



# Adviser Guide

3 December 2011

**The Power of We**

[AIA.COM.AU](http://AIA.COM.AU)



This Adviser Guide relates to AIA Australia's Priority Protection PDS (version 10, issued 3 December 2011). It is intended as a general guide only, provided for informational purposes. Please refer to the PDS and your Distribution Agreement with AIA Australia for more information.

Priority Protection is issued by AIA Australia Limited (ABN 79 004 837 861 AFSL 230043), PO Box 6111, St Kilda Road Central VIC 8008; Adviser Phone: 1800 033 490.

The Superannuation Life Cover Plan (when issued through the AIA Superannuation Fund, ABN 78 757 377 348 ('the Fund')), is owned by CCSL Limited, ABN 51 104 967 964, AFS Licence No. 287084 ('Trustee'), as the trustee of the Fund. The Trustee is the issuer of a risk-only superannuation product with benefits referable solely to the Superannuation Life Cover Plan. The Trustee is located at Level 16, 114 William Street, Melbourne Australia 3000, Phone (03) 9616 8600.

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## 1. Welcome to AIA Australia's Adviser Guide

We've developed this adviser guide as a handy tool for advisers to find out all they need to know about AIA Australia's underwriting guidelines, claims and remuneration procedures.

Another good source of information is the AIA Australia Adviser Site, which gives you access to:

- New Business reports
- Policy Services reports
- Operations Forms
- Marketing material
- Underwriting forms and guidelines
- Quoting software

You can access the Adviser Site at: <https://aia.com.au/AdviserSite>

### **Don't have a password?**

If you don't have a username or password, or you've forgotten it, please contact our Sales Support Team on 1800 033 490 (option 4).

## 2. Contact us

### New Applications and outstanding requirements for New Business and Underwriting

<b>Scan and email</b>	infohub@aia.com
<b>Fax</b>	1800 832 266
<b>Post</b>	AIA Australia, PO Box 6111, St Kilda Rd Central, VIC 8008

### Underwriting/New Business

<b>Phone</b>	1800 033 490 (option 1)
<b>Fax</b>	1800 832 266
<b>Email (Standard)</b>	infohub@aia.com
<b>Email (Pre-Assessment)</b>	au.uwpreassess@aia.com

### Policy Services

<b>Phone</b>	1800 033 490 (option 2)
<b>Fax</b>	1800 832 266
<b>Fax:</b>	(03) 9009 4824
<b>Email</b>	au.customer@aia.com

### Claims

<b>Phone</b>	1800 033 490 (option 3)
<b>Fax</b>	(03) 9009 4127
<b>Email</b>	au.claims@aia.com

### Sales Support

<b>Phone</b>	1800 033 490 (option 4)
<b>Fax</b>	(03) 9009 4149
<b>Email</b>	au.adviserservices@aia.com

*Our office operating hours are Monday to Friday 8.00am to 6.00pm EST.*

## 1. Underwriting requirements – medical and financial

### The underwriting process

Underwriting is the process of 'selecting and classifying' risks. The underwriter is responsible for assessing all applications of a potential client based on their financial history, occupation, health and lifestyle. This information will enable the underwriter to make an informed decision as to the client's suitability for cover.

### Underwriting philosophy

At AIA Australia, we aim to keep you and your clients up to date and fully informed about the underwriting process and the decisions we make. We are approachable and happy to discuss the insurance needs of your client with you.

We are committed to the following:

- 'One bite' underwriting – asking for all requirements upfront by thoroughly assessing the case the **first** time.
- Assessing these 'one bite' applications within 2 days.
- Communicating the underwriting decision when all requirements are received.
- If application is declined, we will discuss with you the alternative options for your client.

We will not always be able to provide terms that are agreeable to your clients, but we are on hand to discuss these decisions with you and provide suitable explanations as to why the decision was made.

### Acceptance

The majority of applications received by us are accepted at standard rates. If we are unable to offer full cover to a client then we may offer alternative terms determined on a case-by-case basis.

## **eApp® Express**

eApp® Express includes an underwriting validation layer which improves the quality and integrity of the data reaching AIA Australia.

Users will benefit from the ability to provide customers with the surety associated with point of sale underwriting decisions. In addition, users will find eApp® Express significantly easier to use as a result of the following benefits:

- Substantially reduced requirement for follow-up consultations with clients
- Simplified application process, i.e. all relevant questions automatically presented
- Improved listings, i.e. occupations
- Ease of navigation through quote and application
- Automated submissions and updates
- In some cases eliminates the need for the signing and submission of special acceptance terms.

### **More Information**

For more information about eApp® Express or to obtain a copy of the eApp® Express User Guide, please contact your local Sales Manager or our Sales Support team on 1800 033 490 (option 4).



## 2. Medical underwriting requirements

### Life and TPD<sup>^</sup>

Medical requirements are needed once cover reaches or exceeds the levels shown below.

	Age Next Birthday				
	Up to 45	46 – 50	51 – 60	61 – 65	66+
<b>MBA 20</b>	\$2,500,001	\$1,500,001	\$750,001	\$500,001	\$300,001
<b>HIV &amp; Hep B/C</b>	\$2,500,001	\$1,500,001	\$750,001	\$750,001	\$750,001
<b>Short Medical Exam*</b>	\$2,500,001	\$1,500,001	\$1,000,001	Nil	Nil
<b>Medical Exam by GP or Paramedic</b>	Nil	Nil	Nil	\$500,001	\$300,001
<b>PMAR</b>	\$5,000,001	\$3,000,001	\$2,500,001	\$2,500,001	\$1,000,001
<b>ECG (Resting)</b>	Nil	\$2,500,001	\$2,000,001	\$1,500,001	\$1,000,001
<b>Exercise ECG</b>	Nil	\$5,000,001	\$5,000,001	\$5,000,001	\$5,000,001
<b>PSA (Males)</b>	Nil	Nil	\$5,000,001	\$5,000,001	\$5,000,001
<b>Full Blood Count</b>	Nil	Nil	\$5,000,001	\$5,000,001	\$5,000,001

Medical Examinations apply as follows:

Up to \$5,000,000 M/E by GP or paramedic (for non-English speaking clients, medical exam must be performed by applicant's own doctor)

\$5,000,001 + M/E by Specialist Physician

\*Short M/E: A short medical exam consists only of blood pressure, height/weight details and urine specimen. (Completion of AIA Australia's full application is required including the Personal History and Medical History sections.)

<sup>^</sup>If Total & Permanent Disablement Stand Alone and Total & Permanent Rider or Double Total & Permanent Rider are purchased together the higher sum insured of the Life and Total & Permanent sums Insured will apply.

Above includes existing cover held with AIA Australia only.

Refer to Senior Underwriter for TPD at \$5M or Life Cover >\$25M.

## 2. Medical underwriting requirements (continued)

### Crisis Recovery<sup>^</sup>

Medical requirements are needed once cover reaches or exceeds the levels shown below.

	Age Next Birthday			
	Up to 45	46 – 50	51 – 60	61 – 65
<b>MBA 20</b>	\$1,000,001	\$750,001	\$600,001	\$300,001
<b>HIV &amp; Hep B/C</b>	\$1,000,001	\$750,001	\$750,001	\$750,001
<b>Medical Exam by GP or Paramedic*</b>	\$1,000,001	\$1,000,001	\$600,001	\$300,001
<b>PMAR</b>	\$1,500,001	\$1,500,001	\$1,000,001	\$1,000,001
<b>Exercise ECG</b>	Nil	\$1,500,001	\$1,000,001	\$750,001
<b>PSA (Males)</b>	Nil	Nil	\$1,000,001	\$750,001
<b>Full Blood Count</b>	Nil	\$1,500,001	\$1,500,001	\$1,000,001

\*Medical Examinations apply as follows:

Up to \$1,500,000 M/E by GP or paramedic (for non-English speaking clients, medical exam must be performed by applicant's own doctor)

\$1,500,001 + M/E by Specialist Physician

<sup>^</sup>Above applies to all Crisis Recovery benefits including Crisis Recovery rider, Double Crisis Recovery or Crisis Recovery Stand Alone. Where Life or Total & Permanent Disablement Stand Alone is also purchased with Crisis Recovery, the stricter limits will apply. Above includes existing cover held with AIA Australia only.

