

AIA Product Enhancements – October 2023

Adviser FAQ

Overview

Product Release 10 October 2023

AIA regularly reviews its products to ensure that they continue to meet customer needs.

From 10 October 2023, we introduced enhancements to the following on-sale products:

- > AIA Living Critical Conditions
- > AIA Living Progressive Care
- > AIA Living Life Cover
- > AIA Living Family Protection

Where indicated, these enhancements will also be passed back to the following:

- > Closed Sovereign TotalCare and TotalCareMax (TCM) products (from 1 Feb 2001):
 - Living Assurance
 - Essential Living Assurance
 - Progressive Care
 - Life Cover and Family Protection products
- > Closed AIA Life Cover Products issued since June 2001 and closed AIA Trauma Products

The table below summarises the enhancements and clarifications by product and benefit category. Further details including product enhancement summaries and policy wordings will be available on the [Adviser Resources](#) Enhancement page.

Trauma Enhancement and Change Summary – Traditional Trauma

Description	AIA Living Critical Conditions	Closed Sovereign Living Assurance	Closed AIA Trauma Cover	Closed Sovereign Essential Living Assurance
Standalone Children’s Trauma Reduced the minimum coverage age for standalone children’s trauma from 2 years down to 3 months. Customers can now obtain a quote and apply for standalone Children’s Trauma cover from 3 months of age.	✓	n/a	n/a	n/a
Optional Early Cancer Upgrade Benefit (ECU), Optional Children’s and Maternity Benefit (OCM), Children’s Trauma Top Up Benefit (Closed AIA) Introduced the ability for customers to reinstate any remaining ECU, OCM and Children’s Trauma Top Up Benefits when exercising trauma buyback.	✓	✓	✓	n/a
Optional Trauma Buyback Benefit - Extended the Trauma Buyback reinstatement period from 30 to 60 days.	✓	✓	-	n/a



- Refined Trauma Buyback wording to provide greater coverage and clarity around unrelated claim events.	✓	✓	✓	n/a
- Clarified how the reinstated benefit relates to the original trauma contract, to provide certainty for customers around what a related claim is and how future claims will be assessed	✓	✓	✓	n/a
Optional Life Cover Buyback Extended the Life Buyback reinstatement period from 30 to 60 days to provide customers with more time to reinstate their cover.	✓	✓	-	✓
Special Events Increase (SEI) & Future Insurability (FI) Customers exercising SEI or FI now have the choice to add Optional Critical Conditions Buyback or Optional Life Buyback (where they already hold these benefits) to the increased portion of the sum assured with no underwriting.	✓	✓	-	-
Partial Claim payments across Personal & Business policies Previously, partial claims under Critical Conditions were limited to 25% of the sum assured to a maximum of \$75,000 across all AIA policies. We have changed the way our policies respond to partial claim payments across Personal and Business policies taking into account differences in customer need and policy ownership. We now apply the 25% or \$75,000 limits separately across Personal and Business policies.	✓	✓	n/a	n/a
Closed AIA Special Events increase - Exclusions & Loadings Removed the clause from the Special Events Increase Facility that does not allow a life assured to exercise the Increase if they have exclusions or loadings on their original policy. Now, the special terms will be applied to the increase in cover. This aligns with the on-sale product.	-	-	✓	n/a
HIV and Advanced AIDS definitions Removed the existing benefit for new business that pays on the diagnosis of medically or occupationally acquired HIV. Introduced a new benefit that pays on the diagnosis of Advanced AIDS regardless of transmission method.	✓ ✓	- ✓	- ✓	- ✓
Clarifications & Corrections				
Cancer Definition – Blood Cancers sub-heading Updated sub-heading within Cancer definition to clarify cover for blood cancers.	✓	✓	-	✓

Terminal Illness Benefit To provide clarity and to support customer understanding we have improved our Terminal Illness definition to clarify that life expectancy is less than 12 months, despite all reasonable medical treatment.	✓	✓	-	n/a
Children's Trauma Top up Benefit Improved the layout of the benefit and changed some benefit names to improve customer understanding of cover.	n/a	n/a	✓	n/a
Optional Women's Additional Cancer Benefit Clarified that this benefit can be reinstated with the Reinstatement option after a full trauma claim.	n/a	n/a	✓	n/a

