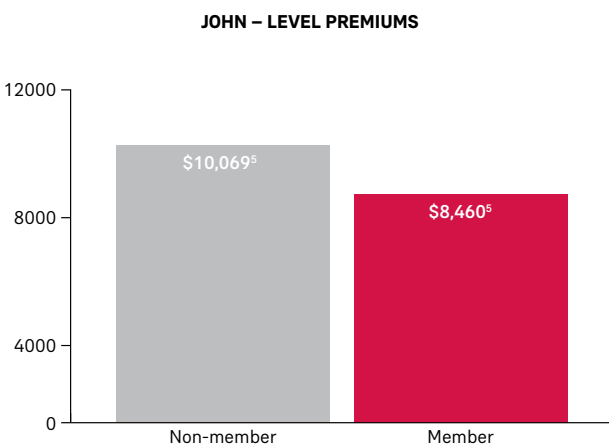
John is a 45 year old male non-smoker in a professional occupation who, with his financial adviser, decides to take out \$1.5 million of Life Cover, \$750,000 of TPD (Own Occupation), \$250,000 of Crisis Recovery<sup>1</sup> and an Income Protection policy with an insured monthly benefit of \$10,000 and optional Claims Escalation<sup>2</sup>. John's premiums are calculated on a **level premium** basis.

Marie is a 45 year old female non-smoker in a professional occupation who, with her financial adviser, decides to take out \$1 million of Life Cover, \$500,000 of TPD (Own Occupation), \$200,000 of Crisis Recovery<sup>3</sup> and an Income Protection policy with an insured monthly benefit of \$6,000 and optional Claims Escalation<sup>4</sup>. Marie's premiums are calculated on a **stepped premium** basis.

## Immediate savings

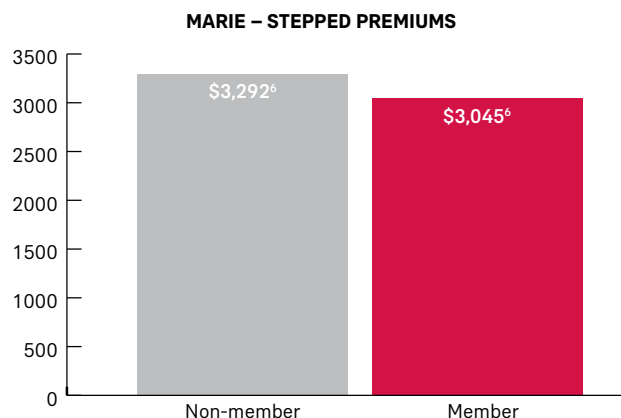
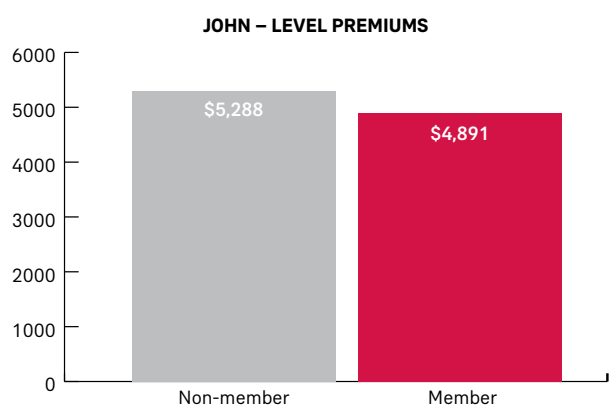
### 17.5% AIA Vitality Initial Lump Sum discount

By becoming a member of AIA Vitality, John will save \$1,609 in the first year of his lump sum policy. Marie will save \$247.



### 7.5% AIA Vitality Intial Income Protection discount

With AIA Vitality, John will save \$397 in the first year of his income protection policy, and Marie will save \$247.



1 Yearly premiums, Level premiums 'To Age 55,288'; VIC stamp duty and policy fee included. AIA Vitality member premiums include the \$138 AIA Vitality Fee in this illustration.

2 Yearly premiums, Level Premiums, Indemnity, Benefit Period ' To Age 65', 30 Day Waiting Period, VIC stamp duty included.

3 Yearly premiums, Stepped premiums, VIC stamp duty and policy fee included. AIA Vitality member premiums include the \$138 AIA Vitality Fee in this illustration.

4 Yearly premiums, Stepped Premiums, Indemnity, Benefit Period ' To Age 65'; 30 Day Waiting Period, VIC stamp duty included.

5 Excludes Bundled Discount.

6 Excludes Initial Selection Discount.

## Even more up-front discounts with bundled policies

If Lump Sum and Income Protection are both purchased, a **12.5% Bundled Discount<sup>1</sup>** is applied to the Lump Sum premium. In this example, John and Marie both have Lump Sum and Income Protection policies, therefore they are both eligible for the 12.5% Bundled Discount.