## 2. Medical underwriting requirements (continued)

### Income Protection and Business Expenses<sup>^</sup>

Medical evidence is required once cover reaches or exceeds the levels shown below.

	Age Next Birthday			
	Up to 45	46 – 50	51 – 60	61 – 65 <sup>#</sup>
<b>MBA 20, HIV, Hepatitis B &amp; C</b>	\$12,501	\$10,001	\$8,501	\$6,501
<b>PMAR</b>	\$12,501	\$12,501	\$10,001	\$7,501
<b>Medical Exam by GP or Paramedic*</b>	\$20,001	\$20,001	\$20,001	Nil (max cover \$20,000)

\*Medical Examinations apply as follows:

M/E by GP or paramedic (for non-English speaking clients, medical exam must be performed by applicant's own doctor)

<sup>^</sup>Above also applies to Income Protection (Accident Only) and Incorporated Business Expenses.

For Business Expenses stand alone benefit, take only half of the sum insured to determine the medical requirements. Above includes existing cover held with AIA Australia only.

<sup>#</sup>Cover available for occupation categories AAA, AA and A only.

Refer to Senior Underwriter for cover >\$30,000/month.

### 3. Financial underwriting requirements

#### Life, TPD and Crisis Recovery

Total Industry Cover	Life Cover*	Total & Permanent Disablement*	Crisis Recovery*
Up to \$1,500,000	A	A	A
\$1,500,001 to \$2,000,000	A	A	A + B
\$2,000,001 to \$2,500,000	A	A	N/A (max cover \$2M)
\$2,500,001 to \$3,500,000	A + B	A + B	N/A (max cover \$2M)
\$3,500,001 to \$5,000,000	A + C	A + C + D	N/A (max cover \$2M)
\$5,000,001 +	A + C + D	N/A (max cover \$5M)	N/A (max cover \$2M)

\*For professional occupation categories AAA or AA – Nil financial evidence required up to \$3.5M for Life, \$3M for Total & Permanent Disablement and \$2M for Crisis Recovery

#### Legend:

A = Application only – showing current years income

B = AIA Australia Financial Questionnaire (signed by Adviser):

- **For Personal Cover** – Section A & B only.
- **For Business/Keyman/Loan Protection** – Section A, C, D, E, F

C = AIA Australia Financial Questionnaire (signed by Accountant):

- **Personal Cover** – Section A & B only.
- **Business/Keyman/Loan Protection** – Section A, C, D, E, F

D = **Personal Cover:**

- Individual Income Tax Returns & Assessments Notices for last 2 years.
- If Self Employed (or employed by own company) – Company Tax Returns & Assessment Notices, Audited Profit & Loss Statements and Balance Sheets for all business entities for last 2 years.

#### **Business/Keyman/Loan Protection Cover:**

- Company Tax Returns & Assessment Notices, Audited Profit & Loss Statements and Balance Sheets for all business entities for last 2 years.
- Copy of Loan Agreement showing loan approval and all loan details.
- Copy of Buy-Sell or Share Purchase Agreement.

*Note: Financial evidence may still be requested at lower levels of cover at AIA Australia's discretion depending on occupation, age and income.*

### 3. Financial underwriting requirements (continued)

#### Income Protection – Agreed Value (Employed)

Financial evidence must be provided for all applications where the proposed insured monthly benefit reaches or exceeds the levels shown in the table below.

Employed Persons*				
Occupation Category	Employed*	Financial Requirements	Employed*	Extra Financial Evidence
AAA	\$15,001	<b>1. Either:</b> <ul style="list-style-type: none"> <li>• Income Tax Return and Notice of Assessment for the latest financial year,</li> <li><b>or</b></li> <li>• Letter from employer detailing current remuneration package,</li> <li><b>or</b></li> <li>• Latest group certificate</li> </ul>	\$20,001	<b>2. Individual Tax Returns and Notice of Assessments for the last 2 financial years, plus</b>  <b>3. AIA Australia Assets and Liabilities Questionnaire (held personally or in Trust), completed and signed by the insured and adviser.</b>
AA	\$15,001		\$20,001	
A	\$12,501		\$20,001	
B	\$12,501		\$20,001	
C	\$8,001		\$20,001	
D	N/A	N/A	N/A	N/A
E	N/A	N/A	N/A	N/A

\*Employed person refers to employees with no ownership interest in the organisation by whom he/she is employed.

#### Important Notes:

1. Financial evidence is based on total cover with all companies.
2. Where Income Protection and Business Expenses combined cover **exceeds** \$25,000/month, Profit & Loss Statements for the last 2 years are required.
3. Profit & Loss Statements submitted should include the Trading Account and the Accountants Notes to and forming part of the Accounts. Business Income Tax returns must also be submitted in addition to the insured's individual Income Tax Returns.
4. Where the financial evidence above is not received at application stage – financial proof of income may be required in the event of a claim.
5. Agreed Value is not available for occupation categories D & E.

### 3. Financial underwriting requirements (continued)

#### Income Protection – Agreed Value (Self Employed)

Self Employed Persons				
Occupation Category	Self Employed	Financial Requirements	Self Employed	Extra Financial Evidence
AAA	\$12,501	<b>1.</b> Profit & Loss statements and Balance Sheets for the Business (including any Trusts if applicable) for the latest 2 financial years, <b>plus</b>  <b>2.</b> Individual Tax Returns & Notice of Assessments for the insured and all business entities for the latest 2 financial years	\$20,001	<b>3.</b> AIA Australia Assets and Liabilities Questionnaire (held personally or in Trust), completed and signed by the insured and adviser, <b>plus 1 and 2.</b>
AA	\$12,501		\$20,001	
A	\$10,001		\$20,001	
B	\$8,001		\$20,001	
C	\$6,001		\$20,001	
D	N/A	N/A	N/A	N/A
E	N/A		N/A	

#### Important Notes:

1. Financial evidence is based on total cover with all companies.
2. Where Income Protection and Business Expenses combined cover **exceeds** \$25,000/month, Profit & Loss Statements for the last 2 years are required.
3. Profit & Loss Statements submitted should include the Trading Account and the Accountants Notes to and forming part of the Accounts. Business Income Tax returns must also be submitted in addition to the insured's individual Income Tax Returns.
4. Where the financial evidence above is not received at application stage – financial proof of income may be required in the event of a claim.
5. Agreed Value is not available for occupation categories D & E.

### 3. Financial underwriting requirements (continued)

#### Income Protection – Indemnity (Employed)

Financial evidence must be provided for all applications where the proposed insured monthly benefit reaches or exceeds the levels shown in the table below.

Employed Persons <sup>^</sup>		
Occupation Category	Employed <sup>^</sup>	Financial Evidence
AAA	\$20,001	<b>1. Either:</b> <ul style="list-style-type: none"> <li>• Income Tax Return and Notice of Assessment for the latest financial year,</li> <li><b>or</b></li> <li>• Letter from employer detailing current remuneration package,</li> <li><b>or</b></li> <li>• Latest group certificate</li> </ul> <b>2. AIA Australia Assets and Liabilities Questionnaire (held personally or in Trust), completed and signed by the insured and adviser.</b>
AA	\$20,001	
A	\$20,001	
B	\$20,001	
C	\$20,001	
D	Nil	Nil
E	N/A	

<sup>^</sup> Employed person refers to employees with no ownership interest in the organisation by whom he/she is employed.

\* Maximum cover for occupation category D is \$15,000/month and occupation category E is \$10,000/month.

#### Important Notes:

1. Financial evidence is based on total cover with all companies.
2. Where Income Protection and Business Expenses combined cover **exceeds** \$25,000/month, Profit & Loss Statements for the last 2 years are required.
3. Profit & Loss Statements submitted should include the Trading Account and the Accountants Notes to and forming part of the Accounts. Business Income Tax returns must also be submitted in addition to the insured's individual Income Tax Returns.

