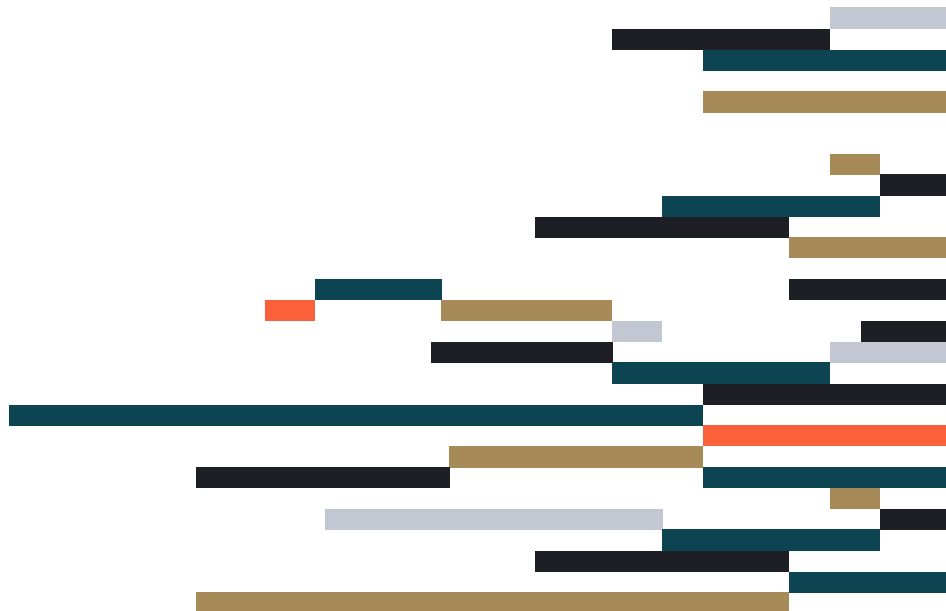


# AIA Group Risk Super Plan

**Member Outcomes Assessment**  
For the year ended 30 June 2022

28 February 2023





# Executive Summary

# Introduction

The AIA Group Risk Super Plan (AIA) provide members with access to death and disablement insurance cover inside superannuation. AIA doesn't provide accumulation style superannuation account balances or investment returns to members. Insurance premiums for this cover is not paid by members, but by their employers.

This Member Outcomes Assessment focuses on an assessment of product appropriateness against key factors that can affect superannuation, specifically consideration of AIA's insurance strategy and insurance fees. Unlike a typical superannuation fund's Member Outcomes Assessment, this report does not contain comparative analysis relating to fees and costs, investment returns or investment risk as these elements are not relevant for AIA given its structure as an insurance-only fund.

Ultimately a determination (contained on the following page) is made for AIA as to whether the products are serving the financial interests of the members. This assessment was undertaken in February 2023, and is relevant for the financial year ended 30 June 2022.

# Product Determination

The Trustee has determined that it is promoting the financial interests of the beneficiaries of its product on the basis that:

- Insurance Premiums when compared against peers for Life and TPD cover across various age groups are generally lower cost than peers for white collar professionals.
- AIA has strong claims approvals across all types of cover, with 3 TPD claims declined.
- As this is an employer product only, employers determine the appropriateness of the insurance and the cost of the cover and premiums are paid by employers rather than by members.



# Product Appropriateness Assessment

## INSURANCE STRATEGY & FEES

The AIA Group Risk Super Plan is designed to provide insurance benefits to employees of participating Employers within a superannuation environment. AIA provides members with access to death, total and permanent disability cover. It does not provide members with access to an accumulation account. All rollovers are for the purpose of paying premiums for cover selected.

As this is an employer product only, employers determine the appropriateness of the insurance and the cost of the cover and pay for the premiums rather than members. As such, the Trustee does not look to measure the impact of insurance eroding members' retirement income for members. Based on the above we have determined that there is no inappropriate erosion of members' retirements income due to the impact of insurance premiums.

However, pages 7- 10 contain analysis of insurance premiums against industry peer median, calculated using SuperRating's data based on 2 different risks and levels of cover across 4 age groups (35, 40, 45 & 50). The 2 risk types and levels of cover for the 2 employer plans with the largest members, include:

- Life Cover \$1m– White Collar Professional
- Life Cover \$1m + TPD Cover \$1m – White Collar Professional