Trauma Enhancement and Change Summary – Progressive Care

Description	AIA Living Progressive Care	Closed Sovereign Progressive Care
Standalone Children's Trauma Reduced the minimum coverage age for standalone children's trauma from 2 years down to 3 months. Customers can now obtain a quote and apply for standalone Children's Trauma cover from 3 months.	✓	n/a
Clarifications & Corrections		
Percutaneous coronary angioplasty benefit limit Added a benefit limit of \$75,000 to the 'percutaneous coronary angioplasty' condition under Severity Level 4. This aligns with the benefit limits in Critical Conditions.	✓	-
HIV definition Removed the benefit that pays on the diagnosis of medically or occupationally acquired HIV.	✓	-
Cancer - Solid Tumours malignant melanoma definition Amended solid tumours 'malignant melanoma' severity level 5 definition to clarify that existing coverage includes melanoma-in-situ.	✓	✓
Correction of key term under Cancer- brain tumours Deleted the word 'symptoms' as the following content refers to 'signs' rather than symptoms.	✓	✓

Life Cover Enhancement and Change Summary

Description	AIA Living Life Cover	AIA Living Family Protection	Closed Sovereign Life Cover & Family Protection	Closed AIA Life Cover
<p>Bereavement Support Benefit</p> <p>Increased Bereavement Support Benefit from \$15,000 to \$25,000 in cases where there is joint policy ownership (i.e., no probate required).</p>	✓	✓	✓	✓
<p>Repatriation Benefit</p> <p>Removed 5% limit to pay up to \$20,000 as an early payment if the life assured dies overseas to return their body to either New Zealand or their home country.</p> <p>AIA will now pay up to \$20,000 in cases where there is joint policy ownership (i.e., no probate required).</p>	✓	n/a	✓	✓
Clarifications & Corrections				
<p>Special Events TPD/Trauma wording</p> <p>Clarified that the facility can be exercised in combination with the Life Cover Special Events Increase Facility only.</p>	✓	n/a	✓ (Life cover only)	-
<p>Terminal Illness Benefit</p> <p>To provide clarity and to support customer understanding we have improved our Terminal Illness definition to clarify that life expectancy is less than 12 months, despite all reasonable medical treatment.</p>	✓	n/a	✓	-

FAQs

What date will the enhancements take effect?

- > The benefit enhancements will be applicable to new claim events on or after 10 October 2023.
- > Any claim events prior to 10 October 2023 will be assessed using the better of the customers original policy wordings and those applicable at the time of event.
- > If a customer requires further assistance regarding claim events prior to 10 October 2023, please direct them to the Claims Team (DDI: 0800 500 195).

Passbacks

Will the enhancements be passed-back to existing AIA Living customers?

- > Yes, the enhancements will be passed back to existing AIA Living customers. Any enhancements will only apply if the claimable event occurs on or after the effective date of the enhancement (10 October 2023).

Will the enhancements also be passed-back to customers holding closed AIA and Sovereign Trauma products?

- > Yes, the enhancements will be passed-back, where appropriate to customers within the following product ranges providing the claimable event occurs on or after the effective date of the enhancement (10 October 2023).
 - Sovereign TotalCare and TotalCareMax policies issued since February 2001.
 - Closed AIA Life Products issued since June 2001 and closed AIA Trauma Products.
- > The product enhancement summaries available on the [Adviser Resources](#) Enhancement page will set out which enhancements are being passed-back to each of the above products.
- > To provide clarity to customers, advisers and users, the latest versions of these products' policy wordings will be updated with enhancements that have been approved for pass-back. These will be available over the coming weeks on the customer website ([Past Products Page](#)) and [Adviser Resources](#).

Will existing customers with the HIV benefit still have access to a claim for this condition?

- > Yes, customers that have a HIV benefit available on their original contract will still be able to claim for this condition, subject to the terms and conditions of the benefit. At claim time the Claims Specialists will use a best of both approach from the policy wordings they were sold and the version currently on sale at the date of the claim event to determine the most beneficial outcome for the customer.

Trauma Buyback

Why have you made changes to the Trauma Buyback Benefit?

- > To provide improved clarity to customers and advisers in the event of subsequent claims following the reinstatement of cover. Within the enhanced Critical Conditions Buyback clause, we provide clarity around which conditions may be excluded from a second Critical Conditions claim, depending on the first Critical Conditions claim event.
- > Further, we now allow customers to reinstate the Optional Early Cancer Upgrade Benefit and the Optional Children's and Maternity benefit without further underwriting if they had held these benefits at the time of their full Critical Conditions claim.

