

UNDERWRITING GUIDE

June 2025



Contents

Welcome	3
Our Underwriting Principles	4
Digital Underwriting	5
Duty of Disclosure	6
Medical Underwriting Limits	8
Validity of Medical Evidence	14
Financial Underwriting	15
Income Protection for Pregnancy/Parental Leave	22
Insuring Non-Income Earners	23
Business Safeguard Facility	24
Occupation Classifications	25
New Zealanders Resident Overseas	29
Migrants Residing in New Zealand	32
Hazardous Pursuits	34
Other Underwriting Considerations	35

Latest Updates

Date updated: June 2025

What has changed	Page Link
Updated the Specific Medical Requirements table	Page 10
Added Evidence of Income and Mortgage table	Page 17
Added Secondary Occupations	Page 28
Added Drug Use in New Zealand	Page 35

Welcome

Helping give you guidance in knowing AIA

This guide is designed to give you confidence in setting expectations about the underwriting requirements and the process for your clients.

The purpose of this guide is to make it easier for you to complete risk applications and, more importantly, to have your new business completed quickly.

The gathering of accurate information is critical to ensure the best outcome for your client not only at underwriting stage but also claims.

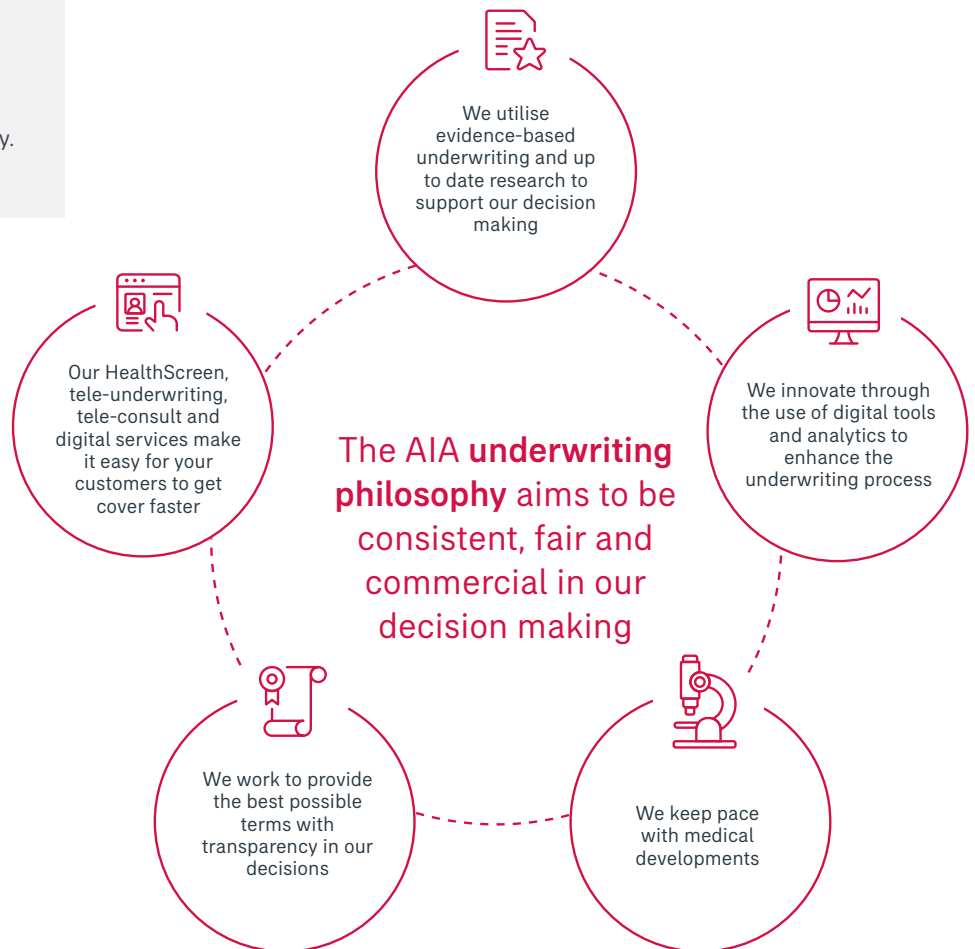
As this guide is for reference only, your AIA underwriter may request additional information as necessary.

Our underwriting philosophy

We adopt a holistic evidence-based approach to underwriting, treating each client on an individual basis that takes into account their unique medical, occupational, financial and recreational circumstances and applying a premium which is fair, equitable to the risk and sustainable throughout the life of the policy.

We take a common-sense business approach within the framework of our risk assessment parameters. We look for innovative solutions and alternatives to ensure that we are transparent, flexible and competitive, while balancing the need to maintain a sustainable book of business and deliver on our claims promise.

We put our customers first and work collaboratively, keeping them fully informed during the underwriting process, providing logical explanations for all decisions to ensure the best possible service and outcomes.



We aim to **Make A Difference** in every interaction.

Our Underwriting Principles



DOING THE RIGHT THING

- We will provide a consistent and efficient level of service
- We will make fair and commercially balanced decisions
- We will deliver on our promises



IN THE RIGHT WAY

- We take a common-sense approach and focus on adding value for our customers
- We partner and communicate with our customers and make it easy for them to do business with us
- We will honour our Underwriting Philosophy



WITH THE RIGHT PEOPLE

- We are open, approachable and flexible
- We focus on continuous improvement and innovation
- We are committed, take accountability and ownership
- We have the right attitude and conduct our business in a professional manner

Making the process as simple as possible

Our aim is to make the process of applying for cover as easy and simple as possible. AIA puts considerable effort into the development of our eApp and accompanying rules engine. One of the benefits of this to you and your clients is the level of detail you are able to provide about your clients' circumstances.

Electronic Applications

AIA's eApp is an electronic application tool with an automated underwriting engine designed to simplify and enhance the adviser-client experience and decision-making process. It has over 200 specific questionnaires designed to collect the most relevant information in a concise and clear manner. Ideally this will;

1. Quickly identify circumstances which require evidence (or postponement) so that it can be referred to an underwriter with sufficient detail to provide a high level of direction as to what else might be required, or;
2. Confirm the details and provide terms for those conditions which can be accepted without the need for more information.

The attachment process is also available for clients to provide evidence which is required by eApp (e.g. evidence of income for agreed value), or to supply new information such as test results or medical reports to support a review of the terms which have been offered on the basis of the client disclosure alone.

The eApp User Guide and eApp Frequently Asked Questions are available from the Help and Support section of the [AIAHub website](#).

Contact us

You can contact our underwriting team on [LiveChat](#) Monday through Friday 9:00am to 4:00pm or via our Adviser Relationship Team by calling **0800 768 287**.



Legal disclaimer

The availability of insurance cover is subject to your client's application being approved. All applications are subject to individual consideration. Special conditions, exclusions and premium loadings may apply. The insurance policies to which this guide relates are underwritten by AIA New Zealand Limited. For full details of the products and benefits offered by AIA, please refer to the policy document(s) which are available from AIA.

The information in this publication may change without notice, however any changes will be communicated via our Adviser Connect e-newsletter. While every effort has been made to ensure the information contained in this publication is correct, AIA does not guarantee the information. The information contained in this publication is general in nature and is not intended as advice may not be relevant to individual circumstances.

Duty of Disclosure

What your client needs to tell AIA

1 Always tell the truth

Insurance is based on the principle of utmost good faith. Put simply, your clients have a duty to provide truthful, complete and correct information about themselves, including their health and medical history.

Their duty of disclosure extends to the date the insurance is issued. For example, they are required to tell us if they are diagnosed with a medical condition after the date of the application but before they agree to any terms of cover we offer them. If we offer to cover them, they will be insured based on the information they disclosed.

2 Answer questions as fully as your clients can

Applying for insurance involves responding to a number of questions. Your client's answers need to include as much detail relating to their current and past circumstances as possible. While this may take time, it is important to ask the questions in full to ensure that we have all the information we need when we make the decision to insure your clients and on what terms.

It is important to relate the full questions to your client to ensure they can fully disclose their risk to AIA.

3 If in doubt, tell us

If your clients are uncertain of the relevance of any information, our advice is to include it on the application form because, even if they are not sure, it may be important to us. If someone else is completing the form on their behalf, it is important that the client checks that the information is correct and nothing has been left out.

4 If your clients don't know something, say so

If your clients say they don't know the answer to a question it is not an issue. If the underwriter thinks they need more information about the answer to a question so we can offer them insurance, we will need to obtain the information from somewhere else.

By signing the declaration and consent, your clients give us their consent to get this information.

5 Know what they are signing

By signing the declaration on their form, your clients are saying that they have answered all of the questions completely and to the best of their knowledge, as well as providing any other information that may influence our decision about their policy. If they are uncertain about any of their answers, they need to ask you or us before signing the declaration.

6 How non-disclosure affects claims

When your clients make a claim, we may look further into their personal history.

If we discover that they did not provide us material information that would have changed our decision to insure them or the terms of that insurance, we may amend the terms of their insurance policy. It does not matter if the new information is about a condition unrelated to their claim. If we discover that they haven't told us something material, we may either alter the terms of their policy – which might affect their claim, or we may avoid their policy from its inception which means that they would not be able to make a claim as no policy would exist.



