

AIA Vitality Premium Adjustment Rules

Effective date: 5 August 2019

In this document terms in **bold** have specific meanings and are defined in the Definitions section.

1. About these Premium Adjustment Rules

These **Premium Adjustment Rules** are subject to and should be read in conjunction with the **AIA Vitality Terms and Conditions**.

The **AIA Vitality Discount** is one of the benefits of the **AIA Vitality Program**. As an **AIA Vitality Member**, all **Eligible Benefits** where you are the **Life Assured**, may be eligible for a **Premium** discount (the **AIA Vitality Discount**).

These **Premium Adjustment Rules** will cover the following important points:

- **Eligible Benefits** will automatically receive an **Initial Discount** of 10% after you, the **Life Assured** become an **AIA Vitality Member**.
- After the **Initial Discount**, your **AIA Vitality Discount** will be determined by your level of engagement with the **AIA Vitality Program** and will depend on your **AIA Vitality Status**. We call this **Premium Flex**.
- We can vary these **Premium Adjustment Rules** at any time, including varying or restricting which **Eligible Benefits** are eligible, providing we give you 30 days' notice of the change.

2. Initial Discount

When you sign up to **AIA Vitality** the **Eligible Benefits** will receive an **Initial Discount** of 10%.

If you do not meet the eligibility and registration requirements of **AIA Vitality**, your membership can't be issued and the **Initial Discount** will not apply. Eligibility and registration requirements include providing a valid unique email address, payment details, and/or any other information required to administer membership to **AIA Vitality**.

3. Premium Flex

Following the application of the **Initial Discount**, at each subsequent **Policy Anniversary** while you are an **AIA Vitality Member**, your **Premiums** on **Eligible Benefits** may be discounted.

The **AIA Vitality Discount** that applies will be based on the **AIA Vitality Discount** that applied at your previous **Policy Anniversary** (your **Baseline Discount**), adjusted according to your **AIA Vitality Status**. We call this adjustment **Premium Flex**.

Your **AIA Vitality Status** – Bronze, Silver, Gold or Platinum – entitles you to a different **Premium Flex**.

The **AIA Vitality Status** that we will use to determine your **Premium Flex** is the higher of:

- the **AIA Vitality Status** that you achieved on the preceding **AIA Vitality Year**; or
- your current **AIA Vitality Status**.

This adjusted discount then becomes the **AIA Vitality Discount** applied to your **Premiums** at your next **Policy Anniversary** as per the table below.

AIA Vitality Status	Premium Flex rate
Platinum	Your Baseline Discount plus 2% (up to a maximum of 20%) e.g. Vitality Year 1 discount is 10% (the Initial Discount). Year 2 discount will be 12%.
Gold	Retain current Baseline Discount e.g. Vitality Year 1 discount is 10%. Year 2 discount will be 10%
Silver	Your Baseline Discount minus 1% (to a minimum of 0%) e.g. Vitality Year 1 discount is 10%. Year 2 discount will be 9%
Bronze	Your Baseline Discount minus 2% (to a minimum of 0%) e.g. Vitality Year 1 discount is 10%. Year 2 discount will be 8%

If, on the first **Policy Anniversary** after becoming an **AIA Vitality Member**, you have been a member for less than 10 months, we won't change the discount to your detriment. However, if you have achieved an **AIA Vitality Status** of Platinum, then the **Premium Flex** will adjust (increase) your **AIA Vitality Discount**.

The **AIA Vitality Discount** is applied to the regular insurance premium, including loadings, but is not applied to the policy fee or to any part of the premium that is a result of **Per Mille loadings** (if any).

If you choose not to engage with **AIA Vitality**, or only engage enough to achieve a Bronze or Silver **AIA Vitality Status**, your discount will decrease annually until it reaches zero. However, a high level of engagement (Gold or Platinum) may result in your **AIA Vitality Discount** remaining the same or increasing up to 2% annually, up to a maximum of 20%.

4. AIA Vitality Premium Discounts Explained

Case study: Blake



Blake is a 31 year old male, non-smoker, who works as a Junior Accountant.

He purchases an insurance policy from AIA New Zealand with \$350k Life Cover, \$100k Total Permanent Disablement (TPD), \$100k Critical Conditions (Standalone), and Private Health Plus.

Blake's premium is calculated as \$1,800 per annum before discount. For the purpose of this case study, his premiums stay the same each year and **do not include loadings, a membership fee or a policy fee.**

Blake decides to join the AIA Vitality program for a monthly membership fee of \$11.50. His AIA Vitality Anniversary and Policy Anniversary are the same.

This document is for illustrative purposes only and you should get in touch with your financial adviser for further details on how the AIA Vitality Discounts could work for you.

More rewards for better health choices

By engaging with the AIA Vitality program, Blake has been able to enjoy a discount on his insurance premium along with great savings at AIA Vitality's health and lifestyle partners, including discounted entertainment, lifestyle, fitness apparel and more.

