



Health

ADVICE CONSIDERATIONS

Adviser use only



aia.com.au/health

About this guide

This guide relates to the referral process for AIA Health and how AIA Health may interact with a Priority Protection (PP) or Priority Protection for Platform Investors (PPPI) policy recommendation with AIA Australia.

This guide provides template wording that describes the features of certain AIA Australia products and possible recommendations advisers may give. You should exercise your own professional judgement and/or seek guidance from your licensee in determining whether particular wording is appropriate in relation to any particular Referral Statement, Statement of Advice or Record of Further Advice for your clients.

This guide may be viewed and utilised in conjunction with the AIA Australia Statement of Advice Guide for PP or PPPI.

Disclaimer

Advisers remain responsible for preparing and giving their clients a Referral Statement, Statement of Advice or Record of Further Advice in accordance with applicable laws and their licensee's requirements, and for the content of that Referral Statement, Statement of Advice or Record of Further Advice. 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 this disclosure document, AIA Australia recommends you refer to your Licensee's policy and/or check with your compliance team, particularly in those instances where you are offering AIA Health to an existing AIA Australia client.

Find out more

For the most up-to-date information on AIA Health products please refer to aia.com.au/health

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 life insurance premium discounts (where the life insured is an AIA Vitality member) are available in the Premium Adjustment Rules located at aia.com.au/en/adviser/business-growth-hub/resource-library/aia-vitality.html

AIA guidance on the Code of Ethics

Please note that this guidance has been prepared by AIAA based on our understanding of FASEA Code of Ethics expectations.

When providing a product recommendation or referral to a client, you should seek to ensure you can satisfy the following questions, and can document these:

- Have you researched and understood your client's needs in order to be able to provide appropriate advice, recommendations and referrals?
- Have you researched available financial products to find appropriate options?
- Are the advice, recommendations and referrals in the best interests of the client?
- Are they appropriate to their individual circumstances (which takes into account their broader, long-term interests and their likely future circumstances) and do they meet their objectives?
- Is the advice clear and simple?
- Do you have reasonable grounds to be satisfied that the client understands your advice, and the benefits, costs and risks of the recommended financial products and referrals?

- Have you had detailed engagement with, and given assistance to, the client?
- Have you made clear to the client any remuneration you may receive as a result of the advice, recommendations and referrals and received their fee prior and informed consent?
- Have you established that any fees you may receive are fair and reasonable and represent value for money for the client?
- Would a reasonable person agree with your answers above?

As always, you should speak with your licensee if you have any concerns regarding your compliance with the Code of Ethics.

AIA Health with AIA Vitality

AIA Health is a health insurance brand with a difference. Combined with AIA Vitality, AIA Health ensures clients are rewarded for their everyday health choices.

Client benefit highlights

- The AIA Vitality contribution fee is built into the price of the AIA Health product.
- Once your client takes out an AIA Health policy, they will be sent an activation email to activate their AIA Vitality membership. From here they can start accessing AIA Vitality benefits.
- The 5% AIA Vitality discount is built into the health insurance premium. Members who maintain an AIA Vitality status of Silver or above continue to enjoy an ongoing discount of 5% for the following year on their AIA Health policy.

What to do prior to client referral

- Talk to your licensee. Your licensee needs to agree to allow yourself (and other advisers) to refer clients to AIA Health
- Once they are comfortable to proceed, they need to contact AIA Australia to arrange for a **Health Insurance Distribution Agreement** to be completed. Upon execution of the agreement, AIA Health can be included on their Approved Product List.
- Licensees may require you to complete the AIA Health Health online training to gain an understanding of the Private Health Insurance industry of which you will earn CPD points.
- You are now ready to refer your clients to AIA Health

After a successful referral

If your client proceeds with the purchase of an AIA Health policy, you'll receive a referral fee of 20% of the first year's premium (plus GST). Note all referral fees are paid to the licensee.

Please note: You can only offer AIA Health to your clients by following the referral process as detailed below.