### 3. Financial underwriting requirements (continued)

#### Income Protection – Indemnity (Self Employed)

Self Employed Persons		
Occupation Category	Self Employed	Financial Evidence
AAA,	\$20,001	<b>1.</b> Profit & Loss statements and Balance Sheets for the Business or practice (including any Trusts if applicable) for last 2 financial years, <b>plus</b> <b>2.</b> Income Tax Returns and Notice of Assessments for the insured and all business entities for the latest 2 financial years, <b>plus</b> <b>3.</b> AIA Australia Assets and Liabilities Questionnaire (held personally or in Trust), completed and signed by the insured and adviser.
AA	\$20,001	
A	\$20,001	
B	\$20,001	
C	\$20,001	
D	Nil*	Nil*
E	N/A*	

\*Maximum cover for occupation category D is \$15,000/month and occupation category E is \$10,000/month.

#### Important Notes:

1. Financial evidence is based on total cover with all companies.
2. Where Income Protection and Business Expenses combined cover **exceeds** \$25,000/month, Profit & Loss Statements for the last 2 years are required.
3. Profit & Loss Statements submitted should include the Trading Account and the Accountants Notes to and forming part of the Accounts. Business Income Tax returns must also be submitted in addition to the insured's individual Income Tax Returns.



### 3. Financial underwriting requirements (continued)

#### Business Expenses – Indemnity (Self Employed)

Financial evidence must be provided for all applications where the proposed insured monthly benefit reaches or exceeds the levels shown in the table below.

Occupation Category	Self Employed Only	Business Expenses Financial Requirements	Self Employed Only	Incorporated Business Expenses Financial Requirements
AAA	\$20,001	Profit & Loss Statements for the Business or Practice for the latest 2 financial years	\$1	Profit & Loss Statements for the Business or Practice for the latest 2 financial years
AA	\$20,001		\$1	Copy of Partnership or Business Agreement
A	\$20,001		N/A	N/A
B	\$20,001		N/A	
C	Nil*	Nil*	N/A	
D	Nil*		N/A	
E	N/A	N/A	N/A	

\*Maximum Business Expenses cover for occupation categories C and D is \$15,000/month.

#### Important Notes:

1. Financial evidence is based on total cover with all companies.
2. Where Income Protection and Business Expenses combined cover **exceeds** \$25,000/month, Profit & Loss Statements for the latest 2 financial years are required.
3. Business Expenses is not available for occupation category E.

## 4. High net worth

### Assets and Liabilities (large Income Protection business)

For high net worth individuals (ie, cover \$20,001/month or more), a separate AIA Australia Financial Questionnaire detailing the applicants 'Assets & Liabilities' (Sections A & B), must be completed by the applicant and the adviser. This statement should include an itemised list of all assets and liabilities to enable a thorough analysis and evaluation of the net asset base and degree of liquidity (but excluding the net value of the family home).

### Basis for offsetting the maximum benefit allowable

An applicant with net assets **exceeding** \$5,000,000 may have the maximum annual benefit offset using a conservative 5% investment return on the net asset value.

The net value of the family home however is excluded from the net asset calculation.

### How the 5% will be calculated to offset the Income Protection benefit

Using AIA Australia's formula:

$[(\text{Earned Income} + \text{Unearned Income}) \times 75\% \text{ less Unearned Income}]$

Example : Applicant's Earned Income = \$275,000 pa

Total Assets	\$7,200,000	(excluding family home)
Total Liabilities	\$2,100,000	(excluding mortgage on family home)
Net Assets:	\$5,100,000	

- 5% of \$5,100,000 = \$255,000 pa which is applied as the Unearned Income figure used in the above formula as follows:
 

Earned Income:	\$275,000
Unearned Income:	\$255,000

(Using formula:  $\text{Earned} + \text{Unearned} \times 75\% - \text{Unearned Income}$ )

- \$275,000 + \$255,000 = \$530,000.
  - 75% of the first \$320,000 = \$240,000 plus,
  - 50% of the next \$210,000 = \$105,000

	\$345,000
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  - \$345,000 – \$255,000 (Unearned Income) = \$90,000

**Maximum insured monthly benefit available = \$90,000/12 = \$7,500/m**

**Case Study:**

Paul is a Barrister QC 48nbd earning \$620,000 per annum income. He has numerous investments including holiday homes, rental properties and various managed investments. Paul has no existing income protection cover and on financial assessment of his application for income protection, his net assets (assets less liabilities), were \$5.5M (excluding his superannuation and family home).

Paul's income protection benefit was calculated as follows:

Earned Income: \$620,000

Unearned Income: \$275,000 (calculated as 5% of \$5.5M of net assets)

☛ Using the formula: (Earned Income + Unearned Income) X 75% less Unearned Income

\$620,000 + \$275,000	=	\$895,000
→ 75% of first \$320,000	=	\$240,000 plus,
→ 50% of next \$240,000	=	\$120,000 plus,
→ 20% of balance \$335,000	=	\$ 67,000
Total		\$427,000

The maximum monthly benefit available for Paul is

→ \$427,000 – \$275,000 (Unearned Income) = \$152,000

→ \$152,000/12 = \$12,667/m

## 5. Proof of income – last 2 years

When requesting proof of income we are looking for consistent earnings in history which demonstrate continuity of income over the past few years.

Proof of income is defined as **actual lodged returns submitted to the Australian Taxation Office (ATO) over the last 2 years.**

Since incomes can vary each year, (particularly for self-employed clients), we will average the income if high earnings are demonstrated in a single year which is out of line with previous years income (unless there are particular reasons to base the cover on the most recent earnings). We will, however, consider current figures available not yet lodged to the ATO, provided a statement is received from the policy holder's accountant confirming that the figures are the final figures that will be submitted to the ATO.

These figures would be in addition to the actual figures already provided for the past two-year period. (When determining the final benefit allowable, other factors also taken into consideration include; age of the applicant, years in the business, date the business started, any significant fluctuations in earnings etc.)

## 6. Agreed Value and Indemnity alterations

### Agreed Value to Indemnity

Existing Income Protection (IP) policies altering from Agreed Value to Indemnity do not require any medical or financial evidence since the risk to AIA Australia reduces. Cases can be accepted without approval by an underwriter.

### Indemnity to Agreed Value

When altering existing IP cover from Indemnity to Agreed Value financial evidence should be obtained as follows:

#### Case fully underwritten medically by AIA Australia (includes Takeover terms cases)

##### **Below** the Financial UW Limits

1. Completion of Income Details via:
  - Section F (Income Details) of Supplementary Personal Statement.
2. Further evidence may be requested at the Underwriter's discretion.

##### **Above** the Financial UW Limits

1. Completion of Income Details via:
  - Section F (Income Details) of Supplementary Personal Statement.
2. Financial Evidence per the mandatory limits for the period when Agreed Value cover is taken up.

#### Cases accepted as Continuation Option from Group

##### **Below** the Financial UW Limits

1. Full completion of Supplementary Personal Statement.

##### **Above** the Financial UW Limits

1. Full completion of Supplementary Personal Statement.
2. Financial Evidence per the mandatory limits for the period when Agreed Value cover is taken up.

## 7. Pastimes and pursuits

This section is designed to help you in determining whether a particular sport or activity would be likely to incur a loading, exclusion or requirement for special acceptance terms and to also assist in preparing a potential client for the type of cover that is suitable for them.

The table on the following pages illustrates the type of activity, level of participation and possible terms. It is a guide only and each application regarding pastimes and hazardous activities will be based on the information provided in the application.

If an activity is not listed, please contact our underwriting team. Alternatively, the life insured can complete the relevant questionnaire contained in the personal statement.

