

Notice No. : MAS 322
Issue Date : 6 April 2015

NOTICE TO LIFE INSURERS
INSURANCE ACT, CAP 142

INFORMATION TO BE SUBMITTED RELATING TO THE WEB-AGGREGATOR

Introduction

1. This Notice is issued pursuant to section 64(2) of the Insurance Act (Cap.142) (“the Act”).
2. This Notice is to be read in conjunction with the provisions of the Act. It is not intended to override any provision of the Act.

Application

3. This Notice applies to all direct life insurers, except a direct life insurer listed as a life insurer with defined market segments in the Financial Institution Directory as set out at the Authority’s internet website at <http://www.mas.gov.sg> (under “Singapore Financial Centre”, “Types of Institutions”, “Financial Institution Directory”, “Including Life Insurers with defined market segments”).

Definitions

4. For the purposes of this Notice, unless the context otherwise requires –

“accredited investor” has the same meaning as in the Securities and Futures Act (Chapter 289);

“appointed person” means such person as the Authority may appoint to create, develop or operate the web-aggregator;

“Benefit Illustration”, in relation to a life policy, means an illustration prepared by a direct life insurer pursuant to the Notice on Market Conduct Standards for Direct Life Insurer as a Product Provider [Notice No. MAS 318];

“CI specified combination” means –

- (a) in respect of a term life insurance product, a unique combination of one (1) specification from each parameter (a) to (f) as set out in the Annex;
- (b) in respect of a whole life insurance product, a unique combination of one (1) specification from each parameter (h) to (m) as set out in the Annex; or
- (c) in respect of an endowment insurance product, a unique combination of one (1) specification from each parameter (o) to (t) as set out in the Annex;

“direct life insurer” means a direct insurer licensed under section 8 of the Act to carry on life business;

“Product Summary”, in relation to a life policy, means a summary prepared by a direct life insurer pursuant to the Notice on Market Conduct Standards for Direct Life Insurer as a Product Provider [Notice No. MAS 318];

“relevant product” means any –

- (a) term life insurance product;
- (b) whole life insurance product;
- (c) endowment insurance product; or
- (d) investment-linked insurance product;

which the direct life insurer offers for sale to the public in Singapore;

“specified combination” means–

- (d) in respect of a term life insurance product, a unique combination of one (1) specification from each parameter (a) to (g) as set out in the Annex;
- (e) in respect of a whole life insurance product, a unique combination of one (1) specification from each parameter (h) to (n) as set out in the Annex; or
- (f) in respect of an endowment insurance product, a unique combination of one (1) specification from each parameter (o) to (u) as set out in the Annex;

“total death benefit” in respect of a life policy, means the sum of the guaranteed and non-guaranteed death benefits;

“total surrender value” in respect of a life policy (other than an investment-linked policy), means the sum of the guaranteed and non-guaranteed surrender value;

“web-aggregator” means an internet portal or domain in the internet which the Authority, or appointed person, creates, develops or operates for the purposes of publishing certain information, from time to time, to assist the public or member of the public in the purchase of a policy.

5. The expressions used in this Notice shall, except where expressly defined in this Notice or where the context otherwise requires, have the same respective meanings as in the Act and the First Schedule to the Act.
6. Any reference to a paragraph is a reference to a paragraph in this Notice unless otherwise specified.

