



PRODUCT SUMMARY: DIRECT – Etiqa *whole life*

This Product Summary and Policy Illustration are for illustrative purposes only and shall not constitute a contract. The following is a simplified description of the key product features. The exact terms can be found in the Policy Contract. The quotation is based on standard life.

Details of Plan Provider:

Etiqa Insurance Pte. Ltd., (201331905K), One Raffles Quay, #22-01 North Tower, Singapore 048583.

Policy Owners' Protection Scheme:

This policy is protected under the Policy Owners' Protection Scheme which is administered by the Singapore Deposit Insurance Corporation (SDIC). Coverage for your policy is automatic and no further action is required from you. For more information on the types of benefits that are covered under the scheme as well as the limits of coverage, where applicable, please contact us or visit the Life Insurance Association (LIA) or SDIC web-sites (www.lia.org.sg or www.sdic.org.sg)

Nature and Objective of the Plan:

This is a limited premium whole life protection plan. It comprises a Participating component that participates in the performance of the Participating fund in the form of bonuses that are not guaranteed. This plan provides protection against death, Total and permanent disability or Terminal illness of the Life insured during the policy term.

This plan is available for premium term of up to Age 70 or up to Age 85.

Plan Benefit:

Death Benefit

Upon death of the Life insured while the policy is in force, we will pay the Sum insured and any attaching bonuses, less any amounts owing to Us. When We make this payment, the policy ends.

While We assess the death claims, if the claimant needs financial assistance to prepare the funeral, We may consider offering an immediate payment of up to S\$3,000 per Life insured. This funeral expense financial aid, if given, will be deducted from the final death benefit to the claimant. Our advance payment of this financial aid does not mean We have approved the death claim. If the death claim is not approved later, after Our assessment, We have the right to ask You to return this advance payment.

Total and Permanent Disability (TPD) Benefit

If the Life insured becomes totally and permanently disabled on or before reaching the Policy anniversary when he attains Age 65 while the policy is in force, We will pay the death Benefit in one lump sum.

The maximum aggregate amount payable is Four Million Singapore Dollars (S\$4,000,000) per Life insured for all policies and riders issued by Us with TPD Benefits.

If the TPD Benefit payable is lesser than death Benefit, the death Benefit will be automatically reduced by the amount paid for the TPD. The policy remains in force and the remaining death Benefit is the original death Benefit less the amount paid for TPD.

If the TPD Benefit payable is the same as the death Benefit, the policy ends when We make this payment.

Total and permanent disability means any of the two situations:

1. The Life insured, due to Accident or sickness, is disabled to such an extent as to be rendered totally unable to engage in any occupation, business or activity for income, remuneration or profit; and The disability must continue uninterrupted for at least six (6) consecutive months from the time when disability started; and The disability must, in the view of a medical examiner appointed by the Company, be deemed permanent with no possibility of improvement in the foreseeable future.
2. The Life insured, due to Accident or sickness, suffers total and irrecoverable loss of use of:
 - (a) the entire sight in both eyes; or
 - (b) any two limbs at or above the wrist or ankle; or
 - (c) the entire sight in one eye and any one limb at or above the wrist or ankle.



Terminal Illness Benefit

If the Life insured has a Terminal illness during the policy term, We will pay the death Benefit in one lump sum. When we make this payment, the policy ends.

Terminal illness is the conclusive diagnosis of an illness that is expected to result in the death of the Life insured within twelve (12) months. This diagnosis must be supported by a specialist and confirmed by the Company's appointed Doctor. Terminal illness in the presence of HIV infection is excluded.

Surrender Benefit

Both the guaranteed and non-guaranteed Surrender value will be payable upon surrender of the policy after three (3) complete Policy years and after three (3) full years' Premiums have been paid.

Upon surrender of the policy, We will pay in one lump sum the Surrender value which consists of a guaranteed and non-guaranteed value, less any amounts owing to Us. When We make this payment, the policy ends.

Other Benefits available under DIRECT – Etiqa whole life

- Automatic premium loan
- Policy loan
- Conversion to Paid-up policy

Please refer to the policy contract for the exact terms and conditions of the above Benefits.

Bonuses:

The Benefits under this plan are made up of guaranteed and non-guaranteed benefits. The guaranteed Benefits will be paid regardless of the performance of the Participating fund. Non-guaranteed Benefits are in the form of bonuses. There are two main types of bonuses in these plans which are Reversionary Bonus and Performance Bonus. The bonuses stated below are NOT guaranteed and will vary according to the future experience of the Participating fund.

