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fidelity life

Your guide to the 2025 pricing updates.

Date effective 1 April 2025.



Everything you need to know:

Changes, customer support and adviser resources.

We understand these changes may prompt questions, so we've put together this guide to help you and your teams in your discussions. It covers what's changing and why, options available, and offers tools to support customers who may be impacted.

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What's changing.

On **01-April 2025**, Fidelity Life's underlying premium rate increases will be applied to existing Platinum Plus (YRT), Mortgage Protector, Platinum (New Lumley), Lumley Life, Farmers' Mutual Life Ltd (FMLL) (Life assurance covers) and Protection policies. These changes will be applied for existing customer premiums from the policy anniversary date, commencing from 1-April 2025.

There will be a **5% increase** to Life, Trauma, Total & permanent disability (TPD) and Income protection (IP) covers, with the exception of disability covers 'to age 65' and 'to age 70' benefit periods, where a **7.5% increase** will be applied.

Why are we increasing our prices.

Over the years, we have remained committed to offering competitive pricing to provide value for our customers. Unlike many in the market, we have resisted implementing significant price increases, maintaining stability and fairness. The last time we updated our rates was in June 2023 when we increased premiums for our Trauma and Income covers by 2%. We last increased premiums for Life cover in 2018 by 6.3%.

We have worked to absorb rising costs wherever possible, delaying the need for pricing adjustments. As claims costs have risen, we must adapt to continue supporting our customers when they need us most.

Fidelity Life claims costs for the period 2019 to 2024.



Source: Fidelity Life Annual Report cost of claims paid out FY2019 – FY2024.

What covers are affected.

The underlying premium rates will increase for the following product covers – any covers not shown in the list below, are not having the change applied.

Life covers.

Life covers will increase by 5% from 1-April 2025.

Product	Cover types
Fidelity	Terminal Illness
	Accidental Death
	Life Assurance
	Family Protection
Farmers' Mutual Life Ltd (FMML)	Life Assurance
Platinum	Life Assurance
	Survivors Income
Lumley	Death Benefit
Platinum Plus (YRT), Mortgage Protector (where cover is available on the product)	Life Assurance
	Survivors Income
PRODUCT OPTIONS	
Platinum Plus (YRT), Mortgage Protector options (where cover is available on the product)	Terminal Illness Booster

Trauma covers.

Trauma type covers will increase by 5% from 1-April 2025.

Product	Cover types
Fidelity	Family Income Plan (Trauma Accelerated Option)
	Life Care – Accelerated
	Trauma – Standalone
	Trauma – Accelerated
Platinum	Life Care – Accelerated
	Trauma – Standalone
	Trauma – Accelerated
Lumley	Trauma – Standalone
	Trauma – Accelerated
Platinum Plus, Mortgage Protector (where cover is available on the product)	Trauma Multi – Standalone
	Trauma – Standalone
PRODUCT OPTIONS Platinum plus, Mortgage protector options (where cover is available on the product)	Trauma Multi – Accelerated
	Survivors Income (Trauma Accelerated Option)
	Life Care - Accelerated
	Trauma – Accelerated
<p>Note: Where a cover also has the following options:</p> <ul style="list-style-type: none"> • Continuation Option. • Trauma Reinstatement Option. • Life Buyback Option. • TPD Option. • Loss of Independent Existence Option. • Business Future Insurability Option. <p>The premium for these options is calculated as a % of the main benefit premium rate. Although this % is not changing, the underlying premium rate is. This will result in some additional increase to premiums from these options and the other options mentioned above.</p>	

Income replacement.

Income replacement covers will increase by 5%/7.5% from 1-April 2025.

(For disability covers 'to age 65' and 'to age 70' benefit periods, the increase will be +7.5%).

Product	Cover types
Fidelity	Income Protection – Indemnity Value
	Business Expenses
	Income Protection – Agreed Value
	Monthly Mortgage Repayment
	Key Person
Platinum	Income Protection - Indemnity Value
	Business Expenses
	Rural Key Person
	Defined Disability Income
	Key Person
Lumley	Income Protection – Indemnity Value
	Business Expenses
	Defined Disability Income
Platinum Plus, Mortgage Protector (where cover is available on the product)	Income Protection - Indemnity Value
	Business Expenses
	Rural Key Person
	Income Protection - Agreed Value
	Monthly Mortgage Repayment
	Defined Disability Income
	Key Person
	Retirement Protection

Income replacement (continued).

Income replacement covers will increase by 5%/7.5% from 1-April 2025.

(For disability covers 'to age 65' and 'to age 70' benefit periods the increase will be +7.5%).

