



AIA Australia's Corporate Product Changes

February 2012



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The following changes are available under AIA Australia's Group Life or Group Salary Continuance Insurance Product Information Booklet issued February 2012.

Please refer to the relevant Product Information Booklet issued February 2012 for full terms and conditions

All Cover – Death, TPD & SCI

Feature – Death and TPD Cover only	Prior to change June 2009	After change February 2012
Life stages	The insured member must be under age 55 at the time of exercising the option and they are required to be At Work	The insured member must be under age 60 at the time of exercising the option and if they are not at work, new events cover will apply for 12 months
Accidental top up benefit: <i>introduced as an optional benefit</i>	Not available	We will pay an additional benefit of up to \$1,000,000 if death occurs as a result of an accident within 90 days of the accident occurring
Feature – Death, TPD & SCI Cover	Prior to change June 2009	After change February 2012
Leave without pay	Cover continues for a maximum period of 12 months	Cover extended to 24 months
Cover while working overseas	Cover may be provided for up to 4 years	Cover extended to 5 years
Benefit limits on increases	Any automatic increase in the sum insured will occur up to the AAL or FUL but limited to a maximum increase of 30%	Removed for plans > 50 lives
At Work definition	Includes 30 hour capability clause for all eligible persons	Capability clause will only apply to eligible persons who are not working or on approved leave Refer to the Product Information Booklet for the full ADW definition

Death Cover

Feature	Prior to change June 2009	After change February 2012
Entry age	15–64	15–69
Interim accidental cover	\$1,500,000 maximum with cover to continue for up to 90 days	\$2,000,000 maximum with cover to continue for up to 120 days
Continuation option	Insured members must be under age 60 to apply Casuals and contractors are not eligible to exercise a continuation option	Death only continuation options are now available up to age 65 Casuals and contractors are now eligible for a Death only continuation option

TPD Cover

Feature	Prior to change June 2009	After change February 2012
Maximum cover	\$3 million	\$5 million (reducing to \$3 million after age 65)
TPD waiting period	6 months	Reduced to 3 months
Interim accidental cover	\$1,500,000 maximum with cover to continue for up to 90 days	\$2,000,000 maximum with cover to continue for up to 120 days
Continuation option	Casuals and contractors are not eligible to exercise a continuation option	Casuals and contractors can exercise a continuation option if they are moving to permanent employment in their new role for minimum 15 hours per week
Exclusions on voluntary cover	Exclusion applies to any increase or reinstatement of cover as a result of a self inflicted injury/ sickness or attempted suicide or self destruction while either sane or insane	This exclusion will only apply for the first 13 months applied from the date AIA Australia agrees to any increase or reinstatement in the sum insured
Own occupation definition	Available to eligible insured members up to age 65	Now accessible to eligible insured members between the age of 65 and 70
TPD alternative definition (ADL)	Applies to insured members who are: <ul style="list-style-type: none"> aged 65 or over; working less than 15 hours per week; or employed as a casual. 	Improved criteria, applies to insured members working less than 15 hours per week

STANDARD TPD definition – Improved eligibility	Prior to change June 2009	After change February 2012
Members aged less than 65	✓	✓
Members aged between 65 and 70	×	✓
Permanent employees/contractors working minimum 15 hours per week	✓	✓
Casuals working minimum 15 hours per week	×	✓

