



# Affordability Guide for Advisers

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Ways to reduce premiums  
on Protection Plans Policies

*For Adviser Use Only*

# General ways to reduce your clients' premiums






Death Benefit

Total and Permanent Disablement Benefit

Living Benefit

Income Protection Benefit

Feature	Discussion point	Requirements to reduce premium	Other Important Information
 <p>Reduce Sum Insured Benefit Amount</p>	<p>Ask your client if their circumstances have changed (some examples provided below) to check if their level of cover should be reduced.</p> <ul style="list-style-type: none"> <li>• Change in income or employment circumstances</li> <li>• Children growing up and leaving the nest</li> <li>• Less expenses or less debt</li> <li>• Financial hardship situations or affordability</li> </ul>	Alteration Request form	<ul style="list-style-type: none"> <li>• Whilst requests to reduce benefit amounts generally do not require underwriting, any future applications to subsequently increase benefit amounts may be subject to underwriting and eligibility.</li> </ul>
 <p>Smoking to Non Smoking</p>	<p>Premiums are generally cheaper if a customer does not smoke. Clients who have stopped smoking for 12 months or more can apply for non-smoker rates.</p> <p>If approved, the revised premium will be effective from date of approval.</p>	Application for Non-Smoker Rates	<p>Applications to change to non-smoker rates are subject to underwriting review and approval. Clients who may not be eligible to apply are:</p> <ul style="list-style-type: none"> <li>• Clients who have ceased smoking based on advice received by a medical practitioner on specific medical grounds or have been told that they have a medical condition as a result of their smoking.</li> <li>• Clients who have stopped smoking in the last 12 months are classed as smokers until a full 12-month period has elapsed from their cessation of smoking. An additional 3-month period is taken into account for those who have stopped smoking but are using nicotine replacement products.</li> </ul>
 <p>Health Loading</p>	<p>If your client's health has improved due to lifestyle changes/ weight loss/medication, initiate an underwriting review for Policies with a health loading.</p>	Alteration Request form or signed letter from the Policy Owner detailing the request	<p>A Personal Statement form and/or Medical /Pastimes Questionnaire will generally be required. Contact your underwriting team to confirm requirements.</p>

# General ways to reduce your clients' premiums







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Feature	Discussion point	Requirements to reduce premium	Other Important Information
 <p>Premium Holiday</p>	If your client is unemployed, on maternity/paternity/sabbatical/long term leave from work, or their household income has reduced by 30% in the past 3 months (Financial Hardship), explore the Premium Holiday for up to 12 months' premium break.	Premium Holiday request form	<ul style="list-style-type: none"> <li>Your client is not covered for events occurring while they are on a premium holiday.</li> <li>Please refer to the PDS to check if the Premium Holiday benefit is available for your client's Policy. Further terms and conditions apply, including eligibility criteria and limitations.</li> </ul>
 <p>Payment Method (for policies held within TAL Super)</p>	If your client holds a TAL Super policy (Term Life as Superannuation (TLAS), Income Protection Assured as Superannuation (IPAAS) and Income Protection as Superannuation (IPAS) Policies), and premiums are paid annually via an ongoing partial rollover authority, a 15% upfront tax rebate may apply.	Enduring Rollover Form	<p>This relates to TAL Super policies (Term Life as Superannuation (TLAS), Income Protection Assured as Superannuation (IPAAS) and Income Protection as Superannuation (IPAS)).</p> <p>Eligibility criteria may apply, including certain payment frequency requirements. Contact us for further information.</p>
 <p>CPI</p>	Unless CPI increases have been declined permanently, your client's sum insured increases in line with CPI every year. CPI increases can be declined from the review date for the year or they can be requested to never apply again. Remove this to reduce this premium increase in future years.	Alteration request: Reduction of cover and changes to CPI form	<ul style="list-style-type: none"> <li>CPI increases will be as outlined in Chapter 1, 'Features of your Policy' – 'CPI Increases' in the Product Disclosure Statement (PDS). The PDS is available in the TAL Adviser Centre (TAC).</li> <li>If CPI increases are removed permanently, restarting in the future may require underwriting and would be subject to eligibility.</li> <li>From the review date following the Insured Person's 61st birthday CPI for Income Protection Assured and Income Protection Assured as Superannuation will no longer apply.</li> </ul>
 <p>Premium Frequency</p>	Payment options are Monthly, Quarterly, Half Yearly & Annual. If a client pays annually, they pay approximately 8% less in premiums.	Alteration Request form	Not applicable for Life on Wrap series (Policies with a Risk Commencement Date before 21 February 2011).

