

PRIORITY PROTECTION PRODUCT SUMMARY

For Advisers

April 2021



HEALTHIER, LONGER,
BETTER LIVES

This is a summary of the main features and terms of the AIA Australia Priority Protection and Priority Protection for Platform Investors product. For full details, please refer to the AIA Australia Priority Protection Product Disclosure Statement and Policy Document (PDS), Date Prepared 3 April 2021.

Life Cover

Why consider Life Cover?

- It can be used to help settle debt, outstanding loans and other financial costs in the event of death.
- It can pay out a lump sum that can be used to help provide financial security for loved ones when the life insured no longer can.
- It can assist business partners to continue running the business without added capital strain.

Preparing for the unexpected is preparing for life!

The Life Cover benefit and the 5-year and 10-year Term Cover benefits pay a lump sum if the life insured dies or is diagnosed with a Terminal Illness before the benefit expires. The lump sum amount will be paid to the policy owner or nominated beneficiary/ies.

Final Expenses benefit

If the life insured dies before the benefit expires, AIA Australia will make an advance payment of the lesser of 10% of the sum insured and \$25,000 to the policy owner or nominated beneficiary/ies, to assist them in dealing with immediate financial expenses.

AIA Australia will need to see a certified copy of the death certificate before the benefit is paid. Any payments

AIA Australia makes under this benefit will be deducted from the Life Cover benefit, 5-year or 10-year Term Cover benefits or Accidental Death benefit.

Complimentary Final Family Expenses

On the death or diagnosis of a Terminal Illness of the life insured's child, a lump sum benefit of up to \$20,000 will be paid.

Family Protection

This optional benefit will pay a lump sum, if the life insured's child suffers one of the listed Crisis Events up to the full Family Protection Sum Insured amount. Please refer to the PDS for further details on this benefit.

Financial Planning Reimbursement benefit

If a claim is paid for death or Terminal Illness, AIA Australia will reimburse the policy owner or nominated beneficiary/ies, the cost of obtaining advice (up to a maximum of \$3,000) from one or more financial planners.

Guaranteed Future Insurability benefit

If the life insured experiences a 'personal event' or a 'business event' before the latest policy anniversary prior to age 55,

the life insured will be eligible for the Guaranteed Future Insurability benefit. This allows the life insured to apply for increases in the Life Cover or Life Cover and Total and

Permanent Disablement rider sum insured without supplying further evidence of health or insurability. The 'personal events' and 'business events' covered and conditions applying are explained in the PDS.

Repayment Relief

Repayment Relief is available as a linked rider benefit under Life Cover, TPD Standalone or Universal TPD Standalone held through a separate policy as a separate contract

of insurance. If the life insured becomes Involuntarily Unemployed, AIA Australia will pay their Minimum Monthly Home Loan Repayments for up to three months up to a maximum of \$7,500 per month. Involuntary Unemployment can be claimed up to four times during the life of the policy and premiums are waived while the benefit is being paid.

In addition to this, a death or Terminal Illness benefit of three times the sum insured is paid if the life insured dies or becomes Terminally Ill.

School Fees Protector

If the life insured becomes totally and permanently disabled, terminally ill or dies (as applicable), this benefit will reimburse the life insured's children's school fees, up to

\$8,000 a year per child, for primary school and \$16,000 a year per eligible child, for secondary school.

TPD Cover

Why consider Total and Permanent Disablement (TPD) Cover?

If the life insured has an accident or illness resulting in his or her total and permanent disablement, the TPD benefit can pay a lump sum benefit which can be used to replace any future income that is lost, to settle debt or to pay for lifestyle adjustments such as wheelchairs, ramps and manual car controls. The TPD benefit will pay a benefit if the life insured is unable to perform their own occupation, any reasonably suited occupation or any work at all, dependent on which definition is chosen; Own Occupation, Any Occupation, All Duties or Home Duties.

This benefit also provides a partial benefit if the life insured suffers the permanent loss of use of:

- one arm, or
- one leg, or
- sight in one eye.

In addition, AIA Australia also offers **Accidental Total and Permanent Disablement** which will pay a benefit if the life insured is unable to perform any reasonably suited occupation or Home Duties, dependent on which definition is chosen.

Universal Total and Permanent Disablement is also available for non-workers and part-time workers.

Double Total and Permanent Disablement and **Double Universal Total and Permanent Disablement** are other TPD options available. Following a full TPD claim the Life Cover Sum Insured will not be reduced and future premiums on the Life Cover (full premium) will be waived or refunded until the the policy anniversary prior to the 55th or 65th birthday (depending on occupation category).

