AIA Vitality

Premium Adjustment Rules

Effective from 21 November 2015

Where the life insured under an eligible Priority Protection or Priority Protection for Platform Investors insurance policy (Policy) is a member of AIA Vitality at the time that a premium becomes payable in relation to that Policy, AIA Australia Limited (AIA Australia or we) will adjust the premium (excluding any amount payable for GST, policy fees and government stamp duty) (Premium) in accordance with the rules set out in this document (Rules). The Premium adjustments are not guaranteed. We may vary or withdraw these Rules at any time.

In this document any reference to you means the policy owner.

In this document a **Lump Sum Benefit** means a benefit under your Policy (or under an insurance policy that was cancelled and replaced by the Policy, where the terms of the benefit and sum insured have not changed following the cancel-and-replace process) that provides for one lump sum benefit payment. Please refer to the 'Lump Sum Benefits' Section of these Rules for further information.

In this document **Income Stream Benefit** means a benefit under your Policy (or under a policy that was cancelled and replaced by the Policy, where the terms of the benefit and sum insured have not changed following the cancel-and-replace process) that provides for periodic income stream benefit payments. Income Stream Benefits include income protection, business expenses or incorporated business expenses benefits. For the avoidance of doubt, Income Stream Benefits are not Lump Sum Benefits and will be subject to different rules. Please refer to the 'Income Stream Benefits' Section of these Rules for further information.

Lump Sum Benefits

Initial Discount

1 The Premiums that you would otherwise be required to pay from your first Premium due date (if your Policy is a new Policy and the life insured has become a member of AIA Vitality) or from your next Premium due date after the life insured under your Policy becomes a member of AIA Vitality (if you have an existing Policy) will be discounted by an amount of **Initial Discount** if the life insured under your Policy remains a member of AIA Vitality throughout the year. until:

   a) In the case of Premiums that are paid monthly (provided that the Initial Discount is applied for more than 90 days), half-yearly or annually, the next Policy anniversary after the Initial Discount is first applied; or

   b) In the case of Premiums that are paid monthly (if at the next Policy anniversary the Initial Discount has not applied for more than 90 days), the second Policy anniversary after the Initial Discount is applied.

2 If, within 21 days of the AIA Vitality application, the life insured does not meet the eligibility and registration requirements including if we do not receive a valid unique email address and/or if we do not receive payment details and the first payment for AIA Vitality and/or or any other information required to administer the AIA Vitality membership, the AIA Vitality membership will not be activated and the Initial Discount will not apply. You will be required to pay us the amount of any Initial Discount applied to your policy.

3 The Initial Discount in respect of a Policy is an amount equal to the Lump Sum Initial Discount. The **Lump Sum Initial Discount** is an amount equal to the **Lump Sum Initial Discount Percentage** (12.5%) multiplied by the total Premiums referable to Lump Sum Benefits that are payable in the year of the Policy to which the Initial Discount is applied.

4 Unless otherwise specifically indicated in these Rules:

   a) If a Policy lapses or is cancelled prior to a Policy anniversary and is reinstated or a new Policy is issued prior to that Policy anniversary with AIA Vitality, these Rules apply as if the Policy did not lapse or was not cancelled. In particular, the discount that applied on the day prior to lapse or cancellation will apply until that Policy anniversary; or

   b) If an AIA Vitality membership is terminated prior to a Policy anniversary and the life insured becomes a member of AIA Vitality again prior to that Policy anniversary, these Rules apply as if the AIA Vitality membership was not terminated. In particular, the discount that applied on the day prior to termination will apply until that Policy anniversary.

5 In the following circumstances, we may, at our discretion, adjust the amount of the Initial Discount up or down to the level of any Premium Flex discounts (if any) that we previously applied in respect of any other insurance policy:

   a) Where an earlier Policy lapses or is cancelled prior to a Policy anniversary and is reinstated or a new Policy is issued after that Policy anniversary;

   b) Where an earlier Policy lapses or is cancelled prior to a Policy anniversary and is reinstated or a new Policy is issued prior to that Policy anniversary but the life insured does not become a member of AIA Vitality again until after that Policy anniversary;

   c) Where an AIA Vitality membership is terminated prior to a Policy anniversary and the life insured becomes a member of AIA Vitality again after that Policy anniversary; or

   d) Where the Policy replaces an earlier insurance Policy as part of a cancel-and-replace process.