When will AIA not pay a claim under the reinstated Critical Conditions Benefit?

- > No cover for the same condition
 - No claim will be paid for the same condition for which AIA paid the original Critical Conditions Benefit, unless the original claim was for any of the conditions under the category of cancer, then the same



condition shall include any cancer that is either:

- of the same organ system as the original cancer;
 - considered by the treating oncologist as likely to be a secondary cancer of the original cancer; or
 - a related cancer.
- This exclusion applies to claims made under both the reinstated Critical Conditions Benefit and the reinstated Optional Early Cancer Upgrade Benefit.
- > No cover for related conditions
- No claim will be paid for any condition that is directly or indirectly related to the condition for which AIA paid the original Critical Conditions Benefit. This includes any condition that:
 - shows any increase in severity level of the same condition; and
 - any condition that:
 - arises in connection with;
 - is a complication of;
 - results from;
 - is a consequence of; or
 - is a complication of treatment for;
 - a condition for which AIA has paid a claim under the original Critical Conditions Benefit.
 - This exclusion applies to claims made under both the reinstated Critical Conditions Benefit and the reinstated Optional Early Cancer Upgrade Benefit.
- > Heart conditions
- No claim will be paid in respect of the life assured for any heart (or heart-related) condition if the original claim was for a heart condition or a stroke, except where the claim in respect of the reinstated Critical Conditions Benefit is for heart valve surgery or pulmonary hypertension, and these conditions have not previously been claimed for and are not considered by an appropriate specialist as likely to be secondary or directly resulting from the original condition.
- > Stroke conditions
- No claim will be paid in respect of the life assured for any stroke, or any condition directly resulting from a stroke, if the original claim was for a heart (or heart-related) condition, except where the original claim was for heart valve surgery or pulmonary hypertension.

Does AIA cover unrelated cancer claims once trauma cover is reinstated?

- > Yes, once trauma cover has been reinstated AIA will cover unrelated cancer claims. In the category of cancer, a related cancer shall include any cancer that is either:
 - of the same organ system as the original cancer;
 - considered as likely to be a secondary cancer of the original cancer; or
 - a related cancer.

When exercising a Special Events Increase Facility or the Future Insurability Benefit, can customers add the Trauma Buyback Benefit to the increased sum assured?

- > Yes, customers that already have the Trauma Buyback benefit attached to their existing cover can add it to the increased sum assured with no underwriting.
- > All other customers need to go through the usual underwriting process should they wish to add the Trauma Buyback benefit.

Communications

Will you be communicating with existing customers regarding the enhancements?

- > Details of the enhancements will be available to customers on the customer website.
- > We continue to work more generally around supporting customers' understanding of product enhancements as part of our overall customer communications strategy, however, these specific enhancements will not be communicated.

Is there any impact on premiums because of these enhancements?

- > No pricing changes are planned at this time in relation to these enhancements.

Are there any other policy wording changes being implemented separate to these enhancements?

- > Yes, we made some minor changes to our Umbrella and Income Protection wordings on Friday August 4.
 - The first change is to the CPI content, to help clarify the way we apply indexation. We have also created [this page](#) on our website and a link will be included in customers' anniversary letters to support those wanting more information.
 - The second change is the addition of an introduction page to the Umbrella wording. This reinforces key messages for customers such as the importance of understanding the policy document and how to contact us if they have a question, claim or complaint.

Are any systems / collateral being updated to reflect the enhancements?

- > Yes. The following will be updated to support the launch:
 - AIA Trauma Insurance brochure
 - AIA Living Life Cover brochure
 - AIA Living 'Covering Childhood' brochure
 - AIA Living Product Suite brochure
 - 'Working with AIA' Adviser tool
 - Trauma Comparison Adviser Tool
 - aia.co.nz website (Trauma, Life Cover, Enhancement page)
 - Adviser resources website (Enhancement, Trauma, Life Cover & Training & Accreditation pages)
 - L&D Training Modules

What launch materials are being provided for these enhancements?

- > The following collateral will be created to support the launch:
 - FAQs (internal and external)
 - Enhancement Summaries
 - Updated Adviser training modules
 - Adviser Webinar on 17 October presented by Product.