

AIA Australia Risk Only Super Solution (ROSS)

Adviser Manual
February 2013



Contents

| | |
|---|---|
| Section A – Welcome and Contacts | 1 |
| Contacts | 1 |
| Section B – About the AIA Australia Risk Only Super Solution (ROSS) | 2 |
| Background | 2 |
| Why ROSS? | 2 |
| Services for advisers | 2 |
| Product Summary | 2 |
| Section C – Plan quote and installation process | 3 |
| Section D – Underwriting guidelines and process | 4 |
| Corporate Plan underwriting requirements (as at February 2012) | 5 |
| Section E – Ongoing monthly administration | 6 |
| Section F – Annual review process | 6 |
| Section G – Claims process | 7 |
| Section H – Continuation Option Process for exiting members | 8 |
| Section I – Premium Payments and Adviser Remuneration | 9 |
| Premiums | 9 |
| Remuneration | 9 |
| Commission levels | 9 |

Section A – Welcome and Contacts

We've developed this adviser manual to help advisers find out what they need to know about the AIA Australia Limited Risk Only Super Solution (ROSS), including AIA Australia's group underwriting guidelines, claims and administration procedures.

Contacts

New Business Quotes

Phone AGI's Business Development Manager on
02 9253 7938

Fax 02 9253 7371

Email **Adviser Quote Request Form and Membership Data Collection Forms for Quotes in excel to:**
sales@agigroup.com.au

Underwriting

Underwriting enquiries au.groupinsurance@aia.com

Fax 1800 350 883 with your group plan / policy number

Email **au.agi@aia.com** for submission of Personal Statements and Underwriting Forms

Claims

Claims enquiries au.groupinsurance@aia.com

Phone 1800 350 883

Fax 1800 832 266 with your group policy and member number

Email **au.agi@aia.com** for submission of Claim Forms

Adviser Services

Underwriting enquiries au.groupinsurance@aia.com

Claims enquiries au.groupinsurance@aia.com

Phone 1800 350 883

Phone AGI on 02 9253 7909

Email **admin@agigroup.com.au**

Visit www.agigroup.com.au/administration-forms-brochures to download forms and brochures for quotes, underwriting, claims and general administration.

Section B – About the AIA Australia Risk Only Super Solution (ROSS)

ROSS is designed to provide insurance benefits to employees of Participating Employers within a superannuation environment.

The insurance cover available under ROSS is Death cover (including Terminal Illness) and if chosen by the Participating Employer, Death and Total and Permanent Disablement (TPD) cover.

As benefits relate to insurance only, there is no investment component in the Plan and Members cannot make any contributions or rollovers into the Fund for accumulation purposes.

Background

Group insurance is the fastest growing sector in the life insurance industry. Traditionally it has not been popular with advisers due to the administration burden and lack of life office resources coupled with the fact that small plan support was virtually non-existent. As a result, the market had been the domain of 'bigger' brokers and super funds.

AGI has the solution:

- Superior quoting and administration capability for plans from 15 members
- Highly competitive group insurance rates
- Automatic Acceptance Levels which means no underwriting for members up to pre-defined limits
- AGI relieves the adviser of the administration burden
- AGI provides training and support to advisers through their own dedicated Group Risk BDM
- For advisers, Group Insurance is an incredible 'nursery' for retail insurance, continuation options, financial planning and is a great way for advisers to enhance their service offering
- Being a wholesale product, SOAs may not be mandatory (check with your Dealer group or Licensee).

Why ROSS?

- Significant tax savings available on Death and TPD benefits paid through super.
- No Fringe Benefits Tax (FBT) on premiums paid through super.
- Attractive group rates and terms available for plans with a minimum of 15 lives.

Services for advisers

- Group quotations (minimum 15 lives). Target market: Professionals, White-Collar, Mix of White & Blue Collar (on application)
- Tailored reports for your clients (underwriting, claims and reviews)
- Annual reviews (premium reconciliation)
- Tailored final membership schedule / report for client and adviser records
- Adviser sales training on group insurance

Product Summary

Minimum policy size

At least 15 lives to be insured

Products

Group Life (GL)

- Death only
- Death and Standard TPD
- Death and Alternative TPD (Rates to age 70 available)

Product features

- Automatic Acceptance Levels (AAL) concessions
- When taking over an existing group insurance policy, if AIA Australia has offered a more competitive AAL than the previous policy, AIA Australia may apply the new AAL to all members regardless of previous underwriting decisions.
- Underwriting loadings waived for plans with more than 100 lives (non voluntary, underwritten cover).
- Worldwide cover, 24/7
- 60 day continuation option with extended cover

Premium rates

All rates quoted are annual rates per \$1000 sum insured.

Premiums are payable annually in advance, quarterly or monthly in arrears.

Rates are non-participating rates. Rates exclude member fee which is \$0.65 per week per member.