Please refer to the PDS for further details on this benefit.

Crisis Recovery

Why consider Crisis Recovery?

- Crisis events such as heart attack, stroke and cancer can happen to anyone unexpectedly.
- Physical impairments, such as the loss of use of arms, legs or eyes, could change a person's lifestyle completely.
- When an unpredictable event happens, there is an immediate need for financial help.

Making sure that when lifestyle adjustments need to be made, there is cover

The Crisis Recovery and Double Crisis Recovery benefits will pay a lump sum if the life insured is diagnosed within the terms of the policy definitions, with one or more of the conditions listed in the Crisis Event groups following:

- Cancer Events
- Coronary Events
- Other Serious Crisis Events.

Crisis Recovery can be purchased as a:

- Stand alone benefit, and /or
- Rider benefit under the Life Cover benefit.

If the rider benefit is selected, the sum insured must not be more than the sum insured of the Life Cover benefit.

Additionally, any claim payment made under the Crisis Recovery rider benefit will reduce the sum insured under the Life Cover benefit.

For example: Joe purchases \$1,000,000 of Life Cover benefit and \$600,000 as a Crisis Recovery rider benefit. If Joe makes a claim under his Crisis Recovery benefit, after paying Joe his Crisis Recovery claim of \$600,000, his Life Cover sum insured will reduce by \$600,000 leaving him with \$400,000 of Life Cover.

Following a full Double Crisis Recovery claim, the Life Cover sum insured will not be reduced and future premiums on the Life Cover (full premium) will be waived or refunded until the expiry of the benefit.

Male Cancer

The Crisis Recovery benefit will provide 100% of the sum insured, up to a maximum of \$500,000, for malignant prostate cancers classified as T1a (or its equivalent). The full Crisis Recovery benefit sum insured will be paid for all types of malignant cancers classified as T1b or greater.

Financial Planning Reimbursement

If a claim is paid for the full Crisis Recovery, Crisis Recovery Stand Alone, or Double Crisis Recovery benefits, AIA Australia will reimburse the policy owner the cost (up to a maximum of \$3,000) of obtaining advice from one or more financial planners.

Death Cover

If the Crisis Recovery Stand Alone benefit is selected, AIA Australia will pay the policy owner or nominated beneficiary/ies, up to \$5,000 on death of the life insured if no benefit was payable for a crisis event.

Partial benefits payable under Crisis Recovery

- Carcinoma in Situ:
 - Female Cancers (vagina, ovary, vulva, fallopian tube and cervix-uteri)
 - Breast
 - Male Cancers (penis and testicle)
- Skin Cancer
- Benign Brain or Spinal Cord Tumour
- Coronary Artery Angioplasty
- Loss of use of one hand/foot/sight in one eye
- Chronic Diagnosis Advancement
- Rheumatoid Arthritis

Please refer to the PDS for the full list of partial crisis events covered and the amounts paid.

Chronic Diagnosis Advancement benefit

A Chronic Diagnosis Advancement benefit provides an advanced payment of 25% of the Crisis Recovery, Crisis Recovery Stand Alone or Double Crisis Recovery sum insured (maximum \$25,000). This payment will be made if the life insured suffers or is diagnosed with Motor Neurone Disease, Multiple Sclerosis, Muscular Dystrophy or Parkinson's Disease but have not yet met the definition of that crisis event.

Complimentary Family Protection Recovery benefit

If the life insured's Child is aged at least two years and younger than 18 years at the time of positive diagnosis, AIA Australia will pay a lump sum benefit up to \$20,000 under the Crisis Recovery, Crisis Recovery Stand Alone or Double Crisis Recovery benefits, if the life insured's Child is diagnosed with one or more of the serious listed crisis events

or if the life insured's Child dies. This benefit covers all of the life insured's Children.

Only one payment will be made per Child, regardless of the number of policies that cover the Child.

Please refer to the PDS for the full list of crisis events covered.

The following rider benefit is available under Crisis Recovery at an additional cost:

Crisis Reinstatement

Crisis Reinstatement automatically reinstates the Crisis Recovery Sum Insured that is reduced after the payment of a full Crisis Recovery claim or a restricted benefit for the diagnosis of Prostate Cancer. The Crisis Recovery Sum Insured is reinstated on the date 12 months after the payment of a Crisis Recovery Rider Benefit claim, or 30 days after the payment of a Crisis Recovery Stand Alone claim.

