



# Affordability Guide for Advisers

Ways to reduce premiums for  
Accelerated Protection policies

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**TAL**

ADVISER USE ONLY

WAYS TO REDUCE PREMIUMS FOR

# All Accelerated Protection products

Life, TPD, Critical Illness and IP



JUMP TO WAYS TO REDUCE PREMIUMS FOR:

All Accelerated Protection products

Life Insurance

Total & Permanent Disability (TPD) Insurance

Income Protection (IP) Insurance



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**Reduce Sum Insured Benefit Amount**

If your client's circumstances have changed, they might want to consider reducing their level of cover. Ask them about things like:

- Changes to their income or employment
- Reductions in their expenses or debts
- If their children have moved out of home
- Financial hardship or affordability concerns.

Policy Alteration Form

Applications to reduce benefit amounts generally don't require underwriting. Your client may be subject to underwriting and eligibility criteria if they want to increase their benefit amount down the track.



**Smoking to Non-Smoking**

Clients who've stopped smoking for 12 months or more can apply for non-smoker premiums, which are generally cheaper than those for smokers.

If approved, the revised premium will be effective from date of approval.

Non-Smoker Declaration

Applications for non-smoker premiums are subject to underwriting review and approval, and some clients may not be eligible, including those who've:

- Stopped smoking based on advice from a medical practitioner on specific medical grounds or who've been told they have a medical condition as a result of their smoking
- Stopped smoking in the last 12 months, who are classed as smokers until a full 12 month period has elapsed from their cessation of smoking. Using nicotine replacement or nicotine containing products such as patches or gum, vapes and/or e-cigarettes are considered the same as smoking.

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**Health Loading**

If your client's policy includes a health loading and their health has improved (due to lifestyle changes, weight loss and/or medication), they can request an underwriting review to potentially reduce their premiums.

Application for Increase or Alteration

Evidence to support the review, such as a medical statement or relevant questionnaire, will generally be required. Contact our underwriting team to check what's needed for your client.



**Payment Method**

If your client's policy is structured through superannuation and premiums are paid via an enduring rollover authority (TAL Super policies), a 15% upfront tax rebate may apply.

Enduring Rollover Authority

Eligibility criteria may apply, including certain payment frequency requirements and the ability to accept rollovers from external super funds. Contact us for further information.



**Consumer Price Index (CPI)**

With the Inflation Protection benefit, your client's sum insured increases in line with CPI every year. Those adjustments can be declined at the review date year by year or removed permanently to manage premium increases.

Policy Alteration Form

Please check the PDS and Policy Document for eligibility criteria.  
If CPI increases are removed permanently, restarting them down the track may require underwriting and be subject to eligibility criteria.



**Premium Frequency**

Premiums can be paid monthly, quarterly, half yearly or annually. Half yearly and annual payments result in around an 8% reduction in premiums.

Policy Alteration Form

## WAYS TO REDUCE PREMIUMS FOR

# Life Insurance



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#### **Remove Optional Benefits**

Your client's policy may include optional benefits, which provide additional protection at claim time but also come with higher premiums.

Optional Life Insurance benefits include the Business Insurance Option, Premium Relief Option, Critical Illness Reinstatement, Double Critical Illness, Child's Critical Illness, Death Buy-Back and Double TPD.

Policy Alteration Form

Future changes to the policy will be subject to underwriting and eligibility criteria.

WAYS TO REDUCE PREMIUMS FOR

# Total & Permanent Disability (TPD) Insurance



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### Occupation Class

At policy renewal, ask your client if they've changed careers/roles or gained additional qualifications, which could help reduce their premiums.

Application for Increase or Alteration

Your client's underwriting assessment will be based on the latest Accelerated Protection occupation listing.



### Occupation Definition

Occupation definitions are based on a client's ability to perform their occupation or duties as defined in the PDS. The Own Occupation definition generally incurs higher premiums than Any Occupation and Activities of Daily Living (ADL). However, definitions other than Own Occupation are more difficult to satisfy in the event of a claim.

Discuss with your client if their current TPD is still the most suitable for them.

Policy Alteration Form

Future changes to the policy will be subject to underwriting and eligibility criteria.

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# Income Protection



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**Remove Optional Benefits**

Your client's policy may include optional benefits, which provide additional protection at claim time but also come with higher premiums.

Optional IP benefits include the Superannuation Contribution Option, Increasing Claim Option, Business Expense Option, Critical Illness Option, Retirement Protection Option, Disability Plus Option, and Accident Benefit Option.

Policy Alteration Form

Future changes to the policy will be subject to underwriting and eligibility criteria. Please check the relevant PDS and Policy Document for a full list of optional benefits.



**Decrease the Benefit Period**

The benefit period is the maximum length of time a benefit will be paid during a claim. There are a range of benefit periods available with our IP products: 1 year, 2 years, 5 years, to age 65 and to age 70. The longer the benefit period, the higher the premium.

Policy Alteration Form

Future changes to the policy will be subject to underwriting and eligibility criteria, and please check the relevant PDS and Policy Document: benefit period options aren't available with every product.



**Change from Agreed Value to Indemnity**

Changing cover from Agreed Value to Indemnity can reduce your client's premium, but may also reduce the benefit they receive if they need to make a claim.

Policy Alteration Form

This change is only available on Accelerated Protection policies issued under PDS dated 12 October 2018 and prior. Keep in mind too that if your client decides to switch to Indemnity, they will not be able to revert or repurchase Agreed Value cover.

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**Premium or Superannuation Pause**

If your client is unemployed or on long-term leave, they may want to apply for the Premium Pause benefit to stop their premium payments for up to 12 months. This option also pauses their cover, so they won't be able to make a claim for an event that occurs during the Premium Pause period.

Application for Premium Pause/Superannuation Pause Benefit

Please check the relevant PDS to see if this option is available for your client's policy. Further terms and conditions apply, including eligibility criteria and limitations.



**Increase Waiting Period**

Generally, shorter waiting periods mean higher premiums. Discuss the options with your client and make sure they'd be able to manage their expenses and debts during the waiting period if they needed to.

Policy Alteration Form

Future changes to the policy will be subject to underwriting and eligibility criteria.



**Change Policy Type (Standard or Premier)**

Changing from IP Premier to Standard can reduce your client's premiums.

Policy Alteration Form

This option is only available on Accelerated Protection policies issued under PDS dated 1 April 2021 and prior. Future changes to the policy will be subject to underwriting and eligibility criteria.



**Change Income Replacement Option (Assist, Focus, Enhance, Extend)**

Each replacement option has different features. Talk to your client about whether their current option is still the most suitable for them.

Policy Alteration Form

These options are only available on Accelerated Protection policies issued under PDS dated 24 September 2021, and 5 August 2022 and later.

## For more information

Contact your TAL BDM or the Adviser Service Centre on 1300 286 937 (Monday to Friday, 8am – 7pm AEST) or via email at [accelerateservice@tal.com.au](mailto:accelerateservice@tal.com.au)

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