Reversionary Bonus

The Reversionary Bonus is determined annually and credited to the policy on the following Policy anniversary. Once the Reversionary Bonus is declared and added/vested, it forms part of the guaranteed benefit of the policy.

Based on the illustrated investment rate of return of 4.25% p.a., the reversionary bonus rate is illustrated at S\$9.00 per S\$1,000 Sum insured per year and S\$10.00 per S\$1,000 on accumulated Reversionary Bonus and payable after the policy is in force for one (1) year.

Based on the illustrated investment rate of return of 3.00% p.a., the reversionary bonus rate is illustrated at S\$3.80 per S\$1,000 Sum insured per year and S\$4.20 per S\$1,000 on accumulated Reversionary Bonus and payable after the policy is in force for one (1) year.

Performance Bonus

Performance Bonus is a one-off bonus which is a percentage of the accumulated Reversionary Bonus. It may be paid when the Policy owner surrenders the policy or makes a claim for any of the basic Benefits of the policy. The amount varies, depending on the number of completed years the policy has been in force with Etiqa.

Based on the illustrated investment rate of return of 4.25% p.a., the performance bonus expressed as a percentage of the accumulated reversionary bonus, is illustrated as follow:

No of Completed Years the policy has been in force	Performance Bonus as a % of Reversionary Bonus	
	Surrender	Claim
1	0%	0%
2	0%	0%
3	4%	4%
4	8%	8%
5	12%	12%
6	16%	16%



7	20%	20%
8	24%	24%
9	28%	28%
10	52%	52%
11	58%	58%
12	64%	64%
13	70%	70%
14	76%	76%
15	82%	82%
16	85%	85%
17	88%	88%
18	91%	91%
19	94%	94%
20 and above	100%	100%

Based on the illustrated investment rate of return of 3.00% p.a., the performance bonus expressed as a percentage of the accumulated reversionary bonus, is illustrated as follow:

No of Completed Years the policy has been in force	Performance Bonus as a % of Reversionary Bonus	
	Surrender	Claim
1	0%	0%
2	0%	0%
3	2%	2%
4	4%	4%
5	6%	6%
6	8%	8%
7	10%	10%
8	12%	12%
9	14%	14%
10	26%	26%
11	29%	29%
12	32%	32%
13	35%	35%
14	38%	38%
15	41%	41%
16	43%	43%
17	44%	44%
18	46%	46%
19	47%	47%
20 and above	50%	50%

All bonuses are not guaranteed unless it has been declared by Us and the actual amount may vary depending on the performance of the Participating fund that the plan is invested.



Investment of Assets

The investment objective is to maximise the long term returns of the Participating fund through investments consistent with Policy owners' reasonable expectations, while meeting the internal and regulatory solvency requirements. To achieve this, We set a Strategic Asset Allocation for the fund as follows:

Asset Type	Strategic Asset Allocation
Bonds	73%
Equities	25%
Properties	0%
Other Asset*	2%
Total Asset	100%

*Other asset includes cash and policy loans.

The actual asset allocation for the fund as at 31 December 2020 is:

Asset Type	Actual Allocation as at 31 December 2020
Bonds	85.5%
Equities	6.5%
Cash & Deposits	5.6%
Loans & Others	2.4%
Total Asset	100.0%

While We partly manage the assets of the Participating fund, Maybank Asset Management Singapore Pte. Ltd. ("Maybank Asset Management Singapore"), Our sister company, has been appointed to primarily manage the assets.

Maybank Asset Management Singapore address: Maybank Asset Management Singapore Pte. Ltd., 50 North Canal Road #03-01, Singapore 059304.

Total Expense Ratio (TER)

The TER is the proportion of total expenses incurred by the Participating fund to the assets of the Participating fund. These expenses include costs such as investment, management, distribution, taxation and other expenses.

An expected level of expenses to be incurred by the Participating fund has been allowed for in the Premium payable for Your policy and is not an additional cost to You. If the actual level of expenses vary significantly from the expected level of expenses, it may affect the non-guaranteed Benefits You may receive.

For Our Participating fund, the past TERs are shown in the table below.

	2018	2019	2020	Average of last 3 years	Average of last 5 years	Average of last 10 years
Total Expense Ratio	8.07%	7.46%	5.40%	6.59 %	NA	NA

Please note that past expense ratios may not be indicative of actual expenses that may be incurred in the future.

The Etiqa Participating fund was set up in August 2014. Typically, the TER for the initial three years of a new Participating fund is not reflective of its expected long-term TER. This is because significant expenses are incurred in the initial set-up of a Participating fund and its asset bases is still being built up. Hence, the TER averaged over the last five (5) years of the Participating fund is not shown.

