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Specified Accidental Injury Cover Product Release - Adviser FAQs

Product Release 11.8 | updated 1 November 2024

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Summary only. This document is to be used as a guide only for queries in relation to the recent Specified Accidental Injury Product and Pricing changes. Please refer to the policy wordings for full details.



OVERVIEW

AIA led the market in launching a distinct Accidental Injury Cover (AIC) rider to provide short-term financial support to customers impacted by an accidental injury.

As we communicated earlier this year, whilst this optional benefit proved popular with customers, some elements of the product design, pricing, and eligibility rules resulted in the product being unsustainable for AIA.

Therefore, to ensure that we can continue to offer New Zealanders affordable, sustainable and relevant cover, our AIC product offering is evolving:

- Phase One: AIA Living Accidental Injury Cover version 2 (Product release 11.7), went live 26 April 2024.
- Phase Two: Our new AIA Living Specified Accidental Injury Cover version 1 (Product release 11.8) (**SAIC**), will be launched 1 November 2024.
- Phase Three: Customers who added AIA Living Accidental Injury Cover version 2 to their insurances from 26 April 2024 will automatically be switched to SAIC wordings later in November 2024.

Phase One Recap: AIA Living Accidental Injury Cover version 2

On 26 April 2024, we launched a new version of AIA Living Accidental Injury Cover version 2 as the first step in our journey.

Key changes included:

- Updated policy wordings replaced the existing broad injury categories, with a table of specified injuries to provide greater clarity of claimable conditions, which were supported by clearer evidentiary requirements;
- Minimum qualifying eligible base cover sum assured amounts for new business (\$150k across all eligible lump sum products or \$1.5k per month across all eligible Income Protection products) issued on version 2 from 26 April 2024. If these minimum amounts are not met, whether at the start of the Accidental Injury Cover or at a later date, customers are not eligible to hold, or continue to hold, Accidental Injury Cover;
- Benefit amounts for some injuries were adjusted;
- New exclusions for some typically less impactful injuries e.g., flake, stress or avulsion fractures, and finger and toe fractures (thumbs and big toes remain covered);
- No change to the maximum sum assured amount of \$5,000 per month (\$60,000 annually); but the sum assured will level once this maximum is reached;
- A maximum claim amount of \$60,000 per policy year was introduced across all AIC claims; and
- New premium rates applicable to new business from 26 April 2024, and existing business at policy anniversary from June 2024.

There were no changes to current underwriting rules.



Phase Two: AIA Living Accidental Injury Cover version 2 Product Closure and Specified Accidental Injury Product Launch

On the 1st of November 2024, we'll launch the AIA Living SAIC product to market and AIA Living AIC version 2 will be closed to new business.

SAIC will provide exactly the same coverage as the AIA Living Accidental Injury Cover product launched 26 April 2024 – with the addition of some extra claimable injury categories and an increase in payment amount for one injury category.

Premiums for SAIC will be aligned with the premium for AIA Living Accidental Injury Cover products.

Click [here](#) for an outline of the specified injury categories and the amount we will pay for each injury under SAIC.

Phase Three: AIA Living Accidental Injury Cover version 2 to AIA Living Specified Accidental Injury Cover Switch

Customers who added AIA Living Accidental Injury Cover version 2 to their insurances from 26 April 2024 have been enjoying the wider coverage AIA Living SAIC provides since 29 August 2024. These customers will automatically be switched to SAIC wordings in November 2024. Customers will receive confirmation when the wording switch has been confirmed.

Summary of products

Product Name	Policy wording version	Product release	Benefit Code	Effective date
Accidental Injury Cover	Version 1	11.6 or earlier	SINJ	TCM 5 August 2017 AIA Living 5 August 2019
Accidental Injury Cover (Phase One)	Version 2	11.7	SINJ	April 26 2024
Specified Accidental Injury Cover (Phase Two)	Version 1	11.8	SAIC	1 November 2024



