

Frequently Asked Questions Capital Plus (CPN23)

For Internal Reference Only

1. What is Capital Plus (CPN23)?

Capital Plus (CPN23) is a single premium short-term savings plan with guaranteed returns. This plan has tenure of 2 years and a guaranteed maturity benefit. It also provides cover against death and total & permanent disability (TPD).

2. What is the campaign period?

Capital Plus will be opened for application from 11 July 2011. This product is available on a first-come first-serve basis and application will be closed once we have reached the sales allocation.

The allocation for this tranche of Capital Plus is relatively small and we anticipate that the allocation will be fully taken up within a few days from the launch.

3. What is the entry age?

The entry age is from 16 to 80 (last birthday).

4. Can this policy be bought using funds from CPFIS?

No, it can only be bought using cash or funds from SRS.

5. How to apply for this policy?

The following documents need to be submitted:

- i. Completed Capital Plus (CPN23) Application Form
- ii. Completed Product Summary & Benefit Illustration
- iii. Completed Simplified Fact Find Form
- iv. A photocopy of applicant's NRIC
- v. Cheque, if applicable.
- vi. Foreign Life questionnaire, if Insured is a foreigner.

Foreigners who are applying for insurance must be residing, studying or working in Singapore at time of application. The additional documents to be submitted are as follows:

- i. Passport is a compulsory document for all foreigners
- ii. Valid employment pass is needed for those who are working (Minimum validity of 6 months prior to expiry)
- iii. Student pass or dependant pass is required for those who are not working

Please ensure that the application is complete with payment to avoid unnecessary delay in processing. Cases pending for payment or due to incomplete documentation may be considered as 'Not Taken Up' (NTU) after the campaign period. Single premium received for NTU cases will be refunded without interest.

6. What is the term of this plan and guaranteed yield?

This is a 2 year plan. Upon maturity, we will pay a sum equivalent to the single premium plus guaranteed yield of 1.4% per annum.

7. What is the cash value if the policy is surrendered before maturity?

The calculation of the surrender benefit is defined as follows:

$$\text{Surrender Value} = 90\% * \text{Single Premium} * 1.014^{(t/12)}$$

Where t = policy duration at the time of surrender in months, rounded to the nearest integer

Example, for a \$30,000 single premium policy commencing on 13 July 2011 and surrendering on 12 January 2012, the surrender value is computed as follows:

$$\begin{aligned} \text{Surrender value} &= 90\% * \$30,000 * 1.014^{(6/12)} \\ &= \$27,188.34 \end{aligned}$$

8. What is the minimum and maximum single premium allowed?

The minimum single premium per policy is set at \$10,000 and the maximum single premium per Insured is set at \$1,000,000.

If policyholder wish to invest in more than one Capital Plus policy, the maximum cumulative amount policyholder can invest for all policies is S\$1,000,000.

9. Is there any insurance coverage provided?

Upon Death or TPD of the Insured:

- a) within the first policy year, the benefit payable will be the single premium;
- b) after the first policy year (and before maturity), the benefit payable will be 105% of the single premium.

For TPD, the benefit is payable if it occurs before age 65 (last birthday) or maturity, whichever is earlier.

The policy will terminate immediately when the TPD or Death benefit is paid.

10. Can riders be added?

Riders are not allowed.

11. What conditions must be met for TPD benefit to be paid?

The TPD Benefit is paid based on the following conditions:

- a) TPD must occur before the Insured attains age of 65, and
- b) The definition of TPD as follows must be satisfied:
 - i. 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
 - ii. Total Physical Loss

'Total Physical Loss ' means any one of the following:

- the total and irrecoverable loss of sight of both eyes;
- the loss by complete severance or total and irrecoverable loss of use of both limbs at or above the wrist or ankle or;
- 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.

We will not pay this benefit if the disability is a result of any intentional self-inflicted bodily injury, or if the Insured ceases to be Totally and Permanently Disabled.

12. How will the TPD Benefit be paid?

The maximum aggregate TPD benefit payable on the same life is S\$3.75 million, inclusive of all policies issued by NTUC Income and by other insurer. While the TPD benefit is payable in lump sum, the first payment of the TPD benefit will be subject to a maximum of S\$1 million. Any balance due after the \$1 million has been paid, will be paid one year later, provided the insured remains in TPD.

13. Will proposer be subjected to health underwriting?

There will be minimal underwriting since the single premium will be refunded in the event of Death or TPD, within 1 year from date of policy issue.

14. Can proposer submit the application form first and transfer the funds later?

Yes, but you may wish to note that cases pending premium payment may be considered as 'Not Taken Up' if the funds are not received by the end of the campaign period.

15. When will the insurance cover commence?

Cover commences upon underwriting approval and receipt of premium payment.

16. Can backdating be done?

No backdating is allowed.

17. Can Capital Plus be bought as a third party policy?

No third party policy is allowed.

18. What are the guidelines for financial underwriting?

For single premium of \$200,000 or above, the policyholder needs to declare the source of premium in the application form.

NTUC Income reserves the right to call for any further financial evidence that may be required for the application to be accepted.

19. 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.

If the policy was posted to policyholder, the 14 days Free-Look period will start 7 calendar days after we have posted the policy.

IMPORTANT NOTES

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.

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.

Information is correct as at 01 July 2011.