Information to be submitted for the purposes of the web-aggregator

7. Subject to paragraphs 11 and 16, a direct life insurer must submit to the appointed person through MASNET Access –
 - (a) in respect of each term life insurance product, whole life insurance product or endowment insurance product (other than a relevant product referred to in sub-paragraph (b)) which the direct life insurer offers for sale to the public in Singapore, the information required under sections A to F of the Appendix to this Notice, on at least one (1) life policy for every specified combination;
 - (b) in respect of each term life insurance product, whole life insurance product or endowment insurance product, which—
 - (i) does not have a compulsory critical illness benefit but may have attached such optional benefit covering at least 30 critical illnesses and accelerating the payment of the sum assured of a policy, where the insured person of the policy is diagnosed with any of the critical illnesses; and
 - (ii) the direct life insurer offers for sale to the public in Singapore,the information required under sections A to F of the Appendix to this Notice, on the following life policies for every CI specified combination:
 - A. a life policy which has a CI specified combination and does not have an optional critical illness benefit;
 - B. a life policy which has the same CI specified combination as the life policy referred to in sub-paragraph (A) and an optional critical illness benefit attached which covers at least 30 critical illnesses and accelerates the payment of the sum assured of a policy, where the insured person of the policy is diagnosed with any of the critical illnesses (where offered by the direct life insurer); and

- (c) in respect of each investment-linked insurance product, the information required under section F of the Appendix to this Notice, within seven (7) working days after the launch date of a relevant product (the “Submission Period”). A direct life insurer must not submit any information referred to in sub-paragraphs (a) to (c) prior to the Submission Period.
8. Subject to paragraph 16, where there is any change to the information which has been submitted by a direct life insurer under paragraph 7, the direct life insurer must submit to the appointed person through MASNET Access, the updated information within seven (7) working days after the date on which the change to the information takes effect (the “Update Period”). A direct life insurer must not submit any updated information referred to in this paragraph prior to the Update Period.
9. A direct life insurer must in respect of every submission of the information referred to in paragraph 7 or 8, state in the submission the date by which the submitted information is to be published on the web-aggregator and such date must be no later than the first calendar day after the end of the Submission Period or Update Period respectively.
10. When a direct life insurer no longer offers a relevant product which has information published on the web-aggregator, the insurer must immediately submit a request in writing to the appointed person through MASNET Access to remove all information in relation to the relevant product which has been published on the web-aggregator.
11. A direct life insurer is not required to comply with paragraph 7 in respect of a relevant product, where—
- (a) the premiums or the policy moneys payable are not denominated in Singapore dollar;
 - (b) the relevant product is a tranche product which is offered for sale to the public in Singapore for not more than six (6) consecutive months or an aggregate of six (6) months from the relevant product’s first launch date;
 - (c) every life policy arising from the sale of a relevant product which is issued by the direct life insurer insures two (2) or more lives;
 - (d) the relevant product is only offered as an optional rider (other than an optional critical illness benefit as set out in paragraph 7(b)); or
 - (e) the direct life insurer only offers the relevant product for sale to a limited class of persons in Singapore, such as existing policy owners of a direct life insurer, employees of a direct life insurer or accredited investors.

12. Subject to paragraph 10 and 15, a direct life insurer must not prevent any information which has been submitted under paragraph 7 or 8 from being published on the web-aggregator at any point in time after the end of the Submission Period or Update Period respectively.

Information to be submitted must not be false or misleading in a material particular, or inaccurate

13. A direct life insurer must not submit any information to the Authority or appointed person for publication on the web-aggregator which is false or misleading in a material particular.
14. A direct life insurer must take reasonable care that any information submitted to the Authority or appointed person for publication on the web-aggregator is accurate.
15. If a direct life insurer becomes aware that any information submitted to the Authority or appointed person, or published on the web-aggregator is –
 - (a) false or misleading in a material particular; or
 - (b) inaccurate;the direct life insurer must immediately notify the Authority and submit a request in writing to the appointed person to withdraw or rectify such information.
16. If MASNET Access is not operational or available, the direct life insurer must submit the information required under paragraph 7 or 8, or the request in writing under paragraph 10 or 15, through electronic mail to the Authority and appointed person concurrently.

Notification to the Authority

17. A direct life insurer shall notify the Authority immediately when the direct life insurer becomes aware that it has not satisfied any of the requirements under this Notice.

Self-incrimination

18. A direct life insurer is not excused from disclosing information to the Authority under a requirement made of him under paragraph 15 or 17 on the ground that the disclosure of information might tend to incriminate him but, where the direct life insurer claims

before disclosing the information that the information might tend to incriminate him, that information shall not be admissible in evidence against him in criminal proceedings other than proceedings for an offence under this Notice.

