

# Summary of changes



The following is a summary of product changes available under AIA Australia's Group Life and Group Salary Continuance Insurance Product Information Booklets issued since the February 2012 issue.

## All Cover – Death, Total and Permanent Disablement (TPD) and Salary Continuance Insurance (SCI) Cover

Feature Benefit / Description	Prior to Change	After Change	Effective Date of Change
At Work provisions for AAL	<p>February 2012: For all plans, if an Insured Member is not At Work on the date they are first eligible to join the plan, New Events Cover applies until the Insured Member is At Work for 1 day.</p> <p>No At Work test on Death Cover however At Work test still applies to Terminal Illness Cover.</p> <p>20 September 2013: For new plans which commenced on or after 20 September 2013 which had no takeover terms or existing insurance arrangements in place, if an Insured Member is not At Work on the date they are first eligible to join the plan, New Events Cover applies until the Insured Member is At Work for 30 consecutive days.</p> <p>At Work requirement now applies to all Cover types including Death Cover.</p>	<p>For all plans, if the Insured Member is not At Work on the date they are first eligible, New Events Cover applies until the Insured Member is At Work for 30 consecutive days.</p>	February 2015
Continuation Option	<p>No At Work requirement for an Insured Member's last day of employment.</p> <p>For SCI, all "Plus Optional Benefits" under AIA Australia's individual Income Protection product are available provided the Insured Member had at least one optional benefit under their existing policy.</p>	<p>An At Work requirement has been added for the Insured Member's last day of employment.</p> <p>For SCI, all "Plus Optional Benefits" under AIA Australia's individual Income Protection product are only available if the Insured Member has Trauma Benefits under their existing policy.</p> <p>For SCI, where the Cover Expiry Age is 70, normal eligibility and terms and conditions under AIA Australia's individual Income Protection product will apply.</p>	February 2015

Feature Benefit / Description	Prior to Change	After Change	Effective Date of Change
Automatic Uplift and Changes to AAL	<ul style="list-style-type: none"> <li>Insured Members who had previously been declined were entitled to an uplift to the higher AAL.</li> <li>We address what happens when an AAL increases, not decreases</li> </ul>	<ul style="list-style-type: none"> <li>Insured Members who have previously been declined are restricted to the lower AAL or FUL (as applicable) and are not uplifted to the new AAL.</li> <li>Clearly address rules as to what happens when an AAL increases and also when an AAL decreases</li> </ul>	February 2015  February 2017
At Work definition	<p>February 2012: For all plans, no capability clause on At Work definition</p> <p>20 September 2013: 30 hour capability clause applies to:</p> <ul style="list-style-type: none"> <li>plans which had no takeover terms or existing insurance arrangements in place; and</li> <li>to all eligible persons who are not working or on approved leave.</li> </ul>	30 hour capability clause now applies to all plans and to all eligible persons.	February 2015
Extended Cover	The Policy did not specify on what basis Cover was to continue.	The Policy Terms specify that Cover will continue for 60 days on the same basis that was provided to the Insured Member immediately prior to the date they ceased employment.	February 2015
Multinational Pooling	Pooling is available through Zurich Group Employee Benefits Solutions (ZGEBS).	Pooling available through ZGEBS or AIA Asia Benefits Network (AABN).	February 2015
Local Pooling	<p>Eligibility for profit share is based on the profile of the plan including number of lives, experience and annual premium size.</p> <p>To qualify for profit share, the plan must be in force for at least a year and still be in force in April each year when the distribution percentage declaration is made.</p>	<p>Eligibility for profit share is based on the profile of the plan including benefit design, experience and annual premium size.</p> <p>To qualify for profit share, the plan must be in force for at least 12 months ending 31 December of that year, and still be in force on 31 March the following year when the distribution percentage declaration is made.</p> <p>Although the qualification period is measured as at 31 December, premium and claims data will be based on AIA Australia's financial year (30 November).</p>	February 2015
Definition of Permanent Employee	<p>Definition currently references hours worked.</p> <p>Permanent Employee means a person who is employed on a permanent basis by the Employer to undertake identifiable duties for at least 15 hours per week and is paid sick leave and annual leave entitlements.</p>	<p>Reference to hours worked removed from definition. Any variations will be stated in the policy schedule.</p> <p>Permanent Employee means a person who is employed on a permanent basis by the Employer to undertake identifiable duties and is paid sick leave and annual leave entitlements.</p>	December 2015
Duty of Disclosure and European Sanctions	No requirement for inclusions of European Sanction wording.	<p>Duty of Disclosure wording has been updated to be inline with current legal advice.</p> <p>European Sanction wording has been included as it is now a legal requirement.</p>	December 2015
Exclusion Provisions	<p>Exclusion wording is in line with previous wording.</p> <p>"War" is also not defined</p>	<p>Excluding provisions have been updated and replaced to reflect more updated wording.</p> <p>"War" has also been defined in the Policy</p>	February 2017

