

Frequently Asked Questions

Single Premium SAIL

1. What are the key features of SAIL?

This is a single premium with-profits endowment plan that is divided into 2 phases, i.e. an Accumulation Period and a Payout Period.

During the Accumulation Period, it is similar to a limited-premium endowment plan, whereby protection and surrender values grow with bonus declaration. At the end of the Accumulation Period, policyholder can choose to either redeem the lump sum investment or convert the lump sum in full or partially, into a stream of payment during the Payout Period for 20 years

2. What is the minimum and minimum Entry Age?

The Entry Age allowed for the insured is as follows:

Accumulation Period*	Pay Out Period	Min Entry Age (LB)	Max Entry Age (LB)
10	20	0	60
15	20	0	50
20	20	0	45
25	20	0	40
30	20	0	35
Up to age 55 (LB)	20	25	45
Up to age 60 (LB)	20	30	50
Up to age 62 (LB)	20	32	52
Up to age 65 (LB)	20	35	55

The Accumulation Period must be chosen by policyholder upon application and cannot be altered after policy inception.

3. What is the minimum and maximum premium set for this plan?

The minimum single premium investment is \$5,000.

Currently there is no maximum limit set on the premium per insured, as it would be subject to health and financial underwriting.

4. Can the Accumulation Period be changed after policy inception?

No, the Accumulation Period cannot be changed after policy inception.

5. Can CPF monies be used to buy this plan?

No, only cash or SRS can be used to buy this plan.

6. How long is the Premium Payment Period?

The Premium Payment Period is the same as the Accumulation Period.

7. What is the benefit payable for Death during the Accumulation Period?

Upon death of the insured, 105% of the single premium and accumulated bonuses will be paid in one lump sum, less any policy loan or debt. The policy terminates thereafter.,

For Medically Substandard Lives, the benefit payable is reduced to 101% of the single premium and accumulated bonus, less any loan or debt.

8. What is the definition of Medically Substandard Lives?

Medically Substandard Lives refer to insured suffering from any of the following medical conditions, at the time of application, or within 3 months from the date of the policy:

1. Cancer
2. Heart and / or Heart Valve Conditions
3. Chronic Kidney Disease
4. Stroke
5. Liver Cirrhosis and / or End Stage Liver Failure
6. Systemic Lupus Erythematosus
7. Terminal Illness
8. Severance or total loss of use of one or both limbs OR total loss of use of one or both eye

9. What is the benefit payable for Total and Permanent Disability (TPD) during the Accumulation Period?

Upon diagnosis of TPD of the insured before age 65 (last birthday), an amount corresponding to the Death Benefit will be paid in one lump sum, less any loan or debt. The policy terminates thereafter.

The maximum total TPD benefit payable on the same life is \$2 million, inclusive of all other policies issued by NTUC Income. However, any TPD benefit payable will be subjected to a maximum of \$1 million each time. The balance will be paid one year later if the insured remains TPD.

10. What is the definition for TPD?

The definition of TPD as follows:

1. Complete and continuous inability of the insured at that time and at all times thereafter to engage in any business or occupation or perform any work of any kind for remuneration or profit; or
2. Total Physical Loss.

Total Physical Loss means any one of the following:

- i. the total and irrecoverable loss of sight of both eyes;
- ii. the loss by complete severance or total and irrecoverable loss of use of both limbs at or above the wrist or ankle or;
- iii. the total and irrecoverable loss of sight of one eye and the loss by complete severance or total and irrecoverable loss of use of one limb at or above the wrist or ankle.

11. Can riders be included?

No, riders cannot be included.

12. Is there any bonus given during the Accumulation Period?

There are 2 types of bonuses given during the Accumulation Period: Annual Bonus and Special Bonus.

1. Annual Bonus

During the Accumulation Period, annual bonus, if declared, will be added to this Policy. The annual bonus for this Policy will be calculated based on the Annualized Premiums and all accumulated bonuses under this Policy as at the date the annual bonus is declared.

The minimum Annual Bonus rate in the first 10 policy years of the Accumulation Period is 1.60% per annum.

