

Priority Protection Product Summary



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The following information provides a summary of the main features and terms of the AIA Australia Priority Protection product. For full details, please refer to the AIA Australia Priority Protection Product Disclosure Statement (PDS), issued 1 December 2009.

Life Cover

Why consider Life Cover?

- It can be used to 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 provide financial security for loved ones when the life insured no longer can.
- It allows business partners to continue running the business without added capital strain.

Preparing for the inevitable is preparing for life!

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

Final Expenses benefit

If the life insured dies before the policy expires AIA Australia will pay the nominated beneficiary or the policy owner 10% of the sum insured (up to a maximum of \$10,000) to assist them in dealing with immediate financial expenses. If the policy is owned by a company or business entity AIA Australia will pay the nominated beneficiary or policy owner 10% of the sum insured (up to a maximum of \$25,000). AIA Australia will need to see a certified copy of the death certificate before AIA Australia pays this benefit. 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.

Financial Planning Reimbursement benefit

If a claim is paid for death or terminal illness, AIA Australia will reimburse the nominated beneficiary/ies or the policy owner the cost of obtaining advice (up to a maximum of \$3,000) from one or more financial planners. This advice must be in relation to how the claim proceeds should be managed or invested.

Guaranteed Future Insurability benefit

If the life insured experiences a 'personal event' or a 'business event' before the age of 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 sum insured and any Total and Permanent Disablement sum insured without supplying further evidence of health or insurability. The 'personal events' and 'business events' covered and conditions applying are explained in the AIA Australia Priority Protection Product Disclosure Statement, issued 1 December 2009.

Total and Permanent Disablement

If the life insured has a serious accident or illness, the Total and Permanent Disablement 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.

Total and Permanent Disablement 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; and All duties.

Crisis Recovery

Why consider Crisis Recovery?

- Crisis events such as heart attacks, strokes and cancer happen without discrimination.
- 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 benefit will pay a lump sum if the life insured is diagnosed with one or more of the serious illnesses listed in the crisis groups of Cancer, Coronary and Other Serious Crisis Events. The Crisis Recovery benefits are structured into four modules so that individual needs can be easily catered for. The four modules are as follows:

Comprehensive Crisis	Provides comprehensive cover for: <ul style="list-style-type: none"> • Cancer events • Coronary events • Other Serious Crisis Events
Cancer and Coronary	Provides cover for: <ul style="list-style-type: none"> • Cancer events • Coronary events
Cancer Plus	Provides cover for: <ul style="list-style-type: none"> • Cancer events • Other Serious Crisis Events
Coronary Plus	Provides cover for: <ul style="list-style-type: none"> • Coronary events • Other Serious Crisis Events

Crisis Recovery can be purchased as a:

- Stand alone benefit, 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.

Male Cancer

The Crisis Recovery benefit will provide the full benefit for all types of malignant prostate cancers including those classified as T1a (or its equivalent).

Complimentary Interim Accidental Crisis Recovery Cover

Each Crisis Recovery benefit will provide Complimentary Interim Accidental Crisis Recovery Cover. This amount will be equal to the lesser of the proposed sum insured and \$1 million.

Financial Planning Reimbursement

If a claim is paid for Crisis Recovery or Crisis Recovery Stand Alone sum insured, AIA Australia will reimburse the nominated beneficiary/ies or the policy owner the cost (up to a maximum of \$3,000) of obtaining advice from one or more financial planners. This advice must be in relation to how the claim proceeds should be managed or invested.

Death Cover

If the Crisis Recovery Stand Alone benefit is selected, AIA Australia will pay the nominated beneficiary/ies or policy owner up to \$5,000 on death of the life insured.

Loss of limb or sight of one eye (partial benefit)

This benefit will pay a partial benefit in the event of the total and permanent loss of use of one hand or one foot or sight in one eye. The amount payable will be the greater of \$10,000 and 25% of the sum insured of the Crisis Recovery or Crisis Recovery Stand Alone benefit. This benefit will only be paid once and cannot exceed the sum insured. Following a claim, the sum insured of the Crisis Recovery or Crisis Recovery Stand Alone benefit will be reduced by the amount paid.

Chronic Diagnosis Advancement benefit

A Chronic Diagnosis Advancement benefit provides an advanced payment of 25% of the Crisis Recovery or Crisis Recovery Stand Alone 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, or been placed on a waiting list to receive a major organ transplant.

Complimentary Child Crisis Recovery benefit

If the life insured's Child is between the ages 2 next birthday and 18 next birthday at the time of positive diagnosis AIA Australia will pay \$20,000 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 dated 1 December 2009 for the full list of crisis events covered.