6 For the avoidance of doubt, only one Initial Discount will be paid in respect of a Policy under these Rules.

7 Notwithstanding anything to the contrary set out in these Rules, if your Policy includes a Lump Sum Benefit issued between 21 November 2015 and 15 January 2016 (or such other date as is determined by AIA Australia in its sole and absolute discretion and updated in these Rules) (**Final Transition Date**), AIA Australia may, at its sole and absolute discretion, amend these Rules by deleting clause 3) under "Lump Sum Benefits – Initial Discounts" and replacing with the following:

   *"The Initial Discount in respect of a Policy is an amount equal to the **Lump Sum Initial Discount**. The Lump Sum Initial Discount is an amount equal to the **Lump Sum Initial Discount Percentage** (7.5%) multiplied by the total Premiums referable to Lump Sum Benefits that are payable in the year of the Policy to which the Initial Discount is applied."*

Additional 5% Discount

1 If the life insured under your Policy was an AIA Vitality member on 21 November 2015 (**Effective Date**) and remains an AIA Vitality member on the next Policy anniversary after the Effective Date (**Policy Anniversary Effective Date**), the Premiums that you would otherwise be required to pay in respect of any Lump Sum Benefits issued on or before 20 November 2015 from your next Premium due date after the Policy Anniversary Effective Date will be discounted by an additional 5% (after all other relevant discounts are applied to those Premiums) if the Policy is in-force and unless otherwise specifically indicated in these Rules.

2 Where you hold more than one Lump Sum Benefit, the additional 5% Discount will be applied to the Premiums for each of the Lump Sum Benefits where the life insured is an AIA Vitality member.

3 Unless otherwise specifically indicated in these Rules:

a) If an AIA Vitality membership is terminated prior to the Policy Anniversary Effective Date and the life insured becomes a member of AIA Vitality again prior to the Policy Anniversary Effective Date, these Rules apply as if the AIA Vitality membership was not terminated. In particular, the additional 5% Discount that you would otherwise have been entitled to from your next Premium due date after the Policy Anniversary Effective Date will still be applied effective from that date;

b) If a Policy lapses or is cancelled prior to the Policy Anniversary Effective Date and is reinstated or a new Policy is issued prior to that Policy Anniversary Effective Date with AIA Vitality, these Rules apply as if the Policy did not lapse or was not cancelled, subject to this clause. In particular, the additional 5% Discount that you would otherwise have been entitled to from your next Premium due date after the Policy Anniversary Effective Date will still be applied, however this discount will take effect from the date of reinstatement or the date on which the new Policy is issued (as relevant);

c) If a Policy is altered, including without limitation, through an increase, addition or endorsement (**Alteration**) prior to the Policy Anniversary Effective Date, the additional 5% Discount that you would otherwise have been entitled to from your next Premium due date after the Policy Anniversary Effective Date will still be applied, however this discount will take effect from the date of the Alteration.

4 For the avoidance of doubt, only one additional 5% Discount will apply in respect of a Policy under these Rules.

5 Notwithstanding anything to the contrary set out in these Rules, if your Policy includes a Lump Sum Benefit issued between 21 November 2015 and the Final Transition Date, AIA Australia may, at its sole and absolute discretion, amend these Rules by deleting clause 1) under "Lump Sum Benefits – Additional 5% Discount" and replacing with the following:

*"If the life insured under your Policy was an AIA Vitality member on 16 January 2016 (or such other date as is determined by AIA Australia in its sole and absolute discretion and updated in these Rules) (**Implementation Date**) and remains an AIA Vitality member on the next Policy anniversary after the Effective Date (**Policy Anniversary Effective Date**), the Premiums that you would otherwise be required to pay in respect of any Lump Sum Benefits issued on or before 20 November 2015 from your next Premium due date after the Policy Anniversary Effective Date will be discounted by an additional 5% (after all other relevant discounts are applied to those Premiums) if the Policy is in-force and unless otherwise specifically indicated in these Rules."*

Premium Flex

1 The Premiums that you would otherwise be required to pay from the time that the Initial Discount stops being applied being:

a) In the case of Premiums that are paid monthly (provided that the Initial Discount is applied for more than 90 days), half-yearly or annually, the next Policy anniversary after the Initial Discount is first applied; or

b) In the case of Premiums that are paid monthly (if at the next Policy anniversary the Initial Discount has not applied for more than 90 days), the second Policy anniversary after the Initial Discount is applied,

will be discounted by an amount of **Premium Flex Discount** if the Policy is in-force and unless otherwise specifically indicated in these Rules, the life insured under your Policy was an AIA Vitality member at the most recent Policy anniversary before premium flex was first applied (except in relation to the first Policy anniversary on which the premium flex is being applied) and remains an AIA Vitality member on the Policy anniversary when the Premium Flex is first applied.