This reinstated sum insured excludes coverage on the crisis event already claimed on. It also excludes any future claims on the crisis events Loss of Independence and Terminal Illness.

Crisis Extension

The Crisis Extension benefit will pay a lump sum in addition to the Crisis Recovery benefit if the life insured is diagnosed, within the terms of the policy definitions, with one of the conditions listed as a Crisis Extension Event.

Crisis Extension Events are medical conditions that have progressed or deteriorated from the initial diagnosis, or are more serious conditions. Some Crisis Extension Events are also Crisis Events (under Crisis Recovery) with additional criteria within each definition that reflect this.

You may meet the definition of both a Crisis Event (under Crisis Recovery) and a Crisis Extension Event, in which case both benefits would be payable.

Alternatively, you may first meet the definition of a Crisis Event (under Crisis Recovery) and receive a Crisis Recovery benefit and, if your condition progresses or deteriorates, you may later meet the definition of the Crisis Extension Event and receive the Crisis Extension benefit.

The following rider benefit is available under Total and Permanent Disablement Stand Alone, Crisis Recovery Stand Alone benefit and under a rider benefit to Total and Permanent Disablement under Crisis Recovery Stand Alone:

Life Cover Purchase

After 100% of a Total and Permanent Disablement Stand Alone benefit claim or Crisis Recovery Stand Alone benefit claim or Total and Permanent Disablement rider claim under the Crisis Recovery Stand Alone benefit (where selected) has been paid, the life insured has the option to purchase Life Cover without further medical underwriting up to the sum insured of the claim payment after the first anniversary of the date their claim was paid.

Forward underwriting

Why consider the Forward underwriting benefit?

Forward Underwriting allows the life insured to use his or her state of health at the time of policy application to secure the option to buy cover in the future, with no further medical underwriting for Life Cover, Crisis Recovery and Total and Permanent Disablement benefits. The policy owner can select any amount of Forward Underwriting cover between \$100,000 and \$10 million (Total and Permanent Disablement and Crisis Recovery cover is available up to \$5 million and \$2 million respectively, depending on occupation categories). The policy owner can exercise the option to buy cover without further evidence of health when a 'business event', 'personal event' or 'other event' has occurred. The amount of Forward Underwriting cover that can be exercised is dependent on the type of event that has been experienced.

Business Safeguard Forward underwriting

The optional Business Safeguard Forward Underwriting benefit allows the customer to use the life insured's state of health at the time of policy application to secure the option to buy cover in the future when a 'business event' has occurred.

The policy owner can select any amount of Business Safeguard Forward Underwriting cover between \$100,000 and \$10 million (Total and Permanent Disablement and Crisis Recovery cover is available up to \$5 million and \$2 million respectively, depending on occupation categories).

Income Protection Cover

We offer the following three Income Protection options under our Income Protection Plan and Superannuation Income Protection Plan for your clients to choose from:

1. Income Protection
2. Income Protection Accident Only
3. **NEW:** Income Protection CORE

1. Income Protection

Income Protection cover provides financial support by paying a monthly income if your client is unable to perform one or more duties of their usual occupation solely due to an injury or sickness.

These benefits are guaranteed renewable as long as the premium payments are up to date. The cover continues each year until the expiry date of the cover regardless of changes in your client's occupation or pastimes.

A 'to age 70' benefit period is available for Occupation Categories A1, A2, M, A3 & A4.

Terminal Illness benefit

If your client is receiving a benefit under the Income Protection Plan and is diagnosed with a Terminal Illness before the expiry date of the benefit, AIA Australia will pay a forward payment of the Death benefit.

Death benefit

If your client dies before the expiry date of the benefit, AIA Australia will pay a death benefit of six times the insured monthly benefit up to a maximum of \$60,000.

Involuntary unemployment Waiver of Premium

If your client becomes involuntarily unemployed (and this is verified), premiums will be waived or refunded for a period of up to three months. In addition, cover will continue during this period.

Severity benefit

If your client has been on claim for more than six consecutive months after the end of the Waiting Period, and at that time they are totally disabled to the extent that they are unable to perform at least two of the Activities of Daily Living and are under the continuous care and supervision of another adult, AIA Australia will pay an additional 1/3 of the insured monthly benefit. This amount is up to a combined maximum of \$30,000 until the end of the benefit period as long as your client continues to be totally disabled and unable to perform at least two of the Activities of Daily Living.

