

# PRIORITY PROTECTION WITH AIA VITALITY

## Premium discounts explained

### For Advisers

September 2024



AIA Priority Protection with AIA Vitality protects what is most important to your clients and encourages them to live a healthier, longer, better life. AIA Vitality is a personalised, science-backed program that supports clients every day to make healthier lifestyle choices.

Apart from providing tools to aid your clients in improving their health, and rewards to keep them motivated along their journey, it offers extra AIA Vitality discounts on top of any existing Priority Protection premium discounts. AIA Vitality Starter\* members are not eligible for Priority Protection or Priority Protection for Platform Investors' AIA Vitality membership discount.

## Priority Protection Discounts Explained

Refer to the AIA Priority Protection [Product Disclosure Statement](#) and [Adviser Guide](#) for full details.

### HEALTH AND LIFE DISCOUNT

SAVE AN ADDITIONAL 5% WITH AIA HEALTH

Clients who take out an eligible AIA Health policy receive an additional 5% discount on their Priority Protection premium as long as the AIA Health policy has AIA Vitality attached and is in force.

### LUMP SUM BUNDLED DISCOUNT (LSBD)

SAVE UP TO 10% LUMP SUM BUNDLED DISCOUNT

- Requires all of the Lump Sum covers to be held, each with a premium of \$400 or more per year
- 4% discount on Lump Sum covers (10% if your client is also eligible for Healthier Life Reward)

### AIA VITALITY MEMBERSHIP DISCOUNTS

SAVE UP TO 20% WITH AIA VITALITY

- Your client will need to opt into AIA Vitality program for an annual<sup>^</sup> fee of \$138.
- Initial 17.5%<sup>#</sup> Lump Sum discount
- Initial 7.5% Income Protection discount
- Flexes based on your client's AIA Vitality Status

### BUNDLED DISCOUNT (BD)

SAVE UP TO 17% BUNDLED DISCOUNT

- Requires both Income Protection Plan and Lump Sum Plan to be held, each with a premium of \$700 or more per year
- 10% discount on Lump Sum covers (17% if your client is also eligible for the Healthier Life Reward)
- When your client is eligible for both the BD and LSBD only the higher BD applies to Lump Sum premiums

### HEALTHIER LIFE REWARD (HLR)

LIFETIME DISCOUNT WITH HEALTHIER LIFE REWARD 2%

- Requires AIA Vitality to be held by new customers who are non-smokers, in a healthy BMI range with no medical loadings
- 2% life-time discount on Lump Sum covers and an enhanced BD/LSBD
- Half of the AIA Vitality initial discounts will be fixed

\* AIA Vitality and AIA Vitality Starter are provided by AIA Australia. Access to the AIA Vitality or AIA Vitality Starter program arises under, and is subject to, the AIA Vitality Terms and Conditions. AIA Vitality and AIA Vitality Starter partners, benefits and rewards are subject to change at any time. For the most up-to-date information and to view the AIA Vitality Terms and Conditions see [aiavitality.com.au](http://aiavitality.com.au). Additional program partner terms and conditions may apply.

<sup>^</sup> AIA Vitality is currently \$138 annual fee and can be paid monthly, half-yearly or yearly. This fee, however, will be waived if your clients have AIA health.

<sup>#</sup> The 17.5% initial lump sum discount is only available for applications on the 7 December 2019 SPDS and after. Policies issued on the 18 May 2019 PDS and prior will receive a 12.5% lump sum discount.











## Case Study

Marie is a 45 year old female non-smoker in a professional occupation who, with her financial adviser, decides to look at the below first year premium options based on an annual premium.