Effective Date and Transitional Arrangements

19. This Notice shall come into effect on 7 April 2015.
20. In respect of a direct life insurer which has not offered any relevant product for sale to the public in Singapore prior to 7 April 2015 but launches a relevant product on any date from 7 April 2015 –
 - (a) for the period from 7 April 2015 to the date on which the direct life insurer's first relevant product is launched ("First Launch Date") (both dates inclusive), this Notice shall not apply to the direct life insurer; and
 - (b) after the First Launch Date and subject to paragraph 21, this Notice shall apply to the direct life insurer.
21. In respect of the period which is one (1) month after the First Launch Date ("Specified Month"), paragraph 7 shall apply to a direct life insurer as though the reference to within seven working (7) days after the launch date of a relevant product were a reference to within the Specified Month, unless the date which is seven working (7) days after the launch date of a relevant product, is later than the date which is the last day of the Specified Month.

APPENDIX

This Appendix sets out the information which must be submitted under paragraph 7.

Sections A, B, C, D and E of this Appendix only apply to a life policy arising from the sale of a relevant product, where the relevant product is not an investment-linked insurance product.

Section F of this Appendix applies to all relevant products.

A. Basis on which information is to be prepared

1. A direct life insurer must prepare the information required under sections B, C, D and E of this Appendix in relation to a life policy based on –
 - (a) the direct life insurer's own age definition; and
 - (b) the assumption that the insured is a standard life with no pre-existing medical conditions.

B. Premiums, fees and charges

1. A direct life insurer must in respect of a life policy, provide the respective amounts of the annual premium and total premium which are payable on the life policy. The amounts provided should include the premiums payable for any benefit, whether compulsory or optional, which has been attached to the life policy.
2. A direct life insurer must disclose all fees and charges which may be payable in respect of a life policy and are in addition to the annual premium and total premiums referred to in item 1 of Section B.

C. Key benefits and features

Death benefit, surrender value, coupon or dividend payments and maturity value

1. Subject to items 2 and 3 of Section C, a direct life insurer must in respect of the following respective life policies provide the following respective values (where applicable):
 - (a) in respect of a life policy of every relevant product
 - (i) the guaranteed death benefit in the 5th, 10th, 20th and 30th policy year; and
 - (ii) the Total Death Benefit in the 5th, 10th, 20th and 30th policy year;

- (b) in respect of a life policy of a whole life insurance product or an endowment insurance product –
 - (i) the guaranteed surrender value in the 5th, 10th, 20th and 30th policy year;
 - (ii) the Total Surrender Value in the 5th, 10th, 20th and 30th year policy year;
 - (iii) the ordinal number of the policy year, by the end of which an amount is first payable upon the surrender of the life policy;
 - (iv) the guaranteed amount of coupon or dividend payments which is payable over the duration of the life policy (referred to as the “Total Cash Payout – Guaranteed Amount”); and
 - (v) the sum of the guaranteed and non-guaranteed amounts of coupon or dividend payments which are payable over the duration of the life policy (referred to as the “Total Cash Payout – Total Guaranteed and Non-guaranteed”);
 - (c) in respect of a life policy of an endowment insurance product –
 - (i) the guaranteed amount payable at the maturity date of the life policy (referred to as the “Guaranteed Maturity Value”);
 - (ii) the non-guaranteed amount payable at the maturity date of the life policy (referred to as the “Non-guaranteed Maturity Value”);
 - (iii) the sum of the guaranteed and non-guaranteed maturity value (referred to as the “Total Maturity Value”);
 - (iv) the sum of the items 1(b)(iv) and 1(c)(i) (referred to as the “Total Guaranteed Payout”); and
 - (v) the sum of the items 1(b)(v) and 1(c)(iii) (referred to as the “Total Payout”).
2. A direct life insurer must in respect of a life policy, provide the values required under items 1(a)(ii), 1(b)(ii), 1(b)(v), 1(c)(iii) and 1(c)(v) of Section C by using the lower and upper illustration rates in the Benefit Illustration of the life policy.
 3. Subject to item 4 of Section C, a direct life insurer must ensure that all values provided under Section C are consistent with the values prepared by the direct life insurer in the Benefit Illustration of the life policy.¹
 4. In respect of a life policy arising from the sale of a whole life insurance product, a direct life insurer must provide the information required under items 1(b)(iv) and 1(b)(v) of Section C by using the least of the following assumptions:
 - (a) the life policy provides coverage to the insured up until the insured is 99 years old;
 - (b) the number of years for which the insured will be covered for under a life policy (“coverage term of the life policy”);

