



Conditions for FlexiLink

Your policy

FlexiLink is a single-premium investment-linked plan designed to increase the value of your investment. Through this plan, **you** can invest in one or a number of investment funds.

Each fund is divided into equal units and **we** will allocate a certain number of units in the fund to your policy depending on the amount of money **you** invest. The return on your investment depends on the performance of the chosen funds and the fund charges.

Each unit has an offer price and a bid price. The offer price is used to buy units. **We** use the bid price to work out the cash-in value of your investments when **you** want to take out money from your policy. The value of units can fall as well as rise and is not guaranteed.

This plan provides an element of life cover.

We will pay benefits if the insured becomes **totally and permanently disabled** (before the age of 70), or dies.

You may cash in all or part of this policy. **We** recommend that **you** get financial advice.

1 What your policy covers

a Total and permanent disability (TPD), and death benefits for a standard life

If the insured becomes **totally and permanently disabled** (before the age of 70), or dies during the term of the policy, **we** will pay:

- the basic benefit; or
- the cash-in value at the time **we** are told of the claim;

whichever is higher. We will take off any fees and charges which apply to your policy.

This policy will end when **we** make this payment.

Age when becoming totally and permanently disabled or at death	Basic benefit
Under 60	1.25 times net premium
Above 59	1 times net premium

b TPD, and death benefits for a non-standard life

If the insured becomes **totally and permanently disabled** (before the age of 70), or dies during the term of the policy, **we** will pay:

- the basic benefit; or
- the cash-in value at the time **we** are told of the claim;

whichever is higher. We will take off any fees and charges which apply to your policy.

This policy will end when **we** make this payment.

Age when becoming totally and permanently disabled or at death	Time the insured event happens	Basic benefit
Under 60	Within one year from the cover start date	1 times net premium
Under 60	After one year from the cover start date	1.10 times net premium
Above 59	At all times	1 times net premium

2 Putting money into your policy

a Initial single premium

We will use 100% of your initial single premium to buy units (at the offer price) in the funds **you** choose.

We may change the allocation rate by giving **you** notice.

b Top-ups

You can add extra payments called ‘top-ups’ at any time by filling in the necessary forms. **We** may set a minimum amount for each top-up.

We will use 100% of your top-ups to buy units (at the offer price) in the funds **you** choose on the forms.

We may change the allocation rate by giving **you** notice.

When **we** work out any claim benefit, **we** will not consider any top-ups that were made after the event giving rise to the claim.

3 Options you have

a Switching funds

You can switch between funds at any time and up to two times a year for free. **We** will charge **you** either 1% of the transaction value or \$30 per switch, whichever is higher, for the following fund switches. **We** will give **you** at least one month’s notice before **we** make any change to the charges.

If **you** are not switching out of a fund completely, **we** may tell **you** to leave a minimum amount in that fund.

We may limit the number of switches **you** can carry out.

We may take the above action when **we** have good reason to suspect that by switching funds **you** are taking part in activities which aim to take unfair advantage of market timing opportunities. Market timing refers to the practice of short-term buying and selling of units to take advantage of fund pricing. **We** may also do this if **you** show a pattern of carrying out a lot of transactions over the short term or your transactions are likely, in **our** reasonable opinion, to disrupt the pricing of units of the funds affected.

We will carry out the fund switch on a bid-to-bid basis. This means **we** will sell the existing fund at its bid price and use the cash-in value to buy the new fund at its bid price.

b Loans

You cannot take a loan from this policy.

4 Taking money out of your policy

You may take money out of your policy by cashing it in partly or fully. **We** will cash in units (at the bid price) to make the payments. **We** may set a minimum amount which **you** can withdraw. **We** may also tell **you** to leave behind a minimum fund or policy value.

Your policy will end after **you** cash it in fully.

5 Other charges

There will be charges for the cost of setting up your investment-linked policy and the advice **you** receive. The charges also cover dealing with your policy and investing your money. These charges are set out below.

We will give **you** at least one month's notice before we make any change to the charges below.

a Yearly management charge

This is an ongoing charge that **we** take from the funds. **We** work this out as a percentage of the value of your chosen funds. This percentage will not be more than 2%.

b Policy fee

Starting from the second policy year, **you** will pay a yearly policy fee of S\$50 if the policy's **net premium** is less than S\$15,000. **We** will take this policy fee from your policy value by cancelling units at the bid price.

c Insurance cover charge

We do not charge for insurance cover.

d Bid offer spread

There is a 3.5% bid offer spread. This is the difference between the bid price and the offer price of a unit.

As we give you a minimum of 2% bonus unit for your initial single premium and all top-ups paid with funds from your CPFIS account, the bid offer spread will be effectively reduced to no more than 1.5%.

When you close your CPFIS account and make any cash top-up, we give you a 0.5% bonus unit for the cash top-up, and the bid offer spread will be effectively reduced to 3%.

e Other charges

We will take from the funds all direct expenses relating to buying, selling and valuing the investments of the funds.

6 Fund dealing times and pricing basis

We must receive your complete instructions (and premium payment for a 'buy' instruction) by 3pm

Singapore time for your instruction to be dealt with on the same business day.

If it is not a business day (for example, it is a Saturday, Sunday or a public holiday), **we** will deal with your instructions on the following business day.

We may change the 3pm cut-off point at any time by giving **you** notice.

The offer (buy) price means the price at which **you** buy the units of a fund. The bid (sell) price means the price at which **you** sell the units of a fund for its cash-in value.

We deal with **our** funds on a forward-pricing basis (in other words, **we** work out the price only when the market closes on that dealing day). This means that **we** cannot know beforehand the prices at which instructions will be carried out.