## Death Cover / TPD Cover

Feature Benefit / Description	Prior to Change	After Change	Effective Date of Change
Life Stages	The Insured Member must be At Work at the time of exercising the option, if they are not At Work, New Events Cover applies to the increased portion for the first 12 months.	The Insured Member must be At Work at the time of exercising the option, if they are not At Work, New Events Cover applies to the increased portion for the first 12 months. At the end of the 12 month period the Insured Member is required to be At Work for 30 consecutive days to receive full Cover.	February 2015
Interim Accidental Cover	\$2,000,000 Death & TPD maximum with a 120 day Interim Accidental Cover period.	\$2,000,000 Death and \$1,500,000 TPD maximum with a 90 day Interim Accidental Cover period for both Death & TPD.	February 2015

Feature Benefit / Description	Prior to Change	After Change	Effective Date of Change
Terminal Illness	One medical specialist's diagnosis was required to pay a Terminal Illness claim.	For superannuation owned policies, the definition has been updated to include two registered medical practitioners' certification to pay a Terminal Illness claim, one of which must be a medical specialist practicing in an area related to the illness or injury suffered by the Insured Member, and for each of the certificates, the certification period has not ended.	01 July 2014 (SPIB)
TPD Benefit	We are silent on TPD Sum Insured levels exceeding the Death sum insured amount.	Policy terms specify that TPD Cover cannot exceed the Death sum insured amount.	December 2015
TPD Definition	<ul style="list-style-type: none"> <li>Own Occupation and Loss of Limbs available to superannuation owned policies.</li> <li>The ETE component of the definition states "reasonably suited by education, training and experience"</li> </ul>	<ul style="list-style-type: none"> <li>Own Occupation and Loss of Limbs is removed for superannuation owned policies and grandfathered for existing members.</li> <li>ETE component updated to replace 'and' with 'or' to read: "reasonably suited by education, training or experience"</li> </ul>	01 July 2014 (SPIB) for Super owned policies. February 2015 for all policies
TPD Definition Eligibility for Standard / Own / Alternative definitions	Applicable definition is dependent on the average number of hours worked by the Insured Member in the three months prior to disablement.  For those new employees who suffered a disablement prior to three months, the policy was not clear on which definition applied.	Definition updated for new employees who are employed for less than three months when they suffer a disablement.  15 hours per week will be measured over the period since they commenced employment.	February 2015
Alternative TPD Definition (ADL definition)	The five Activities of Daily Living (ADL) include "standby assistance of another person."	Definition updated to remove the word "standby".	February 2015
TPD Tapering	TPD Tapering applies where the benefit design does not contain the provision to automatically reduce.  The Policy was silent on Voluntary Cover.	TPD Tapering applies to Voluntary Cover.	February 2015