7 Help us to help your clients when they need to claim

Depending on what your clients tell us on their claim form, we might need more information to assess their claim. We may get this information by calling your clients, asking them to fill out another form or asking them to take a medical test. Sometimes we will need to get information from other people who may include their doctor, their employer, ACC, insurance companies or other government departments.

By signing the claim form, your clients give us their consent to do this.

8 Understand what additional information may be obtained

We can only request information that we need to assess your client's application for insurance or for consideration of a claim. At all times, the information we hold about your client is their information, they have the right to access and, if it is incorrect, request that we correct it.

9 Do not be afraid to ask

If there is anything you or your client are not sure of, please ask us for help. Contact your Business Development Manager, Underwriter, or chat with our team on [LiveChat](#).



Medical Underwriting Limits

[Back to Contents](#)

Medical limits & requirements calculator

To help you calculate the medical requirements for your client, we've attached our medical requirements tool where you simply enter the age and sum assured and it will display the exact medical requirements.

NOTE: To access the medical limits calculator spreadsheet, please save this PDF to your computer and open it in Adobe Acrobat Reader, rather than accessing it through a web browser.

Medical requirements for Life Cover/Family Protection Benefit

Sum Assured	Age Band					
	1 - 45	46 - 50	51 - 55	56 - 60	61 - 65	66+
\$1 - \$500,000	Application Form	Application Form	Application Form	Application Form	Application Form	Application Form
\$500,001 - \$750,000	Application Form	Application Form	Application Form	Application Form	Med 1	Med 1
\$750,001 - \$1,000,000	Application Form	Application Form	Application Form	Application Form	Med 1	Med 1
\$1,000,001 - \$1,500,000	Application Form	Application Form	Med 1	Med 1	Med 1	Med 1
\$1,500,001 - \$2,000,000	Application Form	Med 1	Med 1	Med 1	Med 1	Med 1
\$2,000,001 - \$2,500,000	Application Form	Med 1	Med 1	Med 2 (HS)	Med 3 (HS)	Med 3 (HS)
\$2,500,001 - \$2,750,000	Med 2 (HS)	Med 2 (HS)	Med 2 (HS)	Med 2 (HS)	Med 3 (HS)	Med 3 (HS)
\$2,750,001 - \$3,000,000	Med 2 (HS)	Med 2 (HS)	Med 2 (HS)	Med 2 (HS)	Med 3 (HS)	Med 3 (HS)
\$3,000,001 - \$3,500,000	Med 3 (HS)	Med 3 (HS)	Med 3 (HS)	Med 3 (HS)	Med 4	Med 4
\$3,500,001 - \$4,000,000	Med 3 (HS)	Med 3 (HS)	Med 3 (HS)	Med 3 (HS)	Med 4	Med 4
\$4,000,001 - \$4,500,000	Med 3 (HS)	Med 3 (HS)	Med 3 (HS)	Med 3 (HS)	Med 4	Med 4
\$4,500,001 - \$5,000,000	Med 3 (HS)	Med 3 (HS)	Med 3 (HS)	Med 3 (HS)	Med 4	Med 4
\$5,000,001 - \$10,000,000	Med 4	Med 4	Med 4	Med 4	Med 4	Med 4
\$10,000,001 +	Med 5	Med 5	Med 5	Med 5	Med 5	Med 5

(HS) = HealthScreen Medical



Medical requirements for Total & Permanent Disablement (TPD)

Sum Assured	Age Band					
	1 - 45	46 - 50	51 - 55	56 - 60	61 - 65	66+
\$1 - \$500,000	Application Form	Application Form	Application Form	Application Form	Application Form	Application Form
\$500,001 - \$750,000	Application Form	Application Form	Application Form	Med 1	Med 1	Med 1
\$750,001 - \$1,000,000	Application Form	Application Form	Application Form	Med 1	Med 1	Med 1
\$1,000,001 - \$1,500,000	Application Form	Application Form	Med 1	Med 1	Med 1	Med 1
\$1,500,001 - \$2,000,000	Application Form	Med 1	Med 1	Med 3 (HS)	Med 3 (HS)	Med 3 (HS)
\$2,000,001 - \$2,500,000	Application Form	Med 1	Med 1	Med 3 (HS)	Med 3 (HS)	Med 3 (HS)
\$2,500,001 - \$2,750,000	Med 2 (HS)	Med 2 (HS)	Med 2 (HS)	Med 3 (HS)	Med 3 (HS)	Med 3 (HS)
\$2,750,001 - \$3,000,000	Med 2 (HS)	Med 2 (HS)	Med 2 (HS)	Med 3 (HS)	Med 3 (HS)	Med 3 (HS)
\$3,000,001 - \$3,500,000	Med 3 (HS)	Med 3 (HS)	Med 3 (HS)	Med 3 (HS)	Med 4	Med 4
\$3,500,001 - \$4,000,000	Med 3 (HS)	Med 3 (HS)	Med 3 (HS)	Med 3 (HS)	Med 4	Med 4
\$4,000,001 - \$4,500,000	Med 4	Med 4	Med 4	Med 4	Med 4	Med 4
\$4,500,001 - \$5,000,000	Med 4	Med 4	Med 4	Med 4	Med 4	Med 4

(HS) = HealthScreen Medical

Medical requirements for Critical Conditions and Progressive Care

Sum Assured	Age Band				
	1 - 45	46 - 50	51 - 55	56 - 60	61+
\$1 - \$500,000	Application Form	Application Form	Application Form	Application Form	Application Form
\$500,001 - \$750,000	Application Form	Application Form	Application Form	Med 1	Med 1
\$750,001 - \$1,000,000	Application Form	Application Form	Med 1	Med 1	Med 3 (HS)
\$1,000,001 - \$1,500,000	Med 3 (HS)	Med 3 (HS)	Med 4 Plus	Med 4 Plus	Med 4 Plus
\$1,500,001 - \$2,000,000	Med 4 Plus	Med 4 Plus	Med 4 Plus	Med 4 Plus	Med 4 Plus

(HS) = HealthScreen Medical

Medical requirements for all Income Protection and Business Income Protection Benefits*



Sum Assured	All Ages
\$1 - \$96,000	Application Form
\$96,001 - \$150,000	Med 1
\$150,001 - \$180,000	Med 3 (HS)
\$180,001 - \$480,000	Med 4
\$480,001 + p.a.	Med 4 and HIV

(HS) = HealthScreen Medical

*Income Protection (Indemnity and Agreed Value), Mortgage and Income Protection, Business Continuity, Rural Continuity, Start Up Income Protection, (maximum benefit levels may apply).

NOTE: The HIV test is only required for Monthly Sum Assured over \$40,000.

Specific Medical Requirements	
Application form	Application form
Medical 1	HealthScreen Nurse or GP Medical, Lipid Profile, HbA1c, LFTs
Medical 2 (HS)	Medical by GP or HealthScreen, Lipid Profile, HbA1c, LFTs
Medical 3 (HS)	Medical by GP or HealthScreen, Lipid Profile, HbA1c, LFTs, Creatinine, FBC, Hep B
Medical 4	Medical by GP, Lipid Profile, HbA1c, LFTs, Creatinine, FBC, Hep B, Hep C, PMAR. **Exercise ECG or Calcium Score
Medical 4 Plus	Medical by GP, Lipid Profile, HbA1c, LFTs, Creatinine, FBC, Hep B, Hep C, PMAR, PLUS PSA / Breast Exam/Mammogram. **Exercise ECG or Calcium Score
Medical 5	Medical by GP, Lipid Profile, HbA1c, LFTs, Creatinine, FBC, Hep B, Hep C, PMAR, COTS, HIV. **Exercise ECG or Calcium Score

*Where HS is noted in the table, Medical by GP can be replaced with HealthScreen Medical.

Medical Underwriting Limits process

Where there are mandatory medical requirements based on a combination of age and sum assured, AIA will, where possible, issue the requested cover up to the medical limit and only apply the medical requirements to the cover amount above the medical limit.

The change provides your clients the option to obtain some cover at point of sale, even when additional medical information is still required.

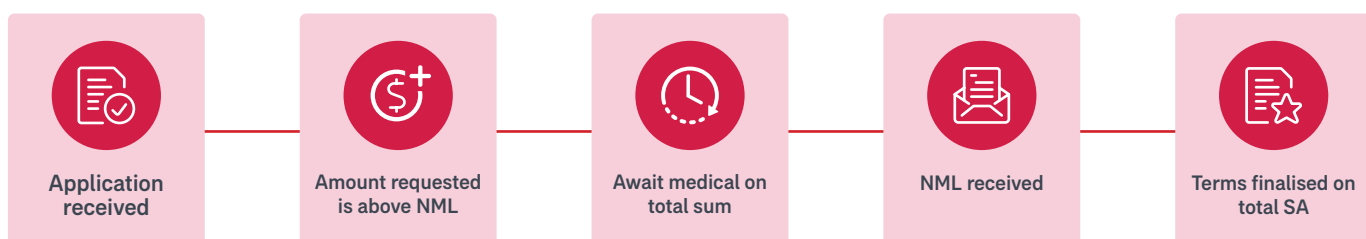
Applications that are above the Non-Medical Limits (NML) can be managed by:

1. Splitting the application and issuing the amount below the NML (referred here as 'Sum Assured One'), resulting in two policies created; and
2. Requesting the medical requirements for the portion above the NML (referred here as 'Sum Assured Two').