The referral process

To refer your client to AIA Health you will need to:

- Ensure you can satisfy the questions outlined on page 3 when providing a product recommendation or referral to a client.
- Provide your client with a **Customer Information Brochure** so they can determine if AIA Health is right for them.
- Consider the disclosure of your referral fee. Licensees are required to provide you with clarity as to how you disclose the referral fee to your clients. Refer to pages 6 and 7 for a referral statement example. In the event your client purchases an AIA Health product you will receive a referral fee of 20% of the first year's premium. Note all referral fees are paid to the licensee.
- Refer your client to AIA Health by making an online booking via the [Adviser Health Portal](#).
- Once your client completes the application process, upon receipt of the first premium, the referral fee will be generated and paid to your licensee on the 15th of the following month.

It is suggested (subject to licensee approval) that the AIA Health referral process occurs separate to the personal advice process.

Potential advice disclosure requirements if the client has an AIA Health policy and you recommend Priority Protection

Subject to Best Interest Duty, you may determine through your advice process that the best life insurance product for your client is either Priority Protection (PP) or Priority Protection for Platform Investors (PPPI) with AIA Australia.

As your client holds an AIA Health health insurance product, AIA Vitality is built-in. In the instance where you recommend PP or PPPI, your client will also benefit from discounts and rewards from AIA Vitality.

The following wording and table is suggested regarding the premium discount:

Premium Discounts for AIA Health members	Reasons for recommending AIA Australia
Income Protection/Business Expenses benefits	<p>Applicable to both ordinary and superannuation policies.</p> <p>You already hold an AIA Health product which includes AIA Vitality, as such the premium payable on your life insurance policy for your <insert Income Protection and/or Business Expenses> benefits will generally be eligible for an AIA Vitality initial discount of 7.5%*.</p> <p>The AIA Vitality Initial premium discount will be adjusted on your policy anniversary either positively or negatively depending on the AIA Vitality Status achieved by the life insured. You can earn up to a 20% discount on your policy. The life insured's engagement with AIA Vitality may help you manage the premiums you pay on your <insert Income Protection and/or Business Expenses>.</p> <p>For further information relating to how discounts are adjusted based on the life insured's engagement in the AIA Vitality program, please refer to the AIA Vitality Premium Adjustment Rules</p>
Lump Sum benefits	<p>Applicable to both ordinary and superannuation policies.</p> <p>You already hold an AIA Health product which includes AIA Vitality, as such the premium payable on your life insurance policy for your <insert specific lump sum benefit(s)> will generally be eligible for an initial discount of 17.5%*.</p> <p>The AIA Vitality Initial premium discount will be adjusted on your policy anniversary either positively or negatively depending on the AIA Vitality status achieved by the life insured. You can earn up to a 20% discount on your policy. The life insured's engagement with AIA Vitality may help you manage the premiums you pay on your <insert specific lump sum benefit(s)>.</p> <p>For further information relating to how discounts are adjusted based on the life insured's engagement in the AIA Vitality program, please refer to the AIA Vitality Premium Adjustment Rules.</p>

* The initial discount may be increased from time to time to reflect current campaign offers. AIA Vitality Starter* members are not eligible for Priority Protection or Priority Protection for Platform Investors AIA Vitality membership discounts.

Fees and other benefits

AIA Vitality contribution fee

Clients who hold an AIA Health product with AIA Vitality included don't have to pay the annual AIA Vitality contribution fee (normally payable with a Priority Protection or Priority Protection for Platform Investors policy).

Note: If your client already has an AIA Health policy, the AIA Vitality contribution fee will appear as \$0 in their PP or PPPI quote.

If they don't have an AIA Health policy, but are applying for one, the AIA Vitality contribution fee will be applied to their PP or PPPI quote, but will then be waived once the AIA Health policy is active.

AIA Vitality activation payment

You may be eligible for an activation payment of up to \$250 if you make an AIA Health referral and recommend Priority Protection or Priority Protection for Platform Investors and your client proceeds. Note the AIA Health referral fee and AIA Vitality activation payment are paid to the licensee.

Depending on whether your licensee passes on the full activation payment or has approved receipt, you may wish to include wording in your client communications regarding what you receive. Here's an example:

I receive a \$250 AIA Vitality activation payment in respect of the AIA Vitality membership purchased by you as a one-off advice fee. This one-off fee is payable to my licensee by AIA Australia and is at no additional cost to you.