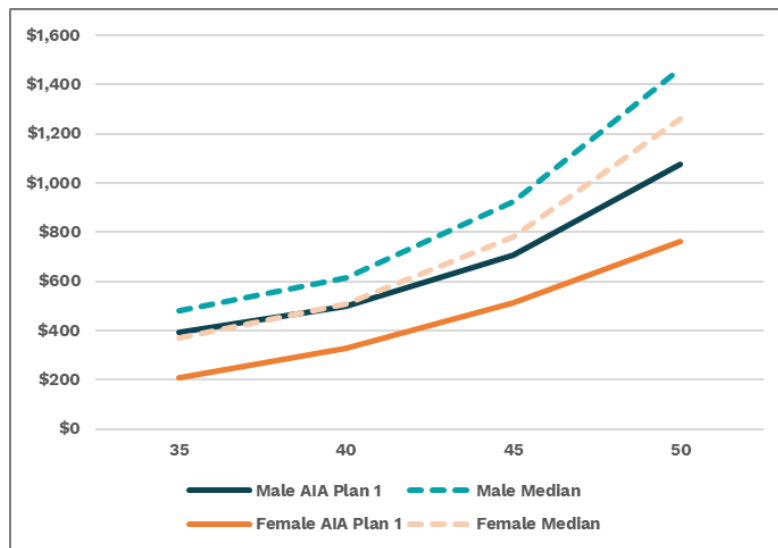
The Trustee has determined that AIA insurance premiums are competitive against peers for Life and TPD cover.

# Costs Comparison \$1M Life Cover standalone

The following table and graph compare one of AIA's larger employer plan's (AIA Plan 1) premiums for \$1m Life Cover standalone for white collar professionals, both male and female against industry peer median using SuperRating's data, across 4 different age groups (35, 40, 45 & 50).

The AIA Plan 1 premiums are competitive at all age levels for both male and females for \$1M Life Cover standalone at white collar professional rates. AIA premiums are lower cost than the peer median at all age groups for both male and female members.

	Male				Female			
Age	35	40	45	50	35	40	45	50
AIA Plan 1	\$392	\$500	\$704	\$1,076	\$206	\$327	\$511	\$762
Median	\$480	\$615	\$925	\$1,465	\$370	\$510	\$780	\$1,262
High	\$1,378	\$1,378	\$1,730	\$3,467	\$1,378	\$1,378	\$1,730	\$2,730
Low	\$208	\$300	\$440	\$720	\$170	\$280	\$405	\$621

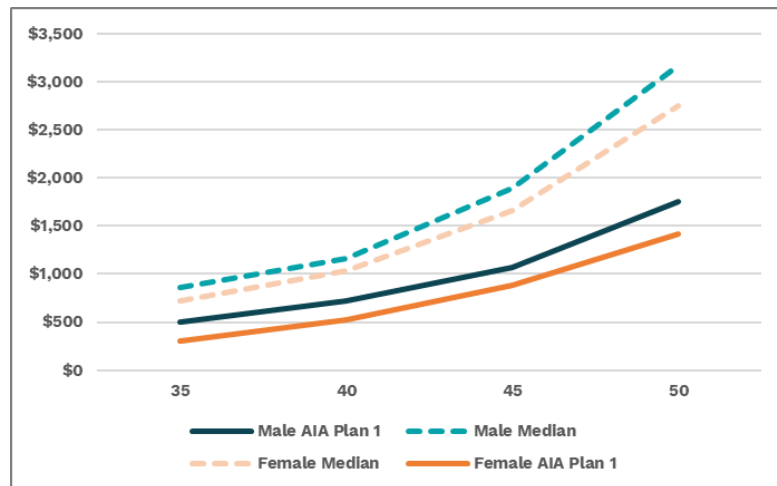


# Costs Comparison Life Cover \$1m + TPD Cover \$1m

The following table and graph compare one of AIA's larger employer plan's (AIA Plan 1) premiums for \$1m Life Cover + \$1m TPD Cover for white collar professionals, both male and female against industry peer median using SuperRating's data, across 4 different age groups (35, 40, 45 & 50).

The AIA Plan 1 premiums are competitive at all age levels for both male and females for \$1m Life Cover + \$1m TPD cover at white collar professional rates. AIA premiums are lower cost than the peer median at all age groups for both male and female members.

	Male				Female			
Age	35	40	45	50	35	40	45	50
AIA Plan 1	\$498	\$716	\$1,069	\$1,758	\$307	\$527	\$886	\$1,418
Median	\$860	\$1,157	\$1,890	\$3,162	\$722	\$1,030	\$1,656	\$2,752
High	\$3,086	\$3,738	\$5,591	\$8,940	\$3,086	\$3,738	\$5,591	\$8,940
Low	\$253	\$484	\$726	\$1,265	\$253	\$484	\$726	\$1,265