¹ For avoidance of doubt, this requirement is subject to the overriding principle that the information submitted under this Notice, must not have the effect of being potentially misleading upon publication on the web-aggregator. Example: In determining the sum of item 1(c)(v) of Section C, the coupons or dividends payable in the final year of the life policy should only be accounted for under item 1(b)(v) or item 1(c)(iii), but not both.

- (c) the maximum number of years for which coupons or dividends are payable for under the life policy.

Compulsory critical illness benefit

5. In respect of a life policy which has a compulsory critical illness benefit that covers less than 30 late stage critical illnesses, a direct life insurer must clearly disclose the scope of the coverage of the compulsory critical illness benefit.

Coverage term and premium payment term

6. A direct life insurer must provide the number of years for which the insured will be covered for under a life policy (referred to as the “coverage term of the life policy”).
7. Where any key benefit provided under a life policy has a shorter coverage term than the coverage term of the life policy, a direct life insurer must disclose that key benefit and the shorter coverage term for the key benefit.
8. Where a life policy is a limited premium policy or regular premium policy, a direct life insurer must provide the number of years for which premium payments will be required in respect of the life policy.

D. Total distribution cost

1. A direct life insurer must provide the total distribution cost in respect of a life policy based on the expected cumulative distribution-related costs and including commissions paid or payable to an intermediary for the sale of the life policy.
2. Subject to item 3 of Section D, the amount of the total distribution cost under item 1 of Section D must be consistent with the amount of total distribution cost figure shown in the Benefit Illustration of the life policy.
3. Where the total distribution cost in respect of a life policy varies due to factors such as the differing distribution cost of a sale intermediary or channel through which the life policy is sold, a direct life insurer must provide the highest amount of the total distribution cost which could apply to the life policy.

E. Other information

1. A direct life insurer must provide a description of the type of financial needs which a life policy caters for.

2. Where a life policy is a participating policy, a direct life insurer must provide the net investment return and investment expense ratio of the participating fund of the life policy for each of the last three (3) years (where available).
3. Where applicable, a direct life insurer must in respect of a life policy provide the two (2) illustration rates used in the Benefit Illustration of the life policy.
4. Subject to item 5 of Section E, a direct life insurer must provide at least one (1) credit rating assigned to the direct life insurer by Standard & Poor (“S&P”), Moody’s Investors Service (“Moody’s”), Fitch Ratings (“Fitch”) or A.M. Best (“AM Best”), where available.
5. Where a direct life insurer does not have a credit rating, the direct life insurer may provide the latest available credit rating (if available) of its holding company which is assigned by S&P, Moody’s, Fitch or AM Best, and the complete legal name of that holding company.

F. Product Summary and brochure

1. A direct life insurer must provide the Product Summary of a life policy and any attaching compulsory rider or attaching optional rider to the life policy which has been included in the premiums published on the web-aggregator. If a product brochure of the life policy is available, a direct life insurer may provide the product brochure.
2. A direct life insurer must ensure that the content of the Product Summary and product brochure provided under item 1 of Section F is consistent with the documents which are provided by the direct life insurer to any person who is interested in purchasing the life policy.

