

AIA Protecting you and your family



Superior Health Cover

Reimburses the usual, customary and reasonable expenses associated with Private Hospital admissions in New Zealand (as defined in and subject to the terms and conditions of the policy).

Superior 3 Health Cover

The principal difference between Superior Health and Superior 3 Health is that Superior 3 Health may cover most pre-existing medical conditions after the policy has been in force for 3 years (conditions apply).

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|------------------------|--|
| Issue Age* | Superior Health Cover 16 - 65 years Superior 3 Health Cover 16 - 55 years |
| Premium Options | Single Adult / Couple / Single Parent Family / Family |
| Premiums | 5 yearly stepped from age 20 - 64, Level from age 65 ¹ (yearly renewable) |
| Excess Options | Nil, \$250, \$500, \$1,000 or \$2,000 ² |

* Individual consideration will be given to ages outside this range.

Key Features

This is a brief outline of some of the benefits provided. Special conditions, maximums and exclusions apply to individual benefits. Please refer to the current policy terms and conditions for more information on what is covered and what is not covered.

- Home Nursing cover.
- CT and MRI scans and other major diagnostic procedures covered - even if they do not lead to treatment in a private hospital.
- Funeral Benefit.
- Public Hospital Cash Benefit.
- Waiver of Premium Option.

- Accommodation Benefit.
- Cover for Post Operative Physiotherapy, Osteopathic or Chiropractic Treatment.
- Overseas Treatment Grant.
- Medical Misadventure Benefit.
- Dependent Children covered to age 21 on a Single Parent or Family policy.
- Travel Benefit.
- Cover while in Australia.
- Excess Waiver Benefit.
- Hospice Cover.
- Cover up to \$200,000 per life assured, per policy year for surgical treatment in a Private Hospital.
- Cover up to \$100,000 per life assured, per policy year for non-surgical treatment in a Private Hospital.
- Optional Cover for Specialists Visits and Diagnostic Procedures – up to \$3,000 per life assured, per policy year³.
- Up to \$200,000 per policy year for Oral Surgery recommended by your Dentist.

1. Premiums are not guaranteed and may change on notice at any time.

2. Any excess you select will only be deducted from the first claim you make in a policy year (where applicable).

3. A \$100 excess per claim form per life assured applies to all claims for this benefit.



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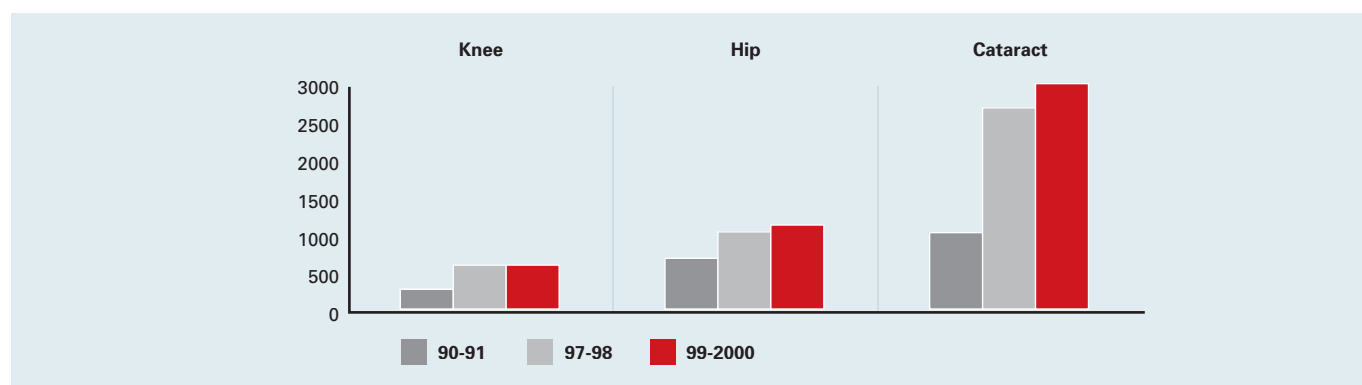
"Nobody likes to think they will get sick, but the truth is most of us will. The question is: Will the public health system be there for us when we need it? Is it worth the risk?"