Product	Cover types
PRODUCT OPTIONS Platinum plus, Mortgage protector options (where cover is available on the product)	Income Protection - Agreed Value (Booster Option)
	Income Protection – Agreed Value (Claims Escalation Option)
	Income Protection – Agreed Value (Extended Option)
	Income Protection – Agreed Value (Extras Option)
	Income Protection – Indemnity Value (Booster Option)
	Income Protection – Indemnity Value (Claims Escalation Option)
	Income Protection – Indemnity Value (Extended Option)
	Income Protection – Indemnity Value (Extras Option)
	Monthly Mortgage Repayment (Booster Option)
	Monthly Mortgage Repayment (Claims Escalation Option)
	Monthly Mortgage Repayment (Extended Option)
	Monthly Mortgage Repayment (Extras Option)
	Retirement Protection on IP – Agreed Value (Claims Escalation Option)
	Retirement Protection on IP – Indemnity Value (Claims Escalation Option)
Rural Key Person (Claims Escalation Option)	

Note: Where a cover also has the following options:

- Mental and Back Disorder Limitation Option.
- Continuation Option.
- Booster Benefit Option.

The premium for these options is calculated as a % of the main benefit premium rate. Although this % is not changing, the underlying premium rate is. This will result in some additional increase to premiums from these options and the other options mentioned above.

Total and permanent disability (TPD).

Total and permanent disability type covers will increase by 5% from 1-April 2025.

Product	Cover types
Fidelity	Mortgage Protector
	Family Income Plan (TPD Accelerated Option)
	TPD - Stand Alone
	TPD - Accelerated
Platinum	TPD - Standalone
	TPD - Accelerated
Lumley	TPD - Standalone
	TPD - Accelerated
Platinum Plus, Mortgage Protector (where cover is available on the product)	Mortgage Protector
	TPD - Standalone
PRODUCT OPTIONS	Survivors Income – TPD
Platinum plus, Mortgage protector options (where cover is available on the product)	TPD - Accelerated
<p>Note: Where a cover also has the following options:</p> <ul style="list-style-type: none"> • Life Buyback Option. <p>The premium for these options is calculated as a % of the main benefit premium rate. Although this % is not changing, the underlying premium rate is. This will result in some additional increase to premiums from these options and the other options mentioned above.</p>	

Waiver of premium (WOP).

Waiver of premium covers will increase by 5% from 1-April 2025.

Product	Cover types
Fidelity	Waiver of Premium
Platinum	Waiver of Premium
Platinum Plus	Waiver of Premium

Resources to help customer conversations:

How prices are determined.

Life insurance companies use a range of data – population, insurance industry and their own data – to determine the likelihood of claims and in turn, insurance prices. This actuarial analysis also guides decisions about life insurance price increases. From time to time, the claims cost on various insurance products is higher than the basis on which the insurance price was set. Ultimately life insurance companies need to make sure they can deliver on their promise and pay claims in the future – so its important the insurance prices reflect the actual claims cost.

The insurance price is made up of 3-main factors:

- 1. The base price of the cover** – Life insurance companies are obligated to ensure that they have sufficient funds to meet future claims. This is measured independently by an independent financial strength rating. Since December 1996, Fidelity Life has had a A- (Excellent) financial strength rating *.

This means the base price of the cover can change, to ensure that claims costs are accurately priced, and customers are covered for the long term.

- 2. Age-rated** – every year as we age, we generally pose more risk as our likelihood of making a claim increases. To use an analogy, think of your body as a piece of machinery. When you're young and all your parts are relatively new, the risk of a breakdown is lower. However, the risk of something going wrong increases as time rolls on. And that means every year presents a higher chance of making a claim on a life insurance policy.
- 3. Consumer Price Index (CPI)** – Choosing to link the amount of cover a customer has to the CPI is a way to help the value of insurance keep up with the cost of living. If a customer chooses the CPI option for their policy, the amount they are covered for will increase a little each year to help the value keep up with the cost of living. The cost of this additional cover is part of their annual premium increase.

* Fidelity Life has an A- (Excellent) financial strength rating from A.M. Best. The rating scale that this rating forms part of is available for inspection at our offices. For more information please visit Fidelity Life's financial strength page.

Stability of Fidelity Life pricing.

The table below shows price increases across the market from 2020 to 2024, illustrating the stability and measured approach Fidelity Life has taken to price adjustments in the past years.

	2020	2021	2022	2023	2024
Competitor A.	-24% to 8% (Life) -16% to +13% (Trauma) -1% to -2% (IP) +5% to 25% (Mortgage) -3% Age 30-39; -5% Age 40+	-3% to +3% (Life) +3% (Trauma) -5% to +18% (IP) -5% to +15% (Mortgage)	+2% to 9% (Level Life) +2% to 11% (Trauma) +12% (Mortgage)	+3% (IP) +8.5% (Mortgage) -6% (Mortgage extra) +7% (Trauma) Pref lives discount	-
Competitor B.	+1% (YRT) +1% (Level) +12% (IP + Mortgage) Policy fee increase	+5% to 20% (Level Life)	+5% (YRT) +5% to +50% (Trauma) +4% to +40% (IP) +4% to +40% (Mortgage)	-3% (Life) -3% (Level Life) -10% (Trauma) -15% (Trauma accl BB) Policy fee decrease	-
Competitor C.	+3.5% to +5% (Trauma) +9% (IP) +9% (Mortgage) Policy fee increase	Policy fee increase	Policy fee increase	+3% (IP) +3% (Mortgage) +3% (WOP) +5.2% (Trauma closed)	Policy fee increase
Competitor D.	+2% to +4% (Life) +2% to +6% (Trauma) +2% to +5% (IP + Mortgage)	-	-2% to -13% (Life) +4% to +5% (IP)	-	-14% to +6% (Trauma)
fidelity life	+7% (Level Trauma) +5% (IP + Mortgage)	-	-	+2% (IP) +2% (Trauma)	

Source: Chatswood Consulting. Updated January 2025.