### AIA Australia guidelines

#### – Total & Permanent Disablement (TPD) and Income Protection

*(Refers to recreational/amateur activities)*

Activity	IP/BE/GSC	TPD/WOP
Abseiling	Exclude	Std
Archery	Std	Std
Aviation <i>(Private recreational flying – see also Aviation Guidelines):</i>		
– Fixed Wing – Up to 100 hours	Std	Std
– Over 100 hours	Exclude	Exclude
– Micro light/Ultra light	Exclude	Exclude
– Helicopter (rotary wing)	Exclude	Exclude
– Ballooning (pleasure only – less than 100 hours)	Std	Std
– Gliding (powered/self launching)	Exclude	Exclude
– Hang Gliding	Exclude	Exclude
– Aerobatics	Exclude*	Exclude*
<i>*(Full aviation exclusion must be applied – not just aerobatics)</i>		
Baseball/Basketball	Std	Std
Boxing	Exclude	Exclude
Bungy Jumping	Exclude	Exclude
Cycling:		
– Racing	Exclude	Std
– Mountain Bike riding (pleasure only)	Std	Std
– Bicycle riding (pleasure only)	Std	Std
Canoeing/Kayaking (pleasure only – no remote areas)	Std	Std

Activity	IP/BE/GSC	TPD/WOP
Diving: <ul style="list-style-type: none"> <li>– Scuba/Skin (amateur only) – Up to 30m depth</li> <li style="padding-left: 20px;">– Over 30m depth</li> <li>– Cave diving, Pot holing</li> <li>– Snorkel</li> </ul> *(Underwriters can use some discretion here)	Std Exclude* Exclude Std	Std Std* Exclude Std
Equestrian (see Horse Riding)		
Fencing	Std	Std
Football* (all codes – excluding professional football players):		
– Class AAA, AA, A only		
– 14 dw	+25% or Exclude	Std
– 30 dw to 2 year wait	Std	Std
– Class B		
– 14 dw to 60 dw	+25% or Exclude	Std
– 90 dw to 2 year wait	Std	Std
– Class C, D		
– 14 dw	Exclude	Std
– 30 dw to 60 dw	+25% or Exclude	Std
– 90 dw to 2 year wait	Std	Std
– Class E		
– 30 dw to 2 year wait	+25% or Exclude	Std
*(Depending on occupation, history of injuries or joint related problems, exclusion may still be applied)		
Touch Football (Class AAA – E)	Std	Std
Gymnastics (no competition)	Std*	Std
*(Consider exclusion in some instances)		
Horse Riding <ul style="list-style-type: none"> <li>– Social only (no jumping/racing/competitions)</li> <li>– Show jumping, gymkhana, vaulting</li> <li>– Endurance events, steeplechase</li> <li>– Dressage only</li> </ul>	Std Exclude Exclude Std	Std Std Std Std
Martial Arts (recreational only): <ul style="list-style-type: none"> <li>– Contact AAA, AA, A (14 dw)</li> <li style="padding-left: 20px;">AAA, AA, A (30 dw to 2 year wait)</li> <li style="padding-left: 20px;">Class B to E</li> <li>(Amateur, no exhibitions/competitions incl Judo, Jujitsu, Karate, Kick Boxing, Kung Fu, Hapkido, Aikido, Aris de Mano, Taekwondo, Tai Chi, Kendo, Ninja)</li> <li>– Non Contact – Amateur, no exhibitions/competitions</li> </ul>	Exclude Std Exclude Std (min. 30 dw)	Std Std Std Std
Marathon/Cross Country Running	Std	Std

Activity	IP/BE/GSC	TPD/WOP
Motor Car Racing Amateur only: <ul style="list-style-type: none"> <li>– Open Wheel</li> <li>– Sports Cars/Sedans/Touring Cars</li> <li>– Drag Racing/Hot Rods/Stock Cars</li> <li>– Karting – Enduro/sprint</li> <li>– Speedway</li> <li>– Others – Hill Climbs/Rallies/Off Road <ul style="list-style-type: none"> <li>– Vintage/Veterans/Historic</li> </ul> </li> </ul>	Exclude Exclude Exclude Exclude Exclude Exclude Std	Exclude Exclude Exclude Exclude Exclude Exclude Std
Motor Cycle Racing: <ul style="list-style-type: none"> <li>– Circuit/Cross Country/Dirt Track</li> <li>– Trail Bike (pleasure only) <ul style="list-style-type: none"> <li>– Class AAA, AA, A, B only</li> <li>– Class C, D, E</li> </ul> </li> </ul>	Exclude  Std IC	Exclude  Std Std
Mountaineering: <ul style="list-style-type: none"> <li>– Within Aust/NZ (below snow line) (above snow line)</li> <li>– Overseas</li> </ul>	Std Exclude Exclude	Std Exclude Exclude
Parachuting: <ul style="list-style-type: none"> <li>– ‘One off’ jump</li> <li>– Regular jumps</li> </ul>	Std Exclude	Std Exclude
Para sailing (pleasure only)	Std	Std
Power Boat Racing	Exclude	Exclude
Private Flying ( <i>see Aviation</i> )		
Rafting (white water)	Exclude	Exclude
Rock Climbing: <ul style="list-style-type: none"> <li>– Indoor</li> <li>– Outdoors</li> <li>– Abseiling</li> </ul>	Std Exclude Exclude	Std Exclude Std
Rowing	Std	Std
Sail Boarding	Std	Std
Sailing/Yachting: <ul style="list-style-type: none"> <li>– pleasure cruising only</li> <li>– ocean racing including Sydney to Hobart</li> <li>– trans ocean (single/multi crew)</li> </ul>	Std Exclude Exclude	Std Std Exclude
Shooting	Std	Std

Activity	IP/BE/GSC	TPD/WOP
Skiing:		
– Water – Amateur/Pleasure only	Std	Std
– Competition/Trick Skiing/Jumping	Exclude	Exclude
– Snow – Recreationa/Pleasure only	Std	Std
– Downhill/Cross Country (no competition)	Std	Std
Sky Diving	Exclude	Exclude
Soccer ( <i>see Football</i> )		
Squash	Std	Std
Surfing	Std	Std
Tennis (all types)	Std	Std
Triathlons	Std	Std
Weight Lifting:		
– recreational only	Std	Std
– competitions	Exclude	Std
Wrestling	Exclude	Std
Yachting ( <i>see Sailing</i> )		

*Note: Instructors in many of the above activities will usually require an exclusion.*



## 8. Increases and alterations – auto requirements

### Important Note:

#### 1. Policies originally accepted on Takeover Terms

The guidelines below do not apply for cases originally accepted by AIA Australia under continuation options from group or takeover terms from another company. These increases will require full medical and financial evidence.

#### Alterations/Increases

0–3 months from date original application was received	>3 months
Original application form	Application for Increase/Addition is needed Signed quote if applicable

Note: The validity of the Application for Increase / Addition is the same as for normal applications.

#### Review of existing sub standard terms

##### a. Medical Loadings

An application for Increase/Addition is needed for all reviews of percentage Extra Mortality/Morbidity loadings or Dollar per mile loadings in addition to medical evidence.

##### b. Medical Exclusions

For joint related exclusions the relevant questionnaire will be needed.  
For exclusions as a result of other medical conditions, an application for Increase/Alterations is needed in addition to medical evidence.

##### c. Pastimes Exclusions

For pastimes exclusions the relevant questionnaire will be needed.

## 1. Multi-plan discounts\*

If your client is the life insured under multiple plans and at least 2 of these plans have premiums of \$500 or more per year, the plans will be eligible for a multi-plan discount as outlined in the table below:

Number of plans with premiums \$500 or more per year.	Premium discount
3 or more plans	10%
2 plans	5%
1 plan	Nil

This discount does not apply to any policy fee that applies to your client's policy. If your client qualifies for a multi-plan discount, the discount will apply to all plans under the policy, including plans with premiums of less than \$500 per year.

If a policy includes two qualifying plans a 5% premium discount will apply; if a policy includes three or more qualifying plans a 10% premium discount will apply.

The minimum yearly premium of \$500 will apply to stepped, optimum and level premium cases for qualification purposes.

A plan may change from being a non-qualifying plan to a qualifying plan as a result of the premium increasing due to a CPI increase (stepped, optimum and level premium bases), an increase in the age of the life insured (stepped and optimum premium bases), the addition of a new benefit or the voluntary increase in a benefit at the next policy anniversary. Conversely, the deletion of a benefit from a qualifying plan or the voluntary decrease in a benefit under a qualifying plan may result in the plan being re-classified as a non-qualifying plan.

Where the addition or deletion of a benefit or the voluntary increase or decrease in a benefit occurs during a policy year and results in a change to the plan's qualifying status, then the multi-plan discount will change from the effective date of the change in benefit (e.g. the voluntary increase in a benefit or the addition of a new benefit).

We can vary at any time the rules for this premium discount, including the discount percentages, for both new policies and policies in-force at the time of variation.

