

# Conditions for DIRECT - Whole Life

## Your policy

This is a whole-life insurance protection plan. Its value will increase by **us** adding regular bonuses.

**We** will pay benefits if the insured becomes **totally and permanently disabled** (before the age of 65), becomes **terminally ill**, or dies.

**You** may cash in this policy. However, this policy is designed to provide the best value in the long term, so **you** should consider this carefully. **We** recommend that **you** get financial advice.

## 1 What your policy covers

If the insured becomes **totally and permanently disabled** (before the age of 65), becomes **terminally ill**, or dies, **we** will pay the sum assured and bonuses. The policy will end when **we** make this payment.

## 2 Our responsibilities to you

### a Cash value and paid-up policy

When **you** have been paying premiums for this policy for at least two years, **you** may cash in this policy for its **cash value** and it will end.

**You** can also convert this policy to a **paid-up** policy. This will reduce the sum assured and **you** will not pay any further premiums. **You** will keep any bonuses added to this policy before the date **you** convert it. If **we** declare any future bonuses on this policy, they will be based on the reduced sum assured.

**We** may review and revise the way **we** work out the **cash value** and the **paid-up** sum assured.

### b Reducing the sum assured

If **you** decide to reduce your sum assured to reduce the premiums **you** pay, **we** will only reduce it to an amount no less than \$50,000. If this policy has an attaching rider, **we** will also reduce its sum assured, so that the sum assureds of both policy and rider are the same.

### c Loans

**You** may take a loan from this policy depending on **our** terms and conditions. **We** will take all loans and their interest from any amount **we** may be due to pay under this policy. If at any time the amount of the loans and interest is more than the **cash value**, this policy will end.

**You** may repay all or part of the loan at any time. The interest charged on the loan will be based on the rate agreed at the time **you** took the loan. **We** may change the interest rate at any time by giving **you** 30 days' notice.

### d Bonuses

**You** have bought a participating policy from **us** and it forms part of the Life Participating Fund. This policy will share in the profits and losses from this fund as **we** add bonuses. There are two types of bonuses.

- **We** add an 'annual' or 'reversionary' bonus to this policy each year. Once **we** have added an annual bonus, **we** cannot remove it.
- The 'terminal' or 'special' bonus is an extra bonus which **we** pay at the time of making a claim or if **you** cash in this policy.

Bonuses are not guaranteed. They are recommended by **our** appointed actuary and approved by **our** board of directors. This policy will become eligible for bonuses after two years from the **policy entry date**.

### 3 Your responsibilities

**You** will pay your first premium at the time **you** apply for this policy. **You** will then pay future premiums when they are due. **You** will have 30 days as a period of grace to make these payments for this policy to continue. If **we** are due to pay any benefits during this period, **we** will take off any unpaid premiums from the benefits.

If **you** still have not paid the premium after the period of grace, **we** will pay the premiums on your behalf so the policy and its riders can continue. **We** will only do this if the policy has enough **cash value** to repay them. **We** treat this as a loan (called an automatic premium loan) and charge **you** interest. If there is not enough **cash value**, this policy will end.

**We** will take these loans and interest from any amount **we** may be due to pay under this policy. If at any time the amount of the loans and interest is more than the **cash value**, this policy will end.

If this policy ends because there is not enough **cash value**, **you** can reinstate it within 36 months by paying the premiums **you** owe along with interest. This applies as long as **you** give **us** satisfactory proof of the insured's good health and there is no change in the risks covered by this policy.

### 4 What you need to be aware of

#### a Suicide

This policy is not valid if the insured commits suicide within one year from the **cover start date**.

**We** will refund the total premiums paid, without interest, from the **cover start date**.

#### b Total and permanent disability benefit

Under the definition of **total and permanent disability** (TPD), the insured must be unable to carry out any occupation. **We** do not pay if the insured is merely unable to perform the same job as before, or is unable to perform a job to which his or her training, education or experience is suited for.

**We** will pay this benefit in a lump sum, up to \$1 million each year. If the benefit is more than \$1 million, **we** will pay in yearly installments. Once **we** begin paying the TPD benefit, this policy and all riders (except for extended TPD benefit) will immediately end and **you** will not have to pay premiums.

If before **we** have finished paying all the yearly TPD installments the insured dies, or becomes **terminally ill**, **we** will pay the rest of the yearly TPD installments in a lump sum. **We** will not pay for death or **terminal illness** as the policy would have already ended.