# Ways to reduce the Term Life premiums




Death Benefit

Total and Permanent Disablement Benefit



Living Benefit

Income Protection Benefit

Feature	Discussion point	Requirements to reduce premium	Other Important Information
 <p>Remove optional extras</p>	<p>Your client's Term Life Protection Plans Policy may have optional benefits. These provide additional protection at claim time but come with a higher cost.</p> <p>Optional benefits include the Business Cover Benefit, Needlestick Benefit, Children's Benefit, Super Plus TPD, TPD Buy Back Benefit, Double TPD Benefit, Waiver of Life Premium Benefit, Double Living Benefit and the Living Reinstatement Benefit.</p>	<p>Alteration Request form</p>	<ul style="list-style-type: none"> <li>Future changes to the Policy will be subject to underwriting and eligibility.</li> </ul>









# Ways to reduce the premiums for Income Protection and Total and Permanent Disablement



Feature	Discussion point	Requirements to reduce premium	Other Important Information
 <p>Occupation Class</p>	<p>Talk to your client at renewal time and ask them if they have moved careers, changed jobs or acquired additional qualifications - as this could result in a premium reduction.</p>	<p>Alteration Request form</p>	
 <p>Occupation Definition</p>	<p>Occupation definitions are based on a client's ability to perform their occupation or duties as defined in the PDS. 'Own Occupation' TPD definition generally incurs higher premiums than 'Any Occupation', 'Home Duties' and 'General Cover' definitions. However, covers other than Own Occupation are more difficult to satisfy in the event of a claim.</p> <p>Discuss with your client if their current TPD definition is still suitable for them.</p>	<p>Alteration Request form</p>	<ul style="list-style-type: none"> <li>Future changes to the Policy will be subject to underwriting and eligibility.</li> </ul>

# Ways to reduce Income Protection premiums





Feature	Discussion point	Requirements to reduce premium	Other Important Information
 <p>Remove optional benefits</p>	<p>These provide additional protection at claim time but come with a higher cost. Superannuation Contribution Option, Super Plus IP Benefit, Accident Benefit, Needlestick Benefit, Children's Benefit are optional benefits<sup>1</sup>.</p>	Alteration Request form	<ul style="list-style-type: none"> <li>Future changes to the Policy will be subject to underwriting and eligibility.</li> </ul>
 <p>Decrease the benefit period</p>	<p>The longer the benefit period, the higher the premium. There are a range of benefit periods available on your Policy<sup>3</sup>.</p> <div style="display: flex; justify-content: space-around; align-items: center;">  2 years            5 years            To age 55            To Age 65            To Age 70 / To Age 80         </div> <p style="text-align: center;">—————→</p>		<ul style="list-style-type: none"> <li>Future changes to the Policy will be subject to underwriting and eligibility.</li> <li>The benefit period is the maximum length of time the benefit will be paid for, in the event of claim.</li> </ul>
 <p>Agreed Value/ Endorsed Agreed value to Indemnity</p>	<p>Changing cover from Agreed Value/Endorsed Agreed Value to Indemnity can reduce the premium but may also reduce the benefit your client receives if they claim.</p>		<p>Keep in mind that if your client decides to switch to Indemnity, they will not be able to revert or repurchase Agreed Value cover.</p>

<sup>1</sup>Superannuation Contribution Option and Super Plus IP Benefit are not available on Income Protection Assured and Income Protection Assured as Superannuation Policies. <sup>2</sup>The Loyalty Benefit is not available on Income Protection Assured, Income Protection Assured as Superannuation or Business Overheads Assured Policies. <sup>3</sup>Benefit period options are not available on every product.

# Ways to reduce Income Protection premiums



Feature	Discussion point	Requirements to reduce premium	Other Important Information
 <p>Increase waiting period</p>	<p>Generally, the shorter the waiting period, the higher the premium will be. Discuss this with your client to make sure they are able to pay all their bills and meet living requirements during the waiting period time if this were to change.</p>	<p>Alteration Request form</p>	<p>Future changes to the Policy will be subject to underwriting and eligibility.</p>
 <p>Policy Type (Income Protection Plus or Income Linking Plus to Income Protection)</p>	<p>Income Protection Plus or Income Linking Plus offers more comprehensive cover by offering a number of extra benefits which provide additional protection at claim time which come at an additional cost. Changing cover from Income Protection Plus or Income Linking Plus to Income Protection can reduce your client's premium. Note that Income Linking Plus is not available under Income Protection Assured.</p>		<p>Future changes to the Policy will be subject to underwriting and eligibility requirements.</p>

## For more information

Speak to our Service Team on 1300 553 764  
(Monday to Friday 8.30am to 6pm, Sydney time)



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