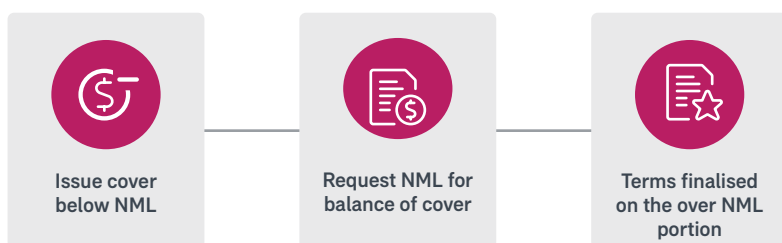
Possible outcomes

Outcome one:	Outcome two:
<p>In the event the assessment on the remaining cover is assessed on the same terms as the issued portion of cover, the adviser can request that the policies be recombined. In this instance AIA will complete the following steps:</p> <ol style="list-style-type: none"> 1. Check to ensure that the high sums assured discounts and any other premium/cover considerations are met; 2. Endorse the issued policy with the additional cover; 3. Correct commissions by paying the remaining balance (this will be a top up); 4. Cancel (as Not Proceeded With) the Sum Assured Two application. 	<p>In the event the assessment on the remaining cover is not assessed on the same terms as the issued portion of cover, AIA will complete the following steps:</p> <ol style="list-style-type: none"> 1. Issue the Sum Assured Two amount with necessary terms as per the underwriting outcome on the top up portion of cover; 2. Issue the top up portion of cover as per current practice.

The process



PROCESS CHANGE



Assumes no other requirements

Any non-standard terms will apply only to the portion above NML.

Example scenario



A 53-year-old applies for \$3.4m in life insurance cover.

AIA can issue up to \$1,000,000 under Non-Medical Limits and apply Medical Requirements to the balance of cover (\$2,400,000), over and above \$1,000,000.

Application amount	\$3,400,000
Non-Medical Limits Level	\$1,000,000
Non-Medical Limit issued (Sum Assured One)	\$1,000,000 – Standard Rates
Medical Requirements amount (Sum Assured Two)	\$2,400,000

At this point there are two possible outcomes:

1. The assessment is completed on the remaining cover. The remaining cover is assessed on the same terms as the issued portion of cover; or
2. The assessment is completed on the remaining cover. The remaining cover is not assessed on the same terms as the issued portion of cover.



Medical Requirements Glossary

Application form	Personal Statement
Healthscreen Nurse/GP Medical	Medical can be done by either a HealthScreen nurse or by a GP to determine current health
Lipids	Blood test for cholesterol levels in the blood - specifically cholesterol, triglycerides, HDL, LDL, Chol ratio
HbA1c	Blood test for glucose levels
Liver Function Tests (LFTs)	Blood test for liver function
Creatinine	A blood test to provide an indication of kidney function
Full Blood Count (FBC)	Blood test to review blood composition
Exercise ECG	Exercise ECG to give an indication of heart health. **Individual Consideration can be given for this requirement, please contact the underwriting team
Calcium Score	A scan to give an indication of heart health - contact your UW to arrange this. **Individual Consideration can be given for this requirement, please contact the underwriting team
PMAR	Personal Medical Attendance Report to obtain a client's medical history
Cotinine (COTS)	Cotinine urine test to determine smoking status - only required by non-smokers applying for over \$10,000,000 Life
Prostate Specific Antigen test (PSA)	PSA Prostate test (male) or results from regular screening programme within 6 months
Mammogram	Breast Exam or Mammogram (female), or results from regular screening programme within 6 months

NOTE: In some cases, the Stress ECG/Calcium Score can be waived as part of our normal Med 4/5 requirements. We will look at a number of key attributes that are likely to increase the value derived from a Stress ECG/Calcium Score and based on the outcome we can determine if the requirement can be waived. It will still remain for those with a higher risk cardiovascular profile.

Smoking Status

When is my client considered a smoker?



	SMOKER	NON-SMOKER
Cigarettes E-Cigarettes (Vaping) Marijuana	Last smoked <= 12 months ago	Last smoked > 12 months ago
Cigars	Used > 1x per week	Used <= 1x per week
Pipes Hookah/Shisha	Used > 1x per month	Used <= 1x per month
Nicotine Gum/Nicotine Patches	<= 12 months	> 12 months

Validity of Medical Evidence

The following table sets out the validity periods relating to the submission of evidence regarding health/medical information.

Pending Proposal and Increase/Addition on in-force policy

Requirement	90 Days	365 Days
Application form	Valid for 90 days (and required after 12 months from the date of the original application)	
DOCGH**	Valid from 90 days to 12 months (required every 3 months until application has been completed)	
Medical exam*		✓
Blood tests*		✓
PMAR*		✓

* Validity of medical evidence (Medical Examination, Bloods, and PMAR) does not apply to any additional tests required as part of Non-Medical limits

** Supplementary forms and sections may be required

We have applied a validity period of 12 months (365 days) to medicals and bloods as AIA believes that in most cases there will not be a significant change in repeats (even if the case was assessed at non-standard terms). As a consequence, we can accept the results within this period to rate any additional or increased benefits subject to our other normal criteria (e.g. Non-Medical Limits changes). The exceptions to this are;

- If a new medical ailment is disclosed that requires investigation; or
- If the client requests a review of the terms (loadings/exclusions/limitations)



Financial Underwriting

[Back to Contents](#)

Lump Sum

To calculate the amount of cover a client would qualify for, multiply the client's income by the relevant factor below based on the client's age at the time of application.

Lump Sum Benefits – Income Multiples

Age	Life	TPD	Trauma
To 35	30x	20x	20x
36-45	20x	20x	15x
46-50	18x	18x	12x
51-55	15x	15x	12x
56-60	10x	10x	10x
61-65	8x	N/A	5x
65+	IC	N/A	IC

NOTE 1: Where the total Critical Conditions and Progressive Care maximum \$2 million has been selected, the maximum Total Permanent Disablement available is \$3 million, as the total aggregation between Critical Conditions and Progressive Care and Total Permanent Disablement is not to exceed \$5 million. For Business Insurance, the maximum for Trauma is \$2 million and Total Permanent Disablement is \$5 million.

To determine the financial evidence required, AIA aggregate all Life Cover sums assured, including all existing cover with both AIA and other companies. Life Cover has no maximum sum assured.

The following table illustrates the financial underwriting requirements for Life Cover with high sums assured:

Lump Sum Financial Limits

	Requirements		
	Personal Statement	Confidential Financial Report (CFR) / Adviser Statement of Advice (SOA)*	Additional financial information (e.g. accounts, buy/sell agreements, loan agreements, etc.)
Life	<\$2.5m	>\$2.5m	>\$3.0m
TPD	<\$2.5m	>\$2.5m	>\$3.0m
Trauma	<\$1.5m	>\$1.5m	>\$1.5m

*The Confidential Financial Report (CFR) can be replaced with the Adviser Statement of Advice (SOA), provided that the SOA contains the necessary information for us to complete our assessment. This should demonstrate clearly the link between the advice/recommendation, financial information and reason for cover.

NOTE 2: Additional financial information may be requested in cases where there are large or complex business structures, multiple shareholders or key people. If you have any questions, please speak to your underwriter.

NOTE 3: The CFR is now a part of the digital application process in the eApp. It will be included in the underwriting questions where sums assured are above financial limits, removing the need for an additional requirement and completion of a paper form.

In some cases we can also use our tele-underwriting model for the CFR, to allow for a shorter processing time and a better customer experience.



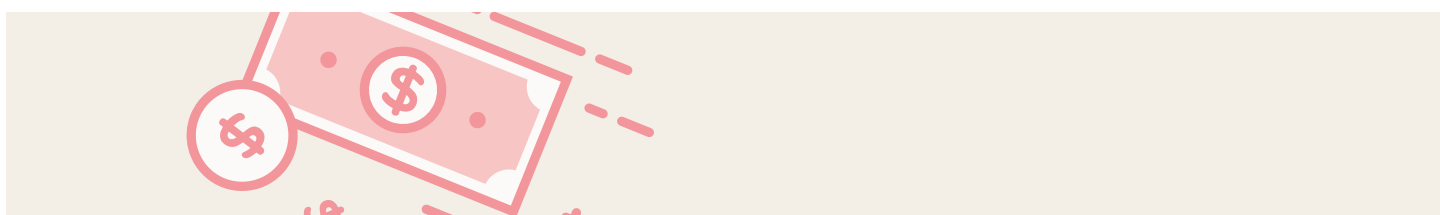
The following table illustrates the financial underwriting requirements for Trauma Illness benefits exceeding \$1 million:

