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Greater premium structure flexibility

Predictability of a true level premium for a selected term of five, ten or 15 years.



The life insurance industry is going through an unprecedented level of change. As insurers we all must adapt to make sure we stay relevant and respond to changing client needs. In providing vital services to their customers, advisers have an important role to play, and when partnering together with insurers, can develop new propositions that help solve issues affecting the industry.

At AIA Australia our purpose is to make a genuine, positive difference to the lives of all Australians, and to help them be well, get well, and protect their financial future. As an independent life risk specialist who do not own distribution, we cannot achieve this without our partners. That is why we have a partnership philosophy at the core of our business. We are passionate about

our partners, and are focused on listening to their feedback, understanding their challenges, and delivering solutions that better meet their customers' needs and add true value to their business.

Term Level is also a great example of this approach.

Over the past few years we have been looking closely at client retention, and trying to understand the real issues driving increased lapse rates. We found the reasons were related to the changing needs and economic concerns of customers. To address customer feedback around stepped premiums, we worked closely with our advice partners to develop a new premium structure.

Term Level helps to address these concerns by providing the predictability of a

The past five years have seen radical changes across both the manufacturing and distribution of life insurance. During that time, we've seen sweeping reforms across the industry and greater scrutiny on how consumers access life insurance products.

Recent research from Real Insurance and CoreData found that a quarter of Australian parents spend an hour or more every day worrying about their families; 37.8% of those surveyed had no life insurance and 22.5% felt their existing level of insurance was insufficient to meet their needs. It's in this environment that insurers are having to collaborate with their distribution partners to help address Australia's underinsurance gap and deliver consumers the policies they really need.

In this edition, we look at one insurer doing just that: AIA Australia is designing new approaches to life insurance product structures so as to increase predictability and affordability. Responding customer feedback, the insurer is broadening its product suite so that everyone can get the cover they need.

Michelle Baltazar
Michelle Baltazar
Director of Media & Publishing



The quote

Term Level complements our existing stepped, level and Optimum premium options and is an example of how AIA Australia works with licensees and advisers to provide greater choice to their clients as well as opportunities to assist business growth.



Watch the video
on www.fsitv.com

true level premium for selected terms of five, ten or 15 years, helping clients avoid yearly stepped premium increases. This complements our existing stepped, level and Optimum premium options to give advisers more flexibility to better match the premium structure to their clients' individual life stages, whether they're buying a house, starting a family, sending their kids to school or satisfying a particular business need.

Depending on a client's situation and chosen cover they can enjoy savings upward of 50% when compared with level premiums, and in most instances clients will enjoy cumulative premiums that are lower than cumulative stepped premiums. Some customers may also be eligible for a range of further concessions for bundled products, or by participating in our scientifically-backed health and wellness program, AIA Vitality. Term Level is available on life cover as well as linked TPD and/or Crisis Recovery benefits, giving customers greater choice and adaptability.

By providing a range of premium structure options that recognise and respond to customers' changing life stages, and avoiding yearly premium increases, we are confident that AIA Australia's Term Level will provide an ongoing solution to help advisers better match their customers' life requirements and assist with customer retention.

More information about Term Level can be found on the AIA Australia Business Growth Hub. **FS**

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your business from the sidelines

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FOR LIFE