

Underwriting made easy

CORPORATE



Our underwriting philosophy

At AIA Australia, we believe that with knowledge and experience comes the ability to engage in controlled risk taking. We constantly review our underwriting tools such as medical limits and tests to ensure we minimise the inconvenience to clients – both our intermediary partners as well as the ultimate lives insured.

In conjunction with our one qualified medical practitioner in Melbourne, we seek the most up-to-date mortality and morbidity studies to keep pace with medical developments and to find ways of accepting an even broader range of lives insured faster, more simply and on the best possible terms.

We consider that our dedicated group underwriting and administration teams are second to none, both in terms of technical knowledge and the flexibility to be creative in finding solutions for our clients. Above all, we are passionate about the role of life insurance in the community, dedicated to understanding the needs of our clients and committed to the concept of fairness in all of our dealings.

Life's better with the right partner®

What is underwriting?

- A process of selecting and classifying risks.
- Assessing the probability or likelihood of a defined event occurring before a certain time.
- Maintaining equity in the pool of 'average risks'.

What are the risk factors?

- | | |
|--|---|
| • Age and gender | • Financial position |
| • Occupation | • Existing insurance |
| • Medical history, current health and habits | • Residency |
| • Family history | • Pastimes (including hazardous sports) |

Corporate Plan underwriting requirements

– refer to the key below for explanation of medical requirements

Death/TPD Insurance – for applicants up to age 45 next birthday

Sum Insured	Forward Underwriting Limit	Requirement
Up to \$1,250,000	\$1,250,000	Short Personal Statement
\$1,250,001 – \$2,500,000	\$2,500,000	Full Personal Statement
\$2,500,001 – \$5,000,000 (\$3,000,000 TPD)	\$5,000,000 (\$3,000,000 TPD)	Full Personal Statement, Blood Tests, Short Medical Examination

*For cover greater than \$5,000,000 (\$3,000,000 TPD) refer to AIA Australia Underwriting for requirements.

Death/TPD Insurance – for applicants age 46 next birthday and over

Sum Insured	Forward Underwriting Limit	Requirement
Up to \$1,250,000	\$1,250,000	Short Personal Statement (Full Personal Statement if over age 55)
\$1,250,001 – \$1,500,000	\$1,500,000	Full Personal Statement, Blood Tests
\$1,500,001 – \$5,000,000 (\$3,000,000 TPD)	\$5,000,000 (\$3,000,000 TPD)	Full Personal Statement, Blood Tests, Short Medical Examination

*For cover greater than \$5,000,000 (\$3,000,000 TPD) refer to AIA Australia Underwriting for requirements.

Group Salary Continuance/Salary Continuance Insurance

Monthly Benefit	Forward Underwriting Limit	Requirement
Up to \$10,000	\$10,000	Short Personal Statement (Full Personal Statement if over age 55)
\$10,001 – \$12,500	\$12,500	Full Personal Statement, Blood Tests
\$12,501 – \$20,000	\$20,000	Full Personal Statement, Blood Tests, PMAR
\$20,001 – \$30,000	\$30,000	Full Personal Statement, Blood Tests, Short Medical Examination, PMAR
\$30,001 – \$40,000*	\$40,000	Full Personal Statement, Blood Tests, Short Medical Examination, PMAR

*For cover greater than \$40,000 refer to AIA Australia Underwriting for requirements.

Underwriting requirements listed above for Sum Insured and Monthly Benefit insurance bands include elements of existing cover including any automatic cover with AIA Australia.

Key:

- **Blood Tests** consist of HIV, Hepatitis B & C and MBA 20.
- **ECG** is an electrocardiogram (a test of the electrical activity of the heart, performed by your doctor).
- **Short Medical Examination** consists only of blood pressure, height/weight details and urine specimen. Completion of AIA Australia's full application is required including the Personal History and Medical History sections.
- **Medical Examination** is a report a doctor completes during a physical examination. This includes details of your personal and family history, your measurements and results of examination of your cardiovascular, respiratory, musculoskeletal, and genito-urinary systems. A urine sample is tested during the examination.
- **Medical Examination by Physician** is the same as a Medical Examination, using the same form, but is performed by a specialist doctor who will usually be a Fellow of the Royal Australasian College of Physicians (FRACP).
- **Personal Medical Attendants Report (PMAR)** is a report completed by a doctor from their records. PMARs may be requested on a discretionary basis.