Client	Financial evidence required
Self-employed Sole trader, Partnership, Trust or employed by own company	<ul style="list-style-type: none"> Client's business entity accounts (for all entities) including finalised Statement of Financial Performance and business entity tax return for the two most recent financial years Personal income tax returns for the corresponding years as above are also required
Employees No ownership / shareholding or financial interest in the business	<ul style="list-style-type: none"> Client's personal income tax returns or IRD earning summary for the two most recent financial years <p>or</p> <ul style="list-style-type: none"> A letter from their employer confirming the client's salary package for the two most recent financial years
Both employees and self-employed	<ul style="list-style-type: none"> Confidential Financial Questionnaire completed by the client including a detailed report of: <ul style="list-style-type: none"> Earned/unearned person income Assets and liabilities Need for cover/how the benefit cover amount was calculated

Personal Income Protection

New or Existing Income Protection Benefit	Financial evidence required
Indemnity Total cover less than or equal to \$120,000	<ul style="list-style-type: none"> Personal Statement
Indemnity Total cover greater than \$120,000	Evidence of Income <ul style="list-style-type: none"> Pay slip or contract if employed Self Employed - Full set of accounts for 2 years. The accounts should be current showing the most recent figures to give a good indication of how the business is performing today Other supporting evidence – Personal Income Tax Return, Business Income Tax Return For sums assured > \$180,000 - confidential financial report
Agreed value/Loss of Earnings	Evidence of Income <ul style="list-style-type: none"> Pay slip or contract if employed Self Employed - Full set of accounts for 2 years. The accounts should be current showing the most recent figures to give a good indication of how the business is performing today Other supporting evidence - Personal Income Tax Return, Business Income Tax Return For sums assured > \$180,000 - confidential financial report

Note: We utilise current (up to date) income to determine benefit level



Maximum replacement ratio

The maximum replacement ratios for both Indemnity and Agreed Value contracts are set out in the table below.

Replacement Ratios	
Indemnity and Loss of Earnings	<ul style="list-style-type: none"> 75% of the first \$320,000 p.a. 50% of the next \$240,000 p.a. (\$320,001 - \$560,000 p.a.) 20% for any excess income
Agreed Value	<ul style="list-style-type: none"> 62.5% for the first \$70,000 p.a. 60% of the next \$30,000 p.a. (\$70,001 - \$100,000 p.a.) 55% of the next \$220,000 p.a. (\$100,001 - \$320,000 p.a.) 35% of the next \$240,000 p.a. (\$320,001 - \$560,000 p.a.) 20% for any excess income

NOTE: Annual benefits in excess of \$30,000 p.m. (\$360,000 p.a.) can only be insured with a maximum benefit payment period of two years.

Retirement Protection Benefit

This benefit is only available as an add-on to Income Protection Benefits (Indemnity, Agreed Value or Loss of Earnings).

Evidence of KiwiSaver scheme is not required.

If the addition of the Retirement Protection Benefit causes the sum assured of the total Income Protection benefit to be above \$120,000, no proof of income is required.

Mortgage, Rent and Income Benefit

Clients can choose to insure either:

- 115% of mortgage or rent repayments, or
- 45% of their gross income

Maximum Sum Assured is \$72,000 p.a. or \$6,000 p.m.

Mortgage cover for owner occupied homes, holiday or vacation homes for personal use only (are not rented) can be covered under the Mortgage Benefit up to 115% of the mortgage repayments.

Acceptable Evidence of Mortgage

The following documentation is acceptable as evidence of mortgage:

- Current loan agreement, or;
- At least 3 months bank statements (current) reflecting the repayments, or;
- Any form of evidence, provided by the lender, confirming the following:
 - Confirmation of unconditional house purchase/home loan in place
 - Mortgagee details
 - Lender
 - Loan amount(s)
 - Term of loan(s)
 - Projected or confirmed repayment amount(s) and frequency

Revolving Credit Loans

- Cover available for up to the total repayments on an interest only basis, for the full facility.

Evidence of Income and Mortgage

Mortgage Income Protection (AIA)	Who	Financial Evidence Required
Mortgage/ Rent / 45% of Income <= \$4,000 pm	Employed	Personal Statement
Mortgage / Rent 45% of Income > \$4,000 pm	Employed	Evidence of Income / Evidence of Mortgage
Mortgage Rent / 45% of Income (all values)	Self-employed	Evidence of Income / Evidence of Mortgage

Bankruptcy

What is bankruptcy?¹

Bankruptcy is a way to clear a person’s debts if there’s no way they can pay back the people or organisations they owe money to.

It’s not an easy way out — entering bankruptcy means the Official Assignee has control over everything a person owns (except things like clothes and household appliances) and can sell them to pay off the debts.

Assets

When a person becomes bankrupt their assets transfer to the Official Assignee so that they can be sold to help repay debts — this includes superannuation funds. A person can be prosecuted if they don’t tell the Official Assignee about all of their assets.

While bankrupt, a person can keep:

- tools needed for work (up to a certain value)
- necessary household furniture and effects (up to a certain value)
- a motor vehicle worth up to \$6,500
- money up to a maximum of \$1,300
- items on hire purchase — but they’ll have to continue making payments.

If a term life insurance policy is owned

If it has no surrender value, they can choose to continue to pay the premiums but if a claim is made during the bankruptcy, the funds will be used to repay creditors. If this happens, they may be able to claim a refund of the premiums paid. They can choose to let the policy lapse instead, or someone else could purchase the policy from the Official Assignee if it might be difficult to replace (due to age, medical conditions,

or increased premiums). If the policy has a surrender value, then it’s likely that it will be sold to repay creditors.

		Life	Trauma	IP/TPD	Health
Time Since Discharge	Undischarged	N	N	N	Y
	0 to 2 years	Y	Y	N	Y
	More than 2 years	Y	Y	Y	Y
Stable employment and earnings	Yes	Y	Y	Y	Y
	No	IC	IC	N	IC
Bankruptcies	Single	Y	Y	Y	Y
	Multiple	N	N	N	Y
Reason for Bankruptcy	Favourable	Y	Y	Y	Y
	Unfavourable	IC	IC	N	Y
Associated business failure	No	Y	Y	Y	Y
	Yes	IC	IC	IC	Y
Fraud/criminal charges	No	Y	Y	Y	Y
	Yes	IC	IC	N	IC
Health Issues (mental health, drug use, addiction)	No	Y	Y	N	Y
	Yes	RFC	RFC	RFC	RFC

¹ All page information from <https://www.insolvency.govt.nz/personal-debt/personal-insolvency-options/bankruptcy>



Rural Continuity Benefit

This Benefit can provide a monthly benefit payment to assist the future of a farm or share milking business should the life assured become totally disabled due to injury or illness.

Agreed Value

- 35% of Gross Turnover up to \$10,000 per month (\$120,000 per annum) / Farm Manager Salary + benefits
- Any other disability insurance benefit from any sources in relation to the same disability, excluding ACC benefits (unless the optional ACC offset applies).

Minimum age: 16+, Maximum age: 55

Eligible Occupations[^]

Class 3, 13 (self-employed for more than three years):

1. Owners/Leasers of sheep, lamb/wool, dairy or beef farmers
2. Sharemilkers – either herd-owning or Contract/Lower Order
3. Farm Managers
4. Family members where there is clear succession even though no direct ownership (and the family member is fully employed running the farm)

Eligible Benefit Periods (see above for numbering)

1, 2 & 4	6/12/24 months
3	6/12 months

[^] For Farm Managers who are not the farm owner (see above), it is acceptable to be insured for both RCB (Rural Continuity Benefit) and Personal Income Protection on the basis that the RCB product is owned by the farm entity and the personal IP is owned by the individual. There are several considerations and alterations here;

1. These customers will still need to be quoted as self-employed as wage/salaried employees cannot access RCB in Quote Builder.
2. Do not quote with the “ACC offset” as holders of both benefits will still have an ACC offset against the personal IP so this should not also be offset against the RCB.

There will be a maximum benefit period of 12 months for employees - they can have personal cover with a concurrent wait and it is unlikely that a farm owner would require more than 12 months to find a replacement.

ACC Offsets

ACC Offset	RCB only	RCB / IP Combination
Taken	✓	✗ ^{^^}
Not taken	✗	✗

^{^^} As ACC is offset against IP do not select ACC Offset when applying for combination.



Business Continuity Benefit

Monthly Benefit	Financial Evidence
\$0 to \$60,000 p.a.	<ul style="list-style-type: none">• Personal Statement• Business Continuity Supplementary Proposal
\$60,001 to \$180,000	<ul style="list-style-type: none">• Personal Statement• Business Continuity Supplementary Proposal• Last two years' accounts (to include up to date (current) results)

Replacement Ratios

\$0 to \$225,000	80% of Gross Profit
\$225,001 to \$500,000	60% of Gross Profit
\$500,001 to \$800,000	40% of Gross Profit
\$800,001 to \$1,340,000	25% of Gross Profit

Maximum Benefit amount is \$50,000 per month (per business).

- The business must have been trading for at least three years
- Key person/employee to be covered, must have been in their role at least two years
- The business must be a profitable and ongoing concern
- Clients can have personal IP/MR/RP alongside if financially justified or on an extended waiting period
- Medically and financially cover is aggregated on an individual level
- The business must own the policy, not an individual
- Maximum benefit per business is \$50,000 per month
- Proof of how the key person directly contributes to Gross Profit (and the percentage they contribute) is required
- Depending on the nature of the business there may be additional requirements in order to complete the financial underwriting

If a client has or is applying for Income Protection (IP) cover and there will be an overlap between the Business Continuity Benefit (BCB) and Income Protection (IP) benefits, and they are the business owner, the client's total income is deducted from the Gross Profit before calculating Business Continuity Benefit.

