



Circular No. ID 16/24

20 November 2024

To Chief Executives

All Direct Life and Composite Insurers

Dear Sir/Madam

AMENDMENTS TO MAS NOTICE 302 ON PRODUCT DEVELOPMENT AND PRICING AND MAS NOTICE 321 ON DIRECT PURCHASE INSURANCE PRODUCTS

The Monetary Authority of Singapore (MAS) has made amendments to MAS Notice 302 on Product Development and Pricing, and MAS Notice 321 on Direct Purchase Insurance Products.

2 Currently, paragraph 9 of MAS Notice 302 requires a direct insurer with life business to obtain written approval from MAS before offering any product with any feature that is new to the insurer (i.e. not in the insurer's then-existing business portfolio). The request for approval must be made no later than one month before the official launch date of the product.

- 3 MAS has amended MAS Notice 302 such that a direct insurer with life business:
- a) must seek approval from MAS only when it is offering a product with any product feature that is entirely new to the life insurance industry in Singapore. The request must be made no later than one month before the proposed official launch date of the product;
 - b) otherwise, the insurer should notify MAS within the following timeframe:
 - i) for a product with any product feature that is new only to the insurer (and not new to the life insurance industry in Singapore), no later than one month before the proposed official launch date of the product; and
 - ii) for a product with any product feature that is not new to the insurer, within seven working days after the official launch date of the product (i.e. no change from the existing requirements in MAS Notice 302 for such products).

4 The amendment in paragraph 3(a) is on account that the prevailing requirements (such as the capital and valuation treatments, and disclosure standards) may not have adequately provided for a product feature that is entirely new to the life insurance industry in Singapore. Accordingly, seeking prior approval will allow MAS to assess the adequacy of the pricing, capital and valuation treatments as well as disclosure materials before the product is sold. This is because given the long-term nature of life business, insurers would not be able to amend or opt out of the contract that has been issued to policyholders.

5 As for a product feature that is new only to the insurer, the amendment in paragraph 3(b)(i) enables the insurer to provide ex-ante notification instead of seeking prior approval from MAS. This is on account that the prevailing requirements should have adequately provided for such a product feature and the onus is on the insurer to comply with the relevant regulations and guidelines. The ex-ante notification allows MAS lead time to review the product materials and engage the insurer in further discussion (if necessary) before the product is officially launched.

6 MAS has similarly amended MAS Notice 321 such that a direct insurer with life business:

- a) must notify MAS for a new direct purchase insurance product (DPI) or re-priced DPI with any product feature that is new to the insurer, no later than one month before the proposed official launch date of the DPI;
- b) otherwise, the insurer must notify MAS within seven working days after the official launch date of the DPI.

7 The revised MAS Notice 302 and MAS Notice 321 are available on the MAS website and will take effect on 21 November 2024.

8 If you have queries on this matter, please contact your company's liaison officer in MAS. Thank you.

Yours faithfully

[sent via MASNET]

DANIEL WANG
EXECUTIVE DIRECTOR
INSURANCE DEPARTMENT