

# AIA VITALITY PREMIUM ADJUSTMENT RULES



Effective date: 23 July 2021

In this document terms in *italics* have specific meanings and are defined in the Definitions section. These Premium Adjustment Rules are subject to and should be read in conjunction with the *AIA Vitality Terms and Conditions*.

## 1. About the AIA Vitality Premium Adjustment benefit

The *AIA Vitality Discount* is intended to reward members for their yearly engagement in the *AIA Vitality Program* at their *Policy Anniversary*. 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 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 in each *AIA Vitality Year* that you are a member of the program. We call this *Premium Flex*.
- Your *AIA Vitality Discount* may increase or decrease depending on your engagement during each *AIA Vitality Year*.
- We can vary these Premium Adjustment Rules at any time, including varying or restricting *Eligible Benefits*, provided 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.

### 3. AIA Vitality Status

Your *AIA Vitality Status* reflects your engagement with the *AIA Vitality Program*.

- When you join *AIA Vitality* you start on Bronze status.
- You can earn points based on your engagement with the program, which will help you progress to a higher status (from Bronze to Silver, Silver to Gold and Gold to Platinum). This status is called your *Running Man Status*.
- The status you have reached on your *AIA Vitality Anniversary* becomes your *Standing Man Status*.
- The *Standing Man Status*, as at 2 weeks after your *Policy Anniversary* date, dictates the *Premium Flex* that will be applied to the *Eligible Benefits* of your policy on its *Policy Anniversary* date.
- At your *AIA Vitality Anniversary*, your *Running Man Status* resets to Bronze, your points to zero, and you start working towards your target for the next *AIA Vitality Year*.

### 4. 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.

For *AIA Vitality* members who are in their first 10 months of membership at a *Policy Anniversary* your *Premium* will not flex to your detriment:

- if you reach Platinum status your discount will increase in accordance with the table below; and
- if your status is less than Platinum, you will retain your 10% discount.

For *AIA Vitality* members in their first 11-12 months of membership at a *Policy Anniversary* your *Running Man Status* will be used to calculate your *Premium Flex* in accordance with the table below.

For all other *AIA Vitality* members:

- The *AIA Vitality Discount* that applied at your previous *Policy Anniversary* (your *Baseline Discount*), will be adjusted according to your *Standing Man Status*, as at 2 weeks after your *Policy Anniversary* date.

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

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).

The *Premium Flex* will be applied at each *Policy Anniversary* but cannot be applied more than once in a 12 month period.

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%.

## 5. 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
<b>Upon joining</b>	Blake is entitled to a 10% <i>Initial Discount</i> saving \$180 in Year 1.	
<b>At 1st Anniversary</b>	Blake's <i>AIA Vitality Status</i> is Gold. He retains his 10% discount for another year, saving \$180 in year 2.	Blake's <i>AIA Vitality Status</i> is Bronze. His discount decreases to 8%, and he saves \$144 in year 2 ( <i>Baseline Discount minus 2%</i> ).
<b>At 2nd Anniversary</b>	Blake's <i>AIA Vitality Status</i> is Gold. He retains his 10% discount for another year, saving \$180 in year 3.	Blake's <i>AIA Vitality Status</i> is Bronze. His discount decreases to 6%, and he saves \$108 in year 3 ( <i>Baseline Discount minus 2%</i> ).
<b>At 3rd Anniversary</b>	Blake's <i>AIA Vitality Status</i> is Platinum. His discount increases to 12%, and he saves \$216 in year 4 ( <i>Baseline Discount plus 2%</i> ).	Blake's <i>AIA Vitality Status</i> is Bronze. His discount decreases to 4%, and he saves \$72 in year 4 ( <i>Baseline Discount minus 2%</i> ).
<b>At 4th Anniversary</b>	Blake's <i>AIA Vitality Status</i> is Platinum. His discount increases to 14%, and he saves \$252 in year 5 ( <i>Baseline Discount plus 2%</i> ).	Blake's <i>AIA Vitality Status</i> is Silver. His discount decreases to 3%, and he saves \$54 in year 5 ( <i>Baseline Discount minus 1%</i> ).
<b>At 5th Anniversary</b>	Blake's <i>AIA Vitality Status</i> is Platinum. His discount increases to 16%, and he saves \$288 in year 6 ( <i>Baseline Discount plus 2%</i> ).	Blake's <i>AIA Vitality Status</i> is Silver. His discount decreases to 2%, and he saves \$36 in year 6 ( <i>Baseline Discount minus 1%</i> ).
	<b>Over 6 years, Blake will have saved a total of \$1,296 on his premiums.</b>	<b>Over 6 years, Blake will have saved a total of \$594 on his premiums.</b>

### 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/multi-benefit-discount](http://www.aia.co.nz/multi-benefit-discount)

## 6. Things you should know

Your *AIA Vitality Anniversary* may be different from your *Policy Anniversary* and *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 you 30 days' notice of any change.

Should your *AIA Vitality* membership be cancelled or terminated in accordance with 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.

## 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 AIA 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, you* or *your* 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* set out on our website, [www.aia.co.nz/vitality](http://www.aia.co.nz/vitality).

*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 an *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*.

*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 fee.

*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.

*Running Man Status* means an *AIA Vitality Member's* membership status in their current membership year (i.e. Bronze, Silver, Gold or Platinum as determined by AIA in accordance with the *AIA Vitality Terms and Conditions*.)

*Standing Man Status* means an *AIA Vitality Member's* membership status as at the last day of their previous *AIA Vitality* membership year (i.e. Bronze, Silver, Gold or Platinum as determined by AIA in accordance with the *AIA Vitality Terms and Conditions*.)

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