NOTE: Due to the complex nature of tax and its many variables we advise the client consults with their accountant.



Start Up Income Protection Benefit

COVID-19 has changed the way that our economy is operating and there are some sectors experiencing a very slow recovery or that remain relatively quiet. At this time, we are necessarily cautious with the industries listed below.

- \$9,000 maximum per month
- No financial evidence is required
- Has previously been self-employed and closes one business, then starts a new one
- Has been in business for less than 36 months and only has one business

Time Line in Business	Monthly Benefit	Maximum Benefit Term
0-12 months	\$0 to \$6,500 (\$78,000 p.a.)	12 months
0-12 months	\$6,501 to \$9,000 (\$78,001 p.a. - \$108,000 p.a.)	6 months
Over 12 months	\$0-\$9,000 (\$108,000 p.a.)	2 years

There are key things to think about when reviewing Start Up applications (and all IP applications). In addition to existing guidelines for this product, we will also need to consider these business characteristics:

Industry:

- Travel/Tourism
- Hospitality
- Industries with a high dependence on international supply chain or international customers (where there is no replacement from local sources) e.g. building products, engineering equipment, technology hardware, or e-bike importation
- New business ventures geared around pandemic responses (e.g. mask/sanitiser manufacture/distribution)

Individual consideration needs to be given to the overall business proposition including the previous skills and experience of the business owner which may contribute significantly to an increased chance of the business succeeding long term.



Income Protection for Pregnancy/Parental Leave

If your client is pregnant and/or considering parental leave or is currently on parental leave and is applying for income protection/mortgage protection, then please refer to the table below.

Income Protection for Pregnancy/Parental Leave

Pregnancy/Parental Leave Scenario	Approach (Indemnity only)
My client is working and is about to go on parental leave and intends to return to full-time work at the end of their parental leave.	Assessed under 'normal occupational duties'
My client is working and is about to go on parental leave and intends to return to part-time work at the end of their parental leave.	
My client is already on parental leave and intends to return to full-time work at the end of their parental leave.	
My client is already on parental leave and intends to return to part-time work at the end of their parental leave.	Assessed as Occupation Class 5 (\$2,500 pm)
My client is working and is about to go on parental leave and does not intend to return to work at the end of their parental leave.	
My client is already on parental leave and does not intend to return to work at the end of their parental leave.	

What does the Policy cover and what Policy Exclusions are there?:

- If the client is on leave without pay for more than 12 months, they are automatically classed as Occupation Class 5.
- Pregnancy Premium Waiver does not apply within 9 months of Risk Commencement Date.
- There is no claim for pregnancy/childbirth related conditions for less than 90 days after the end of the pregnancy.



Insuring Non-Income Earners

Insuring homemakers

The value placed on the homemaker can be difficult to quantify, as the work is generally not paid. However, if the homemaker is disabled or dies, there may be a financial loss to the family, as paid help may be required for raising children, maintaining the house, etc. The homemaker may also be a co-borrower or joint guarantor on loans.

When assessing the level of cover for a homemaker, it is important to look at:

- The personal exertion income of the income-generating partner
- The total number of dependents and their ages
- The level of any cover already in force

For homemakers, total Life Cover from all sources should not exceed \$1 million;

Total Critical Conditions and Progressive Care should not exceed \$750,000 aged below 50, \$500,000 aged 50 and over and Total Permanent Disablement should not exceed \$250,000.

Income Protection (Indemnity only) and Mortgage Cover may be considered to a maximum of \$30,000 p.a. on a 13 week wait period, occupation class 5 basis.

Higher levels of cover may be considered if the following is provided:

- A full report from the adviser, clearly setting out household income and need for cover
- Independent financial verification
- Confirmation that there is an equal or greater amount of cover on the income-producing partner

Insuring children

When insuring a child, a full explanation must always be provided for the reason for the cover.

Under New Zealand law, any insurance benefit payable on the life of a child under the age of 10 is limited to a refund of premiums and interest. Children over the age of 10 are eligible for insurance under the same product range as is available for an adult. Generally, the sum assured for a child over the age of 10 will be limited to \$250,000 Life Cover only until the child is 16 years old, however please note these applications will be given individual consideration.

NOTE: Total Permanent Disablement and Income Protection is not available for children, as it is covered by a definition related to employment and the ability to work. While Critical Conditions and Progressive Care is offered on diseases and events affecting adults and children, the maximum cover available for children under Critical Conditions and Progressive Care is \$250,000 (total).



Business Safeguard Facility

Information required at time of underwriting

Medical Underwriting	Financial Underwriting
<ul style="list-style-type: none"> Based on 5x the sum assured (see Medical Requirements table on Page 9) 	<ul style="list-style-type: none"> Financial requirements for base sum assured as per usual underwriting guidelines

When exercising a Business Safeguard option:

<ul style="list-style-type: none"> Not Applicable 	<p>Financial Evidence to support the reason for the increase;</p> <ul style="list-style-type: none"> Valuation of business to support increase in business value Loan agreements to support new lending or increase in existing lending Accounts or other evidence to support increase in value of key person
--	--

- This benefit allows the client to increase their Business Life/Total Permanent Disablement/Critical Conditions when required, due to the client's financial interests in the business, their loan, or their value to the business increases.
- Available for Business Life, Total Permanent Disablement and Critical Conditions.
- The Life Cover benefit for a life assured under this policy after the use of this facility cannot exceed the lesser of five times the original Life Cover benefit or \$10 million.
- The Total Permanent Disablement benefit for a life assured under this policy after the use of this facility cannot exceed the lesser of five times the original TPD benefit or \$5 million.
- The Critical Conditions benefit for a life assured under this policy after the use of this facility cannot exceed the lesser of five times the original Critical Conditions benefit or \$2 million.
- This benefit is available to clients with a loading of less than or equal to +100%.

The method chosen to value the business, or the client must be in accordance with established business valuation practice for the industry. The independent qualified accountant or business valuer cannot be a family member, business partner, employee or employer of the life assured. The method of valuation and valuer must be satisfactory to AIA.

Future increases

- To apply for an increase in cover, the client needs to write to AIA to satisfy us that the value of the life assured's financial interest is at least equal to the requested increase to the amount of cover.
- They must include a valuation of the business or valuation of the life assured to the business (as provided by an independent qualified accountant or business valuer), and/or evidence of the loan guarantee, and any other contractual or financial evidence we may request.
- They can do two increases in any twelve-month period, but it cannot be exercised within six months of the risk commencement date.
- Requests need to be made within three months of the relevant business event.



Occupation Classifications

Occupation and Risk

We use the occupation section of the Application form to assess the risk that an individual occupation presents. This assists in determining not only the cost of benefits, but also eligibility for certain benefits.

Some of the factors to be considered are:

- The nature of the duties performed. For example, is the client working at great heights or with dangerous substances?
- The number of hours worked – does the clientwork excessive hours? A person working more than 60-hour work week is at risk of suffering work stress or burn-out due to the large number of hours worked than a person working fewer hours.
- Are they working full-time or part-time? Full time means working a minimum of 20 hours per week that is spread over a minimum of three days.
- Are they intending to change occupations?

A comprehensive list of occupations are available in [AIA Quote Builder](#).

Occupation Classifications for Income Protection and Total Permanent Disablement	
Occupation Code	Description
Class 1	Professional white-collar workers who possess university qualifications, e.g. lawyers, doctors, accountants, etc. Also includes individuals employed by an independent employer who are executives or senior managerial white-collar workers with salary packages in excess of \$100,000. We will also consider working directors of their own companies provided they have a structured salary package in excess of \$100,000, their business has been established more than two years and their duties are totally sedentary.
Class 2	Clerical or administrative white-collar workers who do not perform any manual work or salespeople not involved with deliveries. It does not include workers working in or visiting non-office environments.
Class 3	Certain skilled technicians and proprietors in non-hazardous industries involved in light manual work, e.g. jewellers, computer technicians, café/coffee shop proprietors. Also includes supervisors of blue-collar workers, provided that no more than 10% of their time is spent performing light manual work. Fully qualified licensed tradespeople. Details of qualifications must be provided.
Class 4	Skilled or semi-skilled manual workers and heavy machinery operators who are not exposed to high-risk accidents or health hazards. Unskilled workers and labourers are not included in this occupation class.
Occupation Group	Occupation Class
Group A	Employed clients Classes 1, 2, 3 and 4
Group B	Self-employed with more than three years' experience in current business. Classes 11, 12, 13 and 14
Group C	Self-employed with less than three years' experience in current business. Classes 21, 22, 23 and 24
Other	Class 5: Non-Income earners (e.g. housewife/househusband/student) IC: Individual consideration U: Uninsurable for benefits to age 65* *Individual consideration given to two-year and five-year restricted benefit products.