SCI Cover

Feature	Prior to change June 2009	After change February 2012
Pre-Disability income definition	Means one of the following: <ul style="list-style-type: none"> Gross monthly income earned by the insured member immediately prior to becoming disabled; or The gross monthly income earned by the insured member as at the renewal date prior to becoming disabled (annual review) 	Amended to: <ul style="list-style-type: none"> Gross monthly income earned by the insured member immediately prior to becoming disabled For casuals and contractors on a minimum contract of 12 months or less, this will be calculated as the gross average monthly income earned by the insured member in the 3 months prior to disablement
Income definition	Income definition not stated	Standard income definition now included. Any variations will be stated in the Policy Schedule.
Total disability – Alternative definition (ADL)	Definition based on an Activities of Daily Living (ADL) and provided to: <ul style="list-style-type: none"> insured members aged 65 and over insured members working < 15 hours per week 	Introducing an Activities of Daily Working (ADW) definition which will apply to insured members working < 15 hours per week Refer to the Product Information Booklet for the full ADW definition
Cover beyond age 65 on the standard definition	Cover is available to insured members beyond the age of 65 on an ADL definition only and the benefit period is restricted to 2 years	For 2 year and 5 year benefit periods, cover will automatically be extended to age 70 For 'To Age 65' benefit period, a 2 Year 'Top Up Benefit Expiry Option' is now available which will provide extended cover between ages 65 and 70 The standard Total Disability definition will apply provided the insured member is working minimum 15 hours per week.
Partial disability	The insured member must be totally disabled for 14 consecutive days during the waiting period to be eligible for a partial disability benefit	The insured member needs to be totally disabled for at least 7 out of 12 consecutive days during the waiting period Total disability benefit and partial disability benefit wording has been updated to reflect this change.
Partial disability benefit definition	The insured member is partially disabled if solely due to sickness of injury they are: <ol style="list-style-type: none"> unable to perform or more of the essential and substantial duties of his or her occupation; and earning an income from his or her usual or any occupation which is less than his or her Pre-Disability Income 	Points i and ii in the definition have been amended to: <ol style="list-style-type: none"> is unable to perform one or more of the essential and substantial duties of his or her usual occupation but has returned to work in their usual or an alternative occupation; and is earning an Income from his or her usual or alternative occupation which is less than his or her Pre-Disability Income
Improved terms for contractors	Contractors restricted to a 2 year Benefit Period or their contract term if earlier Contractors must have a minimum 12 month contract term	Where the contract period is 12 months or less the benefit period is restricted to 2 years. Benefit periods greater than 2 years are available Cover is now available to contractors on a minimum 6 month contract A revised Contractor definition has also been included Refer to the Product Information Booklet for full definition
Increase maximum monthly benefit	\$25,000 per month (75% of \$400,000 / 12)	\$50,000 per month* (75% of \$480,000 then 50% of the next \$480,000/12). * Reverts to \$30,000 per month after 2 years of benefit payments. May be limited to \$10,000 per month after age 65

Feature	Prior to change June 2009	After change February 2012
Benefit offsets	Sick leave included as a benefit offset	Sick leave is no longer offset unless the insured member is provided with unlimited sick leave as part of employment arrangements
Rehabilitation expense benefit	Cost of approved rehabilitation return to work programs will be paid up to a maximum of 6 monthly benefit payments	Maximum limit has been removed so there is no cap on payments made under this benefit
Improve specific injury benefit fracture definition	Fracture is defined as any bone fracture requiring the application of a plaster cast or an immobilising device	Fracture is now defined as any fracture that requires a pin, traction, a plaster cast or other immobilising structure
Improve specific injury benefit	Currently cover 2 fractures: <ul style="list-style-type: none"> • Fracture of the leg, above the knee, or the pelvis • Fracture of the upper arm or the shoulder bone 	These 2 fractures have been reworded An additional 2 fractures are now included under this benefit: <ul style="list-style-type: none"> • Fracture of the jaw (mandible or maxilla) – 1.5 months benefit payable • Fracture of the collarbone (clavicle) – 1.5 months benefit payable
Return to work during the waiting period	The insured member may attempt to return to work for up to 5 consecutive days	Increased to 10 days for Waiting Periods > 60 Days
Continuation option	Casuals and contractors are not eligible to exercise a continuation option	Casuals and contractors can exercise a continuation option if they are moving to permanent employment in their new role for minimum 15 hours per week Agreed value continuation options are now available, conditions apply
Workplace modification benefit	Not Available	If the insured member's place of employment requires modification in order for them to return to work, we may pay the cost of the modification expenses
Enhanced death benefit: <i>introduced as a new optional benefit</i>	Not Available	We will pay the lesser of 3 x monthly benefit and \$60,000 if an insured member dies or is diagnosed with a terminal illness regardless if the insured member is on claim or not

To find out more about AIA Australia's Product Information Booklet contact your AIA Australia Business Development Manager