



SCHEDULE OF COMMISSION CONDITIONS

Effective 11th February 2021



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This Schedule of Commission Conditions forms part of and should be read in conjunction with the most recent Financial Adviser Agreement.

Unless otherwise defined in this Schedule of Commission Conditions, the italicised terms in this Schedule of Commission Conditions have the meaning set out in the applicable Adviser Agreement.

The Commissions outlined in this Schedule of Commission Conditions apply to those AIA New Zealand Limited ("AIA") Products available for new business only. For information on legacy products contact your Business Development Manager.

We may adjust your Commission if you sell an AIA Product to a person and another AIA Product owned by that person is discontinued or becomes paid-up (i.e. where further regular premiums, investments or contributions cease to be payable).

We reserve the right to pay or not to pay Commission on any AIA Product taken out on your own life or on the life of any of your Associates and/or any member of your family.

Commission for a particular AIA Product will only be payable to you if you put your name and agency number on the relevant client application form. If we receive applications for a AIA Product from different advisers and we can only accept one application, we will pay Commission to the adviser whose application we received first.

The Commission outlined in this Adviser Agreement may be amended by separate Addendum as required for specific advisers or adviser groups.

Key Terms

The following terms are used throughout this section.

BIC – BASIC INITIAL COMMISSION

BIC rates are applied to the Annualised Regular Premium (“ARP”), as defined below, for the first year of the policy. No BIC is payable on changes to existing policies unless the premium increase as a result of the change is greater than or equal to \$15 per month.

RC – RENEWAL COMMISSION

RC rates are applied to ARP received by AIA for the policy during the relevant period. RC is payable once the premium has been received by AIA. RC will only commence after 12 months of premiums have been received in full by AIA.

ARP - ANNUALISED REGULAR PREMIUM

ARP means Annualised Regular Premium after the application of any applicable Multi-Benefit Discount, excluding any applicable: GST or policy fee. ARP is not reduced by any amount of AIA Vitality premium discount.

MULTI-BENEFIT DISCOUNT

Multi-Benefit Discount is a tiered premium discount applicable which is recalculated on each policy anniversary date, based on the type and number of qualifying benefits held for each life assured.

AIA VITALITY

AIA Vitality is a rewards-based programme that offers great incentives which may include premium discounts on the premiums payable for any life assured who is enrolled for AIA Vitality membership.

Please speak to your BDM if you would like further details on Multi-Benefit Discount and/or AIA Vitality.



Risk

Risk Commission Summary

Individual Risk (Retail)

BASIC INITIAL AND RENEWAL COMMISSION RATES

Premium Structure	Standard		Pendulum		Commission debits apply
	BIC	RC	BIC	RC	
1. All Risk Benefits (Rate For Age)	190%*	7.5%	120%	20%	Yes
2. All Risk Benefits (Level)	150%*	3%	95%	15%	Yes

Voluntary Group Risk (Retail – AIA Living: 10% Discount)

BASIC INITIAL AND RENEWAL COMMISSION RATES

Premium Structure	Voluntary	
	BIC	RC
1. All Risk Benefits (Rate For Age)	120%*	13.5%
2. All Risk Benefits (Level)		

* Additional 10% Basic Initial Commission applies on AIA Living applications submitted through eApp in recognition of sharing the value of going digital.

Risk Commission Options

Variable Commission

For all Individual Risk products, you have the option of reducing the level of BIC payable to you in 10% steps, from 100% to 0% of the applicable BIC. Use AIA Quotebuilder to see the effect of Variable Commission on premiums. Variable Commission is not available for Voluntary Group Risk (Retail - AIA Living: 10% Discount).

Pendulum Commission

Pendulum Commission is available for Individual Risk products. Pendulum Commission is not available for Voluntary Group Risk (Retail - AIA Living: 10% Discount).

For each policy you can choose to apply either Pendulum Commission or Variable Commission but not both at the same time. Pendulum Commission is not available for Start-Up Income Protection.

As-earned Commission

This is the option to be paid BIC on a regular basis over 24 months as premiums are paid.

An additional 5% of commission will be paid on As-earned Commission. For example, if premiums are paid monthly:

As-earned Commission = A + B per month

$$A = (\text{ARP} \times \text{BIC}) / 24$$

$$B = A \times 5\%$$

As-earned Commission does not affect Renewal Commission.