Investment Rate of Return

For Our Participating fund, the past investment rates of return (after deducting investment expenses only) are shown in the table below.

	2018	2019	2020	Average of last 3 years	Average of last 5 years	Average of last 10 years
Investment Returns	-3.32%	10.84%	3.56%	3.53%	5.07%	NA



Please note that past performance may not be indicative of future performance.

Type of risk affecting the level of bonuses

The level of bonuses depends on the actual performance of the Participating fund. Key factors affecting the performance of the participating fund are:

- Investment return
- Expenses incurred or allocated to the Participating fund
- The amount of death and sickness claims paid out on policies in the Participating fund
- The numbers of surrenders of the policies in the Participating fund

We will determine the level of bonuses taking into account the current performance, the future outlook as well as the financial soundness of the Participating fund.

Sharing of risks

Your Premium, along with those of other Participating policies will be combined in one pool of assets in the Participating fund. The surrender risks are pooled and shared by all policies in the Participating fund which include both single and regular Premium plans. The investment risks borne by Your plan will be shared with other Participating plans. Other risks may be shared among products that have the same features. Examples of such risks include expense risks, mortality risks and morbidity risks.

In determining the level of bonuses that can be supported, the assets available to back the plan will be derived by accumulating the Premium paid at the actual rate of investment return less the cost of insurance, expenses incurred, taxes and other costs that may be incurred in managing the Participating fund.

Smoothing of bonuses

As investment performance fluctuates over time, bonuses are smoothed to achieve stable medium to long term returns on your policy. As a result, some of the investment returns in good years may not be distributed so as to boost returns in years where the investment return is low. However, the effect of smoothing is intended to be neutral over time.

Reversionary Bonus

Etiqa's bonus distribution policy is to keep the Reversionary Bonus at a level that is expected to be sustainable over the long term. Thus, while the Reversionary Bonus is usually reviewed annually, it is not expected to fluctuate from year to year. Nevertheless, it may be adjusted up or down under exceptional circumstances.

The reversionary bonus rates declared over the past three (3) years are consistent with the reversionary bonus at the higher Illustrated Investment Rate of Return as stated under section "Bonuses: Reversionary Bonus" in the Product Summary.

Performance Bonus

The Performance bonus is reviewed at least annually, in exceptional circumstances, the review may be more frequent. The Performance Bonus is more likely to change from year to year but Etiqa's policy is to limit the yearly variation so that, under normal circumstances, the payout will not be subject to large fluctuations over the short term.

The performance bonus rates declared over the past three (3) years are consistent with the performance bonus at the higher Illustrated Investment Rate of Return as stated under section "Bonuses: Performance Bonus" in the Product Summary.

Fees and Charges:

This plan shares in the experience of the fund. This means that any expenses incurred by the fund can be charged to the policy according to the risk-sharing rules described earlier.

Examples of such expenses include:

- Investment fees paid to fund managers for providing management services
- Mortality (death), Terminal illness, lapse and surrender claims
- Marketing and other distribution-related costs
- Administration fees incurred in underwriting of new business
- Management and overhead expenses

All expenses are shared and charged to the assets backing the policy according to the risk-sharing rules described earlier.



Please note that the charges described in this section will not be in the form of explicit fees or charges to you; it has already been allowed for in calculating your premium.

Update on performance:

An Annual Bonus Update will be sent to you when your policy starts to accrue bonuses in its 1st policy year. This document aims to keep you informed of the performance of the fund and its future outlook and of the bonuses allocated to your policy for that year. Whenever there is a change in the declared bonus rates, you will also receive from Etiqa Insurance Pte. Ltd., an update on the changes in the future bonuses. You may expect to receive the Annual Bonus Update after April each year.

Please contact Us at any time if You wish to receive an updated full Policy Illustration showing the illustrations of future bonuses based on Etiqa's best estimate of the future performance of the fund.

Conflict of interest:

Potential conflicts of interest arise in the allocation of expenses between the Participating and other insurance funds. Over-allocation of expenses to the Participating fund is detrimental to Policy owners of Participating policies. As such, Etiqa strives to achieve a fair allocation substantiated by regular expense investigations.

Related party transactions:

All transactions with the related parties will be approved by relevant internal committee to ensure that transactions are done at arm's length.

Termination:

Your policy will end when one of these events happens first:

- a) full surrender of the policy;
- b) Premium is not paid on time and there is insufficient Surrender value;
- c) We paid out 100% of the Benefit amount for the covered events;
- d) the loan amount on this policy owing to Us exceeds the Surrender value; or
- e) Your written request and Our acceptance of the application to terminate the policy.

