

AIA VITALITY PREMIUM ADJUSTMENT RULES



Effective date: 20 September 2023

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 Programme* 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 programme. 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 Programme*.

- When you join *AIA Vitality* you start on Bronze status.
- You can earn points based on your engagement with the programme, 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 *Earned Status*.
- The status you have reached on your *AIA Vitality Anniversary* becomes your *Anniversary Status*.
- The *Anniversary 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 *Earned 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 *Earned 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 *Anniversary Status*, as at 2 weeks after your *Policy Anniversary* date.

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

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



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 Programme* for a monthly membership fee of \$11.50. His *AIA Vitality Anniversary* and *Policy Anniversary* are the same.

More rewards for better health choices

By engaging with the *AIA Vitality Programme*, 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% <i>Initial Discount</i> saving \$180 in Year 1.	
At 1st Anniversary	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</i> minus 2%).
At 2nd Anniversary	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</i> minus 2%).
At 3rd Anniversary	Blake's <i>AIA Vitality Status</i> is Platinum. His discount increases to 12%, and he saves \$216 in year 4 (<i>Baseline Discount</i> plus 2%).	Blake's <i>AIA Vitality Status</i> is Bronze. His discount decreases to 4%, and he saves \$72 in year 4 (<i>Baseline Discount</i> minus 2%).
At 4th Anniversary	Blake's <i>AIA Vitality Status</i> is Platinum. His discount increases to 14%, and he saves \$252 in year 5 (<i>Baseline Discount</i> plus 2%).	Blake's <i>AIA Vitality Status</i> is Silver. His discount decreases to 3%, and he saves \$54 in year 5 (<i>Baseline Discount</i> minus 1%).
At 5th Anniversary	Blake's <i>AIA Vitality Status</i> is Platinum. His discount increases to 16%, and he saves \$288 in year 6 (<i>Baseline Discount</i> plus 2%).	Blake's <i>AIA Vitality Status</i> is Silver. His discount decreases to 2%, and he saves \$36 in year 6 (<i>Baseline Discount</i> minus 1%).
	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/mbd

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** or **AIA Vitality Programme** means the health and wellness programme 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 Programme 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 Programme set out on our website, 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.
- **Earned 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.)
- **Anniversary 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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