Annex

Term Life Insurance Product

Parameters	Specifications
a. Actual age of insured	(i) <u>If insured is a non-smoker:</u> Every age from 0 up to 99 years (ii) <u>If insured is a smoker:</u> Every age from 18 to 99 years
b. Gender of insured	(i) Female; or (ii) Male
c. Smoker status of insured	(i) Non-smoker; or (ii) Smoker
d. Premium type selection	(i) Annual premium; or (ii) Single premium
e. Policy coverage term range	<u>For Annual premium and Single premium policies:</u> (i) Up to age 65 years (direct purchase insurance products (“DPI”) only); (ii) 5 years (DPI only); (iii) 20 years (DPI only); (iv) 1 to 5 years; (v) 6 to 10 years; (vi) 11 to 15 years; (vii) 16 to 20 years; (viii) 21 to 25 years; (ix) 26 to 30 years; (x) 31 to 35 years; (xi) 36 to 40 years; or (xii) above 40 years
f. Sum Assured (or Guaranteed Death Benefit at inception of the life policy²)	(i) \$50,000; (ii) \$100,000; (iii) \$200,000; (iv) \$300,000; (v) \$400,000; (vi) \$500,000; (vii) \$750,000; or (viii) \$1,000,000

² Guaranteed death benefit to be used if Sum Assured is not available or may not be suitable for certain reasons, e.g. the Sum Assured is only a notional amount with no relationship to the death benefit.

g. Critical illness benefit	(i) With critical illness benefit; or (ii) Without critical illness benefit
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Examples of a specified combination for a term life insurance product:

1. Specified combination (1): Insured age 40 years; female; non-smoker; annual premium; policy coverage term range between 21 to 25 years; \$500,000 sum assured; without compulsory critical illness benefit and without an optional critical illness benefit attached.
2. Specified combination (2): Insured age 39 years; female; non-smoker; annual premium; policy coverage term range between 21 to 25 years; \$500,000 sum assured; with compulsory critical illness benefit.

Examples of a CI specified combination for a term life insurance product:

1. CI specified combination (1) with the optional critical illness benefit: Insured age 40 years; female; smoker; annual premium; policy coverage term range between 21 to 25 years; \$500,000 sum assured; with an optional critical illness benefit which, covers at least 30 critical illnesses and accelerates the payment of the sum assured of the policy, when the insured person of the policy is diagnosed with any of the critical illnesses.
2. CI specified combination (2) with the optional critical illness benefit: Insured age 39 years; female; smoker; annual premium; policy coverage term range between 21 to 25 years; \$500,000 sum assured; with an optional critical illness benefit which, covers at least 30 critical illnesses and accelerates the payment of the sum assured of the policy, when the insured person of the policy is diagnosed with any of the critical illnesses.

Whole Life Insurance Product

Parameters	Specifications
h. Actual age of insured	(i) <u>If insured is a non-smoker:</u> Every age from 0 up to 99 years (ii) <u>If insured is a smoker:</u> Every age from 18 to 99 years
i. Gender of insured	(i) Female; or (ii) Male
j. Smoker status of insured	(i) Non-smoker; or (ii) Smoker
k. Premium type selection	(i) Annual premium; or (ii) Single premium
l. Premium payment term range	<u>For Annual premium policies:</u> (i) Up to age 70 years(DPI only); (ii) Up to age 85 years (DPI only); (iii) 2 to 5 years; (iv) 6 to 10 years; (v) 11 to 15 years; (vi) 16 to 20 years; (vii) 21 to 25 years; (viii) 26 to 30 years; (ix) 31 to 35 years; (x) 36 to 40 years; or (xi) above 40 years <u>For single premium policies:</u> Not applicable
m. Sum Assured (or Guaranteed Death Benefit at inception of the life policy³)	(i) \$50,000; (ii) \$100,000; (iii) \$200,000; (iv) \$300,000; (v) \$400,000; or (vi) \$500,000
n. Critical illness benefit	(i) With critical illness benefit; or (ii) Without critical illness benefit

³ Guaranteed death benefit to be used if Sum Assured is not available or may not be suitable for certain reasons, e.g. the Sum Assured is only a notional amount with no relationship to the death benefit.

