



Priority Protection Enhancements

1 December 2009



AIA.COM.AU

AIA Australia has been operating in Australia for almost 40 years and is committed to protecting the financial health and welfare of Australians.

Every year AIA Australia upgrades its product range to ensure that the features and benefits offered to customers meet their changing needs. Existing Priority Protection policyholders also benefit from these product upgrades as their policies are enhanced.

The list of enhancements which are being passed back to existing policyholders and available to new customers are listed below.

Benefit	Enhancement
Life Cover, Term Cover and Accidental Death Benefits	Final Expenses benefit will pay on death of the life insured an amount equal to the lesser of 10% of the sum insured and \$25,000 if the owner of the policy is a company or business entity.
Permanent Disablement, and Permanent Disablement Stand Alone Benefit	<ul style="list-style-type: none"> The name of the benefit has been changed to <i>Total and Permanent Disablement</i>, and <i>Total and Permanent Disablement Stand Alone Benefit</i>
	<ul style="list-style-type: none"> The period of unemployment immediately prior to a claim is now unlimited for the 'Own Occupation' definition.
Disability Income	<ul style="list-style-type: none"> The name of this benefit has been changed to <i>Income Protection</i>.
	<ul style="list-style-type: none"> The definition for pre-disability income is amended as follows: <i>Pre-disablement Income (Indemnity) is the greater of the life insured's average monthly income:</i> <ul style="list-style-type: none"> <i>for the 12 consecutive months preceding the commencement of disablement; and</i> <i>the latest financial year preceding the commencement of disablement.</i>
	<ul style="list-style-type: none"> <i>Severity Benefit</i> <ul style="list-style-type: none"> Pays an additional 1/3 of the Insured Monthly Benefit (maximum of \$30,000 per month) if the life insured is totally disabled to the extent that he/she is unable to perform at least 2 of the Activities of Daily Living.

Benefit	Enhancement
Crisis Recovery, and Crisis Recovery Stand Alone Benefit	<ul style="list-style-type: none"> • <i>Small Bowel</i> is now added to the list of organs covered under the definition of <i>'Major Organ Transplant'</i>. • The definition of <i>'Benign Brain Tumour'</i> now includes tumours of the <i>Spine</i>. • The following crisis events now require the life insured to be permanently unable to perform one Activity of Daily Living to satisfy a claim as opposed to suffering <i>'25% Whole Person Impairment'</i>; <ul style="list-style-type: none"> – Bacterial Meningitis – Benign Brain Tumour – Major Head Trauma – Viral Encephalitis • The requirement of <i>'25% Whole Person Impairment'</i> has been removed from the definition of <i>'Coma'</i>. The definition for <i>'Coma'</i> has been redefined as follows: <ul style="list-style-type: none"> – <i>Coma – a state of unconsciousness with no reaction to external stimuli or internal needs, persisting continuously with the use of a life support system for at least 72 hours.</i> • The requirement for the life insured to be permanently unable to perform three Activities of Daily for <i>'Rheumatoid Arthritis'</i> has been reduced to two Activities of Daily Living. • A <i>'Complimentary Child Crisis Recovery'</i> benefit is being introduced to all Crisis Recovery and Crisis Recovery Stand Alone policies under the Comprehensive module, which will provide \$20,000 sum insured to each child of the policy owner when the child suffers a listed crisis event.
Crisis Recovery Reinstatement	<p>Where Crisis Reinstatement is purchased as a benefit under Crisis Recovery Stand Alone, the waiting period for reinstatement of the sum insured after an event has been claimed will be from 30 days of the date of the claim payment.</p>
Policy Fee	<p>Increase from \$60 per policy to \$72 per life insured for policies with a commencement date prior to 1 December 2008</p>

The list of enhancements to existing benefits which are only available to customers who purchase a version 8 Priority Protection policy issued 1 December 2009 are listed below.

Benefit	Enhancement
Accidental Death Benefit	A universal level premium will apply, irrespective of gender, age or smoking status from age 16 through to expiry at age 99. This replaces the stepped premium, based on age.
Total and Permanent Disablement (TPD), and Total and Permanent Disablement Stand Alone Benefit	<p>Occupation category C now qualifies for 'Own' occupation definition.</p> <p>The maximum entry age for occupation category C is now increased to age 60.</p> <p>The maximum cease age for occupation categories AAA, AA and A is now increased to age 70.</p> <p>The maximum sum insured (Own Occupation) for occupation categories AAA, AA and A is now \$5 million.</p> <p>The maximum sum insured at age 70 when TPD converts to Loss of Independence has increased to \$2 million for occupation categories AAA, AA and A.</p>
Total and Permanent Disablement Buy-back	<p>The maximum entry age for occupation category C is now increased to age 60.</p> <p>The maximum cease age for occupation categories AAA, AA and A is now increased to age 70.</p>
Waiver of Premium	<p>Occupation category C now qualifies for 'Own' occupation definition.</p> <p>The maximum entry age for occupation category C is now increased to age 60.</p> <p>The maximum cease age for occupation categories AAA, AA and A is now increased to age 70.</p>
Crisis Recovery	The maximum sum insured at age 70 when Crisis Recovery converts to Loss of Independence has increased to \$2 million for occupation categories AAA, AA and A.
Female Crisis Assistance	<p>The cover options have been expanded to a choice of one of the following sums insured per listed crisis event:</p> <ul style="list-style-type: none"> • \$25,000 • \$50,000 • \$75,000 • \$100,000
Income Protection	<p>Occupation category A is included for the '2-year to age 70' benefit.</p> <p>The maximum Insured Monthly Benefit for the '2-year to age 70' benefit is increased to \$20, 000 per month.</p> <p>The 'Day 1 Accident' benefit has been enhanced to allow the benefit to be payable for up to 90 days of total disablement due to an accidental injury.</p>
Business Expenses	The maximum Insured Monthly Benefit amount has increased to \$30,000 per month for occupation categories AAA and AA.

New Benefits

The list of new benefits which are available to customers who purchase a version 8 Priority Protection policy issued 1 December 2009 are listed below.

New Benefit	Benefit Detail
Crisis Recovery and Crisis Recovery Stand Alone	Complimentary Interim Accidental Crisis Cover will pay a lump sum equal to the lesser of the proposed sum insured and \$1 million in the event the life insured suffers a listed accidental crisis event.
Incorporated Business Expenses	A business expenses policy owned by a company or business entity on the life of a business owner or partner. This benefit will pay an Agreed Value for the first 12 months of claim and Indemnity Value for a further period of 12 months.

Adviser Use Only – not for reproduction or distribution without the consent of AIA Australia. This is a summary only. For further details, please refer to the relevant Priority Protection Product Disclosure Statement issued 1 December 2009. While AIA Australia has used all reasonable efforts to ensure the information in this document is complete and accurate, AIA Australia makes no representation or warranty in this regard.