2 The amount of Premium Flex Discount in respect of a Premium is equal to the amount of the **Lump Sum Premium Flex Discount** and the amount of the **Income Stream Premium Flex Discount** for that Premium. Please refer to the 'Income Stream Benefits' section of this document for further information on the Income Stream Premium Flex Discount.

3 The amount of the **Lump Sum Premium Flex Discount** for a Premium is equal to the proportion of that Premium referable to all Lump Sum Benefits multiplied by the relevant **Applicable Percentage**.

a) The Applicable Percentage referable to the first Premium on which the Lump Sum Premium Flex Discount is applied is the Lump Sum Initial Discount Percentage (provided in the case of Premiums that are paid monthly that the Initial Discount is applied for more than 90 days).

b) For the purposes of calculating a Lump Sum Premium Flex Discount for a Premium, the Applicable Percentage is equal to the Applicable Percentage that applied on the previous Policy anniversary increased by the absolute Percentage Change (if the Percentage Change is positive) or decreased by the absolute Percentage Change (if the Percentage Change is negative) in accordance with the following table based on the life insured's AIA Vitality Status on that Policy anniversary.

AIA Vitality Status	Percentage Change	Maximum Discount
Bronze	– 2.50%	20%
Silver	– 1.25%	20%
Gold	– 0.00%	20%
Platinum	+ 1.00%	20%

4 For the avoidance of doubt, a negative Percentage Change means that the Applicable Percentage is decreased by the Percentage Change relative to the Applicable Percentage that applied on the previous Policy anniversary and a positive Percentage Change means that the Applicable Percentage is increased by the Percentage Change relative to the Applicable Percentage that applied on the previous Policy anniversary.

For example, if the Applicable Percentage was 12.5% on the last Policy anniversary and, a year later, the life insured's AIA Vitality status is Platinum, the Applicable Percentage will be increased to 13.5%.

5 The Premiums relating to Lump Sum Benefits cannot be discounted by more than the applicable Maximum Discount, based on the life insured's AIA Vitality status as set out in the table above.

6 Where:

a) you paid us a Premium in respect of a period; and

b) subsequently, there is a change in circumstances (e.g. there is a change in the life insured's AIA Vitality status or we determine that a discount should have been applied to that Premium in accordance with these Rules) that would result in the Premium in respect of that period being reduced further,

we may choose to carry the discount forward and reduce your next Premium by the difference between the Premium in (a) above and the lower Premium in (b) above.

7 Unless otherwise specifically indicated in these Rules:

a) If a Policy lapses or is cancelled prior to a Policy anniversary and is reinstated or a new Policy is issued prior to that Policy anniversary with AIA Vitality, these Rules apply as if the Policy did not lapse or was not cancelled. In particular, the Premium Flex Discount that applied on the day prior to lapse or cancellation will apply until that Policy anniversary; or

b) If an AIA Vitality membership is terminated prior to a Policy anniversary and the life insured becomes a member of AIA Vitality again prior to that Policy anniversary, these Rules apply as if the AIA Vitality membership was not terminated. In particular, the Premium Flex Discount that applied on the day prior to termination will apply until that Policy anniversary.

Premium Discounts Generally

If you change the frequency of your Premium payments in relation to your Policy with us, the Premium discounts you are entitled to may change. We will determine any Premium discount changes reasonably in accordance with internal business rules. Any Premium changes will remain at our sole discretion.

If your Policy replaced one or more eligible insurance policies under a cancel-and-replace process as agreed by us (**Prior Policies**), the Premium Discounts you are entitled to may change. We will determine any Premium discount changes reasonably in accordance with internal business rules. Any Premium changes will remain at our sole discretion.