Phase Two - Product Specification Changes

Item	AIA Living Accidental Injury Cover (11.7) – effective 26 April 2024	AIA Living Specified Accidental Injury Cover (11.8) – effective 1 November 2024
Minimum qualifying base cover	Minimum sum assured of \$150k across qualifying lump sum products OR Minimum sum assured of \$1.5k per month across qualifying Income Protection products	No change
Maximum Sum Assured	\$5,000 per month	No change
Maximum Claims Amount	Maximum of \$60,000 per policy year across all AIC claims.	No change
Sum Assured Options	Indexation Applicable, up to the maximum sum assured. Level thereafter.	No change
Worldwide cover	Yes	No change
Exclusions	<ul style="list-style-type: none"> > Any illness, disease or <i>degenerative illness</i>; > Any <i>avulsion fracture</i>, including flake fractures; > Any hairline or <i>stress fractures</i>; > Any act or omission by the <i>life assured</i> intended to cause harm to him or herself; > The <i>life assured</i> being under the influence of alcohol or drugs, except where the drugs were prescribed by and were being used in accordance with the directions of a <i>registered medical practitioner</i>; or > The <i>life assured's</i> participation in any criminal activity. 	No change
Eligible Entry Ages	Minimum age 16 / Maximum age 65	No change
Eligible Occupations	All occupations are eligible, other than hazardous occupations as defined in AIA's underwriting guidelines	No change
Expiry	Age 70	No change
Eligible Qualifying Products	Available as an optional benefit with any new or existing core (e.g., Life, Trauma, IP and TPD) risk benefit (Personal and Business) under the AIA Living or Sovereign TotalCareMax product ranges; when the minimum qualifying base cover is met.	Accidental Death will no longer be a qualifying product.
Stand downs	No stand down applies. A 14-day survival period applies.	No change
Underwriting	Underwritten in respect of Occupation and Hazardous Activities.	No change



FREQUENTLY ASKED QUESTIONS

Will the 1 November 2024 changes impact claims for existing AIA Living or Sovereign TotalCareMax AIC customers?

For customers holding Accidental Injury Cover version 2 (Product Release 11.7)

- > For claim events occurring between 26 April 2024 and 29 August 2024, AIA will assess the claim against the AIA Living Accidental Injury Cover version 2 (Product Release 11.7) wording.
- > For claim events occurring on or after 29 August 2024, AIA will compare the AIA Living Accidental Injury Cover version 2 wording with AIA Living SAIC and apply the most favourable terms to the claim.

For customers holding Accidental Injury Cover version 1 (Product release 11.6 or earlier).

- > In the event of a claim for existing AIC customers (those holding version 1 product release 11.6 or earlier, either with a TotalCareMax or AIA Living policy) we will compare the policy wording the customer was issued with against the AIA Living Accidental Injury Cover version 2 (Product Release 11.7) and we will apply the most favourable terms to their claims. In practice, we anticipate that most claims will continue to be assessed against the AIC policy wording that the customer was originally issued.

If a customer requires further assistance regarding claim events, please direct them to the Claims Team on 0800 500 108 (Monday to Friday, 8am – 6pm).

What are the additional claimable injury conditions that will be covered under AIA Living Specified Accidental Injury Cover?

- > The additional claimable injury conditions that will be covered under AIA Living Specified Accidental Injury Cover are:

Category A	
Fracture of the jaw, skull, collarbone	One times monthly benefit amount
Fracture of three or more ribs	
Category B	
Fracture of vertebrae	Two times the monthly benefit amount
Category C	
Fracture of the pelvis	Three times the monthly benefit amount
Fracture of the hip	
Fractures to multiple limbs	
Category D	
Full thickness burns (excluding hands) to 20% or more of the body surface	Six times the monthly benefit amount
Full thickness burns to 25% of the face or 50% of surface of both hands.	
Permanent total blindness in one eye	
Category E	
Amputation or Permanent total loss of function of a foot or hand	Twelve times the monthly benefit amount



What about adding SAIC to existing business?

Adding SAIC to an existing AIA Living or TotalCareMax policy:

- > Quote version 11.8 will apply from 1 November 2024 (inclusive); and
- > Minimum qualifying base cover amount requirements will need to be satisfied.

What about replacing existing policies that contain AIC version 1 (Product Release 11.6 or earlier)?

- > AIC products (Product Release 11.6 or earlier) issued prior to 26 April 2024, are not considered a like for like replacement with SAIC and could result in changes in a customer's coverage.
- > Customers can retain their existing AIC products (Product Release 11.6 or earlier), by leaving \$50k of Lump sum, or \$12k (annual), Income Protection cover on the original policy so that their existing AIC benefit remains in force. This approach aligns with how we treat similar requests for customers holding the Sovereign Specialist and Diagnostic Testing benefit.
- > However should a customer wish to replace the policy, we have updated our standalone [Replacement Policy Advice form](#) and advisers will be required to confirm that they have taken into account and explained the differences between the customer's existing cover and the replacement cover as part of their advice process when replacing a policy with SAIC.

COMMUNICATIONS

How and when will we communicate the launch of SAIC changes to the market?

Market launch communications will be sent via Adviser Connect on 1 November 2024, with additional market communications relating to the product switch (Phase three) following later in November 2024.

Will you be communicating with existing customers regarding the changes?

- > No - Details of AIA Living SAIC will be available to customers on [aia.co.nz https://www.aia.co.nz/en/our-products/accidental-injury-cover.html](https://www.aia.co.nz/en/our-products/accidental-injury-cover.html).
- > Information relating to previous AIA Accidental Injury Cover will be available to customers on [aia.co.nz aia.co.nz/past](https://www.aia.co.nz/past)

Is collateral being created or updated to reflect the changes?