How customers can keep control of the cost of their premium.

What a customer can do to reduce the cost of their life insurance.

Life changes often and when it does, so should a customer's insurance. It's important to regularly review their cover – ideally every year with their financial adviser – to ensure it's right for their ongoing needs.

Remember before your customer makes any changes to their life insurance cover, they should always seek your advice. As their financial adviser, you are best placed to understand your customer's circumstances and matching that with suitable type(s) of cover for their needs and their budget.

1. Has your customer's mortgage reduced?

One of the many factors used to determine how much they pay for their cover, is how much they need to be covered for. Many New Zealanders choose to take out a sum to cover the total value of their mortgage, in-case they were to die. The money, from an accepted life cover claim, can be used towards helping pay off a mortgage and easing the financial burden for loved ones left behind.

If this was the reason your customer took out life insurance, it might be worth comparing the current value of their mortgage against the amount they're covered for. If they've paid down their mortgage each month, they may find that they're covered for more than they need. If they reduce the amount they're insured for, this will reduce the cost of life insurance.

2. Have there been any significant health changes in lifestyle or smoking habits?

A customer's health and lifestyle are other key factors looked at when they take out life insurance, that help to determine the cost. They may have stopped smoking or had an improvement in an underlying health condition since they took out the policy.

3. Are wait and benefit payment periods set right for a customer?

Some cover types, like income protection or mortgage replacement cover, require a customer to select a claim waiting period and benefit payment period when they take out the cover.

A waiting period is how long they'll wait to receive payments once they have met the claim definition. A benefit payment period is how long they'll receive payments for. Their selection on these will affect the cost of their cover. For example, a longer wait period and a shorter benefit payment period will cost less but could leave them short on income if a sickness or injury persists longer than they've planned for.

4. What about cancelling or removing cover types?

Whilst it can seem attractive, helping a customer save some money today: they should chat to their financial adviser about what this means for the future. Are all their needs and future risks covered, what are the trade-offs? Having an open and honest chat with their financial adviser about the pros and cons of this approach can help them work out what's right for them.

Payment support options available for customers.

Depending on the type of cover customers have, it may include options like:

- **Premium holiday option** – this is where a customer can temporarily pause their cover and their premium for up to 12-months. When they're ready, they can simply reinstate this cover by giving us a call – no further health questions or information will be required.

This is available for: select Life, Survivor's income and Total & permanent disability (TPD) covers.

Available if a customer: becomes bankrupt, were made redundant, undertake tertiary studies, or travel overseas.

- **Leave without pay option** – this is where a customer can temporarily pause their cover and their premium for up to 12-months. When they're ready, they can simply reinstate this cover by giving us a call.

This is available for: select Income protection and Monthly mortgage repayment covers.

Available for times such as: compassionate leave, maternity or paternity leave, sabbatical leave, study leave at a registered educational centre or involuntary unemployment.

- **Premium deferral** – this is where if they're facing financial hardship, their cover can remain in place, but payments can be delayed for a set period of time, for example 90-day deferrals. The customer can talk to their financial adviser or give us a call to see if they qualify for this.
- **Temporary hold options** – where we can offer a customer the opportunity to place the policy on hold for a maximum period of 6-months.
- **Payment plan** – where we can offer a customer an opportunity to repay arrears premiums over a maximum period of 12-weeks.

Customer's can check their policy wording to see if these options are included.

Terms, conditions and eligibility criteria apply to each of these. It's important to know that while their cover is suspended, there's no protection in place. This means we won't pay a claim for any new sickness or injury that occurs, or they get signs or symptoms of, during the time their cover is temporarily paused.

Need more information about these options?

If you have a customer in mind and want to know more, speak to your Business Manager.

We understand that price increases can be challenging, especially for those most impacted. That's why we're adding an extra layer of care and support through the help of our Customer care team.

To discuss support options available for customers or for any alterations – reach out to our Customer care team on **0800 88 22 88**. Our team are here to support in every way we can.



Fidelity Life

Fidelity Life house, Level 4,
136 Fanshawe Street, Auckland 1010
PO Box 37-275 Parnell, Auckland 1151, New Zealand

0800 88 22 88
fidelitylife.co.nz

Te Henga
Tamaki Makaurau
Aotearoa New Zealand

Why choose Fidelity Life?



*Fidelity Life has an A- (Excellent) financial strength rating from A.M. Best. The rating scale that this rating forms part of is available for inspection at our offices. For more information please visit Fidelity Life's [financial strength page](#).