\*Multi-plan discounts will apply across multiple policies where they are Priority Protection policies issued after 1 December 2008.

## 2. Qualifying plans

In eApp® Express software there is an option to select a number in the No. of qualifying policies field.

The No. of qualifying policies allows the user to apply a discount if the client has an existing Priority Protection policy that commenced after 1 January 2009.

The qualifying criteria, a premium greater than \$500 per annum for each plan, must be met in order for the discount to be applicable.

### 3. Premiums

The premiums your client pays may depend on their age, sex, smoking status, occupation category, pastimes, waiting and benefit periods and state of health. If your client is purchasing the Family Protection benefit, their premiums will depend on the child's age.

### 4. Premium bases

When applying for cover your client can select from one of three premium bases.

<b>Stepped</b>	Your client's premiums will increase at each policy anniversary in line with their age until the benefit expiry date.
<b>Level</b>	Your client's premiums will remain constant each year up to their 65th birthday or expiry date of benefit if earlier. After this time, their premiums may continue on a stepped premium basis until the benefit expiry date.
<b>Optimum</b>	Your client's premiums will commence on a stepped basis and automatically convert to the level basis once the stepped premium is greater than the level premium. Level premiums will remain constant each year up to their 65th birthday or expiry date of benefit if earlier. This option is available only when the life insured is age 35 years next birthday or older. A loading according to your client's age at inception of their optimum premium basis will be charged up until their 65th birthday.

If your client wishes to alter from stepped to level premium basis and maintain their current sum insured, please submit the following requirements to our New Business department:

- Sections A, B, C, D and G 1(a) of the current Application
- Adviser Declaration
- Life Insured Declaration (Section X)
- A Direct Debit Authority and where applicable, Private/Self-Managed Superannuation Fund or AIA Superannuation Fund – Membership Application (sections V or W)
- A signed quote.

## 5. Minimum premium

The minimum premium is \$300 per year per policy. This includes the premium for all benefits chosen, the policy fee, any premium frequency charge and any stamp duty.

## 6. Initial selection discount

All policies purchased on a stepped premium basis will receive a discount for the first 2 years of the policy.

Year 1	6%
Year 2	3%
Year 3 onwards	0%

## 7. Large sum insured discount

Your client may be eligible for a premium discount at the time the policy is taken out.

If your client adds a new benefit at a later stage, and is eligible for a large sum insured discount, the discount will only apply to the new benefit.

Please note that a large sum insured discount does not apply to the policy fee or other charges.

To find out if your client is eligible, please refer to the tables below.

### Life Cover and Term Cover benefit

The discounts below apply to the Life Cover and Term Cover benefits only.

Sum Insured	Large Sum Insured discount for all ages
Up to \$249,999	0%
\$250,000 to \$499,999	10%
\$500,000 to \$999,999	20%
\$1,000,000 or greater	30%

Please note that the large sum insured discount is not available for the Accidental Death benefit.

**Total & Permanent Disablement benefit (Rider)**

Sum Insured	Large Sum Insured discount for all ages
Up to \$999,999	0%
\$1,000,000 or greater	5%

**Total & Permanent Disablement Stand Alone benefit**

Sum Insured	Large Sum Insured discount for all ages
Up to \$249,999	0%
\$250,000 to \$499,999	0%
\$500,000 to \$999,999	5%
\$1,000,000 or greater	10%

**Crisis Recovery Stand Alone benefit**

Sum Insured	Large Sum Insured discount for all ages
Up to \$299,999	0%
\$300,000 to \$499,999	3%
\$500,000 or greater	5%

**Income Protection and Business Expenses Plan**

Sum Insured	Large Sum Insured discount for all ages
Up to \$2,999	0%
\$3,000 to \$4,999	5%
\$5,000 to \$9,999	10%
\$10,000 or greater	15%

The same large sum insured discounts will apply to the Claim Escalation benefit, PLUS Optional benefit, Advantage Optional benefit, Day 1 Accident benefit and Incorporated Business Expenses when selected.

Please note that the large sum insured discount is automatically calculated on the eApp® Express software.

## 8. Lifestyle Advantage

AIA Australia is now offering a 10% discount to those applicants who meet certain criteria indicating they have excellent health and a lifestyle supporting this.

In addition to the normal application questions AIA Australia asks up to 9 extra questions to further assess a person's lifestyle.

Life/Crisis/TPD Questions	Rationale
Non Smokers only – Have you ever smoked? Yes When did you cease? How many did you smoke?	We want to be sure that anyone who has smoked is highly unlikely to take it up again, we need a 5 year smoke free history.  Anyone who has smoked heavily in the past is likely to have done permanent damage.
If drinking 5 to 10 alcoholic drinks per week – on average how many days per week do you drink?	Moderate drinking is not damaging and current recommendation is to have at least 2 alcohol free days per week.
Within the past 10 years has your driving licence been suspended or disqualified?	Speeding and drink driving increases the chance of accident.
In the past 5 years have you engaged in abseiling, aviation (other than as a fare paying passenger), scuba diving, motor racing, hang gliding, parachuting, power boat racing or mountaineering?	Hazardous sports increase the chance of accident resulting in disability or death.
TPD Questions	Rationale
In the past 2 years have your work duties been restricted or modified for more than 10 days due to sickness or injury?	Is there anything in a person's recent history that may cause disablement?
On average do you drive more than 30,000km for business per annum?	Statistics show that people driving more than 30,000km per annum for business are a greater accident risk.
In the past 5 years have you engaged in any form of contact sports (e.g. football, martial arts)?	Contact sports increase the accident/injury risk. We want to be sure anyone who has participated in such sports in the past is highly unlikely to take them up again.

## 9. Payment of premiums

Premiums can be paid monthly, half-yearly or yearly. Premium payments (including policy fee) made more frequently than yearly are subject to a premium frequency charge.

Premium payment frequency	Charge as a percentage of yearly premium
Yearly	0%
Half-yearly	5%
Monthly	8%

## 10. Premium payment methods

Your client can pay their premiums by MasterCard, Visa Card, Diners Card and American Express or via Direct Debit from their financial institution. BPAY and POSTbillpay are available for future half-yearly and yearly premium payments only. The deposit premium must be paid in advance and submitted together with the application form.

## 11. Guarantee of continuation for level premium

Life Cover Plan, Crisis Recovery Stand Alone Plan and Superannuation Life Cover Plan – This guarantee applies only to benefits continuing beyond the life insured's 65th birthday. Where the policy has remained in force to the latest policy anniversary prior to the life insured's 65th birthday, these benefits (excluding the Accidental Death, Needlestick Injury and Family Protection benefits) will continue on a stepped premium basis until the expiry date of the benefit. The stepped premium will reflect the life insured's age at each policy anniversary, sex and smoking status and original terms of acceptance of the benefits. For the Accidental Death, Needlestick Injury and Family Protection benefits, premiums will instead continue on a level premium basis until the expiry date of the benefit.

## 12. Premium guarantees

The premium rates under the policy are guaranteed for at least one year. We guarantee that any increase or reduction in a table of stepped or level premium rates will not take effect in respect of a benefit until the first anniversary of the policy commencement date or the next policy anniversary following the latest increase or reduction in the table of premium rates for that benefit, if later. Notwithstanding the 1-year premium rates guarantee, the premiums may be varied from time to time. Different premium rates apply to males and females, to smokers and non-smokers and to different occupations. The premium rates for Priority Protection allow for the cost of insurance and our expenses, including commission payable to an adviser.

Premium rates may not be altered individually but only for all policies in a group. Your client's policy cannot be singled out for an increase.

## 13. Policy fee

The policy fee is currently \$72 per year per life insured regardless of the number of plans, benefits or policies purchased.

This fee is charged in addition to the premiums applicable per benefit and any other fees and charges that apply to your client's policy.

## 14. Government stamp duty

Stamp duty is an additional charge under the Crisis Recovery Stand Alone Plan, Income Protection Plan (Agreed Value or Indemnity), Business Expenses Plan and the Total & Permanent Disablement Stand Alone benefit under the Life Cover Plan and the Superannuation Life Cover Plan.

Stamp duty is a government charge that varies depending on the state/territory of residence of the life insured.