Exclusions:

- 1) Benefits of this plan are not payable under certain conditions. These conditions are stated as "exclusions" in the policy contract. The categories of exclusions that are common to all life insurers relate to:
 - Suicide within one (1) year (for Death benefit)
 - Self-inflicted injury (for Total & Permanent Disability benefit)
- 2) In addition to the above common categories of exclusions, life insurers may impose other exclusions.
- 3) For DIRECT – Etiqa *whole life*, the following exclusions apply:

Death Benefit

We do not pay the death Benefit if the death is directly or indirectly, wholly or partly caused by intentional acts (sane or insane) such as self-inflicted injuries, suicide or attempted suicide within the first twelve (12) months from the Policy Issue date or the latest Reinstatement date, whichever is later.

TPD Benefit

We do not pay the TPD Benefit if the TPD is directly or indirectly, wholly or partly caused by:

- a) Intentional acts (sane or insane) such as self-inflicted injuries, suicide or attempted suicide;
- b) Criminal acts, war (declared or not), terrorism and chemical warfare;
- c) Participating in aviation (except as fare-paying passenger or member crew of a commercial airline), any dangerous or hazardous sport or hobby such as (but not limited to) steeple chasing, polo, horse racing, underwater diving, hunting, motor vehicular racing, mountaineering or potholing, or aerial sports such as skydiving, parachuting, bungee jumping;
- d) Effects of drug or alcohol addiction; or



- e) Acquired Immune Deficiency Syndrome (AIDS), AIDS-related conditions or infection in the presence of Human Immunodeficiency Virus (HIV) except HIV due to blood transfusion and occupationally acquired HIV.

Terminal illness Benefit

We do not pay the Terminal illness Benefit if the Terminal illness is directly or indirectly, wholly or partly caused by:

- a) Intentional acts (sane or insane) such as self-inflicted injuries, suicide or attempted suicide;
- b) AIDS, AIDS-related conditions or infection in the presence of HIV except HIV due to blood transfusion and occupationally acquired HIV.

When there is condition(s) specific to the Life insured which We will not cover, We will state them on Our offer of conditional acceptance, the Policy Information Page and Endorsement. When any of the exclusion happens, We will return the higher of either the total Premiums paid (less any amounts previously paid to You under this policy) without interest or the Surrender value (if any), less any amounts owing to Us.

- 4) The definitions of the exclusions are stated in the policy contract. Please refer to the policy contract.

Premiums:

The premium rate for this plan is level and guaranteed throughout the premium payment term. Premiums are payable for the period of premium payment term and can be paid monthly, quarterly, half-yearly or yearly. You will pay the first Premium at the time You apply for this policy. Thereafter, You will pay all future Premiums within thirty (30) days from the due date so as to continue the policy. If You fail to pay Premiums on time, We will pay the Premiums for You so that the policy can continue. We can only do so if the policy has accumulated a Surrender value which is enough to pay for the Premiums. This is a loan (automatic Premium loan) from Us and We will charge You interest. Interest accrues on a daily basis. If there is not enough Surrender value, this policy will end. We will deduct these loans and interest from any amount We may be due to pay under this policy.

Select additional benefits according to your need(s):

With additional premiums, You may add supplementary benefits to this insurance plan for extra protection. Available supplementary benefits: DIRECT – Etika *CI rider*

For more details on the rider, please refer to the key provisions in the rider's product summary.

Impact of Early Surrender:

As buying a life insurance policy is a long-term commitment, an early termination of the policy usually involves high costs and the Surrender value, if any, that is payable to You may be zero or less than the total Premiums paid.

Please refer to the Table of Deductions in the Policy Illustration for the potential cost of surrendering the plan early.

Free Look Period:

You may return this policy for cancellation within fourteen (14) days after You receive the policy document, for any reason. We will deduct any costs incurred by the company in assessing the risk under the policy, such as payments for medical check-up and other expenses, from the Premium You paid and refund the balance to You.

If Your policy document is sent by email, We consider this policy is delivered to You one (1) day after the date of emailing. If Your policy document is sent by post, We consider this policy is delivered to You seven (7) days after the date of posting.

Note:

Age means Age at next birthday.

Life Insurance is a contract of utmost good faith and a proposer is required to disclose in proposal form fully and faithfully all the facts, which he knows or ought to know, as otherwise the policy issued may be void.

The terms and conditions of Your policy are contained in Your Policy Contract.



If You wish to know more about participating life insurance products, You may refer to "Your Guide to Life Insurance" and "Your Guide to Participating Policies" on Our website or LIA's website (www.etiqa.com.sg or www.lia.org.sg). Alternatively, We can provide You a copy of the guide upon request.