Hint

A self-employed person can include:

- A sole trader
- A partnership
- Commission-only salesperson
- A contractor
- Any company in which the insured and all-family interest have a greater than 25% shareholding
- Any trading or family trust where the insured has a beneficial interest

Define full-time versus part-time:

Full-time: defines a person who works 20 hours or more, over at least three days per week.

Part-time: defines a person who works less than 20 hours per week, or less than three days per week.

Occupation - Drivers

Our occupation classifications are always under review, and we have updated our occupation classifications for drivers.

The main change is segmentation by vehicle type/activity, rather than short haul/long haul which has been the standard used before. Waka Kotahi NZ Transport Agency has been the source of much of the material for this, particularly around licence classifications and endorsements. AIA's occupation classes in QuoteBuilder now broadly correlate to the current Waka Kotahi licence classes in the table below. There is more certainty with this new approach which should lead to less subjectivity in assessment and assist advisers to select the most relevant occupation class for their client.

Waka Kotahi Licence Classes			
Driver licence class	Vehicle type	Vehicle weight	Speed
Class 2	Rigid vehicle	GLW 6001kg to 18,000kg	-
	Combination vehicle (that is not a tractor/trailer combination)	GCW 12,000kg or less	-
	Rigid vehicle (that is not a tractor) towing a light trailer	CLW of rigid vehicle 18,000kg or less	-
	Rigid vehicle with two axles or less	GLW over 18,000kg	-
	Tractor	GLW 6001kg to 18,000kg	30km/h or less
	Any vehicle covered in Class 1		
Class 3	Combination vehicle	GCW 12,001kg to 25,000kg	-
	Any vehicle covered in Classes 1 and 2		
Class 4	Rigid vehicle (including a tractor)	GLW over 18,000kg	-
	Rigid vehicle towing a light trailer	GLW of rigid vehicle over 18,000kg	
	Vehicles covered in classes 1 and 2 (but not class 3)		
Class 5	Combination vehicle	GCW over 25,000kg	-
	Vehicles covered in classes 1, 2, 3 and 4		
Class 6L and 6R	Motorcycles acceptable under the learner approved motorcycle scheme (LAMS)		
	Moped or all-terrain vehicle		
Class 6	Any motorcycle		
	Moped or all-terrain vehicle		



Special-type vehicle endorsement

If you drive a special-type vehicle on the road, you must have an F, R, T or W endorsement on your driver licence.

- The D endorsement is for vehicles that carry dangerous goods.
- The F endorsement is for vehicles that are forklifts.
- The R endorsement is for vehicles that run on rollers.
- The T endorsement is for vehicles that run on self-laying tracks.
- The W endorsement is for vehicles that run on wheels that aren't forklifts, passenger vehicles, tractors, fire engines, trade vehicles or vehicle recover service vehicles.

Occupation - Personal Trainers

For a long time, we have not offered IP to people in the fitness industry. These occupations have always proved challenging to insurers for a number of reasons:

- It has largely been a transient industry (people do not necessarily stay in it for long periods);
- Many personal trainers try and turn their passion into a business and find out that they are not able to earn enough and either leave or take on other part-time work to support themselves.
- The bar for rehabilitation is higher for personal trainers - given the (normally) required high level of fitness, it may be more difficult to rehab the client back to work after illness or injury.

With these issues in mind but balancing this with the need to provide some form of cover in this area we have updated our guidelines to the following:

Self-employed

- Customers who can demonstrate a 3+ year history in the industry with consistent earnings and consistent hours worked (no secondary occupations to support themselves)
- Indemnity cover; or
- Agreed value can be considered (with a minimum of three years consistent earnings)
 - 5-year benefit to age 65
 - Maximum entry age 55
 - Occupation Class 3

Hazardous occupations

Although most occupations are insurable at standard rates for life insurance, there are certain occupations, which are obviously hazardous and additional premium (loading) is required to cover the extra risk(s) incurred. A greater number of occupations will require extra premium and/or exclusions in respect of disability benefits.

Not all hazardous risks are physical in nature, there may be one of a number of other risks which may include:

- Physical risk – such as working at heights or with explosives
- Environmental risk – such as mining, asbestos removal/exposure
- Moral risk – such as exposure to drugs, criminal activities or Sexually Transmitted Infection(s) (STIs)
- Sensitivity to claim – people with strict medical criteria, such as Pilots
- Trade sensitive – jobs that are subject to trade fluctuations, such as real estate
- Health risk – such as working excessive hours or specific medical conditions

It is important to give a full disclosure of any hazards involved in your client's occupation as this will allow the underwriter to correctly assess those risks and apply terms, if required, appropriately.



Secondary occupations

For applicants who disclose multiple occupations, the following needs to be considered:

- Duties performed in each occupation and percentage of time spent performing each duty
- Hours worked in each occupation
- Experience and number of years spent in each occupation
- Income earned from each occupation
- Future intentions – does the life insured intend to change the current hours in either or both occupations, or change the current range of duties/occupation?

Our Underwriting Approach

Dual occupations		
Total hours worked	Similar occupations in same occupation class	Different occupation classes
>20 <60 hpw	Allow with no terms	Exclude secondary occupation Exclude income from secondary occupation
<20 >60 hpw	No cover available	No cover available

New Zealanders Resident Overseas



Why we take overseas residency into account

We manufacture and price products for New Zealanders living in New Zealand. For those travelling overseas there are a number of risks that we would not normally need to take account of in New Zealand. These include issues such as war and terrorism, poor health status and lack of health care and high rates of violent crime. We also need to consider issues such as our products being used for default short term “travel insurance” cover or the impacts of trying to manage IP claims remotely overseas and the consequential problems of trying to get reliable medical intervention and information.

We also have some regulatory responsibilities to ensure we are operating within the terms and conditions of our Reserve Bank insurance licence.

We have set out below our broad approach to overseas travel in each of these areas but in each case, it is helpful to consider the following:

1. Where is the customer going?
 - a) For how long?
 - b) Doing what?
 - c) In what circumstances?
 - d) Are they a foreign national returning to their country of origin?
2. Have they already left the country?

AIA NZ Guidance for Overseas Residents

AIA is only licensed to provide insurance products within New Zealand. An insurer and adviser must comply with the regulations governing the provision of insurance products and advice in the country in which the advice is received, or the product is sold.

This means AIA is unable to issue an insurance policy if an applicant is not physically in New Zealand. However, in some circumstances, changes can be made to a policy if the customer is not in New Zealand (for example if making alterations to the policy which is already in place). Generally, AIA will only issue cover to New Zealand citizens or permanent residents, though there are some limited exceptions to this stance as noted below.

The following table provides a summary of scenarios covering this topic:

1.	New cover on a New Zealand citizen already living permanently overseas	As the applicant is not in New Zealand, we will not write cover in this situation.
2.	New cover on a New Zealand citizen already living permanently overseas, but back in New Zealand temporarily	If the applicant is in New Zealand, we can provide cover but this is subject to normal underwriting rules and any advice and underwriting and policy being issued to the customer while they are in New Zealand.
3.	Increases to existing cover that was taken out in New Zealand prior to the insured moving overseas	Contractual Increases such as Special Events Increases or Future Insurability Options can be made according to the policy the applicant has and in line with normal product and underwriting rules.
4.	New cover on a New Zealand citizen based temporarily overseas for any reason	Advice, underwriting and policy issue needs to be completed while the applicant is in New Zealand before departing overseas and is subject to normal underwriting rules.
5.	New Zealand company wanting to insure a New Zealand citizen working overseas for them	Advice, underwriting and policy issue needs to be completed while the applicant is in New Zealand before departing overseas and is subject to normal underwriting rules.

Travel Advice Levels

Exercise normal safety and security precautions	Standard Rates
Exercise increased caution	Standard Rates
Avoid non-essential travel	Refer to table below
Do not travel	Decline

MFAT Level	Benefit	Time Away	General Guidance
1 & 2	Life / Trauma		STD Rates
1 & 2	IP / TPD	<2 years	STD Rates
1 & 2	IP / TPD	>2 years	DEFER
3	Life / Trauma		\$2.00 per mille (+ any applicable exclusions (e.g. W&T))
3	IP / TPD	<2 years	+50% (+ any applicable exclusions (e.g. W&T))
3	IP / TPD	>2 years	DEFER
4	All Benefits		DEFER

For New Zealanders travelling overseas for greater than 60 days, Private Health is available only to those going to Australia.



Fly In Fly Out (FIFO)

This guideline will apply for applicants who are travelling overseas for work (normally within the oil and gas or mining industries) and are rostered for fly in fly out work periods.

There are a number of factors that make these cases different to home (NZ) based employment:

- Occupation - is it an occupation we normally insure?
- Earnings - would a comparable job in NZ earn as much?
- Work pattern - managing for time on time off (what happens in downtime?)
- Location - security/travel risk concerns
- Duties - within occupation, are there special hazards - e.g. oil rigs, aviation, diving risks
- Contract length - continuity of employment
- What is the age at which this work is unlikely to continue?
- How long will the work continue (as opposed to the contract signed) - what about options to relocate?
- Medical history - stress, anxiety, alcohol consumption
- Political will/climate issues
- Medical assessment and impact on rehab

While it is not always possible to address every scenario specifically, we have set out below the approach that should be followed.