Stamp duty is calculated as a percentage of the total premium, including the policy fee and any premium frequency charge. The government may change the rate of stamp duty from time to time.

In Western Australia and South Australia stamp duty is charged on all benefits other than Life Cover and Term Cover.





## Modified Underwriting (Takeover Terms)

For the replacement of policies within the parameters below.

Your existing policy/policies with another insurer must be for the same cover and must have been fully underwritten (previous application form and standard health and medical evidence requirements), **within the last 5 years.**

- This form is to be used where you are transferring insurance cover from another insurance provider to one of AIA Australia’s Priority Protection insurance plans.
- If we allow you to replace an existing contract of insurance with the same type of cover for the same or lesser amount of insurance with AIA Australia, then mandatory medical and financial evidence will be waived. However, AIA Australia may still request medical or financial evidence on a discretionary basis. Your financial adviser will be able to advise you if this applies.

	Life Cover	Total and Permanent Disablement	Crisis Recovery	Income Protection	Business Expenses
<b>Criteria</b>					
<b>Maximum Sum Insured</b> <i>(total cover all policies with AIA Australia)</i>	\$3M	\$2M	\$1M	\$15,000**	\$20,000
<b>Maximum Age</b> <i>(next birthday)</i>	60	55	55	55	55
<b>Loadings &amp; Exclusions</b>	Up to +50% (health)	Up to +50% or 1 exclusion (health)	Up to +50% or 1 exclusion (health)	Up to +50% or 1 exclusion (health)	Up to +50% or 1 exclusion (health)

### Underwriting requirements

To enable your application to be processed we need you to:

- Complete the full **paper** Application for Priority Protection (**not** the short form), and complete the questions in the boxes below (if applicable);
- Provide a copy of your original policy schedule(s) for your existing policy/policies; and
- Provide documentation such as a renewal notice, showing that the life insured is currently covered by that/those policy/policies.

**\*\*For Income Protection cover between \$10,001 – \$15,000 a short Medical Exam is also required.**

**For Income Protection Only:**

(i) My existing policy is for:  
 'Agreed Value' or  'Indemnity' cover

(ii) The benefit period and waiting period under my existing policy is:  
 2 years or  5 years or  to age 65  
 Waiting Period:  days

**For Total & Permanent Disablement Only:**

My existing policy is for:  
 'own' definition of disablement  
 or  
 'any' definition of disablement

### Declaration

I/We declare that:

- Any policy to be replaced was not a replacement of another similar policy which was accepted on limited health and medical information rather than on the insurer’s standard requirements for new applications at the time.
- I/We must cancel the policy to be replaced and pay no further premiums to the previous insurer for that policy and agree that no benefit is payable under the policy that I/we am applying for with AIA Australia if the policy to be replaced is not cancelled or if a benefit has been paid under the policy to be replaced after the date of this statement or if the first premium has not been paid to AIA Australia.
- All the information contained in this statement is true and correct and no information material to the insurance has been withheld.
- I/We understand that if this application is accepted by AIA Australia that the terms and conditions of the AIA Australia policy will replace those of the previous policy.

Signature of Life Insured	Name of Life Insured	Date
<input type="text"/>	<input type="text"/>	<input type="text"/> / /
Signature of Policy Owner	Name of Policy Owner	Date
<input type="text"/>	<input type="text"/>	<input type="text"/> / /

## 1. Policy Services contact details

**Phone:** 1800 033 490 (option 2)

**Fax:** (03) 9009 4824

**Fax:** 1800 832 266

**Email:** [au.customer@aia.com](mailto:au.customer@aia.com)

The following alterations are serviced by our Policy Services team.

- Increase/Decrease in sum insured
- Adding a new benefit
- Deletion of a rider
- Changing mode of payment
- Altering premium rates from smoker to non smoker
- Cancellation from inception
- Change of ownership
- Premium payments
- Change of address
- Alterations within the cooling-off period

### Website information

[www.aia.com.au](http://www.aia.com.au) contains information about new and existing policies and many commonly used forms you may require.

### Existing Business

The 'Policy Services' section contains:

- Current details of existing policies
  - current premium
  - current benefits
- Commonly used reports
  - premium due
  - premium overdue – reminder
  - upcoming renewals
  - lapses
- Policy Services procedures and commonly used forms

## 2. Alterations to policies

### Increase in sum insured

**Requirements:**

- A completed Supplementary Personal Statement for Increases &/or Additions (or Supplementary Personal History Statement for Income Protection if the increase relates to an Income Protection policy) signed by the policy owner
- Balance of premium if required

If increasing a rider benefit, please specify on Supplementary Personal Statement.

An Endorsement will be sent to the policy owner upon completion, with a copy mailed to the adviser.

### Adding a new benefit

**Requirements:**

- A completed Supplementary Personal Statement (or Supplementary Personal History Statement for Income Protection if the increase relates to an Income Protection policy)
- Balance of premium if required

An Endorsement will be sent to the policy owner upon completion, with a copy mailed to the adviser.

### Decrease in sum insured

**Requirements:**

- Request for Alteration signed by the policy owner. (Please specify the benefit you wish to decrease)

An Endorsement will be sent to the policy owner upon completion, with a copy mailed to the adviser.

### Deletion of a rider

**Requirements:**

- Request for Alteration signed by the policy owner

An Endorsement will be sent to the policy owner upon completion, with a copy mailed to the adviser.

### Changing mode of payment

**Requirements:**

- Request for Alteration signed by the policy owner
- A Direct Debit Request form is required, if altering to monthly bank deductions
- A Monthly Periodical Credit Card Authority form is required, if altering to monthly credit card deductions
- Balance of premium if required

A confirmation letter will be sent to the policy owner upon completion, with a copy mailed to the adviser.

## Altering premium rates from smoker to non smoker

### Requirements:

- Application for Non Smoker Rates
  - Note: A change from smoker to non-smoker rates:
    - can be at any time, and
    - is subject to underwriting.

An Endorsement will be sent to the policy owner upon completion, with a copy mailed to the adviser.

## 3. Billing process

### Policies paid yearly or half-yearly

#### 35 days prior to renewal

- A Notice of Premium Due is mailed to the policy owner.  
(This will only be issued where the client has elected to receive a Notice to pay their premium.)
- A Premium Due Report is available to the adviser via the AIA Australia Adviser Site.  
This report shows the adviser which policies have been billed.  
(An email notification will be issued to the adviser at the same time with a hyperlink to the Adviser Site where the adviser can obtain further details.)

#### On the premium due date

- A Reminder Notice of Premium Due is mailed to the policy owner.
- An Overdue Premium Report is produced for the adviser via the AIA Australia Adviser Site.  
This report shows the adviser which policy owners have not paid their premiums.  
(An email notification will be issued to the adviser at the same time with a hyperlink to the Adviser Site where the adviser can obtain further details.)

#### At the expiration of the 60-day grace period (60 days after the due date)

- The policy is renewed if premiums are paid.
- If premiums are not paid, the policy will lapse.
- A Lapse letter will be mailed to the policy owner.
  - A Lapse report is available to the adviser via the AIA Australia Adviser Site.  
This report shows which policies have lapsed.  
(An email notification will be issued to the adviser at the same time with a hyperlink to the Adviser Site where the adviser can obtain further details.)

#### Within 90 days after the premium due date

- The policy may be reinstated without the need for any additional health evidence if all the outstanding premiums are paid.

**Over 90 days after the premium due date**

- The policy can only be reinstated upon receipt of an Application for Reinstatement form.
- Receipt of all outstanding premiums.

Reinstatement is subject to underwriting.

**Note:** A policy may only be considered for reinstatement if it has not remained lapsed for longer than 12 months. However, Cashback Flexi policies must be reinstated within 6 months.

**Policies paid via direct debit****Renewal Certificate**

A Renewal Certificate is issued for all policies paid via direct debit arrangement 35 days prior to the policy anniversary. The Renewal Certificate informs the policy owner of the new premium and the new sum insured. (An email notification will be issued to the adviser at the same time with a hyperlink to the Adviser Site where the adviser can obtain further details.)

**Direct Debit Request (DDR)**

A fully completed DDR is required in order to deduct premiums from a client's account with a financial institution. The DDR is always accompanied by a Service Agreement, which must be retained by the client.