Using the AIA Vitality Activation Payment to purchase a fitness device for your client

AIA Australia provides advisers with the opportunity to purchase a Fitbit or Garmin device with the AIA Vitality discount of 25%. You may wish to use the AIA Vitality Activation Payment (or your own business funds) to purchase a fitness device for your client and disclose this.

Here's some suggested wording you may like to use to disclose this to your clients:

I receive a \$250 AIA Vitality Activation Payment, in respect of the AIA Vitality membership purchased by you, as a one-off fee. This one-off fee is payable to my licensee by AIA Australia and has been utilised to purchase a fitness device on your behalf. There is no additional expense to you.

AIA Health and Priority Protection

If your client already has/is wanting to take out a Priority Protection or Priority Protection for Platform Investor's policy, they will receive an additional 5% Health and Life discount on their PP or PPPI Lump Sum and Income Protection benefits when they have both an AIA Health with AIA Vitality and life insurance policy.

Supporting information

To help your client to better understand the AIA Vitality program and its benefits, you could consider including the following documents with your Statement of Advice:

- Terms and conditions
- AIA Vitality Premium Adjustment Rules
- Partners and rewards flyer with upfront discount

Example: Referrer statement

Dear <insert client name>,

As per our previous discussions regarding your health insurance needs, I <insert Adviser name> confirm that I am an Authorised Referrer of AIA Health with AIA Vitality. As requested, I am pleased to provide you with information on the next steps.

What you need to do

So I can provide your details to AIA Health with AIA Vitality (under the Australian and State Privacy Law obligations), please sign below and return this letter as confirmation of your consent via:

- Email <insert adviser email address>, or
- Post <insert Adviser address>

What next?

1. I'll make an online booking via the [Adviser Health Portal](#) at your preferred date and time.
2. AIA Health will then contact you directly at your preferred date and time to provide you with further information on their health insurance options. This will help you to determine if AIA Health is appropriate for your individual/ family's needs.

Important information regarding this referral

Please note: as an Authorised Referrer of AIA Health with AIA Vitality, this referral is not a recommendation, nor do I provide warranty on the accuracy or suitability to your individual needs of the information and health insurance options provided by AIA Health This should also not be deemed as financial and/or other advice.

Additionally, as an Authorised Referrer of AIA Health I will receive a referral fee of 20% of the first year's premium of any health insurance policy that may be purchased on your behalf, note that all referral fees are paid to my licensee. This is not an additional cost to you and will only be received in the event of you transacting business with AIA Health

I look forward to receiving this signed consent form. If you have questions regarding this referral or my referral arrangement with AIA Health please don't hesitate to contact me on <insert Adviser phone number> or <insert Adviser email address>.

Date: / /

Signature of Authorised Referrer

I/We have read and understood the information provided in this statement and hereby consent to my/our contact details being provided to AIA Health with AIA Vitality and acknowledge that AIA Health will collect, use and disclose my/our personal information in the manner described in its Privacy Policy (as updated from time to time), and available at aia.com.au/health).

Date: / /

Signature of Client

Date: / /

Signature of Client

AIA Health

509 St Kilda Road
Melbourne VIC 3004

aia.com.au/health



Health

AIA Health with AIA Vitality is issued by AIA Health Insurance Pty Ltd ABN 32 611 323 034, a registered private health insurer governed by the Private Health Insurance Act 2007, Private Health Insurance Rules 2007 and the AIA Health Insurance Pty Ltd Fund Rules. This information is current as at 1 March 2022 and may be subject to change. This provides general information only, without taking into account the personal circumstances of any individual and is not intended as financial, medical, health or other advice. AIA Vitality and AIA Vitality Starter are provided by AIA Australia. Access to the AIA Vitality or AIA Vitality Starter program arises under, and is subject to, the AIA Vitality Terms and Conditions. AIA Vitality and AIA Vitality Starter partners, benefits and rewards are subject to change at any time. For the most up-to-date information and to view the AIA Vitality Terms and Conditions see aivitality.com.au. Additional program partner terms and conditions may apply.