



# Mortgage and Income Protection Premium increases – July 2025

## Adviser FAQs

### Background

AIA review our full suite of Income Protection product offerings annually and where required, we decrease or increase pricing to account for changing claims experiences and changes to reinsurance costs.

As a result of the most recent review, we will be increasing the underlying premium rates for our AIA Living Mortgage and Income Protection (MIP) product offering. The increases are reflective of the rise in MIP claims that we have continued to observe since MIP premiums were last increased in 2023, coupled with an increase in reinsurance costs.

Other Income Protection premium rate changes (including closed Sovereign TotalCareMax MIP and AIA Real products), both increases and decreases, are planned and will take effective later in the year. We will communicate these to you separately in the coming weeks.

### MIP rate change overview

On 31 July 2025, AIA Living Mortgage and Income Protection will be closed to new business and replaced by a new offering AIA Living Mortgage, Income or Rent Cover (MIRC). Refer to [FAQs](#) for more information.

- All new 'mortgage' business quoted prior to 31 July will remain valid for 30 days, and if proceeded with, in this time frame can be issued on AIA Living MIP.
- All new 'mortgage' business quoted from 31 July 2025, will be issued on the MIRC benefit and will receive the MIRC new business premium rates.
- Premiums for existing AIA Living Mortgage and Income Protection customers will increase at policy anniversary from mid-September 2025.

The underlying premiums rates for MIRC and MIP will be the same.

Please refer to the FAQs below for further details of the products receiving the premium increases.



## General FAQs

### What products are impacted by MIP 31 July 2025 rate changes?

- products (sold from 5 August 2019)

NOTE: Rate changes on closed Sovereign TotalCareMax (TCM) and closed AIA Real mortgage products will be implemented at a later date and may differ to the changes outlined below.

### What are the underlying premium rate changes?

The increase in underlying premiums for existing AIA Living Mortgage and Income products are as follows:

Occupation	Benefit period	Rate Change
Occupation classes 1, 2, 11, 12, 21, 22	Short Term (2yrs, 5yrs)	11.0%
	Long term (to age 65, to age 70)	14.5%
Occupation classes 3, 4, 5, 13, 14, 23, 24	Short Term (2yrs, 5yrs)	6.3%
	Long term (to age 65, to age 70)	9.5%

NOTE: In addition to these underlying premium rate changes, policies will also be subject to annual policy anniversary premium changes based on a number of factors, including:

- Change in premium rate due to an increase in the customer's age; and
- Change in sum assured due to indexation (if applicable).

It is also important to remember for those policies coming off either a level premium or stepped premium term, that this can have an impact on the increases a customer may see at their anniversary.

### When are the new premiums effective from?

For quotes containing AIA Living Mortgage and Income Protection prior to the 31 July 2025:

- > Quotes completed before this date will remain valid for 30 days.

New quotes created from the 31 July 2025 will contain the new Mortgage, Income or Rent Cover.

For existing AIA Living Mortgage and Income Protection sold from 5 August 2019:

- > New premiums are effective for policy anniversaries from mid-September 2025. Customers will receive their usual policy anniversary letter about six weeks before their policy anniversary. The letter will advise customers of their new premium rates, that there are options that can improve affordability, and a recommendation customers speak to their advisers.



## What can customers do to manage their premiums?

There are options to make premiums more manageable. We always recommend customers speak to their advisers to assess which options are best for them. There are many options to make premiums more affordable. These include:

- Increasing any waiting periods or reducing claim benefit terms;
- Amending their sum assured;
- Consider opting out of CPI indexation, where applicable;
- Consider alternative cover types e.g., alternative Income Protection or Health offerings such as Indemnity cover or Cancer Care
- Reviewing the customer's insurance cover to ensure that it remains appropriate for their needs (e.g., reflective of any changes in family structure or life stage);
- Remove optional benefits (e.g. Specified Accidental Injury Cover);
- Change payment frequency (e.g. monthly to fortnightly) to spread premium payments.

Customers also have the option to add AIA Vitality. AIA Vitality members can enjoy discounted insurance premiums. The initial annual discount starts at 10% and can increase up to 20% or decrease down to 0% depending on the member's engagement in the program. AIA Vitality has a membership fee of \$11.50 per month to cover the cost of offering the program, but well engaged members can enjoy benefits well in excess of this fee.

AIA Vitality customers also 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 Terms and Conditions](#) apply.