All DDRs must be sent direct to AIA Australia's Policy Services Department.

1. The date a policy owner's account is billed is dependent on when the policy was issued. The debit will occur on or around the billing cycle dates noted below.

Policy Issue Date	Billing Cycle
1st – 7th	28th
8th – 15th	7th
16th – 22nd	15th
23rd – 28th	22nd

2. The correct premium must be in the nominated bank account by the billing cycle dates, otherwise the client may incur a dishonour fee.
3. When a premium dishonours, the policy owner will receive from AIA Australia, a letter advising them of the dishonour. If the reason for the dishonour is '**Refer to Customer**' the policy owner will be advised that we will double debit their account at the same billing cycle in the following month. If the double debit subsequently dishonours the policy will lapse 60 days from the date the policy is paid to.
4. A lapse letter is produced and mailed to the policy owner approximately 60 days from the date the policy is paid to.

5. If a dishonour occurs for any other reason, such as '**Account Closed**', a letter will be sent to the policy owner advising them that billing details have been removed. We will request 2 months premiums and enclose a new DDR for completion. We will also provide the policy owner with the option of altering to a different mode of payment or paying by monthly credit card.
6. If we do not receive any feedback or outstanding premiums, the policy will lapse 60 days from the date the policy is paid to.

### **Regular credit card deductions**

A fully completed Periodical Debit Credit Card Authority (PDCCA) is required in order to deduct premiums from a client's credit card account.

All PDCCAs must be sent direct to AIA Australia's Policy Services Department.

1. Refer point 1 under DDR.
2. A credit balance, at least equal to the premium, must be in a client's credit card account on the billing cycle dates.
3. When the credit card issuer declines the premium debit, a letter will be sent to the policyholder, similar to the dishonour letter. (Refer point 3 under DDR).
4. Refer point 4 under DDR.
5. Refer point 5 under DDR.
6. Refer point 6 under DDR.

## **4. Cancellation from inception**

The following is the procedure to enable a policy to be cancelled within the cooling-off period.

1. The cooling-off period starts from when the client receives the Policy Document from us or from the end of the 5th day after the day on which we sent the Policy Document to your client, whichever is the earlier to occur.
2. A request to cancel the policy within the cooling-off period can be made by letter and must be accompanied by the original Policy Documents.
3. A cancellation request may be sent direct to Head Office by the policy owner.
4. For superannuation policies issued under the AIA Superannuation Fund where the Trustee is CCSL, if your client cancels the policy during the cooling-off period, the premium already paid is considered a superannuation contribution and is not refundable because the money is typically preserved under superannuation law. Preserved money can be rolled into another eligible superannuation fund. (For further information, please refer to the section under Superannuation.)

## 5. Lost or destroyed policy document

If a policy document has been lost or destroyed, the following procedure will apply.

1. The policy owner must complete a Lost Policy Declaration.
2. An amount of \$100.00 is required from the policy owner to cover advertising and administration expenses. This may be waived at the discretion of AIA Australia.
3. AIA Australia must give notice of its intention to issue a replacement policy document at least 10 days prior, in a newspaper circulating in the district in which AIA Australia considers the original policy document to have been lost or destroyed.
4. AIA Australia will issue a replacement policy document, which must:
  - a) Be a copy of the original
  - b) Contain a copy of every endorsement
  - c) State the reason why a replacement document was issued.
5. After a replacement policy document has been issued, AIA Australia will enter the following in its Lost Policy Register:
  - a) The fact that a replacement policy document has been issued
  - b) The reason for the issue of the replacement policy document.

## 6. Change of ownership

To effect a change in ownership of a policy, the current policy owner and the new policy owner must complete the **MEMORANDUM of TRANSFER** attached to the policy document.

Please refer to the following example.

**DATE OF TRANSFER** – Must be dated by the current policy owner.

**SIGNATURE OF TRANSFEROR** – Must be signed by the current policy owner. If the policy is jointly owned, all owners must sign.

**WITNESS** – This section may be signed by any person with legal capacity (i.e. over the age of 18 and of sound mind) who has seen the policy owner/s sign the Memorandum of Transfer.

**TRANSFEREE'S FULL NAME** – The name of the new policy owner must be entered in this section. If the policy is to be owned by more than one person, all names must be entered.

**TRANSFEREE'S ADDRESS** – The address of the new owner/s must be entered in this section.

**TRANSFEREE'S OCCUPATION** – The occupation of the new owner/s must be entered in this section.

**SIGNATURE OF TRANSFEREE** – Must be signed by the new policy owner/s.

**WITNESS** – This section may be signed by any person with legal capacity (i.e. over the age of 18 and of sound mind) who has seen the policy owner/s sign the Memorandum of Transfer.

**DATE OF REGISTRATION OF TRANSFER BY COMPANY** – After the transfer has been completed to this point, the policy document, together with the Memorandum of Transfer, must be forwarded to AIA Australia Policy Services Department.

**SIGNATURE OF PRINCIPAL OFFICER OF COMPANY OR AUTHORISED PERSON**

– Must be completed by AIA Australia.

It is important to note that the assignment is invalid unless the last two sections above are completed by AIA Australia. After completion, AIA Australia will record details in its assignment register.

**OWNERSHIP OF A SUPERANNUATION POLICY** – Ownership can only be transferred from the trustee of one eligible superannuation fund to another.

**OWNERSHIP OF THE SUPERANNUATION PLUS BENEFITS** – Ownership of the benefits cannot be transferred.

## 7. Premium payments

Premium payments may be made

- Monthly by Direct Debit Request (DDR).
- Monthly by credit card deductions (PDCCA).
- Half-yearly by cheque, single credit card and periodical direct debit and credit card deductions.
- Yearly by cheque, single credit card and periodical direct debit and credit card deductions.

Note: For direct debit and credit card payments, both single and regular deductions, Visa card, MasterCard, Diners Club and American Express may be used.

Yearly and half-yearly premiums can also be paid by BPAY and POSTbillpay.

## 8. Change of address

A policy owner's change of address must be notified to us. This can be done either over the phone or in writing, as soon as you or your client is aware of the change. The notification can be from the policy owner, Power of Attorney, servicing adviser or a representative from the adviser's office.

## 9. Alterations within the cooling-off period

Any alterations made to policies within the cooling-off period must be accompanied by the original Policy Document and forwarded to the Policy Services Department and not the New Business Department.



## 10. Forms

Forms required for policy alterations may be obtained from the AIA Australia Adviser Site: <https://aia.com.au/AdviserSite> under the heading Procedures & Forms/Policy Services.

## 11. Superannuation policies under AIA Superannuation Fund

In this section we have listed the exceptions in processing Policy Alterations specific to Superannuation policies.

For other details please refer to the relevant sections within the guide.

The Trustee of the AIA Superannuation Fund is CCSL Limited located at Level 16, 114 William Street, Melbourne Victoria 3000. Postal address is GPO Box 3001, Melbourne Victoria 3001.

For details of the Administrator for the AIA Superannuation Fund, please call 1800 333 613.

The Administrator of the AIA Superannuation Fund is responsible in issuing to the member the following:

- Section 290-170 after each financial year
- Member Annual Statement for the period ending 30th November each year
- Annual Report to Members
- Welcome letter for any new member who joins the Superannuation Fund
- Ad-hoc communication.

To address member related enquiries relating to the above points please call 1800 333 613 for the contact details of the Administrator for the AIA Superannuation Fund.

### **Cancellation from Inception**

The following is the procedure to enable a policy to be cancelled within the cooling-off period.

The cooling-off period starts from when your client receives the Policy Document or from the end of the 5th day after the day on which we sent the Policy Document to your client, whichever is the earlier to occur.

A request to cancel the policy during the cooling-off period can either be by letter, fax or email or in any other manner permitted by law.

To proceed with the cancellation we require the member to return the original policy document.

If your client cancels the policy during the cooling-off period, all premiums already paid will be treated as a superannuation contribution and will not be refundable because the money is typically preserved under superannuation law. Preserved money can be rolled into another complying superannuation fund.