## SCI Cover

Feature Benefit / Description	Prior to Change	After Change	Effective Date of Change
Claims Escalation Benefit	Options include lesser of CPI and 5% or lesser of CPI and 7.5% or fixed percentage rate up to maximum of 5% per annum.	Only option available is lesser of CPI and 5%.	February 2015
Income Definition	Bonuses, overtime earnings and commissions are calculated based on the average of the last three years of bonuses, overtime earnings and commissions.  For those employees who suffered a disablement prior to three years, the policy was not clear on how this was to be calculated	For employees who have been working for the Employer for less than three years- bonuses, overtime earnings and commissions will be averaged and calculated over the period since they commenced employment.  For Insured Members who directly or indirectly own all or part of the business, the definition excludes investment income, profit distributions or similar payments that may continue in the event of disability.	February 2015
Superannuation Contributions Benefit (updated to include Maximum Super Contribution Base)	The maximum limit that the superannuation guarantee rate was applied against an employee's Income was not specified in the policy.	Now includes a definition which covers off the maximum limit that the superannuation guarantee rate is applied against an employee's Income.  The maximum Superannuation Contributions (SC) Benefit payable is determined by applying the SC Benefit percentage to the lesser of the Insured Member's Pre-Disability Income and monthly Maximum Super Contribution Base for the applicable income year.	February 2015
Rehabilitation Incentive Benefit	The Insured Member must return to full- time paid employment for six months after attending an AIA approved rehabilitation program to be eligible for the benefit.	Improved eligibility for this benefit so that all Insured Members, irrespective of employment status, have access to this benefit if they return to paid employment, performing their full pre-disability duties and hours for six months after attending an AIA approved rehabilitation program.	February 2015
Rehabilitation Expense Benefit	The Policy is not clear who the expenses are paid to	Clarified that the cost of the program will be paid by AIA Australia directly to the program provider Australia	February 2015
Specific Injury Benefit	Definition of Injury not stated.  Definition of Fracture was not clear on whether Fractures as a result of surgery or medical treatment were covered under the Specific Injury Benefit.	Injury is now defined for the purpose of the Specific Injury Benefit.  Definition of Fracture states that Fractures as a result of, or during, surgical or medical treatment are not covered under the Specific Injury Benefit.	February 2015

Feature Benefit / Description	Prior to Change	After Change	Effective Date of Change
Total Disability & Partial Disability definition	The Insured Member must be unable to perform one or more essential and substantial duties of his or her usual occupation.	The Insured Member is unable to perform at least one Important Duty of his or her usual occupation.  Important Duty is defined as a duty that involves 20% or more of the Insured Member's overall occupational tasks.	February 2015
Total Disability definition - Eligibility for Standard / Alternative definitions	Applicable definition is dependent on the average number of hours worked by the Insured Member in the three months prior to disablement.  For those new employees who suffer a disablement prior to three months, the policy was not clear on which definition applied.	For new employees who are employed for less than three months when they suffer a disablement, the 15 hours per week will be measured over the period since they commenced employment.	February 2015
Medical Definitions - Activities of Daily Living (ADL)	The five ADL activities include "standby assistance of another person."	Definition updated to remove the word "standby".	February 2015
Benefit Offsets	The policy does not address leave entitlement payments or investment earnings.	Monthly Benefit will not be reduced by: <ul style="list-style-type: none"> <li>• income earned from investments</li> <li>• annual leave</li> <li>• long service leave</li> <li>• redundancy payments</li> </ul> In addition, paid parental leave is added as a benefit offset.	February 2015
Maximum Benefits for Cover beyond age 65 (2 or 5 Year Benefit Period)	The maximum cover available when Disability commenced prior to the Insured Member's 65th birthday is not addressed in the Policy.	Irrespective of whether disability occurs prior to or after the Insured Member's 65th birthday, the Monthly Benefit is restricted to the lesser of 75% of the Insured Member's Pre-Disability Income (plus SC Benefit if applicable), their Sum Insured and \$10,000 per month for any benefits paid on and after the Insured Member's 65th birthday.	February 2015
Interim Accidental	\$15,000 per month maximum with a 120 day Interim Accidental Cover period.	\$15,000 per month maximum with a 90 day Interim Accidental Cover period.	February 2015
Super Contribution Benefit	Silent on whether the Maximum Monthly Benefit includes or excludes the SC Benefit amounts.	Clarified that the Maximum Monthly Benefit includes SC Benefit amounts.	December 2015
Maximum Monthly Benefit options	Maximum Monthly Benefit options include \$50,000 or \$30,000.	Standard \$30,000 Maximum Monthly Benefit will apply to all plans.  \$50,000 Maximum Monthly Benefit will not be available anymore.	December 2015
Waiting Period option	Waiting Period options include: 30, 60, 90 and 180 days	180 days Waiting Period option will not be available anymore.  Waiting Period options include: 30, 60 and 90 days.	December 2015
Partial Disability Formula	"B" in the formula only includes Employer paid income.  Annual leave/long service leave is not included in the formula which means it may be offset.	"B" means: <ul style="list-style-type: none"> <li>• any income received from working in their usual or alternative occupation and</li> <li>• if on annual leave/LSL, income that would have been earned if annual leave/long service leave had not been taken</li> </ul>	February 2017
Medical Definitions	Definitions in line with previous wording.	Definitions have been updated in line with a recent review conducted internally.	February 2017

This is a summary only. For full terms and conditions please refer to the relevant Product Information Booklet.

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