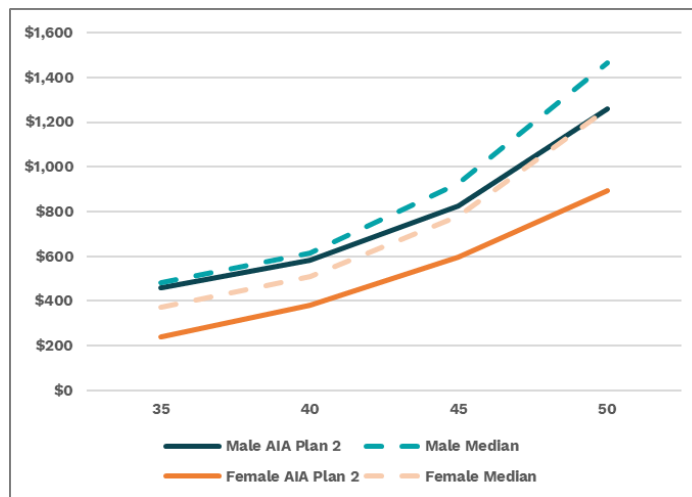


# Costs Comparison \$1M Life Cover standalone

The following table and graph compare one of AIA's larger employer plan's (AIA Plan 2) insurance premiums for \$1m Life Cover standalone for white collar professionals, both male and female against industry peer median using SuperRating's data across 4 different age groups (35, 40, 45 & 50).

The AIA Plan 2 premiums are competitive at all age levels for female members for \$1M Life Cover standalone at white collar professional rates. AIA's premiums are in line with or lower cost than the peer median at all age groups for female members. AIA largest plan's premiums are less competitive at all age levels for male members for \$1M Life Cover standalone at white collar professional rates. AIA premiums are lower cost than the peer median at all age groups for both male and female members.

	Male				Female			
Age	35	40	45	50	35	40	45	50
AIA Plan 2	\$458	\$585	\$824	\$1,259	\$241	\$383	\$597	\$892
Median	\$480	\$615	\$925	\$1,465	\$370	\$510	\$780	\$1,262
High	\$1,378	\$1,378	\$1,730	\$3,467	\$1,378	\$1,378	\$1,730	\$2,730
Low	\$208	\$300	\$440	\$720	\$170	\$280	\$405	\$621

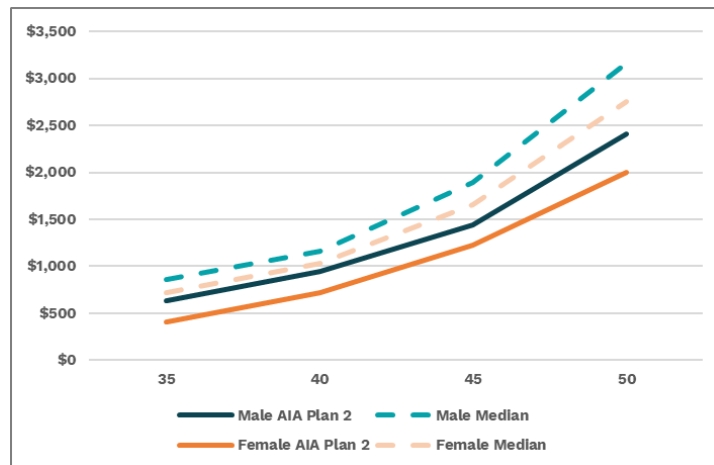


# Costs Comparison Life Cover \$1m + TPD Cover \$1m

The following table and graph compare one of AIA's larger employer plan's (AIA Plan 2) insurance premiums for \$1m Life Cover + \$1m TPD Cover for white collar professionals, both male and female against industry peer median using SuperRating's data, across 4 different age groups (35, 40, 45 & 50).

The AIA Plan 2 premiums are competitive at most age levels for female members for \$1m Life Cover + \$1m TPD cover at white collar professional rates. AIA's premiums are lower cost than the peer median at most age groups for female members. AIA largest Plan's premiums are less competitive at most age levels for male members for \$1m Life Cover + \$1m TPD cover at white collar professional rates. AIA premiums are higher cost than the peer median across all age groups for both male and female members.

	Male				Female			
Age	35	40	45	50	35	40	45	50
AIA Plan 2	\$637	\$949	\$1,437	\$2,407	\$410	\$719	\$1,230	\$1,995
Median	\$860	\$1,157	\$1,890	\$3,162	\$722	\$1,030	\$1,656	\$2,752
High	\$3,086	\$3,738	\$5,591	\$8,940	\$3,086	\$3,738	\$5,591	\$8,940
Low	\$253	\$484	\$726	\$1,265	\$253	\$484	\$726	\$1,265



# Insurance Claims

AIA received 20 claims in total and approved 17 claims. The Trustee notes that one of the claims were declined as cover had been terminated prior to the claim, one was declined due to member not being eligible and the other due to member not meeting definition of TPD. The Trustee has determined that based on the strong claims approval, that the financial interest of beneficiaries is being met with regards to claims services for the AIA Group Risk Super Plan.

AIA	Accepted	Declined	Acceptance Ratio
Death	5	0	100.0%
TPD	10	3	76.9%
Terminal illness	2	0	100.0%
Income Protection	0	0	NA
Total	17	3	82.3%



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