Why Purchase Health Insurance?

The public health system has never funded all the health needs of New Zealanders. This is true for many areas of health, such as doctor's visits, prescription costs, and non-urgent surgery where people have queued on waiting lists, often for operations they were never going to receive. The public health system's waiting lists have now been replaced by a booking system which makes it clearer that there are surgical needs which will not be met from the public purse. (Source A)

Elective Procedures

Demand for elective procedures is on the increase. The table (below) shows an example of the increase experienced by one health insurer between 1990/1991 and 1999/2000. (Source C)



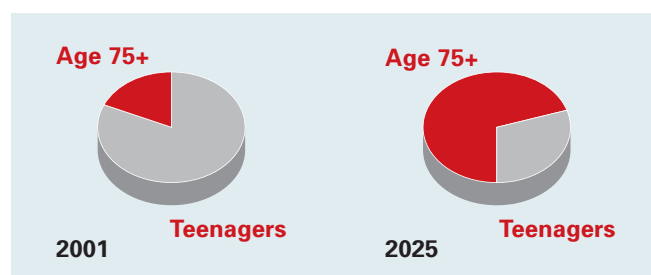
Cost of Surgery

Many people believe they can afford to pay for private surgery if they need it – but do they know the actual cost of surgery and tests? (Source D)

- Cardiac bypass (heart surgery) \$24,000 - \$28,000
- Valve replacement (heart surgery) \$22,000 - \$34,000
- Angiogram (diagnostic test) \$3,000 - \$3,600
- Angioplasty - without stents (heart surgery) \$12,000 - \$14,000
- Angioplasty - with stents (heart surgery) \$16,000 - \$18,000
- Total hysterectomy (surgery) \$4,800 - \$7,400
- Laparoscopic hysterectomy (surgery) \$8,000 - \$10,000
- Laparoscopic excision of endometriosis (surgery) \$3,700 - \$6,000+
- Prostate removal (cancer surgery) \$4,700 - \$10,800
- Prostate brachytherapy (cancer surgery) \$23,000 - \$26,000
- Excision of cancerous skin lesion \$350 - \$2,800
- Colonoscopy (diagnostic test) \$930 - \$1,100
- Radical mastectomy (breast cancer surgery) \$4,200 - \$6,500
- Gastroscopy (diagnostic test) \$500 - \$700
- Laparoscopic cholecystectomy (gall bladder surgery) \$4,900 - \$6,300

Ageing Population

By 2025 there are projected to be more New Zealanders aged 75 or over than teenagers. As the population ages there may be less taxable income and less money for health. This has obvious implications for access to the public health system. (Source B)



- Total hip replacement (surgery) \$12,500 - \$14,100
- Total knee replacement (surgery) \$12,300 - \$14,800
- Cataract removal (eye surgery) \$2,400 - \$2,900
- Thyroidectomy (surgery) \$4,500 - \$6,500

Heart Bypass Surgery

About 650 heart bypass operations are carried out privately in New Zealand each year, requiring an average stay in hospital of 7 days with a current cost of approximately \$27,700 per operation. (Source E)

SOURCES

Source A "An insight into the NZ Health Insurance Industry 2001" (page 2) – Health Funds Assoc. of NZ Inc.

Source B "An insight into the NZ Health Insurance 2001" (page 6) – Health Funds Assoc. of NZ Inc.

Source C "An insight into the NZ Health Insurance 2001" (page 7) – Health Funds Assoc. of NZ Inc.

Source D "Making sense of Health Insurance" – Health Funds Assoc. of NZ Inc. (2004)

Source E Health Funds Assoc. of NZ Inc. (April 1999) and Medilink (NZ) Ltd (2002)

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