Income Stream Benefits

Premium Flex

1 The Premium that you would otherwise be required to pay from the next Policy anniversary after the life insured under your Policy becomes a member of AIA Vitality (provided that the life insured has been a member of AIA Vitality for more than 90 days) will be discounted by an amount of **Premium Flex Discount** if the Policy is in-force and unless otherwise specifically indicated in these Rules, the life insured under your Policy was an AIA Vitality member at the most recent Policy anniversary before premium flex was first applied (except in relation to the first Policy anniversary on which the premium flex is being applied) and remains an AIA Vitality member on the Policy anniversary when the premium flex is first applied.

2 The amount of Premium Flex Discount in respect of a Premium is equal to the amount of the **Lump Sum Premium Flex Discount** and the amount of the **Income Stream Premium Flex Discount** for that Premium. Please refer to the 'Lump Sum Benefits' section of this document for further information on the Lump Sum Premium Flex Discount.

3 The amount of the **Income Stream Premium Flex Discount** for a Premium is equal to the proportion of that Premium referable to all Income Stream Benefits payable on that Policy anniversary multiplied by the relevant **Applicable Percentage**.

a) The Applicable Percentage referable to the first premium on which the Income Stream Premium Flex Discount is applied is 0.0% (provided in the case of Premiums that are paid monthly that the Initial Discount is applied for more than 90 days).

b) For the purposes of calculating the Income Stream Premium Flex Discount for a Premium, the Applicable Percentage is equal to the Applicable Percentage that applied on the previous Policy anniversary increased by the absolute Percentage Change (if the Percentage Change is positive) or decreased by the absolute Percentage Change (if the Percentage Change is negative) in accordance with the following table based on the life insured's AIA Vitality Status on that Policy anniversary.

c) Where the Applicable Percentage that applied on the previous Policy anniversary was greater than the Maximum Discount based on the life insured's AIA Vitality Status at the current Policy anniversary in accordance with the following table, then the Applicable Percentage at the current Policy anniversary will be the greater of:

i) the Applicable Percentage that applied on the previous Policy anniversary less 1%; and

ii) the Maximum Discount based on the life insured's AIA Vitality Status at the current Policy anniversary.

AIA Vitality Status	Percentage Change	Maximum Discount
Bronze	0.00%	0%
Silver	+0.50%	5%
Gold	+1.00%	10%
Platinum	+2.00%	15%

4 Where:

a) you paid us a Premium in respect of a period; and

b) subsequently, there is a change in circumstances (e.g. the life insured joins AIA Vitality, there is a change in the life insured's AIA Vitality status or we determine that a discount should have been applied to that Premium in accordance with these Rules) that would result in the Premium in respect of that period being reduced further,

we may choose not to recalculate your Premium and may instead carry the discount forward and reduce your next Premium by the difference between the Premium in (a) above and the lower Premium in (b) above.

5 Unless otherwise specifically indicated in these Rules:

a) If a Policy lapses or is cancelled prior to a Policy anniversary and is reinstated or a new Policy is issued prior to that Policy anniversary with AIA Vitality, these Rules apply as if the Policy did not lapse or was not cancelled. In particular, the premium flex discount that applied on the day prior to lapse or cancellation will apply until that Policy anniversary; or

b) If an AIA Vitality membership is terminated prior to a Policy anniversary and the life insured becomes a member of AIA Vitality again prior to that Policy anniversary, these Rules apply as if the AIA Vitality membership was not terminated. In particular, the premium flex discount that applied on the day prior to termination will apply until that Policy anniversary.

Premium Discounts Generally

If you change the frequency of your Premium payments in relation to your Policy with us, the Premium discounts you are entitled to may change. We will determine any Premium discount changes reasonably in accordance with internal business rules. Any Premium changes will remain at our sole discretion.

If your Policy replaced one or more eligible insurance policies under a cancel-and-replace process as agreed by us (**Prior Policies**), the Premium Discounts you are entitled to may change. We will determine any Premium discount changes reasonably in accordance with internal business rules. Any Premium changes will remain at our sole discretion.

Examples

Scenario 1: AIA Vitality is associated with an eligible insurance policy from policy inception (after the Implementation Date 2015)

On 10 January 2016, John purchases an eligible insurance policy insuring himself for a life cover benefit ($600 p.a. level Premium) and an income protection benefit ($1,200 p.a. level Premium). John would ordinarily need to pay $1,800 p.a. to keep his Policy going.

