

## TOWER's sharper life rates hit the market

TOWER is leading the industry from the front with a rolling campaign of product, marketing and technology initiatives to help our advisers grow their business.

In the first of many initiatives, TOWER is launching sharper premium rates for our Life 360 and Business 360 product ranges, but that's just the start.

There is lots more in store so if you have any questions about our new rates or would like to know more about our upcoming initiatives, please speak to your TOWER Business Development Manager, or contact us on our dedicated Adviser Line – 0800 500 167.

### What are the key premium rate changes?

Premium rates for Life Cover, Trauma Cover and Permanent Disability Cover across both our Life 360 and Business 360 ranges for larger sums insured have been significantly reduced, making these products amongst the most competitive in the market.

We have reviewed our pricing position to reduce life cover rates for the over 30s at sums insured of \$250,000 and over.

The decreased rates are especially significant for the key market segment of non-smokers aged 41-55 at sums insured of \$500,000 and over.

<b>Life Cover</b>	<p><b>An average 10% decrease with up to 18% decrease in some cases</b> for the key market segment of non-smoking males and females aged 41-55 at sums insured of \$500,000 and over.</p> <p><b>An overall average 7% decrease</b> for non-smokers aged over 30 at sums insured of \$250,000 and over.</p>
<b>Trauma Cover</b>	<p><b>5% decrease</b> for both Accelerated and Stand Alone covers.</p>
<b>Permanent Disability Cover</b>	<p><b>5% decrease</b> for both Accelerated and Stand Alone covers.</p>

### From when are the new rates effective?

<b>New business</b>	From 9 June 2008
<b>Existing Life 360 and Business 360 clients</b>	From 21 July 2008 on next policy anniversary date
<b>Policies submitted but not yet in-force</b>	From 9 June 2008 when the policy is issued

### Which rates haven't changed?

- Life Cover for ages under 30
  - Life Cover sums insured less than \$250,000
  - Life Cover smokers' rates
  - Income covers ie Income Protection, Farmers Income Protection, Mortgage Repayment Cover, Waiver of Premium Cover and Business Expense Cover.
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### Have any premium rates increased?

No, rates have either decreased or remained the same.

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### Why are higher sums insured receiving the biggest premium rate reductions?

There are several reasons for this:

- Claims experience in recent times has been more favourable at higher sums insured
  - Our competitive pricing position has slipped primarily in the higher sums insured market – we want to restore this
  - We also want to assist you in attracting higher sums insured business with more affordable premiums
  - The reductions are timely given the current economic environment where discretionary spending is coming under considerable pressure.
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### Don't forget...

In addition to our fantastic competitive rates, remember the following premium rate benefits for Life 360 and Business 360 products:

- **No additional premium** for the following benefits, automatically included in TOWER's Trauma Cover:
    - Life Cover Buyback Benefit for Life 360 and Business 360 (for Trauma Cover - Accelerated only)
    - Children's Trauma Benefit for Life 360.Some companies may charge more for these features.
  - **40% discount on Permanent Disability Cover** if Permanent Disability Cover - Accelerated and Trauma Cover - Accelerated are taken out with Life Cover.
  - **No policy fees and no monthly premium loadings** for any of TOWER's Life 360 and Business 360 products.
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### How do TOWER's new rates compare to competitors?

Our very competitive premium rankings are illustrated below for higher sums insured.

As TOWER's premiums still rate consistency well for lower sums insured, we've illustrated these as well.

**\$500,000 Life + \$250,000 Trauma Acc + \$500,000 PD Acc**

Cover & sum insured	Age	Life: \$500,000		Life: \$500,000 + Trauma Acc: \$250,000* + PD Acc: \$500,000**	
		Old ranking out of 10	New ranking out of 10	Old ranking out of 10	New ranking out of 10
Male – non-smoker	35	6	2	1	1
	40	6	1	1	1
	45	5	1	1	1
	50	4	1	1	1
Female – non-smoker	35	8	3	1	1
	40	6	1	2	1
	45	7	1	1	1
	50	9	1	1	1

**\$1,000,000 Life + \$500,000 Trauma Acc + \$1,000,000 PD Acc**

Cover & sum insured	Age	Life: \$1,000,000		Life: \$1,000,000 + Trauma Acc: \$500,000* + PD Acc: \$1,000,000**	
		Old ranking out of 10	New ranking out of 10	Old ranking out of 10	New ranking out of 10
Male – non-smoker	35	7	2	3	1
	40	6	1	2	1
	45	5	1	3	1
	50	3	1	2	1
Female – non-smoker	35	7	2	2	1
	40	5	1	2	2
	45	8	1	2	1
	50	7	1	2	1

**\$250,000 Life + \$125,000 Trauma Acc + \$250,000 PD Acc**

Cover & sum insured	Age	Life: \$250,000		Life: \$250,000 + Trauma Acc: \$125,000* + PD Acc: \$250,000**	
		Old ranking out of 10	New ranking out of 10	Old ranking out of 10	New ranking out of 10
Male – non-smoker	35	3	3	1	1
	40	3	2	1	1
	45	3	1	1	1
	50	3	2	1	1
Female – non-smoker	35	6	5	1	1
	40	4	3	1	1
	45	6	4	1	1
	50	4	4	1	1

Life: Life Cover      Trauma Acc: Trauma Cover - Accelerated      PD Acc: Permanent Disability Cover - Accelerated

Based on competitor comparisons published on Strategy FYPC as at May 2008, comparing the premiums offered for the illustrated age/gender points of a single life with monthly premiums. TOWER's new ranking is based on new premium rates in BlueBOX effective 9 June 2008.

\* Our experience indicates that the average Trauma Cover sum insured is generally less than 50% of the Life Cover average sum insured.

\*\* Based on 'any' occupation and occupation class 1.