

About this guide

Many of our clients contact us when they receive their annual renewal statement as they're seeking clarification as to why their premiums have increased.

Here is a quick guide as to the two main factors that can affect the cost of your cover over time:



Your age

Life Insurance premium rates generally increase as you get older. NobleOak's premiums are stepped premiums meaning your premium 'steps up' or increases each year as your age increases. In view of this the amount you pay for your cover will generally increase at the anniversary of your cover. As you know, most of us experience a general decline in health as we get older. The increase in premium each year reflects this change across the general population and which increases the likelihood of a claim situation arising.

Some insurers also offer what are referred to as level premium rates, where the amount being paid each year is based on the age of the client when the cover was originally commenced. In these situations the basic premium could potentially remain the same year on year, however there will still be increases in the annual premium due to CPI (Consumer Price Index) increases of the sum insured. Also, level premiums can be increased by the Life insurer if claims experience deteriorates. Level premiums are much higher than stepped premiums during the early years of cover.

At NobleOak, we only offer stepped premiums as we feel this is much fairer for you. Stepped premiums allow you to obtain the cover you need today for less premium, while providing flexibility in the future should your circumstances change.

Inflation

Each year your level of cover will increase to keep up to date with inflation. These are referred to as Consumer Price Index (CPI) increases. This facility helps future-proof your cover by ensuring it keeps pace with the cost of living and also any increases in your financial commitments (mortgage and loans etc).



How to manage the cost of your cover

There are a number of options to consider if you need to minimise the impact of future premium increases. These include;

- Requesting that automatic CPI increases be switched off. This means your sum insured will no longer increase in line with CPI automatically each year.
- Provide NobleOak with notice to activate the Premium Freeze Benefit. This means that your future premiums will be fixed at the amount you were paying on the date of this activation, and each year your cover will be reduced to the amount of cover that can be purchased by the frozen premium.
- At any time you can request NobleOak reduce your sum insured to a level which you are happy with from a premium payment perspective.

If you need assistance

If you have any questions please:



call: 1 300 551 044 between 8.30am-6.00pm Monday - Friday (AEST),
or



email: enquiry@nobleoak.com.au and we'll get back to you within **1 business day**,
or



mail: NobleOak Life Limited, GPO Box 4793, Sydney NSW 2001