**Option 1** Take out \$1 million of Life Cover, \$600,000 of TPD (Own Occupation) and \$200,000 of Crisis Recovery on a Variable age stepped (also known as stepped premiums) premium basis

**Option 2** On top of Option 1, also add an additional Income Protection CORE policy with an insured monthly benefit of \$6,000 and optional Claim Escalation on a Variable age stepped (also known as stepped premiums) premium basis

### Option 1 – when taking all Lump Sum covers

	Without any discounts	Without AIA Vitality	With AIA Vitality	With AIA Vitality & HLR	With AIA Vitality, HLR & AIA Health
<b>Lump Sum Premium</b>	\$2364	\$2274	\$2031	\$1886	\$1665
<b>Savings</b>	–	\$91	\$333	\$479	\$699
<b>Discounts Included</b>			 	  	   

### Option 2 – when taking both Lump Sum covers and Income Protection CORE

	Without any discounts	Without AIA Vitality	With AIA Vitality	With AIA Vitality & HLR	With AIA Vitality, HLR & AIA Health
<b>Lump Sum Premium</b>	\$2364	\$2138	\$1919	\$1757	\$1681
<b>IP Core Premium</b>	\$4072	\$4072	\$3766	\$3766	\$3578
<b>Total</b>	\$6436	\$6210	\$5685	\$5524	\$5259
<b>Savings</b>	–	\$226	\$751	\$912	\$1177
<b>Discounts Included</b>			  	   	    





**Case study notes:**

For Lump Sum covers: Initial Selection Discount excluded. Yearly premiums, Variable age-stepped (also known as stepped premiums), VIC stamp duty and policy fee included, AIA Vitality member premiums include the \$138 AIA Vitality contribution fee and the AIA Vitality initial discount of 17.5% for Lump Sum in this illustration. For Income Protection Core cover: Initial Selection Discount excluded. Yearly premiums, Variable age-stepped (also known as stepped premiums), Indemnity, Income Replacement Ratio: Flat 70%, Benefit Period 'To Age 65'; 30 Day Waiting Period. VIC stamp duty included and the AIA Vitality initial discount of 7.5% for Income Protection.

## Ongoing AIA Vitality savings

The initial discount is applied from the first premium due date after Marie has joined AIA Vitality. On every policy anniversary thereafter, the AIA Vitality initial discounts can flex up or down depending on the AIA Vitality Status at each policy anniversary. If Marie actively engages in the AIA Vitality program each year through regular physical activities and engages in online and in-person health checks, she will be able to maximise her ongoing premium discounts as well as receive AIA Vitality rewards and benefits, like discounts on gym memberships and eligible Virgin Australia flights.

The below table illustrates the initial and flexing of AIA Vitality discounts.

	 <b>BRONZE</b>	 <b>SILVER</b>	 <b>GOLD</b>	 <b>PLATINUM</b>
<b>Status</b>				
<b>Initial discount</b>		17.5% for Lump Sum* 7.5% for Income Protection		
<b>Discount Flex</b>	-2.5%	- 1.25%	- 0.0%	+ 1.0%

\* The 17.5% initial lump sum discount is only available for applications on the 7 December 2019 SPDS and after. Policies issued on the 18 May 2019 PDS and prior will receive a 12.5% lump sum discount.

'-' means the discount is reduced each year by this amount.

The AIA Vitality discount flexes between 0% to 20% for eligible Lump Sum and Income Protection policies. Policies eligible for the Healthier Life Reward receive an AIA Vitality discount flex between 8.75% to 20% for Lump Sum and 3.75% to 20% for Income Protection.



For more information, please read the [AIA Vitality Premium Adjustment Rules](#) or scan the QR code.

## Cumulative savings on insurance premiums

See how much Marie could save by achieving Platinum Status for 10 years on top of the other AIA Vitality rewards:

<b>Options</b>	<b>Premium Savings<sup>^</sup></b>		
	<b>With AIA Vitality</b>	<b>With AIA Vitality &amp; HLR</b>	<b>AIA Vitality, HLR &amp; AIA Health</b>
1. <b>Lump Sum only policies</b>	SAVE \$7,347 in total on LS	SAVE \$9,776 in total on LS	SAVE \$11,150 in total on LS
2. <b>Lump Sum &amp; Income Protection policies</b>	SAVE \$6,888 on LS	SAVE \$9,585 on LS	SAVE \$10,852 on LS
	SAVE \$6,510 on IP	SAVE \$6,510 on IP	SAVE \$8,798 on IP
	SAVE \$13,398 in total	SAVE \$16,095 in total	SAVE \$19,650 in total

<sup>^</sup> AIA Vitality premium savings in the first 10 years if Platinum status is achieved every year. Consumer Price Index increases, Initial Selection Discount, AIA Vitality contribution fee and any potential changes to base premiums are excluded.

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