Risk Benefit Summary

Product	Benefit Type	Benefits Covered	RFA	Level
AIA Living	Life	Life	✓	✓
		Family Protection Benefit	✓	✓
		Accidental Death	✓	✓
	Critical Conditions	Critical Conditions	✓	✓
		Progressive Care	✓	✓
	TPD	Total Permanent Disablement	✓	✓
	Income Protection	Income Protection - Agreed Value	✓	✓
		Income Protection - Business Continuity	✓	✗
		Income Protection - Indemnity	✓	✓
		Income Protection - Loss of Earnings	✓	✓
		Income Protection - Mortgage and Income Protection	✓	✓
		Income Protection - Rural Continuity / Farmers' Revenue Protection	✓	✗
	Optional	Accidental Injury Cover	✓	✗
		Startup Income Protection	✓	✗
		Redundancy	✓	✗
		Retirement Protection	✓	✗
		Waiver of Premium (Risk)	✓	✓

Risk Per Mille Loadings

If a per mille loading is applied for a Risk policy, the additional premium will attract a BIC rate of 20%. The RC rate applied to the base premium will also be applied to the additional premium received by AIA.

Health

Health Commission Summary

BASIC INITIAL AND RENEWAL COMMISSION RATES

Product	BIC	RC	Commission debits apply
AIA Health (including Private Health, Private Health Plus, Cancer Care and the optional Waiver of Premium)	30%*	20%	Yes
AIA Health sold with AIA Living Life Cover	120%*	7.5%	Yes

* Additional 10% Basic Initial Commission applies on AIA Health applications submitted through eApp in recognition of sharing the value of going digital.

Health Commission Options

AIA Health sold with AIA Living Life Cover

When you sell AIA Living Life Cover with AIA Health, you can choose to earn Commission on the AIA Health policy at an alternative rate – 120% BIC and 7.5% RC.

This only applies when you submit both applications to AIA at the same time for the same life assured (or lives assured). We will automatically pay the 120% BIC and the 7.5% RC rates on the AIA Health policy, unless you tell us that you want the standard 30% BIC and 20% RC rates.

These alternative Commission rates apply:

- If there are two adults covered on the AIA Health policy, the AIA Living Life Cover (Personal or Business) benefit must be a minimum of \$100,000 for one adult, or a minimum of \$50,000 each for two adults.
- If there is one adult covered on the AIA Health policy, the AIA Living Life Cover (Personal or Business) benefit must be at least \$50,000.
- If for any reason the AIA Living Life Cover is not proceeded with or is cancelled during the free look period, then we will pay the standard AIA Health Commission rates and we will debit your Commission Account with the amount of any overpayment.

Variable Commission

For AIA Health, you have the option of reducing the level of BIC and RC payable to you in 10% steps, from 100% to 0% of the applicable BIC/RC. If it is being sold with AIA Living, you have the option of reducing the level of BIC payable to you in 10% steps from 100% to 0%. Use AIA Quotebuilder to see the effect of Variable Commission on premiums.

Pendulum Commission

Pendulum Commission is not available for AIA Health.

As-earned Commission

As-earned Commission is available for AIA Health and operates as set out on page four.

Product	Benefit Type	Benefits Covered	RFA	Level
AIA Health	Health	Private Health	✓	✗
		Private Health Plus	✓	✗
		Waiver of Premium (Health)	✓	✗
		Cancer Care	✓	✗

Corporate Solutions

Corporate Solutions Commission Summary

BASIC INITIAL AND RENEWAL COMMISSION RATES

Product	BIC	RC	Commission debits apply
Corporate Solutions	Your choice of up to 20%	Equal to BIC	Yes

For Corporate Solutions policies, BIC and RC are applied to premiums received by AIA. Commission is payable once the premium has been received by AIA, unless otherwise agreed in writing between you and AIA.

*Renewal commission for Corporate Solutions policies is payable to the servicing adviser, including in the event of a change of servicing adviser.

Corporate Solutions Per Mille Loadings

If a per mille loading is applied for a Corporate Solutions policy, the additional premium will attract a BIC equivalent to the amount chosen for the policy (up to 20%). The RC rate applied to the base premium will also be applied to the additional premium received by AIA.

Corporate Solutions Commission Options

As-earned Commission

As-earned Commission for Corporate Solutions is always paid on an As-earned basis, unless otherwise agreed in writing between you and AIA. The additional 5% of commission is not payable for Corporate Solutions.

Level Commission

Commission paid on Corporate Solutions is always paid on a level basis. For example, if a BIC rate of 15% is selected, then the RC will be 15%. The level basis can be varied in 0.5% steps.