Category	Details	Comment
Benefit Level	Benefit should be based on what the same role could reasonably expect to earn in NZ	
Wait Period	13 weeks	Allows for the “downtime” (period when off work/between shifts) and removes management of short self-limiting injuries/illnesses by claims team
Benefit Period	2 years	
Max age of Entry	55	
Region	Apply any additional exclusions/loadings as defined under “Overseas Travel”	What is the rating of the country where the applicant is to be working? Is there likelihood of future redeployment of employee/vessel? See Exclusion clause below for Australia/NZ

Exclusion – Mortgage and Income Protection Benefit (Can be amended to work for Life/Trauma/TPD)

AIA will not pay any of the benefits listed in the Mortgage and Income Protection appendix if the life assured becomes totally or partially disabled while at work or travelling to and from work in any jurisdiction other than:

- New Zealand, including the Exclusive Economic Zone of New Zealand,
- Australia, including the Exclusive Economic Zone of Australia and Tasmania, or
- Any jurisdiction which has been notified to AIA and which AIA has approved in writing before the life assured commences travel to that jurisdiction.

This exclusion does not apply:

- if the life assured becomes totally or partially disabled while anywhere in the world for non-work purposes.
- to the Recurrent Disablement Benefit.



Migrants Residing in New Zealand

Non-resident underwriting rules

In most cases, the life insured must be a citizen or permanent resident of New Zealand and currently residing in New Zealand to qualify for any type of cover with AIA.

AIA recognises that some clients migrate to New Zealand with the intention of remaining in New Zealand permanently becoming citizens. Citizens of Australia, Cook Islands, Tokelau and Niue are considered as New Zealand citizens for all benefits in terms of eligibility, provided they are living full-time in New Zealand.

The following guidelines set out the current criteria required for those immigrants who are not yet permanent residents.

Benefit	Work Visa; Residence Visa; Business Visa; Spouse Visa 21 to 23 months	Work Visa; Residence Visa; Business Visa; Spouse Visa 24 to 59 months	Work Visa; Residence Visa; Business Visa; Spouse Visa > 60 months	Student Visa linked to a parent's visa
Life	Territorial Exclusion	Territorial Exclusion*	Standard Rates	Standard Rates
Accidental Death Benefit	Territorial Exclusion	Territorial Exclusion*	Standard Rates	Standard Rates
Trauma Benefits	Territorial Exclusion	Territorial Exclusion*	Territorial Exclusion*	Territorial Exclusion*
TPD	Territorial and Expiry of Work Exclusions	Territorial and Expiry of Work Exclusions*	Territorial and Expiry of Work Exclusions*	Not available
Accidental Injury Benefit (SINJ)	Territorial Exclusion	Territorial Exclusion*	Territorial Exclusion*	Territorial Exclusion*
Indemnity; Mortgage Cover (115%); Mortgage Income cover (45%) Rent Protection	Not available	Territorial and Expiry of Work Exclusions	Territorial and Expiry of Work Exclusions	Not available
Income Protection Benefits (all)	Not available	Indemnity available	Territorial and Expiry of Work Exclusions	Not available
Redundancy Benefit	Not available	Territorial and Expiry of Work Exclusions	Territorial and Expiry of Work Exclusions	Not available
Health cover	Not available	Territorial Exclusion	Territorial Exclusion	Territorial Exclusion

*The territorial clause is not applied if the customer's country of origin is MFAT1 (MFAT1 = "Exercise normal safety and security precautions").

NOTE: No cover is available to customers with visas totaling less than 21 continuous months.

Territorial exclusion wording

It is hereby acknowledged that should a claim arise on the life of [Life Assured] where the event, condition, illness, accident or injury causing or contributing to the event, occurs at a time when the life assured is outside the territorial boundaries of New Zealand, Australia, the Cook Islands, Tokelau, or Niue for a continuous period of more than three months, then no benefit will be payable under the [Benefits] Benefit attached to this contract, unless the client returns to New Zealand, Australia, the Cook Islands, Tokelau, or Niue at the end of the three month stated period. It is further acknowledged that should the life assured leave New Zealand, Australia, the Cook Islands, Tokelau, or Niue on a permanent basis, then this policy shall be cancelled and no benefit will be payable from that date onwards.

This exclusion automatically ceases to apply from the date that the life assured gains Permanent Residency or Citizenship status in New Zealand.

Expiry of Work Visa exclusion wording

It is hereby acknowledged that should a claim arise on the life of [Life Assured] where the applicant's visa has either expired or not renewed, then no benefit will be payable under the [Offered Benefit] Benefit attached to this contract.

This exclusion automatically ceases to apply from the date that the life assured gains Permanent Residency or Citizenship status in New Zealand.

Additional requirements

- For Income Protection, Redundancy and Health benefits visas need to total 24 consecutive months or more, with a minimum of six months remaining on their visa. Total time spent lawfully in New Zealand on all consecutive visas count towards the 24 consecutive months.
- If the life assured has a medical condition for which further historical records are required, the customer can obtain their immigration medicals from Immigration New Zealand.
- Their web address is <https://www.immigration.govt.nz/contact/request-personal-information-about-me>
- Immigration medicals are acceptable in lieu of non-medical limits requirements provided these are less than 12 months old.
- Applicants with five year or more visas can apply for all Income Protection benefits.
- Clients must have a New Zealand postal address and bank account. Premiums will be taken from, and claims paid into a New Zealand bank account (in NZ\$).
- The life assured must have a vested interest in New Zealand, i.e. property, family, permanent employment.
- Citizens of Australia, Cook Islands, Tokelau and Niue as well as immigrants with Permanent Residency visas (PR) are considered the same as New Zealand citizens.
- Children under 18 (Student Visa) and Spouse visas follow the conditions and criteria of the main applicant.
- Applicants who have passed the expiry date of their "Residence Visa" can legally remain in New Zealand. There are, however, travel limitations. If they travel outside the borders of New Zealand after this date, they would not be granted entry back into New Zealand. They would need to reapply for their visa and will be subject to the visa requirements at the time.
- New Zealand should be the sole country of residence for the life assured.

Pastimes overview

Many people enjoy participation in a wide variety of pastimes, outside of their occupation, some of which mean there is additional risk for the benefits we offer.

The Application asks for as much detail as possible about these pursuits to ensure we are offering the best terms available for these activities. We endeavor to cover as many pursuits and pastimes as possible, please feel free to call our underwriting team for possible terms.

Provided below are example wordings for loadings and exclusions for a given pastime.

It is important to note that when a loading is stated for a particular pastime, an exclusion may be requested instead.

Exclusions and loadings

If, at the point of sale, your client elects to take an exclusion instead of a loading, or if an exclusion is to be automatically imposed, please have them SIGN AND DATE the following sample statement:

"I, [the Policy Owner], hereby accept that should death [or disability or both] of [life assured] occur as a direct or indirect result of participation in, or preparation for, [pastime] then no benefit will be payable."

Signed

Dated

Or, if any automatic loading will be required, and the client elects to pay for the extra risk, please have them SIGN AND DATE the following sample statement:

"I, [the policy-owner], hereby accept that the premium payable for the life of [life assured] will be loaded [loading] for [pastime]."

Signed

Dated



Other Underwriting Considerations

Drug Use

Classification of drugs

Includes but is not limited to:

Class A drugs:	methamphetamine (Crystal Meth / P / Speed), magic mushrooms, cocaine, heroin, LSD (Acid)
Class B drugs:	cannabis oil, hashish, morphine, opium, ecstasy, Gamma Hydroxybutyrate (GHB)
Class C drugs:	cannabis seed, cannabis plant, codeine

As classified by the Misuse of Drugs Act 1975

High rates of drug use in New Zealand

International studies have shown that New Zealand has some of the highest rates of drug use globally, largely influenced by the country's cultural relationship with alcohol and cannabis. According to data from the *Drug and Alcohol Foundation of New Zealand, approximately 49% of the population will use recreational drugs at some point in their lives, while around 93% of people will try alcohol.

Impact of geography and border controls

New Zealand's geographical isolation and strict border controls significantly influence the types of drugs commonly used in the country. Substances such as heroin, cocaine, and MDMA are almost entirely imported, making them relatively expensive and less prevalent compared to other countries. As a result, the associated harms from these drugs are not as widespread here.

Locally Produced Drugs and Their Harms

In contrast, drugs that can be produced locally - such as methamphetamine (commonly known as P) - are more accessible. Because meth is manufactured within New Zealand, it tends to be cheaper and more readily available. Unfortunately, this also makes it the most harmful drug in terms of addiction and social impact.

Understanding substance abuse

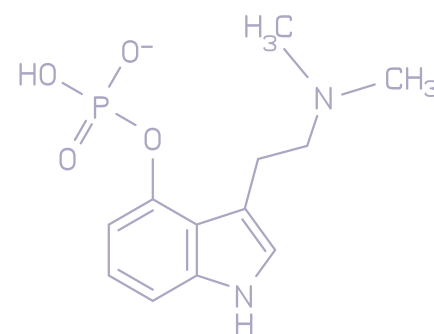
Substance abuse is defined as the use of a drug in a way that differs from its intended purpose or in excessive amounts, resulting in negative impacts on a person's life. The physical effects of substance use can be immediate or develop over time with continued use. These effects are wide-ranging and may include social, financial, and legal issues, as well as an increased risk of injury or illness.