Premium savings with AIA Vitality

	If Blake is highly engaged	If Blake is not as engaged
Upon joining	Blake is entitled to a 10% initial discount, saving \$180 in Year 1.	
At 1st Anniversary	Blake's Vitality Status is Gold. He retains his 10% discount for another year, saving \$180 in year 2.	Blake's Vitality Status is Bronze. His discount decreases to 8%, and he saves \$144 in year 2.
At 2nd Anniversary	Blake's Vitality Status is Gold. He retains his 10% discount for another year, saving \$180 in year 3.	Blake's Vitality Status is Bronze. His discount decreases to 6%, and he saves \$108 in year 3.
At 3rd Anniversary	Blake's Vitality Status is Platinum. His discount increases to 12%, and he saves \$216 in year 4.	Blake's Vitality Status is Bronze. His discount decreases to 4%, and he saves \$72 in year 4.
At 4th Anniversary	Blake's Vitality Status is Platinum. His discount increases to 14%, and he saves \$252 in year 5.	Blake's Vitality Status is Silver. His discount decreases to 3%, and he saves \$54 in year 5.
At 5th Anniversary	Blake's Vitality Status is Platinum. His discount increases to 16%, and he saves \$288 in year 6.	Blake's Vitality Status is Silver. His discount decreases to 2%, and he saves \$36 in year 6.
	Over 6 years, Blake will have saved a total of \$1,296 on his premiums.	Over 6 years, Blake will have saved a total of \$594 on his premiums.

Additional premium savings with Multi-Benefit Discount

In addition to his AIA Vitality discount Blake may also be eligible for the Multi-Benefit Discount on his eligible benefits under his AIA insurance policies.

For more information on AIA's Multi-Benefit Discount visit www.aia.co.nz

5. Things you should know

Your **AIA Vitality Anniversary** may be different from your **Policy Anniversary**. Your relevant **Premium Flex** will only be applied to your **Premium** from your next **Policy Anniversary**, subject to the terms outlined above.

The **Policy Owner** will be notified of the impacts that any **AIA Vitality Discount** may have on the **Premiums**.

The **AIA Vitality Discount** is not guaranteed and we may withdraw or vary these **Premium Adjustment Rules** at any time providing that we give customers 30 days' notice of any change.

Should your **AIA Vitality Membership** be cancelled or terminated as per the **AIA Vitality Terms and Conditions** or if you do not proceed with your application for AIA Vitality Membership, any **AIA Vitality Discount** (including the **Initial Discount**) applied to the **Eligible Benefits** will be removed from your next premium due date.

6. Definitions

In this document these terms have a specific meaning:

AIA, us, our or **we** means AIA Services New Zealand Limited.

AIA Vitality Program or **AIA Vitality** means the health and wellness program offered by us or our delegate in New Zealand from time-to-time.

AIA Vitality Anniversary means the anniversary of the commencement date of an AIA Vitality membership.

AIA Vitality Discount means the discount to be applied to the Premium for your Eligible Benefit(s) at each Policy Anniversary after being adjusted according to your AIA Vitality Status at that time.

AIA Vitality Member or **you** means a Life Assured who has been accepted into AIA Vitality Program in accordance with the AIA Vitality Terms and Conditions.

AIA Vitality Status means an AIA Vitality Member's membership status of either Bronze, Silver, Gold or Platinum as determined by AIA in accordance with the AIA Vitality Terms and Conditions.

AIA Vitality Terms and Conditions means the terms and conditions relating to the AIA Vitality Program as set out on our website, www.aiavitality.co.nz.

AIA Vitality Year means the period that starts on the date that you become a member and every year thereafter on your AIA Vitality Anniversary, i.e. Year 1 is the period that starts on the date you become a member and Year 2 starts on the anniversary.

Baseline Discount means the AIA Vitality Discount that applied at the previous Policy Anniversary, which could be the Initial Discount or the Premium Flex discount.

Eligible Benefit means any benefits under an insurance policy(s) held by the AIA Vitality Member that have been determined by AIA as being eligible to receive an AIA Vitality Discount.

Initial Discount means the 10% discount that is applied to the Premium relating to any Eligible Benefit(s), under your insurance policy, when you first join AIA Vitality, before you start accumulating AIA Vitality Points.

Life Assured means a person who is insured for an Eligible Benefit administered by AIA Services New Zealand Limited.

Per Mille Loading means an additional premium charged in respect of a Life Assured because of an increased risk factor, for example, due to a health problem, a hazardous occupation, or dangerous pastime. Per Mille loadings are calculated in relation to the sum insured, which is different from other loadings that are calculated in relation to the base premium.

Premium means the premium to which the AIA Vitality Discount is applied; which includes the regular insurance premium and loadings, but excludes Per Mille Loadings, policy fees and any AIA Vitality Membership Contribution.

Premium Flex means the adjustment, whether an increase or decrease, to the AIA Vitality Discount as a result of your AIA Vitality Status.

Policy Anniversary means the anniversary of the commencement date of the policy, under which you have an Eligible Benefit, or such other date as may be determined by AIA and notified to you.

All right reserved. AIA Vitality is offered by AIA Services New Zealand Limited. The information in this flyer is current as at 05 August 2019 and may be subject to change. For full terms and conditions including rules relating to premium discounts, multi-benefit discount, the AIA Vitality Terms and Conditions and Premium Adjustment Rules are available at aia.co.nz