John – level premiums	
As an AIA Vitality member	
John receives a 12.5% Bundled Discount and a 17.5% AIA Vitality upfront discount off his Lump Sum premium, as well as a 7.5% AIA Vitality upfront discount off his Income Protection premium	
▶ \$7,430 (Lump Sum) + \$4,891 (IP) = \$12,322	
<b>SAVE \$3,035</b>	

Marie – stepped premiums	
As an AIA Vitality member	
Marie receives a 12.5% Bundled Discount and a 17.5% AIA Vitality upfront discount off her Lump Sum premium, as well as a 7.5% AIA Vitality upfront discount off her Income Protection premium	
▶ \$1,811 (Lump Sum) + \$3,045 (IP) = \$4,856 <sup>2</sup>	
<b>SAVE \$720</b>	

## Ongoing savings

After John and Marie receive their AIA Vitality Initial discount, they will continue to benefit from discounts on their premiums as they engage in the AIA Vitality program each year. The more engaged John and Marie become, the more their AIA Vitality status improves, resulting in greater benefits and premium discounts.

John and Marie start with the 17.5% AIA Vitality Initial Lump Sum discount and the 7.5% AIA Vitality Income Protection discount. This discount can flex up or down each year depending on their AIA Vitality status at each policy anniversary.

## Discount to John and Marie's premiums

		Anniversary 1	Anniversary 2	Anniversary 3	
<b>Platinum</b>	Lump sum	Add 1%	Add 1%	Add 0.5%	Increases by 1% until the max of 20% is reached. For Lump Sum, the max can be reached on Anniversary 3 hence only a 0.5% increase is applied on that anniversary
	Income protection	Add 1%	Add 1%	Add 1%	
<b>Gold</b>	Lump sum	Retains 17.5%	17.5%	17.5%	Retains 17.5% or 7.5%
	Income protection	Retains 7.5%	7.5%	7.5%	
<b>Silver</b>	Lump sum & income protection	Take off 1.25%	Take off 1.25%	Take off 1.25%	Reduces by 1.25% until it reaches 0%, then stays on 0%
<b>Bronze</b>	Lump sum & income protection	Take off 2.5%	Take off 2.5%	Take off 2.5%	Reduces by 2.5% until it reaches 0%, then stays on 0%

**For more information, please refer to the AIA Vitality Premium Adjustment Rules at**

[www.aiavitality.com.au/vitality\\_aia\\_au/web/linked\\_content/pdfs/rewards/AIA-Vitality-Premium-Adjustment-Rules.pdf](http://www.aiavitality.com.au/vitality_aia_au/web/linked_content/pdfs/rewards/AIA-Vitality-Premium-Adjustment-Rules.pdf)

<sup>1</sup> Required Income Protection Plans premium and total eligible Lump Sum Plans premium must be at least \$700 each. Refer to the PDS for more details.

<sup>2</sup> Excludes Initial Selection Discount.

## Cumulative savings on insurance premiums

John and Marie are active participants in the AIA Vitality program and the benefits they receive go far beyond improved health and fitness. In addition to accessing regular rewards like flight cashbacks, shopping e-gift cards and discounted gym memberships, John and Marie save thousands on their insurance premiums. See how much they'd save by achieving Platinum Status for 10 years:

	John – level premiums	Marie – stepped premiums
<b>AIA Vitality Savings</b>	<b>Lump Sum policies:</b>	<b>Lump Sum policies:</b>
	After 10 years of Platinum status ▶ <b>SAVE \$19,518</b>	After 10 years of Platinum status ▶ <b>SAVE \$7,618</b>
	<b>Income Protection policy:</b>	<b>Income Protection policy:</b>
	After 10 years of Platinum status ▶ <b>SAVE \$6,345</b>	After 10 years of Platinum status ▶ <b>SAVE \$5,806</b>
	<b>TOTAL AIA VITALITY SAVINGS</b> ▶ <b>\$25,863</b>	<b>TOTAL AIA VITALITY SAVINGS</b> ▶ <b>\$13,425</b>
<b>Plus Bundled Discount</b>	After 10 years ▶ <b>SAVE \$10,040</b>	After 10 years ▶ <b>SAVE \$3,875</b>
<b>TOTAL 10 YEAR SAVING</b>	<b>\$35,903<sup>1,3,4</sup></b>	<b>\$17,300<sup>1,2,3,4</sup></b>

1 Excludes Consumer Price Index increases.

2 Excludes Initial Selection Discount.

3 Excludes Policy Fee.

4 Excludes Stamp Duty.