Home Loans

Home Loans Commission Summary

BASIC INITIAL AND TRAIL RATES

Product	BIC	RC	Trail Commission	Commission debits apply
All Go Home Loans	Upfront commission only BIC on settled home loan facility of 0.85% of the new loan amount.	N/A	N/A	Yes
	Upfront and trail commission option BIC on settled home loan of 0.60% of the new loan amount.	N/A	Trail commission of 0.20% p.a. of the outstanding loan balance*	Yes – applies to upfront commission only.

* Calculated and paid monthly in arrears commencing the month after the month of the advance.

Schedule of Commission Debits

This Schedule of Commission Debits applies regardless of the Commission Option chosen. For all AIA Products, AIA may apply a Commission Debit if Commission was paid to you in error.

What is Commission Debit?

The amount of the commission paid to you by AIA on an AIA Product which must be repaid by you where that AIA Product is discontinued or has a regular premium or regular contribution reduction before commission responsibility period has expired.

For the purposes of this Schedule of Commission Debit:

An "AIA Product" means, in respect of a superannuation scheme, membership in that superannuation scheme;

An "AIA Product" is "discontinued" if it is cancelled, avoided from inception, terminates as a result of a claim being paid, or is otherwise terminated.

The amount of the Commission Debits, stipulated in this Schedule of Commission Debits, to be paid by you is:

Intended by AIA and you to constitute liquidated damages payable by you to compensate AIA for the events described in this Schedule of Commission Debit;

Acknowledged by AIA and you to be a genuine pre-estimate, made in good faith of the loss that will be suffered by AIA arising as a result of those events.

How does Commission Debit work?

The following rules apply for Risk, Health and Voluntary Group Risk (Retail - AIA Living: 10% Discount)

Discontinuance or reduction of regular premiums or regular contributions of an AIA Product listed above within twelve months:

If such a AIA Product is discontinued or has a regular premium or regular contribution reduction before we receive twelve months of premiums or contributions, then we will recover the Basic Initial Commission (BIC) paid to you for that AIA Product by debiting your Commission Account on the date of the discontinuance or reduction in regular premium or regular contribution.

Discontinuance or reduction of regular premiums or regular contributions of an AIA Product listed above after twelve months:

If such a AIA Product is discontinued or has a regular premium or regular contribution reduction after we have received twelve months of premiums or contributions in full, you will be entitled to a proportion of the BIC from the payment of premiums or contributions from month thirteen until the end of the applicable Commission responsibility period for the product (i.e. the remaining twelve months for AIA Living). The remaining portion of the BIC paid to you for the AIA Product will be debited against your Commission Account.

Commission Debit Rates

The commission debit rates are as follows:

100%	up to month 12
50%	up to month 18
25%	up to month 24
0%	for month 25+

Please note that in the case of a reduction of regular premiums or contributions, the commission debit calculation only applies to the amount of reduction of regular premiums or contributions.

Commission Responsibility Periods

Product	Period
AIA Living (including Voluntary Group Risk (Retail - AIA Living: 10% Discount))	24 months
AIA Start-Up Income Protection	24 months
AIA Health	24 months

Unique Commission Debit Rules

Corporate Solutions

Where BIC or RC is paid to you at the beginning of the policy year based on the full year's premium and the policy is discontinued or has a premium reduction, where the full year's premium is not received by us, we will make a pro rata recovery of the BIC or RC paid to you for that year. This will be calculated as follows:

$$\frac{\text{Commission paid} \times \text{annual premium} - \text{premium paid}}{\text{annual premium}}$$

Home Loans

Where a loan is repaid (or partially repaid) within the first 12 months from the date of the initial drawdown, 100% of the full BIC paid on that loan (or the amount by which the loan limit is reduced as a result of the partial payment) will be a commission debit payable by you.

If the Commission Debit amount has not been recovered within three months of the date that the loan is repaid or the loan limit is reduced, then AIA may take action to recover that Commission Debit amount from you.

Reinstatements

Where a discontinued Risk, Health Insurance policy or Corporate Solutions policy is reinstated the Commission Debits applied for that policy will be reversed on the date of reinstatement. The Commission Debit rules will continue to apply to that AIA Product as set out in this Schedule of Commission Conditions if it is subsequently discontinued or has a regular premium or regular contribution reduction.





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Disclaimer

All applications are subject to individual consideration. Special conditions, exclusions and premium loadings may apply. This insurance is underwritten by AIA New Zealand Limited ("AIA"). For full details of the products and benefits offered by AIA, please refer to the policy document(s) which are available from AIA. The information contained in this publication is general in nature and is not intended as advice.



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