



# Health Premium Increases – Nov 2025

## Adviser FAQs

### Overview

New business premiums for AIA Private Health, AIA Private Health Plus and AIA Cancer Care are increasing from 1 November 2025.

Premiums for in force AIA Private Health, AIA Private Health Plus, AIA Cancer Care and closed Sovereign Health policies are increasing on policy anniversaries from 20 November 2025.

Premiums for closed AIA Health products are increasing on policy anniversaries from 1 January 2026.

The AIA Living Specialist and Testing Support benefit is out of scope for this increase.

Grouping	Product	New business rates effective	In force anniversaries impacted from
On Sale (AIA)	AIA Private Health, AIA Private Health Plus, AIA Cancer Care	1 Nov 2025	20 Nov 2025
Ex-Sovereign	Closed ex-Sovereign Health Products (incl. Sovereign Private Health, Sovereign Private Health Plus, Absolute Health, MajorCare, EBS, Sure Health)	N/A	20 Nov 2025
Ex-AIA NZ	Closed AIA NZ Products (Real Health, Cancer Treatment Benefit, Superior Health, Superior Health 3)	N/A	1 Jan 2026

### Background

Health insurance premiums increase each year to take account of rising claims costs.

Like many other goods and services, medical costs are currently experiencing high inflationary pressures. For example, increasing costs of providing healthcare and ongoing healthcare innovation, such as the introduction of new medicines and treatments, both contribute to increased costs to insurers.

In addition, the current lack of availability in the public system has led to a rise in claims volumes and utilisation of private health insurance.

Similar cost pressures are likely to impact all health insurers.



## General FAQs

### What are the underlying premium rate changes?

The increase in underlying premiums for existing health products varies by age and gender. The following table shows the rate change.

Products	Gender	Age Range	Increase
<b>On Sale:</b> AIA Private Health, AIA Private Health Plus, AIA Cancer Care  <b>Closed ex-AIA:</b> Real Health, Cancer Treatment Benefit  <b>Closed ex-Sovereign:</b> Private Health, Private Health Plus, Absolute Health, TotalCareMax Specialist and Diagnostic Testing	Male	0 - 20	25%
		21 - 47	17 - 19%
		48 - 54	20 - 21%
		55 - 60	21.5% - 23.5%
		61+	24%
	Female	0 - 40	25% - 26%
		41 - 49	21%
		50 - 54	20%
		55+	19%
<b>Closed ex-Sovereign:</b> MajorCare (excl. 5-year age banded)	Unisex	0 - 20	25%
		21 - 28	21.5% - 25%
		29+	19.5% - 21.5%
<b>Closed ex-Sovereign:</b> 5-year age banded MajorCare, EBS, Sure Health	Unisex	0 - 20	25%
		21 - 40	21.5%
		41 - 60	19% - 21%
		61+	21.5%
<b>Closed ex-AIA:</b> AIA Superior Health <sup>1</sup> , AIA Superior Health 3 <sup>1</sup>	Unisex	0 - 19	25%
		20 - 39	21.5% - 22.5%
		40 - 59	19.5% - 20.5%
		60-64	21.4%
		65+	21.5%

1. Superior Health and Superior Health 3 are not rated by individual life assured but by policy type (e.g., single, family etc.). The rate increase is the average across all policy types.



## Why are health premiums increasing?

Each year AIA NZ carefully analyses its claims and the cost of servicing a policy, so we can continue to provide comprehensive and competitive health insurance offerings. Consideration is given to our claims experience, the impact of rising medical costs (including medical inflation), and product sustainability.

This year we have observed significantly increased costs across all claims as opposed to specific medical conditions or treatments. Some key contributors to these increased costs include:

1. **Increasing utilisation** – Over time we are seeing more customers make use of their medical insurance.
2. **Medical advancements** – These give customers more treatment options, less invasive diagnosis or treatment, and improved patient experience and outcomes. Prices for these new medical services can be higher than existing services.
3. **An increase in general medical costs** – Like all goods and services, private healthcare costs will generally increase over time. Some of the drivers of this will be the same as general inflation while some will be specific to the sector (e.g. supply constraints or labour cost pressures).

## Why are premium rate increases different across age and gender?

To ensure fairness across our medical insurance portfolio, AIA needs to charge premiums that are appropriate for the claim costs of particular groups of customers. This ensures that all customers are paying the appropriate premium amount and are not unduly subsidised by other groups.

Over recent years AIA has observed higher claims costs, relative to premium levels, for some customer groups, particularly younger lives (<20), young adult females (20-40) and older males (60+). AIA has increased premiums by more for these customers to ensure they are paying appropriate premiums.

## Why are premium rate increases similar across all products?

AIA investigates the combined claims experience across all its health insurance products. As part of our review, we consider differences in product design and pricing to ensure that premium increases fairly reflect differences in coverage and relative pricing between different products.