Rates are applicable to white collar occupations only, for other occupations, the following loading/discount factors are applied:

| Occupation Class | Death | TPD |
|---------------------------------------|---------------|------|
| Professional | 90% | 85% |
| White Collar | 100% | 100% |
| Supervisory/Qualified with field work | 110% | 125% |
| Light Blue Collar | 135% | 175% |
| Heavy Blue Collar | 175% | 300% |
| Hazardous/Special Risk | Not insurable | |

Automatic Acceptance Levels

Please contact AGI's Business Development Manager, for the latest AALs available.

Section C – Plan quote and installation process

1 Ensure that the plan you want a quote for fulfils the AIA Australia ROSS plan criteria:

- Minimum policy size – minimum 15 lives
- Comprise of predominantly white collar and professional occupations



2 Email **Adviser Group Quote Request Form** and **AIA ROSS Membership Data Collection Form for Quotes** in excel to AGI New Business Team – sales@agigroup.com.au. Or visit our website www.agigroup.com.au to submit a quote request online. Advisers are encouraged to ensure that all quote request forms are completed properly and membership data in excel is complete and accurate. Doing so will speed up the quote process.



3 Once quote has been accepted by your client, notify AGI via email: admin@agigroup.com.au. AGI will send you an **AIA Australia ROSS Group Plan Proposal Form** (included in **AIA Australia ROSS Employer PDS**) and a soft copy of the **Plan Installation Schedule**. Update the **Plan Installation Schedule** with any changes that have occurred between the membership data used for the quote, the membership data on plan installation and ensure that TFNs and personal addresses are included on the Plan Installation Schedule for each member. (A Member cannot be accepted into the plan without a valid TFN). It is important that you also notify the employer of their responsibility to distribute a copy of the member PDS to all new employees within 90 days of their becoming eligible for cover.



4 Return the two documents (completed **AIA Australia ROSS Group Plan Proposal Form** and **Plan Installation Schedule**) noted in Step 3 above via email to admin@agigroup.com.au. Please ensure your AIA Australia retail adviser code is on the **AIA Australia ROSS Group Plan Proposal Form** for commission payments. For advisers who belong to a dealer group without a distribution agreement with AIA Australia, please ensure your licensee completes the **AIA Australia Dealership Application Form**. If your dealer group has a distribution agreement with AIA Australia, you should have an adviser code – check with your licensee if you do not know your adviser code. If the plan is an existing plan, arrange termination with current insurer(s) and payment of any outstanding termination premiums. AGI will obtain takeover terms from previous insurer(s).



5 Once your documents are received, AGI will issue you with an on-risk letter on behalf of AIA Australia. AGI will then install the plan with AIA Australia and issue you with an Installation Report which includes a list of members eligible for underwriting, the Adviser Manual and the completed Policy Schedules. Please note that Policy Schedules may take up between 4–8 weeks to issue. AIA will issue new advisers with website access for underwriting and claims management.



6 Adviser to start the underwriting process for eligible members (if applicable). See Section D – Underwriting Guidelines and Procedures.

Please note that all forms and templates are available on AGI's website: www.agigroup.com.au/administration-forms-brochures

Section D – Underwriting guidelines and process

1 Upon installation of an adviser's group plan, AGI will provide the adviser with a **Plan Installation Schedule** (list of members insured as at policy commencement date as supplied by adviser). Members who need to be underwritten are identified in the column of the report marked "Additional cover available subject to underwriting". Members with an amount under this column require underwriting to obtain their maximum benefit(s).

2 For each member that needs underwriting, complete an **AIA Australia New Application Summary Form** and attach it with either a completed **AIA Australia Member's Personal Statement and Declaration Form** or **AIA Australia Short Personal Statement Form**. Email all forms to: **au.agi@aia.com**. Please note AIA Australia cannot commence underwriting members until the plan has been installed on their system.

3 AIA Australia will email further underwriting requirements to the adviser directly. Advisers can also access underwriting reports and track the progress of members in underwriting by logging into the adviser section on the AIA Australia website (see Section C – Plan quote and installation process). Adviser needs to arrange underwriting requirements as advised by AIA Australia. See next page for underwriting guidelines. AIA Australia will issue acceptance letters and decline letters to the adviser via email with a copy to AGI.

4 Adviser to notify/issue their client members with acceptance and or decline letters.

Please note that all forms and templates are available on AGI's website: www.agigroup.com.au/administration-forms-brochures

Corporate Plan underwriting requirements (as at February 2012)

- Refer to the key below for explanation of medical requirements

Death/TPD Insurance – for applicants up to age 45 next birthday

| Sum Insured | Forward Underwriting Limit | Requirement |
|---------------------------|----------------------------|--|
| Up to \$1,250,000 | \$1,250,000 | Short Personal Statement |
| \$1,250,001 – \$2,500,000 | \$2,500,000 | Full Personal Statement |
| \$2,500,001 – \$5,000,000 | \$5,000,000 | Personal Statement, Blood Tests, Short Medical Examination |
| \$5,000,001 – plan max. | Individual Consideration | Refer to AIA Australia Underwriting for requirements |

Death/TPD Insurance – for applicants age 46 next birthday and over

| Sum Insured | Forward Underwriting Limit | Requirement |
|---------------------------|----------------------------|---|
| up to \$1,250,000 | \$1,250,000 | Short Personal Statement (Full Personal Statement if over 55) |
| \$1,250,001 – \$1,500,000 | \$1,500,000 | Full Personal Statement, Blood Tests |
| \$1,500,001 – \$5,000,000 | \$5,000,000 | Personal Statement, Blood Tests, Short Medical Examination |
| \$5,000,001 – plan max. | Individual Consideration | Refer to AIA Australia Underwriting for requirements |

Underwriting requirements listed above for Sum Insured insurance bands include elements of existing cover and any automatic cover with AIA Australia.