- > Yes. The following will be either created or updated to support the launch:
 - Specified Accidental Injury product brochure. The previous standalone exclusions brochure has been discontinued with key messaging incorporated into the product brochure
 - [aia.co.nz](https://www.aia.co.nz) website (AIC page, Product Updates & Enhancements page)
 - Adviser Resources website (Product Updates & Enhancements page)
 - Adviser FAQs
 - L&D Training Modules (AIA)



PRODUCT QUESTIONS

What are the qualifying base cover benefits AIC can be taken out with?

SAIC is available when taken out with one of our core AIA Living products. Customers can also add SAIC to one of our closed TotalCareMax products (excluding AIA / Sovereign Accidental Death, Private Health, Start Up Income Protection and Freehold).

What is the minimum qualifying base cover amount that will apply from 1 November 2024?

- Minimum sum assured of \$150k cover across qualifying lump sum products
- OR
- Minimum sum assured of \$1.5k across qualifying Income Protection products

Note: The minimum sum assured required can be split across several benefits/policies. E.g., if a customer has \$100k of standalone life cover on TotalCareMax, and \$50k of standalone life cover on AIA Living, they are eligible to add SAIC.

Customers can also have a combination of Personal or Business benefits to be eligible for SAIC, however in these scenarios QuoteBuilder cannot validate the minimum sums assured where small amounts have been selected e.g., \$50K personal life and \$100K business life. Please contact us directly for a quote if this scenario meets your customer's needs.

Does the minimum sum assured need to be on the same benefit?

No, a customer can hold a combination of lump sum benefits to be eligible for SAIC. E.g., a \$100k life cover and \$50k of Trauma would make the customer eligible for SAIC.

Customers can also have a combination of Personal or Business benefits to be eligible for SAIC, however in these scenarios QuoteBuilder cannot validate the minimum sums assured where small amounts have been selected e.g., \$50K personal life and \$100K business life. Please contact us directly for a quote if this scenario meets your customer's needs.

Can a customer add life cover below \$150k and top it up with Income Protection to meet the minimum sum assured requirements?

No, you can't top up lump sum cover with a monthly benefit. The customer needs to fulfil at least one of the two minimum sum assured requirements as detailed above.

How can a customer with TotalCareMax add AIA Living Specified Accidental Injury Cover?

The customer would need to fill out the SAIC version 11.8 application form for existing business additions. For new requests from 1 November 2024, if eligible, the customer will be issued SAIC version 11.8 and the SAIC benefit will be issued as a new policy.

Can a customer who has existing SAIC cover below the maximum top up their cover, and will this be issued on SAIC (Product Release 11.8)?

Yes, the increase will be endorsed on to their existing SAIC policy.



QUOTEUILDER

Will QuoteBuilder be updated to check that minimum sums assured have been met to take out SAIC?

Yes, QuoteBuilder has been updated to validate the minimum sums assured.

Why am I getting an error when I try to submit a quote on version 11.7 with Accidental Injury Cover on or after 1 November 2024?

On the 1 November 2024 Accidental Injury Cover version 2 will be closed for new business.

- Any 11.7 quotes with AIC that have been published can be submitted, AIC cover will be issued and customers will be switched to SAIC.
- Draft quotes with AIC will not be able to be submitted and the following error will occur.

“The Accidental Injury Cover Benefit is no longer available. To continue with this quote, please follow these steps:

- 1) remove the Accidental Injury Cover Benefit*
- 2) click the “Calculate” button*
- 3) refresh your browser, add the Specified Accidental Injury Cover benefit and enter the details.”*

Please follow these steps to continue with your quote, or you can start a new quote and add Specified Accidental Injury Cover.

Will QuoteBuilder allow me quote for a top-up on existing SAIC?

Yes, but there may be instances where existing cover may not be recognised for example where a customer has previous cover with a previous adviser. Please contact us for a quote if this scenario meets your customer's needs.

Will QuoteBuilder allow me to quote a mix of Personal and Business Benefits where the sums assured are less than \$150K?

Customers can have a combination of Personal or Business benefits where the minimum sums assured have been met. However, in these scenarios QuoteBuilder cannot validate that the minimum sum assured requirements have been met where a customer has less than the minimum amount of both Personal and Business cover e.g., \$50K personal life and \$100k business life. Please contact us for a quote if this scenario meets your customer's needs.

OTHER

Will there be changes to commission rates or rules?

No, commission rates and rules will remain the same. Please refer to the current commission schedule.

AIA FAP Advisers – Will XPlan be updated with a template for Specified Accidental Injury Cover

Yes - A template has been provided in XPlan which explains how SAIC meets a customer's needs and minimum qualifying benefits.