Guaranteed Future Insurability benefit

Whenever your client's salary package permanently increases, the Guaranteed Future Insurability benefit provides an option to increase the insured monthly benefit. The maximum increase is \$2,500 – without any medical underwriting. This is restricted to employees only and therefore a self-employed person is unable to use this benefit.

Optional Benefits

Carer's Allowance benefit

Where your client is required to give up work to look after their child on a full-time basis, this benefit will pay up to \$2,000 a month for up to six months.

Retirement optimiser

This pays up to an additional 5% of your client's average monthly income to their superannuation fund for Superannuation contributions while an Income Protection benefit is being paid.

Advantage optional benefit and PLUS optional benefit

Specified Injury benefit

This pays the insured monthly benefit for up to 60 months for a listed event under paralysis, loss or partial loss of various limbs and fracture of various bones due to injury.

Total Disablement and Partial Disablement – Multi Definition

If your client becomes Totally Disabled or Partially Disabled, they will be assessed under the three tiered 'Multi' definition of duties, time and/or income. Your client will be assessed as being totally disabled if they are:

1. Unable to perform one or more of the important income producing duties in their usual occupation, or
2. Not working more than 10 hours per week in their usual occupation, or
3. Earning 20% or less of their Pre-disablement Income in their usual occupation.

Only one of the three criteria needs to be met in order to qualify for these benefits.

PLUS Optional benefit

No Claim Bonus

If your client doesn't claim for at least three years after purchasing the PLUS Optional benefit, they are rewarded with an increased insured monthly benefit, at no additional cost. The following table outlines the increase to the insured monthly benefit according to the number of claim-free years.

Claim-free years bonus

Number of claim-free years	Percentage bonus
3	5%
4	10%
5 or more	15%

The increased benefit will be paid for up to 12 months while claim payments are being made. AIA Australia will only pay this benefit once during the life of the policy.

Crisis Recovery benefit

If your client receives a confirmed diagnosis from a Medical Practitioner and meets the medical definition of any of the listed crisis events (as defined in their policy document), AIA Australia will pay a lump sum benefit equal to six times the insured monthly benefit.

This Crisis Recovery benefit is payable more than once for unrelated Crisis Events during the term of the Income Protection PLUS Optional benefit.

2. Income Protection Accident Only

The Income Protection Accident Only cover will provide a monthly income if your client becomes disabled solely as a result of an accidental injury.

3. NEW: Income Protection CORE

Income Protection CORE policies provide clients with a monthly income if they become Totally or Partially Disabled solely due to Sickness or Injury. Both Total and Partial disablement claims are assessed with reference to your client's inability to perform the Material and Substantial Duties of their Own occupation in the first 24 months, and then a Suited occupation thereafter.

In addition to Total and Partial Disablement benefits this policy also includes the following benefits:

- Recurrent Disablement benefit
- Benefit Indexation (optional)
- Waiver of Premium
- Salary Increase benefit
- Involuntary Unemployment Waiver of premium
- Rehabilitation Expenses benefit
- Needlestick Injury benefit (occupation M only).

Your clients can also choose to take Claims Escalation as an additional rider benefit.

This cover was developed in response to APRA's guidelines for Income Protection with a number of features identified as

being important within a more sustainable product design, including:

- A lower income replacement ratio – starting at 70% then reducing to 60% after 2 years on claim.
- A change in the definition of disability to Suited Occupation after first 2 years assessed on an Own Occupation basis.

Your clients can choose a benefit period of either:

- 5 years or
- To policy anniversary before age 65.

A number of the above benefits are provided through a Complimentary Income Protection CORE Extras policy provided to all insured under an Income Protection CORE policy. Please refer to the Product Disclosure Statement (PDS) for full details on Income Protection CORE and Income Protection CORE Extras.

Salary Increase benefit

This benefit allows your clients to increase their Insured Monthly Benefit by 15% up to a maximum of \$2,500 when their salary permanently increases, without providing further evidence of their health or insurability.

Rehabilitation Expenses benefit

Pays the cost of your client's participation in a pre-approved Occupational Rehabilitation Program that is part of a structured return to work program and is necessary to assist in their rehabilitation back to work. We must approve the program prior to your client's participation.

Involuntary unemployment Waiver of Premium

If your client becomes involuntarily unemployed (and this is verified), premiums will be waived or refunded for a period of up to three months. In addition, cover will continue during this period.

Business Expenses Cover

Why consider Business Expenses insurance cover?

Business Expenses insurance cover is specifically designed for self-employed individuals who need to ensure that the fixed expenses of their business or practice will still be paid even if they cannot work solely due to injury or sickness. The benefit covers business expenses less any amounts reimbursed from elsewhere.