## Reinstatement

The requirements to reinstatement a policy within the AIA Superannuation Fund:

- Reinstatement form
- a Member Declaration form signed and witnessed with a current date
- a current Direct Debit Request or Credit Card Authority form
- all outstanding premiums.

## Payment of premiums as Eligible Termination Payment (ETP)

ETPs can be accepted as insurance premiums into the Fund provided the ETP is equal to or less than the premium amount. Where an ETP amount is less than the premium due, it is expected that the balance of premium is paid in conjunction with the ETP. Where an ETP payment is above the premium amount, the total ETP will be returned to the issuing superannuation fund.

## Tax File Number

A valid Tax File Number must be provided at the time of application when joining the AIA Superannuation Fund, otherwise the policy will be cancelled and all contributions received returned.

## Co-contribution

The Fund does not accept superannuation co-contribution. If the member of the Fund (life insured) is eligible for co-contribution, the member will need to nominate another superannuation fund or retirement savings account to receive any superannuation entitlement the Australian Taxation Office is holding for the member.

## Change of ownership

To effect a change in ownership from the Trustee of the AIA Superannuation Fund to a trustee of a Self Managed Superannuation Fund, the new policy owner must complete the MEMORANDUM of TRANSFER ('MOT') attached to the policy document.

Effective date of transfer will generally be immediately after both trustees sign the MOT.

## Alterations within the cooling-off period

Any alterations made to policies within the cooling-off period of 28 days must be forwarded to the Policy Services Department. Any refund due as a result of the alteration will be refunded as an ETP and paid into a compliant superannuation fund nominated by the member.

## Forms

Forms for Nomination of Beneficiary AIA Superannuation Fund required for policy alterations may be obtained from the AIA Australia Adviser Site: <https://aia.com.au/AdviserSite> under the heading Procedures & Forms/Policy Services.

## 1. New Business contact details

All applications should be sent to:

AIA Australia  
PO Box 6111  
St Kilda Rd Central, VIC 8008

Or emailed to [infohub@aia.com](mailto:infohub@aia.com)

For all adviser enquiries and updates on the progress of new applications please call 1800 033 490 (option 1).

## 2. AIA Australia's New Business process

- Once an application has been assessed by an underwriter it is passed to New Business to manage the administration requirements. When the status of an application changes, AIA Australia may notify you via the Proposal in Progress (PIP) email asking you to log into the Adviser Site. However, we ask that you refer to the Adviser Site at any time for all outstanding application requirements.
- If outstanding requirements are not met within the specified time the application will be cancelled, with notification sent to you and your client. A refund cheque will be issued where payment has been made.

### **New Business Functions:**

- Processing of policy acceptances leading to the issue of the policy and finally, generation and dispatch of the clients' policy document.
- PMAR Requests.
- Sending medical information to a client's doctor and other insurers as requested.
- Preparation and sending of 'Special Acceptance Term' letters.
- Authorisation of medical invoice payments.
- Issue of cancellation/withdrawn, decline/defer letters.
- Proposal updates.

## 1. Claims contact details

**Phone:** 1800 033 490 (option 3)  
**Fax:** (03) 9009 4127  
**Email:** au.claims@aia.com  
**Postal Address:** Claims Team  
AIA Australia  
PO Box 6111  
St Kilda Rd Central VIC 8008

## 2. How to make a claim

### All claims

1. Notify the claims team by email, fax, phone or post.

### Procedure for death claims

1. On receiving notification of the insured's death we will write to the claimant/solicitor/executor to advise them about what requirements we need, with a copy to the adviser.  
Service Level Standard (SLS): 5 working days.
2. When full documentation is received a response to the claimant/solicitor/executor with a copy to the adviser either accepting/declining the claim or detailing any additional evidence that we may require.  
SLS: 5 working days.  
  
Claim Forms are issued either by mail or email or fax.  
SLS: Within 24 hours of claim notification.
3. The initial follow-up for additional evidence we may require is 30 days with further follow-ups occurring at 14 day intervals. The insured and the adviser will be kept informed regarding the status of the claim.

### **Procedure for Income Protection and Business Expenses claims**

1. Claim Forms are issued either by mail or email or fax.

SLS: Within 24 hours of claim notification.

Upon receipt of the completed claim forms a response, via email or mail, will be sent to the insured with a copy to the adviser:

- a) accepting/declining the claim or
- b) detailing any other evidence that we may require.

SLS: 5 working days.

2. If we need to write for further medical/other information/medical examination etc this will be arranged. The insured and adviser will be kept informed by either email or mail.

SLS: 5 working days.

3. The initial follow-up for this type of information is arranged for 30 days with further follow-ups occurring at 14 day intervals. The insured and the adviser will be kept informed regarding the status of the claim.

4. Upon acceptance of a claim, payments are made as contracted by the policy via EFT or cheque subject to receiving satisfactory proofs of ongoing disablement. These ongoing payments are given priority. Supplementary Report Forms will be issued to the claimant either by mail or email

### **Procedure for Total & Permanent Disablement, Waiver of Premium and Crisis Recovery claims**

1. Claim Forms are issued either by mail or email or fax.

SLS: Within 24 hours of claim notification.

2. Upon receipt of the completed claim forms a response, via email or mail, will be sent to the insured with a copy to the adviser:

- a) accepting (including payment)/declining the claim or
- b) detailing any other evidence that we may require.

SLS: 5 working days.

3. The initial follow-up for other evidence we may require is 30 days with further follow-ups occurring at 14 day intervals. The insured and the adviser will be kept informed regarding the status of the claim.

If a claim is declined or the sum insured is reduced for any reason a full explanation will be provided to the claimant as to why this has been done and their right of review.

## 1. Remuneration Team contact details

**Phone:** 1800 033 490 (option 4)  
**Fax:** 1800 832 266  
**Fax:** (03) 9009 4149  
**Email:** au.adviserservices@aia.com

## 2. Remuneration (commission payments)

Remuneration is generated in accordance with the Distribution Agreement, which governs the relationship between you (or your dealer group) and AIA Australia. Please refer to your Distribution Agreement or to your dealer group for further details regarding levels of commission.

## 3. What is payable as remuneration?

All remuneration calculations are based on the premium amounts payable by the applicant (e.g. Life Cover, Income Protection, any health or pastimes loadings). AIA Australia does not pay remuneration on the policy fee, stamp duty, frequency/modal loadings or other statutory charges and taxes.

GST\* is added to the remuneration payment and will be shown separately on the commission statement.

\* Good and Services Tax is not determined by AIA Australia, it may vary in future at the discretion of the ATO.

## 4. Types of Remuneration\*

### Upfront, Hybrid and Level remuneration

AIA Australia will pay remuneration based on the yearly premium at the agreed percentage, only after acceptance of the application by the New Business Department and, receipt of the first premium by AIA Australia.

Please note that Advance Remuneration is subject to a 12 month remuneration clawback period should the policy lapse or cancel during that time.

\* AIA Australia may enter into an advance remuneration arrangement normally at the time the Distribution Agreement is entered into but is not obliged to do so and may decline to offer such an arrangement for any reason whatsoever.

### Frequency of payment from AIA Australia

Remuneration is payable in accordance with the Distribution Agreement and may vary depending on your or your Dealership's payment preferences. AIA Australia will issue New Business remuneration on completion\* of an application from our New Business and Underwriting Department.†

Once the policy has been completed our systems will be activated to generate commission for the policy and this will then be forwarded to the nominated bank account that has been supplied to AIA Australia by the holder of the distribution agreement.

\* Completion is defined as:

1. Application being accepted by the New Business/Underwriting Department,
2. AIA Australia has received the First Premium Payment; and
3. Policy Documents have been issued.

† AIA Australia reserves the right to withhold or delay any remuneration should there be delay in completion, any failure or discrepancy in the information requirements to complete the application or other similar grounds to do so.

### Frequency of commission statements

The commission statements will be issued fortnightly in electronic format.

Continuous updates of your commission statements will be available on the Adviser Site: <https://aia.com.au/AdviserSite>.

Please call 1800 033 490 (option 4) if you have not yet been provided with access and password details to the website.

### Questions in relation to remuneration

Should you wish to query any commission payments, raise any other remuneration issues or need further information, please contact our Sales Support Team on 1800 033 490 (option 4) or contact your dealer group.