**We** may ask **you** to provide proof of continued TPD before each yearly installment. If the insured is no longer **totally and permanently disabled**, **we** will stop the yearly TPD installments and **you** will have to pay the premiums again. The policy will then resume, but the benefits under the resumed policy will be based on a reduced amount, to take into account the amount of TPD benefit which has already been paid. **We** will tell **you** the amount of the reduced benefits.

**We** will not pay this benefit if your claim arises from:

- deliberate acts such as self-inflicted injuries, illnesses or attempted suicide;
- unlawful acts, provoked assault or deliberate exposure to danger; or
- the effects of alcohol, drugs or any dependence.

**We** will also not pay this benefit unless the insured is certified by a **registered medical practitioner** to have been **totally and permanently disabled** for at least six months in a row.

If the insured is also covered for TPD under any policies which have been issued in the past (whether issued by **us** or by any other insurer), the total TPD benefit due under all these policies cannot be more than S\$3.75 million (not including bonuses). In this case **we** will first take into account the amounts due under the earlier policies, and then pay out only an amount to bring the total payments to S\$3.75 million (not including bonuses). The cover for death or **terminal illness** will be reduced by the TPD payment, and this remaining cover will continue as long as **you** pay premiums on it. **We** will work out the remaining cover as well as the reduced premium **you** will need to pay for this remaining cover.

## c Effects of an accelerated payment

Whenever **we** make an **accelerated payment** on a rider that is attached to this policy, **we** will reduce the sum assured of this policy by the same amount that **we** pay under the rider. When **we** reduce the sum assured of this policy, **we** will also reduce its bonuses proportionately. **We** will work out any future premiums, claims, or **cash value** based on the reduced sum assured and the reduced bonuses, if the sum assured does not reach zero. The policy will end when the sum assured reaches zero.

## d Making a claim

**We** must be told within six months after the diagnosis or the event giving rise to the claim.

## e Refusing to pay a claim

After **you** have been continuously covered for one year from the **cover start date**, **we** will pay your claim unless:

- it is a case of fraud;
- **you** fail to pay a premium;
- the insured has a **material pre-existing condition**; or
- the claim is excluded or not covered under the terms of the policy.

## f Transferring the legal benefit of the policy

**You** cannot assign (transfer) this policy unless **you** tell **us** in writing and **we** agree to the assignment.

## g Excluding third-party rights

Anyone not directly involved in this policy cannot enforce it under the Contracts (Rights of Third Parties) Act (Chapter 53B).

**Cash value** means the amount available when **you** cancel a policy that has a savings feature before **we** pay a benefit under it (for example, for death), or it becomes due for payment (maturity), for example, an endowment policy. **We** work out the amount of the **cash value**.

**Cover start date** means the date:

- **we** issue the policy;
  - **we** issue an endorsement to include or increase a benefit; or
  - **we** reinstate the policy;
- whichever is latest.

**Material pre-existing condition** means any condition that existed before the **cover start date** which would have reasonably affected **our** decision to accept your application and for which:

- the insured had symptoms that would have caused any sensible person to get medical treatment, advice or care;
- treatment was recommended by or received from a medical practitioner; or
- the insured had medical tests or investigations.

**Paid-up** means not paying any future premium payments and reducing the sum assured after the policy has built up a **cash value**.

**Policy entry date** means the 'Policy entry date' shown in the policy schedule.

**Registered medical practitioner** means a doctor who is qualified in western medicine and is legally licensed in Singapore or has the qualifications recognised by the Singapore Medical Council.

**Terminal illness**, and **terminally ill** mean an illness which, in the opinion of the **registered medical practitioner** involved and a **registered medical practitioner** **we** have appointed, is highly likely to lead to death within 12 months. However, **we** will exclude **terminal illness** in the presence of human immunodeficiency virus (HIV).

**Total and permanent disability**, and **totally and permanently disabled**, mean the complete and continuous inability of the life 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 **total physical loss**.

## 5 Definitions

**Accelerated payment** means any payment made by **us** under any rider, where such payment reduces the sum assured and any bonuses of the policy which the rider is attached to.

**Total physical loss** means:

- 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, us, our** means NTUC Income Insurance Co-operative Limited.

**You** means the policyholder shown in the policy schedule.