To be eligible for this benefit, your client’s occupation must be acceptable to us as a self-employed practitioner; whether alone, in partnership with others, or a working director. This cover can be purchased on its own under the Business Expenses Plan, or together with Income Protection. However, this cover cannot be purchased in combination with Income Protection Accident Only.

Extension of benefit period

The Benefit Period is 12 months from the end of the Waiting Period.

The maximum payable is 12 times the insured monthly benefit.

If, at the end of the benefit period, your client remains totally disabled and the total benefit paid is less than 12 times the insured monthly benefit, payments will continue subject to the earliest to occur of the:

- payment in total of 12 times the insured monthly benefit;
- expiry of a further 12 months;
- cessation of the Total Disablement (Business Expenses) benefit; or
- expiry date of Business Expenses cover.

Insurance through Superannuation

As the following diagrams illustrate, AIA Australia’s Superannuation Life Cover Plan and Superannuation Income Protection Plan provide the life insured with the flexibility to link their Superannuation Life Cover and Superannuation Income Protection benefits to non-superannuation benefits via Superannuation PLUS, Maximiser and Super Extras with ownership of these benefits split between super and nonsuper.

Superannuation Life Cover

Allows a Life Cover benefit that is held within a superannuation environment to link Total and Permanent Disablement and Crisis Recovery benefits outside of the super environment. The Total and Permanent Disablement and Crisis Recovery benefits are issued in the life insured’s name and structured outside of the superannuation environment. This way, if the life insured suffers a listed crisis event, AIA Australia will pay the lump sum claim amount to the life insured directly. The Life Cover sum insured under the Superannuation Life Cover Plan will be subsequently reduced by the same claim amount.

This flexibility allows the Life Cover and Total and Permanent Disablement (TPD) premiums to be paid from a SMSF or the AIA Insurance Super Scheme No2; and the Crisis Recovery and/or Total and Permanent Disablement premiums to be paid outside of super by the life insured (i.e. direct debit, credit card or BPAY).

Policy 1: Superannuation	+	Policy 2: Maximiser Superannuation PLUS and Repayment Relief (non-superannuation)
Life Cover		Maximiser
TPD/Double TPD/TPD		<ul style="list-style-type: none"> • Own occupation definition
Stand Alone		Superannuation PLUS
<ul style="list-style-type: none"> • Any occupation definition 		<ul style="list-style-type: none"> • Crisis Recovery • Crisis Extension • Family Protection • Needlestick injury¹ • Waiver of Premium
Waiver of Premium		Repayment Relief
The trustee of an approved superannuation fund is the owner of Policy 1		The life insured is the owner of Policy 2

Superannuation Income Protection

Super Extras is a linked rider benefit to the superannuation Income Protection and superannuation Income Protection Accident Only benefits.

Super Extras will provide the life insured with a non-superannuation version of each benefit they have selected under the Superannuation Income Protection Plan (including Retirement Optimiser, Claim Escalation and Day 1 Accident optional benefits).

Income Protection benefits that cannot be paid under the Superannuation Income Protection Plan because they do not satisfy a permitted condition of release may be paid outside of the superannuation environment via Super Extras direct to the life insured.

The Superannuation Income Protection Plan allows ownership and premium payment by either an SMSF or the AIA Insurance Super Scheme No2 and the Super Extras premium to be paid and owned outside of super by the life insured.

Policy 1: Superannuation



Policy 2: Maximiser Superannuation PLUS and Repayment Relief (non-superannuation)

Income Protection

Day 1 Accident

Claim Escalation

Retirement Optimiser

Advantage Optional²

- Multi Definition for Total Disablement
- Multi Definition for Partial Disablement
- Specified Injury benefit

PLUS Optional²

- Multi Definition for Total Disablement
- Multi Definition for Partial Disablement
- Specified Injury benefit
- Crisis Recovery benefit
- Bed Confinement benefit
- Accommodation benefit
- Family Care benefit
- Home Care benefit
- No Claim Bonus
- Relocation benefit
- Rehabilitation Incentive benefit
- Guaranteed Future Insurability

Income Protection Lump Sum²

Carer's Allowance

The trustee of an approved superannuation fund is the owner of Policy 1

The life insured is the owner of Policy 2

¹ Needlestick injury is only available for M occupations.

² Not available under the Income Protection Accident Only benefit.

This is a summary only.

Full descriptions of benefits are outlined in the PDS available at aia.com.au or by calling 1800 033 490.

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