Forward underwriting limits

Forward Underwriting Limits (FULs) eliminate the inconvenience of future medical underwriting when the levels of cover increase each year as a result of salary increase. AIA Australia provides FULs to members of corporate plans, with a minimum of 10 members, if the cover is formula determined. It is important to note that any voluntary increases in cover will require underwriting. If the cover exceeds a 30% increase in any one year, then the level of cover is either limited to a 30% increase or further underwriting is required.

Our underwriting service

- We offer an automated underwriting letter and follow-up process. We have a 'paperless back office' with all underwriting being administered on an electronic platform. We provide customised reporting for your requirements including reports on service standards, underwriting status as well as volume information.
- Our underwriters understand the need to evaluate all applications thoroughly based on the evidence presented. We are very experienced in dealing with complex cases and are continually striving to simplify the assessment process and turn around times.
- Medical limits are high and regularly reviewed.
- Short form underwriting in many circumstances.
- Online tracking of underwriting applications.
- Access to AIA Australia underwriters.
- Efficient turn-around times and pending times for underwriting applications.

Initial underwriting requirements

Once the need for underwriting is identified we will require the member, in the first instance, to complete a Personal Statement. Based on our standard underwriting requirements – shown in the tables left – further medical evidence may be requested from the member.

Guidelines for adviser access to group insurance underwriters

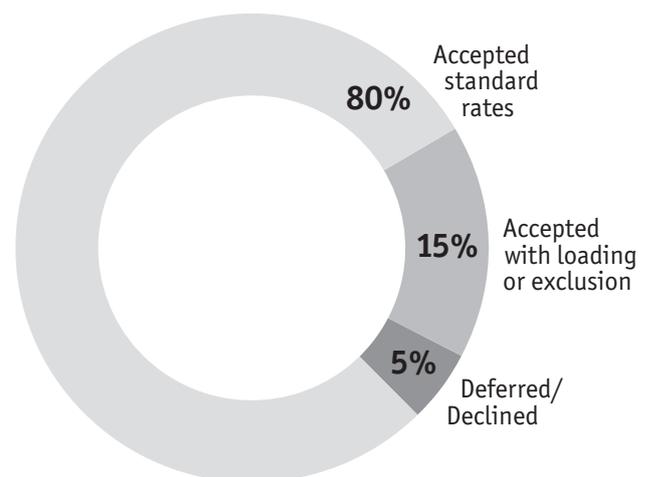
1. Underwriters are available to discuss non-standard and declined decisions with applicants (pending appropriate authority by the member).
2. Underwriters also speak to advisers if we have the applicant's permission to discuss their personal details with the adviser.
3. Telephone enquiries from advisers to answer pre-assessment enquiries.

Acceptance Terms and Service Level Standards

AIA Australia understands the importance of underwriting and what the outcome means to the member. Our experienced underwriting team is committed to providing members with a favourable outcome based on our up-to-date medical knowledge and market savvy.

In 2012, AIA Australia accepted 95% of Group life insurance applications and more than 99% of applications were assessed within 3 days.

Despite an ever increasing demand on underwriting with members becoming more insurance conscious, AIA Australia is committed to providing the underwriting decision within 3 days.



Website features

To enhance our underwriting process and service, AIA Australia has developed website technology that delivers efficiency, ease of administration and improved customer service. Benefits of using the website include:

- Online tracking of applications drilled down to each item and step of the process;
- Administrator, trustee and adviser access available;
- Access to underwriting forms and questionnaires;
- Access to AIA Australia’s insurance education centre;
- Useful and associated links to other websites;
- Electronic upload functionality for applications; and
- Potential workflow integration with administrator workflows.

Our commitment to continue delivering technology solutions which enhance the underwriting process is evidenced by AIA Australia’s plan to implement the following functionalities:

- Member access based on client’s request;
- Online straight through underwriting; and
- Updated and extended insurance education centre.

Our team of specialist underwriters is available to answer any queries you may have regarding our underwriting process. In addition we can arrange for an underwriting representative to attend member seminars or provide underwriting presentations for fund advisers.

If you are interested in one of these services or if you would like to learn more about our LIFEapp online technology solution, please contact your Client Development Manager.

The information contained in this document is current as at March 2013.