Key:

- **Blood Tests** consist of HIV, Hepatitis B & C and MBA 20.
- **Short Medical Examination** consists only of blood pressure, height/weight details and urine specimen. Completion of AIA Australia's full application is required including the Personal History and Medical History sections.
- **Personal Medical Attendants Report (PMAR)** is a report completed by a doctor from their records. PMARs may be requested on a discretionary basis.

Section E – Ongoing monthly administration

To ensure that AGI charge the correct premiums and new employees receive their welcome kits and terminated employees receive their exit statements within the statutory time frame, we ask that you ensure your client(s) provide us with monthly updates on new and terminated employees on the template provided (**AIA Australia ROSS Monthly Member Movement Form**). Updates are not required for months where there have been no new or terminated employees.

The completed **AIA Australia ROSS Monthly Member Movement Form** should be provided in excel format in the template provided and must include the following information:

- Category
- Surname
- First name
- Date of Birth

- Gender
- Occupation (for new members only)
- Salary (for new members only)
- Date Joined Company (for new members only)
- Date joined ROSS (for new members only)
- Date employment terminated (if applicable)
- Full postal address (for new members only)
- TFN (for new members only)

Email the completed **AIA Australia ROSS Monthly Member Movement** to: admin@agigroup.com.au

Refer to the **AIA Australia ROSS Employer Administration Guide**.

All forms, templates and guides are available on AGI's website: www.agigroup.com.au/administration-forms-brochures

Section F – Annual review process

At annual review time we will email you and provide you with an **AIA Australia ROSS Annual Review Data Collection Form** (for employers) to give your client. Please ensure this is completed within 30 days of receipt to ensure continuation of members' benefits. We will then provide you with an annual report with full details of member benefits including details of members that are eligible for cover above their current FUL so that underwriting can be arranged as required. It is your responsibility to ensure all eligible employees are underwritten to their available levels of cover.

Section G – Claims process

1 Upon notification of a claim, advisers should download forms from our website www.agigroup.com.au/administration-forms-brochures

The following items need to be provided:

For Death Claims:

- Death Employer's Insured Statement
- Certified copy of Death Certificate

For Terminal Illness Claims:

- Terminal Illness Statement
- Employer's Statement
- Certified copy of Birth Certificate or other acceptable proof of age

For TPD Claims:

- TPD Insured Statement
- TPD Employer's Statement
- Certified copy of Birth Certificate or other acceptable proof of age
- Certified copy of the Marriage Certificate (if applicable)

Arrange for the member to complete these forms and email scanned copies of the documents to: au.agi@aia.com



2 AIA Australia will email further claim requirements to the adviser directly. Advisers can also access claims reports and track the progress of members on claim by logging into the adviser section on the AIA Australia website. Adviser to arrange for the member to meet additional claims requirements as advised by AIA Australia. AIA Australia will issue claims acceptance letters and decline letters to the adviser via email along with ongoing claims correspondence and payment advice notices.

Section H – Continuation Option Process for exiting members

The process is easy. To assist your clients in exercising their continuation option, simply phone 1800 350 883 and provide the following information to AIA Australia staff:

1. Plan name and number
2. Termination date of the member
3. Smoking status
4. Occupation going forward
5. Your email address so that the continuation option quote(s) and forms can be emailed to you.

Alternatively, email continuationoption.aus@aia.com with the above information.

Section I – Premium Payments and Adviser Remuneration

Premiums

AGI will issue tax invoices for premiums due on either annually in advance or on a monthly or quarterly basis in arrears.

Remuneration

Remuneration is generated in accordance with the Distribution Agreement, which governs the relationship between an adviser (or dealer group) and AIA Australia. Commission is paid on a bi-monthly basis. Contact the AIA Australia Adviser Services Team directly for these dates and for any other commission related queries.

AIA Australia can only pay remuneration to advisers with an AIA Australia Adviser Code. When lodging a new ROSS application, you must include your AIA Australia adviser code on the **Group Plan Proposal Form**. For advisers who belong to a dealer group without a distribution agreement with AIA Australia, please ensure your licensee completes the **AIA Australia Dealership Application Form** (available on AGI's website: www.agigroup.com.au). If your dealer group has a distribution agreement with AIA Australia, you should have an adviser code – check with your licensee if you do not know your adviser code.

Commission levels

Advisers select their own commission level. All commission is paid as level commission, no hybrid commission structures are available.

Depending on the size of the plan and/or premium, as a guide, advisers typically select commission ranging between 10–25%.

AIA Australia does not pay remuneration on stamp duty, frequency loadings or other statutory charges and taxes.

PHONE: 1800 333 613

AIA.COM.AU