AIA's preference is to increase all health products by the same rate wherever possible, as this ensures fair treatment of customers within closed health products and recognises the option for existing customers to transition to the on-sale product without underwriting. Unless differences in claims experience across different products are significant, or premium structures require different treatment, we will not generally vary the pricing changes by product.



## When are the new premiums effective from?

For new AIA Private, AIA Private Health Plus, and AIA Cancer Care policies:

- > New premiums are effective from 1 November 2025. Quotes completed before this date will remain valid for 30 days.

For existing AIA Private Health, AIA Private Health Plus, AIA Cancer Care, and ex-Sovereign Health insurance policies (including Private Health, Absolute Health and MajorCare):

- > New premiums are effective for policy anniversaries from 20 November 2025. Customers will receive their usual policy anniversary letter about six weeks before their anniversary, along with a Value of Health brochure. Both advise customers that there are options that can improve affordability and recommend customers speak to their adviser.

For existing ex-AIA Real Health, Superior Health, Superior Health 3, and Cancer Treatment Benefit:

- > New premiums are effective for policy anniversaries from 1 January 2026 onwards. Customers will receive their usual policy anniversary letter about two months before their anniversary. The letter advises customers to speak to their adviser if their circumstances have changed or if they have any concerns.

## What can customers do to manage their premiums?

There are options to make premiums more manageable. We recommend customers speak to their advisers to assess which options are best for them. Options may include:

- > Increase excess levels;
- > Consider opting out of CPI indexation on their non-health insurance cover;
- > Request the review of any premium loadings (e.g., smoker loadings<sup>1</sup> or health loadings); or
- > Reviewing the customer's insurance cover to ensure that they remain appropriate for their needs (e.g., reflective of any changes in family structure or lifestyle).
- > Remove optional benefits (e.g. Specialists & Testing Benefit);
- > Change payment frequency (e.g. monthly to fortnightly) to spread premium payments.

Eligible customers also have the option to add AIA Vitality. With AIA Vitality customers earn points by improving their health in areas such as nutrition, exercise, and mental wellbeing. The more points members earn, the higher their AIA Vitality status and the bigger the rewards.

AIA Vitality members enjoy discounted insurance premiums. The discount starts out at 10% in their first year of being an AIA Vitality member and increases up to 20% or decreases down to 0% depending on the member's engagement in the programme.

AIA Vitality has a membership fee of \$11.50 per month to cover the cost of offering the programme, but well-engaged members can enjoy benefits well above this.

## What excess options are available?

We know everyone's situation is different, and we're aware of the impact premium increases can have. To help keep cover affordable, one key option that can be considered is changing the excess a customer pays. The higher the excess they choose, the lower their premium will be. However, this would also mean that they would need to be able to fund the higher excess amount in the event of a claim.

With our health policies, customers could receive the following discounts at each excess option. These discounts are for AIA Private Health, as at 1 October 2025 and are subject to change.

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<sup>1</sup> Smoker loadings are only applicable to Sovereign Absolute Health (2008), TotalCareMax Specialist and Diagnostic Testing, Sovereign Private Health and Private Health Plus (2014 and 2019), AIA Private Health and Private health Plus and AIA Cancer Care



<b>AIA Private Health</b>	<b>Excess</b>	<b>Applicable Discount</b>
<b>Private Health</b>	<b>Nil</b>	<b>0%</b>
	\$250	15%
	\$500	24%
	\$750	30%
	\$1,000	40%
	\$2,000	55%
	\$4,000	70%
	\$10,000	77%

<b>AIA Private Health</b>	<b>Excess</b>	<b>Applicable Discount</b>
<b>Private Health Plus</b>	<b>Nil</b>	<b>0%</b>
	\$250	15%

For other AIA or Sovereign Health products there are a range of excess options available for customers to consider. If customers choose a higher excess option, be mindful that while premiums are lower, they may pay more if they need to make a claim.

We recommend customers speak to their advisers to assess which options are best for them.

### Will there be any changes to how we do future increases?

AIA currently implements one price change per year for health products while most other health insurers have multiple price changes each year. AIA is looking to adopt an approach of more frequent price changes from 2026, with a mid-year price change likely. This change in the frequency of premium adjustments is not aimed at raising the overall level of premium increases. Rather the overall annual increase would be similar under this new approach, but the timing of the increase may differ.

Customers would still only receive one premium change each year at their annual anniversary, with the change in premium reflecting all price changes since their last anniversary. The size and exact timing of this mid-year price change are still to be determined.

### What is being done by AIA to help manage premium increases?

Some of the actions undertaken by AIA to help manage premium increase include:

- AIA continues to explore new product offerings, features and options designed to give customers more flexibility in their cover. AIA launched a new \$10,000 excess option for AIA Private Health in April 2025 and the AIA Living Specialist Testing and Support Benefit was launched October 2025.
- AIA engages closely with medical providers to provide stability in treatment costs for our customers.
- Both directly and via the Financial Services Council (FSC), AIA advocates for improved integration of public and private healthcare sectors. This includes seeking financial recognition of the cost and resource savings provided to the public system by individuals holding private medical cover.