2. Special Bonus

During the Accumulation Period, the special bonus, if declared for a policy year, will be payable if any of the following events occurs during the same policy year that the special bonus is declared:

1. Full or partial surrender of this Policy;
2. Death or Total and Permanent Disability of the Insured; or
3. Conversion to Regular Payment.

No special bonus is payable during the Payout Period.

13. Is there a surrender value during the Accumulation Period?

The Benefit Illustration which shows the projected cash value at different years after policy inception.

Please note that buying a life insurance policy is a long-term commitment. Early termination of the policy usually involves high costs and the surrender value payable may be less than the total premiums paid.

14. What are the options available at the end of the Accumulation Period?

The following options are available at the end of the Accumulation Period:

1. Convert entire policy to a stream of payment for 20 years. Additional Special Bonus is included in the computation of Conversion Value for this option.
2. Convert part of policy to a stream of payment for 20 years. The minimum Conversion Value is currently set at \$5,000 and is subject to revision.
3. Surrender the entire policy to receive lump sum payment.

The Conversion Value is not guaranteed. The actual Conversion Value may vary according to the future performance of the Life Participating Fund.

15. Does the policyholder need to decide at point of application, whether to convert policy to receive a stream of payment?

There is no need for policyholder to decide at the point of application.

NTUC Income will be writing to inform policyholder of the Conversion Value and the options available, at least 1 month before the end of the Accumulation Period. Policyholder can then make an informed decision based on his prevailing financial condition.

16. How long is the Payout Period?

The Payout Period is fixed at 20 years and starts after the end of the Accumulation Period.

17. What are the components of the payment stream?

Each payment consists of a Regular Payment and Bonus.

1. Regular Payment

Each Regular Payment is set at 5.50% p.a. of the Conversion Value. The absolute amount of this Regular Payment will depend on the actual Conversion Value at the end of the Accumulation Period, which is non-guaranteed.

2. Bonus

Bonus in addition to the Regular Payment, is determined each year as a percentage of the Conversion Value. It is projected at 2.5% p.a. of the Conversion Value and may vary from year to year.

18. What is the payment mode during the Payout Period?

The payment stream is paid yearly, at the end of each policy year, with the first payment starting one year after conversion.

19. What is the benefit payable for Death during the Payout Period?

Upon death of insured, 105% of the outstanding Regular Payment (excluding any projected future bonuses), less any loan or debt, will be paid in one lump sum and the policy terminates thereafter.

For Medically Substandard Lives, the Death Benefit is reduced to 101% of the outstanding Regular Payments (excluding any projected future bonuses), less any loan or debt.

20. What is the benefit payable for TPD during the Payout Period?

Upon diagnosis of TPD of the insured before age 65 (last birthday), an amount corresponding to the death benefit will be paid in one lump sum, less any loan or debt. The policy terminates thereafter.

The maximum total TPD benefit payable on the same life is \$2 million, inclusive of all other policies issued by NTUC Income. However, any TPD benefit payable will be subjected to a maximum of \$1 million each time. The balance will be paid one year later if the insured remains TPD.

21. Can policyholder cancel the policy during Free-Look?

There is a 14 days Free-Look period during which policyholder can evaluate if this policy meets his needs. In the event that policyholder decides to give up the policy within the Free-Look period, the premiums paid, less medical fees and other expenses incurred, if any, will be refunded.

IMPORTANT NOTES

There are certain conditions whereby the benefits under this plan will not be payable. These are stated as exclusions in the Policy Contract. You are advised to read the Policy Contract for the full list of exclusions.

This material is for general information only and is not a contract of insurance. The precise terms, conditions and exclusions of this plan are specified in the Policy Contract. Please visit www.income.com.sg to read a copy of the Policy Contract. Should there be any difference in figures, terms, conditions and exclusions, the Policy Contract will be taken as final.

Buying a life insurance policy is a long-term commitment. An early termination of the policy usually involves high costs and the surrender value payable may be less than the total premium paid. This insurance plan is underwritten by NTUC Income.

Information is correct as of 12 January 2011.