John decides to join AIA Vitality at the same time that he applies for his Policy. John's initial AIA Vitality status is Bronze.

At policy inception:

John will receive an Initial Discount equal to 12.5% discount on his life cover benefit Premiums for the first year. His total initial yearly Premium will therefore be:

$600 x (100%-12.5%) + $1,200 = $525 +$1,200 = $1,725

John becomes a Silver AIA Vitality Member by the first Policy anniversary.

On the first Policy anniversary

John will receive a Lump Sum Premium Flex Discount of 11.25% (12.5% – 1.25%) on his life cover Premium and an Income Stream Premium Flex Discount of 0.5% (0.00% + 0.5%) on his income protection Premium. The Premium due on the first Policy anniversary will therefore be:

$600 x (100% – 11.25%) + $1,200 x (100% – 0.5%) = $532.50 + $1,194.00 = $1,726.50

John progresses to Gold AIA Vitality status by the second Policy anniversary.

On the second Policy anniversary

John will receive a Lump Sum Premium Flex Discount of 11.25% (11.25% – 0%) on his life cover Premium and an Income Stream Premium Flex Discount of 1.5% (0.5% + 1%) on his income protection Premium. The Premium due on the second Policy anniversary will therefore be:

$600 x (100% – 11.25%) + $1,200 x (100% – 1.5%) = $532.50 + $1,182.00 = $1,714.50

John becomes a Platinum AIA Vitality member by the third Policy anniversary and remains at Platinum for the next three years.

On the third Policy anniversary

John will receive a Lump Sum Premium Flex Discount of 12.25% (11.25% + 1%) on his life cover Premium and an Income Stream Premium Flex Discount of 3.5% (1.5% + 2%) on his income protection Premium. The Premium due on the third Policy anniversary will therefore be:

$600 x (100% – 12.25%) + $1,200 x (100% – 3.5%) = $526.50 + $1,158.00 = $1,684.50

On the fourth Policy anniversary

John will receive a Lump Sum Premium Flex Discount of 13.25% (12.25% + 1%) on his life cover Premium and an Income Stream Premium Flex Discount of 5.5% (3.5% + 2%) on his income protection Premium. The Premium due on the fourth Policy anniversary will therefore be:

$600 x (100% – 13.25%) + $1,200 x (100% – 5.5%) = $520.50 + $1,134.00 = $1,654.50

On the fifth Policy anniversary

John will receive a Lump Sum Premium Flex Discount of 14.25% (13.25% + 1%) on his life cover Premium and an Income Stream Premium Flex Discount of 7.5% (5.5% + 2%) on his income protection Premium. The Premium due on the fifth Policy anniversary will therefore be:

$600 x (100% – 14.25%) + $1,200 x (100% – 7.5%) = $514.50 + $1,110.00 = $1,624.50

This example assumes that Premiums would otherwise remain level under John's policy (and that benefit indexation does not apply) and that John otherwise remains eligible to receive the discounts discussed in this example.

Scenario 2: AIA Vitality is associated with an eligible insurance policy after policy inception (after the Implementation Date)

Jane insures herself under three different eligible insurance policies with AIA Australia including a life cover policy (Lump Sum Benefit), an income protection policy (Income Stream Benefit) and a crisis policy (Lump Sum Benefit). Jane took out each of the policies at different times (but each was taken out after the Implementation Date) and pays her premiums at different frequencies.

The policy details are as follows:

- Life cover policy – anniversary date of 1 July and Jane pays the premiums monthly
- Income protection policy – anniversary date of 1 September and Jane pays the premiums monthly
- Crisis policy – anniversary date of 1 September and Jane pays the premiums annually

Jane decides to join AIA Vitality and her AIA Vitality membership commences on 2 May 2016. Jane's initial AIA Vitality status is Bronze.

Initial discount

Jane is entitled to an initial 12.5% discount on her life cover policy and her crisis policy as these are both Lump Sum Benefits. Jane will not be entitled to an initial discount on her income protection policy as Income Stream Benefits do not receive initial discounts.

Jane's initial discount will take effect from her next Premium due date on each of her life cover policy and her crisis policy (being her next monthly premium on her life cover policy and her next annual premium on her crisis policy).

Premium Flex

On 1 July 2016, Jane's life cover policy goes through policy anniversary. As Jane would have been entitled to an initial discount for this policy for less than 90 days (from the next premium due date to policy anniversary), Jane will continue to get the initial discount for another policy year. On 1 July 2017, Jane will be entitled to a premium flex discount on her life cover policy.