The following rider benefits are available at an additional cost:

Female Crisis Assistance

The Female Crisis Assistance benefit will pay a lump sum of \$25 000, \$50 000, \$75 000 or \$100 000, depending on the level of cover selected, per crisis event listed in the AIA Australia Priority Protection PDS, issued 1 December 2009.

Crisis Reinstatement

One year following a claim payment for a crisis event under the Crisis Recovery benefit, the life insured has the opportunity to re-purchase 100% of the Crisis Recovery sum insured without additional loadings. If the Crisis Recovery Stand Alone benefit is selected, the life insured may repurchase the Crisis Recovery Stand Alone Sum Insured after 30 days from the date that the claim was paid.

This re-purchased 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.

Forward Underwriting

Why consider the Forward Underwriting benefit?

Forward Underwriting allows the life insured to use their 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 life insured 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 life insured is eligible to 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.

Income Protection

Why consider Income Protection?

- To provide an income when the life insured cannot earn one because of becoming disabled or severely ill.
- To ensure that business continuity is catered for even when the owner can no longer run the business.

Get paid an income – even when one cannot be earned!

The Income Protection benefit (including the PLUS Optional benefit) will provide a monthly income if the life insured becomes disabled due to injury or sickness. The Income Protection Accident Only benefit will provide a monthly income if the life insured becomes disabled as a result of an accidental injury only. These benefits are guaranteed renewable as long as the premium is paid. The cover will continue to be guaranteed renewable each year until the expiry date of the benefit regardless of changes in health, occupation or pastimes.

These benefits are available on an agreed value basis. This means that the income at the time of the policy application will be used to calculate the insured monthly benefit amount.

This benefit provides no offsets to the insured monthly benefit for white collar professionals and medical professionals (AAA or AA occupation) with regard to worker's compensation payments or motor accident claims.

Death benefit

If the life insured dies while the Income Protection Plan is in force, AIA Australia will pay a death benefit of six times the insured monthly benefit up to a maximum of \$60,000.

PLUS Optional benefit

No Claim Bonus

If a claim is not made for at least 3 years after purchasing the PLUS Optional benefit, the life insured will be rewarded in the form of 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
3	5%
4	10%
5	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

Upon diagnosis by a medical practitioner of any of the 41 listed crisis events, AIA Australia will pay a lump sum benefit equal to six times the insured monthly benefit.

Guaranteed Future Insurability benefit

Whenever the life insured's salary package increases the Guaranteed Future Insurability benefit provides an option to increase the insured monthly benefit, without medical underwriting. This is restricted to employees only, i.e. a self-employed person is unable to exercise this benefit.

Severity Benefit

If the life insured has been on claim for more than 6 consecutive months after the end of the waiting period, and at that time the life insured is totally disabled to the extent that he or she is unable to perform at least 2 of the Activities of Daily Living and is under the continuous care and supervision by another adult, AIA Australia will pay an additional 1/3 of the monthly insured benefit (maximum of \$30,000) until the end of the benefit period as long as the life insured continue to be totally disabled to the extent that they are unable to perform at least 2 of the Activities of Daily Living.

Business Expenses

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

To be eligible for this benefit, the life insured's occupation must be acceptable to us as a self-employed practitioner; whether alone, in partnership with others, or a working director. This benefit can be purchased on its own as the Business Expenses Plan, or together with the Income Protection benefit. This benefit is not able to be purchased in combination with the Income Protection Accident Only benefit.

Extension of benefit period

If at the end of the benefit period the life insured 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 of 12 times the insured monthly benefit;
- expiry of a further 12 months;
- cessation of the total disablement; or
- expiry date of the benefit.

Incorporated Business Expenses

The Incorporated Business Expenses benefit is specifically designed for business owners (i.e. partners or shareholders who are employed full-time in the business) who need to ensure that the fixed expenses of their business or practice will still be paid even if they cannot work due to injury or sickness.

This plan is owned by the business entity (i.e. partnership or company) with the business owner as the life insured.

The Incorporated Business Expenses benefit will pay an agreed value amount for the first 12 months that the life insured is disabled and will pay an indemnity amount for a further 12 months should the life insured continue to be disabled.

Optimum premium

Optimum premium is a unique and innovative way to pay insurance premiums. The Optimum premium option provides the affordability of insurance at the outset and the longer term certainty and consistency of premiums at later years.

When compared to stepped premiums, Optimum premiums can mean a saving of up to 45% in total insurance costs over the longer term. This example is based on a 40 year old male non-smoker to age 65, paying optimum premiums instead of stepped premiums.

This is a summary only. For full terms and conditions, please refer to the relevant PDS and policy documentation. While AIA Australia has used all reasonable efforts to ensure the information in presentation is complete and accurate, AIA Australia makes no representation or warranty in this regard.

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