Examples of a specified combination for a whole life insurance product:

1. Specified combination (1): Insured age 30 years; male; smoker; single premium; \$100,000 sum assured; with compulsory critical illness benefit.
Specified combination (2): Insured age 34 years; female; non-smoker; annual premium; premium payment term between 21 to 25 years; \$50,000 sum assured; without compulsory critical illness benefit.

Examples of a CI specified combination for a whole life insurance product:

1. CI specified combination (1) with the optional critical illness benefit: Insured age 25 years; female; non-smoker; annual premium; premium payment term between 6 to 10 years; \$200,000 sum assured; with an optional critical illness benefit which covers at least 30 critical illnesses and accelerates the payment of the sum assured of the policy, when the insured person of the policy is diagnosed with any of the critical illnesses.
2. CI specified combination (2) without the optional critical illness benefit: Insured age 34 years; male; non-smoker; annual premium; premium payment term between 21 to 25 years; \$100,000 sum assured; without an optional critical illness benefit.

Endowment Insurance Product

Parameters	Specifications
o. Actual age of insured	(i) <u>If insured is a non-smoker:</u> Every age from 0 up to 99 years (ii) <u>If insured is a smoker:</u> Every age from 18 up to 99 years
p. Gender of insured	(i) Female; or (ii) Male
q. Smoker status of insured	(i) Non-smoker; or (ii) smoker
r. Premium type selection	(i) Annual premium; or (ii) Single premium
s. Policy coverage term range	<u>For Annual premium and Single premium policies:</u> (i) 1 to 5 years; (ii) 6 to 10 years; (iii) 11 to 15 years; (iv) 16 to 20 years; (v) 21 to 25 years; (vi) 26 to 30 years; (vii) 31 to 35 years; (viii) 36 to 40 years; or (ix) above 40 years
t. Premium amount⁴	<u>For Annual premium policies:</u> (i) \$1,000; (ii) \$2,500; (iii) \$5,000; or (iv) \$10,000 <u>For Single premium policies:</u> (i) \$10,000; (ii) \$20,000; (iii) \$30,000; or (iv) \$50,000
u. Critical illness benefit	(i) With critical illness benefit; or (ii) Without critical illness benefit

⁴ If the exact premium amount is not available due to the design of a direct life insurer's premium quotation system, the direct life insurer may use the next closest premium amount available as a substitute specification, provided that the substitute specification does not vary more than 10% in total from the original specification.

Examples of a specified combination for an endowment insurance product:

1. Specified Combination (1): Insured age 45 years; male; non-smoker; annual premium of \$5,000; policy coverage term range between 6 to 10 years; with compulsory critical illness benefit.
2. Specified Combination (2):⁵ Insured age 50 years; male; non-smoker, annual premium of \$5,089; policy coverage term range between 16 to 20 years; without compulsory critical illness benefit.

Examples of a CI specified combination for an endowment insurance product:

1. CI specified Combination (1) with the optional critical illness benefit: Insured aged 28 years; male; non-smoker; annual premium of \$1,000; policy coverage term range between 6 to 10 years; with an optional critical illness benefit which, at the minimum, covers 30 critical illnesses and accelerates the payment of the sum assured of the policy, when the insured person of the policy is diagnosed with any of the critical illnesses.
2. CI specified Combination (2) with the optional critical illness benefit:⁶ Insured age 45 years; male; non-smoker, annual premium of \$2,600; policy coverage term range between 16 to 20 years; with an optional critical illness benefit which, at the minimum, covers 30 critical illnesses and accelerates the payment of the sum assured of the policy, when the insured person of the policy is diagnosed with any of the critical illnesses.

⁵ This specified combination uses a substitute specification as set out in footnote 4.

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