On 1 September 2016, Jane's income protection policy goes through policy anniversary. Jane will be entitled to a premium flex discount on her income protection policy as she has been an AIA Vitality member for longer than 90 days.

Jane's crisis policy also goes through policy anniversary on 1 September 2016. As Jane pays her crisis policy annually, she will be entitled to an initial discount of 12.5% on her next premium due date and will enjoy that discount until her next policy anniversary (being 1 September 2017) when she will be entitled to a premium flex discount.

This example assumes that Premiums would otherwise remain level under Jane's policy (and that benefit indexation does not apply) and that Jane otherwise remains eligible to receive the discounts discussed in this example.

Scenario 3: AIA Vitality is associated with an eligible insurance policy from policy inception (prior to the Implementation Date)

On 1 January 2015, George purchases an eligible insurance policy insuring himself for a life cover benefit ($600 p.a. level Premium) and an income protection benefit ($1,200 p.a. level Premium). George would ordinarily need to pay $1,800 p.a. to keep his Policy going.

George decides to join AIA Vitality at the same time that he applies for his Policy. George's initial AIA Vitality status is Bronze.

At policy inception:

George will receive an Initial Discount equal to 7.5% discount (based on the Premium Adjustment Rules applicable at the time of policy inception) on his life cover benefit Premiums for the first year. His total initial yearly Premium will therefore be:

$600 x (100% – 7.5%) + $1,200 = $555 + $1,200 = $1,755.

George becomes a Silver AIA Vitality Member by the first Policy anniversary.

On the first Policy anniversary

George will receive a one-off additional 5% discount on his life cover benefit Premium as George's first Policy anniversary is on or after 21 November 2015. George would also receive a Lump Sum Premium Flex Discount of 11.25% (7.5% + 5.0% – 1.25%) on his life cover Premium and an Income Stream Premium Flex Discount of 0.5% (0% + 0.5%) on his income protection Premium. The Premium due on the first Policy anniversary will therefore be:

$600 x (100% – 11.25%) + $1,200 x (100% – 0.5%) = $532.50 + $1,194.00 = $1,726.50

George progresses to Gold AIA Vitality status by the second Policy anniversary.

On the second Policy anniversary

George will receive a Lump Sum Premium Flex Discount of 11.25% (11.25% – 0%) on his life cover Premium and an Income Stream Premium Flex Discount of 1.5% (0.5% + 1%) on his income protection Premium. The Premium due on the second Policy anniversary will therefore be:

$600 x (100% – 11.25%) + $1,200 x (100% – 1.5%) =
$532.50 + $1,182.00 = $1,714.50

George becomes a Platinum AIA Vitality member by the third Policy anniversary and remains at Platinum for the next three years.

On the third Policy anniversary

George will receive a Lump Sum Premium Flex Discount of 12.25% (11.25% + 1%) on his life cover Premium and an Income Stream Premium Flex Discount of 3.5% (1.5% + 2%) on his income protection Premium. The Premium due on the third Policy anniversary will therefore be:

$600 x (100% – 12.25%) + $1,200 x (100% – 3.5%) =
$526.50 + $1,158.00 = $1,684.50

On the fourth Policy anniversary

George will receive a Lump Sum Premium Flex Discount of 13.25% (12.25% + 1%) on his life cover Premium and an Income Stream Premium Flex Discount of 5.5% (3.5% + 2%) on his income protection Premium. The Premium due on the fourth Policy anniversary will therefore be:

$600 x (100% – 13.25%) + $1,200 x (100% – 5.5%) =
$520.50 + $1,134.00 = $1,654.50

On the fifth Policy anniversary

George will receive a Lump Sum Premium Flex Discount of 14.25% (13.25% + 1%) on his life cover Premium and an Income Stream Premium Flex Discount of 7.5% (5.5% + 2%) on his income protection Premium. The Premium due on the fifth Policy anniversary will therefore be:

$600 x (100% – 14.25%) + $1,200 x (100% – 7.5%) =
$514.50 + $1,110.00 = $1,624.50

This example assumes that Premiums would otherwise remain level under George's policy (and that benefit indexation does not apply) and that George otherwise remains eligible to receive the discounts discussed in this example.