**Go above and beyond for your client.**

Tools you can customise by OnePath Life Insurance

**CATEGORY – Understanding premiums**

**FLYER/NEWSLETTER/WEBSITE ARTICLE**

This article has been white-labelled to allow you to use the content (without having to seek our permission) as a customer flyer, newsletters or on your website.

***Tip*: Complement your advice**

You could also use the articles to complement your advice, sending specific articles to clients who have expressed concerns about their insurance or who have yet to take up insurance you have recommended.

## **As the world changes, we’re here to support you**

As your <financial adviser>, we want to ensure you have certainty in your life insurance, especially during these uncertain times.

#### **Making sure your plans match your situation**

With the world changing around us, so to do our needs, making it an ideal time to ensure to review you’re protecting what matters and ensuring it fits with your financial situation.

#### **If you’re in difficulty we can help**

Now more than ever may be a time for financial ‘breathing space’ – which is why we have compiled a list of available options to help you manage the cost of your life insurance.

## *All options are generally subject to the terms and conditions of your cover, which I can help you with.*

#### Flexible product and payment options

<Choose as required. Note: The options listed below are specific to OnePath, however most providers would provide similar which would be worth confirming>

**COVER SUSPENSION**

‍**How it works** Cover Suspension is a temporary offer where you can suspend your cover and premiums for between three to six months, and OnePath will reinstate your cover at the end of the period without any health or financial checks.

**COVER BOUNCE-BACK**

**How it works** Cover bounce-back is a temporary offer for customers not on claim, to reduce the amount insured on a stepped premium policy. Cover can be reduced to any amount above the minimums stated in the Product Disclosure Statement (PDS).

**CHANGE FROM FULLY FEATURED TO LESS FEATURED**

**How it works** Most OnePath OneCare cover types offer different levels of cover. You may be able to reduce your premium by changing from a cover option with more in-built benefits to an option with fewer in-built benefits.

**REMOVE SOME EXTRA-COST OPTIONS YOU MAY HAVE SELECTED**

**How it works** Removing some of your extra-cost benefits and options will help to reduce your premium, but will reduce the breadth of your cover.

**CHANGE PAYMENT FREQUENCY**

**How it works** You can change your payment frequency, for example, you could switch your payment frequency to monthly or half yearly (this would incur an additional charge for paying monthly or half-yearly).

**APPLY AND BE ACCEPTED TO CHANGE TO NON-SMOKER RATES**

**How it works** Smokers  generally pay a higher premium than non-smokers. If you’ve quit smoking for more than one year, you can apply to have this loading removed, which would reduce your premium if accepted.

**REVIEW PREMIUM LOADINGS**

**How it works** Poor health and/or dangerous pastimes may add what’s called a ‘premium loading’ to your cover – which means you pay a higher premium than someone who doesn’t have those risk factors. If your health has improved or your pastimes have changed, you may be able to get these loadings removed.

**LOWER AMOUNT INSURED**

**How it works**‍ Reducing your level of cover is a simple way to reduce your premium, bearing in mind this will reduce the benefit amount you will receive for a claim.

**SWITCH OFF INDEXATION**

**How it works** Indexation is an in-built benefit that increases your cover level each year to protect against inflation. Switching indexation off means your level of cover won’t increase at your next policy anniversary, it generally means that it may reduce your premium.

**PREMIUM FREEZE**

**How it works**‍ If you have stepped premium this allows you to fix your premium so it won’t increase at your next policy anniversary. This means the amount you are covered for generally reduces so your premium can stay the same as you age.

**CHANGE INCOME PROTECTION FROM AGREED TO INDEMNITY**

**How it works** With an Indemnity benefit payment type, the amount you receive will be determined by covering the lesser of your actual income in the two years before the claim and your monthly amount insured (which could mean you receive less than the amount insured).

This is opposed to a ‘Guaranteed’ or ‘Agreed’ payment type where, at Total Disability claim time, your amount insured won’t be adjusted if your income has decreased.

Choosing an Indemnity payment type typically reduces your premium.

**INCREASE INCOME PROTECTION WAITING PERIOD**

**How it works** The waiting period is the number of days before you become eligible to claim, starting from the date the doctor confirms you are disabled. Choosing a longer waiting period typically reduces your premium.

**REDUCE BENEFIT PERIOD**

**How it works** The benefit period is the maximum amount of time you can receive income protection payments for the same or related disability. Choosing a shorter benefit typically reduces your premium.

**REMOVE INCREASING CLAIM OPTION**

**How it works** This extra-cost option means your benefit payments will increase while you’re on claim to help keep up with inflation. Removing this option will reduce your premium but will mean while you are on claim your benefit will not increase.

**EXPLORE THE OPPORTUNITY FOR PREMIUM TAX DEDUCATION**

**How it works** When you hold income protection outside superannuation, those premiums are generally tax-deductible, which can make it significantly more cost-effective to get the cover you need. You may also be able to hold an income protection policy inside super. However, with cover in a superannuation policy, features are generally more restricted.

**PREMIUM PAUSE FOR 12 MONTHS**

**How it works** If you become unemployed or take long-term leave from work, you can request to pause your premium payments for up to 12 consecutive months. Terms and conditions will vary between providers.

**PREGNANCY PREMIUM WAVIER**

**How it works** Your premiums will be waived for up to six months if you are pregnant. Your cover will continue during this time.

**PREMIUM AND COVER SUSPENSTION**

**How it works** You can suspend your premiums for up to 12 months if you are:

* Unemployed
* On sabbatical, maternity, paternity or long-term leave from work, or
* Experiencing financial hardship due to your household income for the last three months reducing by more than 30%.

**CHANGE YOUR COVER FROM OWN OCCUPATION TO ANY OCCUPATION**

**How it works** Generally there are two types of TPD definitions:

* **Own occupation** – Where your claim is assessed against your ability to perform the specific requirements of the job you currently do, or;
* **Any occupation** – Where your claim is assessed against your ability to perform any job you are qualified or suited to based on your education training or experience

Given the differences described above for an ‘Any Occupation’ definition, premiums are generally lower.

**CHANGE YOUR TRAUMA COVER TYPE**

**How it works** Trauma Cover comes in three cover types – Severity, Comprehensive and Premium – that offer different levels of protection. Different cover types cover a different number of trauma conditions that pay a full benefit, and trauma conditions that pay a partial benefit.  Depending on the cover you currently have, you may be able to reduce your premium by switching cover types.

We’re committed to supporting you gaining the best value that meets your personal needs and insurance objectives.

Call us on <phone number> to discuss the best options for lowering your premium specific to your circumstances.