Medical and mental health complications

Common medical complications include cardiovascular conditions such as arrhythmias, cardiomyopathy, heart attacks, and strokes. Mental health disorders are also prevalent, often due to the impact of substances on neurotransmitters and dopamine levels. First-time or occasional users are particularly vulnerable to complications or overdose, as their bodies have not developed a tolerance.

Assessing risk

Interestingly, research indicates that *four out of five people who use illicit drugs do not experience harmful effects. However, science has yet to determine why some individuals are more susceptible to harm than others. This uncertainty makes it especially challenging to accurately assess the level of risk a person may present - particularly in contexts such as insurance underwriting.



From an underwriting perspective we will try to establish the following:

- Frequency of use
- Cravings
- Health, social, legal, and financial consequences
- Failed responsibilities due to use
- Concern from others
- Attempts to cut down

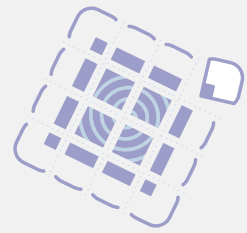


Underwriting decisions will be based on factors such as usage patterns, associated harm, and overall impact. Individuals with occasional or experimental use, or a history of mild to moderate drug use, may be eligible for acceptance without restrictions. For personalised assessments, please contact your underwriter directly.

*Reference: Drugs in Aotearoa | An Overview by New Zealand Drug Foundation | 2024 | <https://drugfoundation.org.nz/topics/policy-and-advocacy/drugs-in-aotearoa-an-overview>

Microdosing

We are starting to receive an increase in applications where customers are disclosing microdosing. While not a comprehensive guide, we set out below some direction as to the information the underwriter is looking for in these instances to make a full assessment.



What is microdosing?

Microdosing is the practice of taking very small doses (typically 1/10th to 1/20th of a "normal" dose) of a hallucinogenic substance for heightened focus and clarity and/or to manage anxiety or depression.

Given that microdosing means much smaller doses why does it matter?

The substances being taken (one study shows a breakdown below) are still currently illegal in New Zealand. Small changes such as speed of metabolism and BMI can impact the reaction to the drugs. With no regulation, it can be difficult to be assured of the "quality" of the substance.

Percentage usage	Substance
85%	Psilocybin
11%	LSD
4%	Other (Mescaline, etc)

How should we approach underwriting where someone declares that they microdose?

It is not practical to defer or decline every application where there is a declaration of microdosing and our preference is to offer as close to standard rates as we are able, depending on the client profile. To achieve this, we do need to ensure that there is a good understanding of the client circumstances.



What should I look for?

- Is there an underlying condition that has required microdosing and how effective was the treatment?
- Alcohol consumption - research seems to suggest that alcohol intake is reduced or nil in microdosers so alcohol consumption should be well within normal limits where the client is regularly microdosing.
- How often does the client microdose?
- Does the client have any convictions? (Particularly for drug crimes)
- Have there been any negative reactions to dosage?
- Drug use is specifically excluded under our health product as is treatment for mental health so there are no immediate concerns for us here.

Transgender and Non-Binary Customers

Background

The different biological and physiological characteristics of women and men mean there are different health risks associated with the sex a person is assigned at birth. These differences are accounted for in our base premium rates and therefore there are different base premium rates for men and women.

AIA's approach to base premium rates and underwriting for transgender and non-binary customers is set out below.

KEY TERMS

Gender	Sex	Non-Binary	Transgender	Transition
"Gender" is a social concept, relating to a person's experience of themselves and their role in society.	"Sex" is a medical concept, relating to the reproductive systems within a physical body – assigned at birth.	"Non-binary" is a term used to describe people who do not identify exclusively as male or female. The term encompasses a variety of gender identities and expressions that fall outside of the traditional binary system of gender, which categorises people as either male or female.	Transgender is the umbrella term used to describe people whose gender identity or gender expression is different from the gender they were assigned at birth.	Transition is the process of aligning gender expression with gender identity. Transition is different for everybody. Some will make social changes by changing their clothes and pronouns, others will choose to take hormone therapy to change themselves physically and emotionally, or choose surgery, or a combination.

AIA NZ's Underwriting Approach

Choosing premium rates (quoting)

- Base premium rates vary by benefit for men and women for example:
 - Life Insurance is cheaper for women
 - Income Protection is cheaper for men.
- AIA's approach is that customers who are transitioning or wish to be identified as non-binary may choose to be rated according to either their sex assigned at birth or the gender they choose to identify as, provided all benefits are rated in the same way across all policies to ensure consistency. Resulting premium implications should be explained to customers.
- Example: if a customer's sex assigned at birth is male and they wish to identify as female, the customer can choose to be rated as female (or as male), but it will be the same across all policies.
- While we appreciate that non-binary customers do not identify with either male or female genders, non-binary customers can choose either male or female.

Approach to Underwriting

Research shows that provided the surgical procedure is performed by an experienced surgeon, there is very little risk associated with gender affirmation surgery. Underwriting assessment of any complications after surgery need to be assessed for potential terms if they are ongoing, for example difficulty emptying the bladder.

Suggested Terms	Complications	No Complications
Life, IP, TPD, Trauma	Rate for complications	Standard Rates
Health	Rate for complications	Standard Rates



GLP-1 Agonists

There is an increasing awareness and use of GLP-1 receptor agonists (Liraglutide, Dulaglutide, Semaglutide, Tirzepatide). This class of drugs are marketed under the brand names, Saxenda, Trulicity, Wegovy, Ozempic, and Mounjaro.

While there are many countries that have licenced these drugs for weight loss and Type II Diabetes, in New Zealand, Saxenda (Liraglutide) has been licenced for Type II Diabetes only and is only part funded.

Semaglutide can be imported into New Zealand and is thought to be available at some Appearance Medicine clinics and similar.

Their use seems to broadly fall into three categories:

- Treatment for Type II Diabetes
- Treatment for Obesity
- Managing cosmetic weight loss

How the new weight-loss shot works

1



Injection once a week

2



Suppresses hunger by mimicking hormone in pancreas that tells brain it's full

3



Causes food to clear from stomach more slowly

4

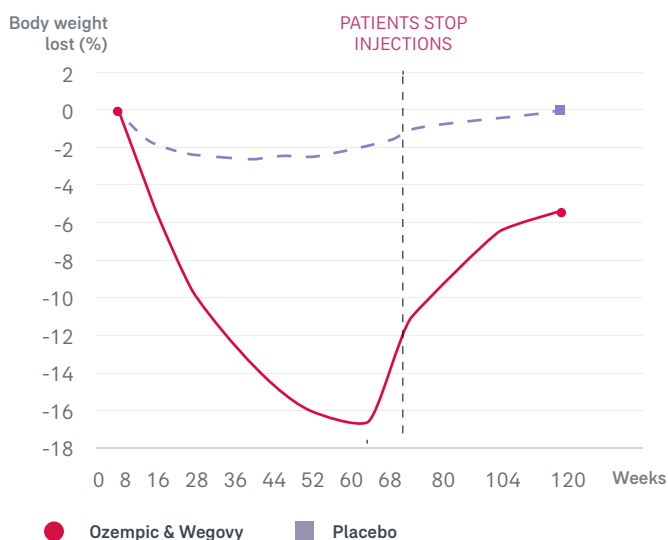


Obese people lost a fifth of their body weight in 72 weeks in study

Challenges with Cessation

Complications, mainly gastrointestinal issues, can impact long term adherence. This in itself can mean that any benefit is lost. The graph below shows the amount of weight regain as a result of cessation of treatment.

Wegovy users regain lost weight



Underwriting

We are yet to see many disclosures of the use of GLP-1's so our underwriting stance, at this point, should reflect our current/historic approach. That is, we continue to assess the condition (obesity, Diabetes, etc) and rate for this and the level of compliance and control. At this point there is very little in the way of off licence prescribing in NZ largely due to limitations on supply (it is almost solely being restricted to those with Type II Diabetes).

Summary

GLP-1 Agonists have the potential to revolutionise the treatment of many cardiometabolic disorders and this will only increase into the future.

The long-term outcome is not fully known at this point, but development and improvement of these drugs continues (see: Retatrutide, an experimental drug from Eli Lilly, in which Phase II trials seem to show weight loss improvement even higher than the current crop of available drugs).

They have the potential to impact all areas of our business including underwriting, claims, product and pricing. As our knowledge of the impact of these drugs is developed, we will update our underwriting guidance.

AIA Vitality

AIA Vitality is our personalised, science-backed health and wellbeing programme that supports you every day to make healthier lifestyle choices. It helps you understand your current state of health, provides tools to improve it and offers great incentives to keep you motivated on your journey. The life assured under any eligible AIA policy can take out an AIA Vitality membership.

aiavitality.co.nz



X00047 010A 2502



0800 768 287

Monday - Friday, 9am - 5pm



General and claims queries

nz.art@aia.com



aia.co.nz/ART-chat

Monday - Friday, 9am - 5pm



resources.aia.co.nz



New business queries

nz.nbs@aia.com



Private Bag 92499,
Victoria Street West,
Auckland 1142