We work out the bid price of each unit on a daily basis, or at other intervals that **we** set. **We** work out the bid price of each unit in the following way.

$$\text{Bid price} = \frac{\text{total value of the fund}}{\text{total number of units in the fund}}$$

To find the value of the funds, **we** will value the investments and other assets of the funds according to the latest insurance regulations. **We** will consider the expenses charged to the funds and any amounts the funds will have to pay out such as capital gains tax, capital levy or any other taxes.

You can find the offer and bid prices of the funds on **our** website.

7 Distributions

a Declaration of distributions

We may declare distributions for certain funds which have a distribution option. **You** will be entitled to receive these distributions if your policy has not ended and has units held in these funds on the date **we** declare the distribution.

The distribution amount will depend on the number of units **you** hold in these funds on the date **we** declare the distribution.

We set out the dates of when **we** announce, declare and pay out the distributions in the 'Semi Annual Fund Report' and 'Annual Fund Report', or its equivalent.

Distributions are not guaranteed. **We** may or may not pay a distribution every year.

b Reinvesting distributions

For all funds that declare distributions, **we** will reinvest each distribution into the fund from which it is paid. **We** do this by buying units at the bid price (unless **we** say otherwise) on the payout date as set out in the 'Semi Annual Fund Report' or 'Annual Fund Report', or its equivalent.

However, if the distribution amount for a fund is at least S\$50, **you** can choose to receive the distributions from that fund as payouts instead, by telling **us** in writing at least 30 days before the next declaration date set out in the 'Semi Annual Fund Report' or 'Annual Fund Report', or its equivalent. This applies as long as the fund is not bought under any of these schemes.

- Central Provident Fund Investment Scheme (CPFIS)
- Supplementary Retirement Scheme (SRS)

We will then follow this same choice for the later distributions of that fund (if the distribution amount is at least S\$50), unless **you** tell **us** your new choice at least 30 days before the next declaration date set out in the 'Semi Annual Fund Report' or 'Annual Fund Report', or its equivalent.

8 Special circumstances

We may suspend all transactions on a fund. Transactions include new applications to the fund, top-ups, switching, and cashing-in.

We may do this in the interest of investors and in exceptional circumstances. Reasons for suspending transactions usually fall into these few broad categories.

- Natural disasters, market closures, or the introduction of new exchange controls or laws in countries in which a fund has considerable investments, making valuation impossible or difficult.
- Liquidity issues, when a very large number of investors unexpectedly want to cash in their units at the same time or when asset values fall sharply and trading in the capital markets dries up, so assets cannot be sold to meet payouts (for example, during the 2008/2009 credit crisis).
- When one of the main organisations involved in operating the fund closes down, the fund may then suspend temporarily until a new organisation takes over.
- When funds are being wound up or merged with another fund.

In exceptional circumstances, if **we** believe it is in the best interests of all the investors in the funds, **we** may create new funds or close or merge the funds by giving **you** notice.

If **we** close any funds, unless **you** tell **us** otherwise in writing, **we** will reinvest the cash-in

value in any of **our** funds which have investment aims similar to the funds which have been closed.

We will decide how to manage the funds and choose the investments of the funds and the fund managers. **We** may change the investment aims, focus and approach, and fund managers of any funds by giving **you** notice.

9 Your policy cover - what you need to be aware of

Under the definition of **TPD**, if the insured is under 65 years old, he or she 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.

If the insured is 65 years old and above, but under 70 years old, he or she must be suffering from a **severe disability**. Otherwise, **we** will not pay the benefit.

However, if there is **total physical loss**, and the insured is under 70 years old, **we** will pay.

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\$6.5 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\$6.5 million (not including bonuses). The cover for death 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 and the reduced premium **you** will need to pay for this remaining cover.

10 General conditions

a Suicide

If the insured commits suicide within one year from the **cover start date**, **we** will only pay the cash-in value.

b Making a claim

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

c 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;
- your policy has ended;
- the insured has a **material pre-existing condition**; or
- the claim is excluded or not covered under the terms of the policy.

d Transferring the legal right of the policy

You cannot assign (transfer) this policy.

e Excluding third party rights

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

f Supplementary Retirement Scheme (SRS), Central Provident Fund Investment Scheme (CPFIS)

If premiums for this policy have been paid with funds from the SRS or CPFIS account, this policy will follow the SRS or CPFIS regulations, which include the following.

- **You** cannot take a loan from the policy or assign (transfer) the policy.
- **We** will make all payments, except the death benefit, to the policyholder's SRS or CPFIS account.

g Zero cash-in value

This policy will end once the cash-in value of its units falls to zero after taking off any debt.

11 Definitions

Cover start date means the date:

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

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.

Net premium means the initial single premium paid, and the total of all top-ups made, less all amounts cashed in.

Non-standard life means an insured who has been diagnosed with any of the following medical conditions at any time before or within 90 days after the **cover start date**.

- Cancer
- Ischaemic heart disease
- Coronary artery disease
- Chronic renal disease
- Kidney failure
- Stroke
- Chronic liver cirrhosis
- Systemic lupus erythematosus

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.

Severe disability means the inability to perform at least three of the following activities of daily living, even with the aid of special equipment and always needing the help of another person throughout the entire activity.

- Washing – the ability to wash in the bath or shower (including getting into and out of the bath or shower) or wash satisfactorily by other means.
- Dressing – the ability to put on, take off, secure and unfasten all garments and, as

appropriate, any braces, artificial limbs or other surgical appliances.

- Transferring – the ability to move from a bed to an upright chair or wheelchair and vice versa.
- Mobility – the ability to move indoors from room to room on level surfaces.
- Toileting – the ability to use the lavatory or otherwise manage bowel and bladder functions so as to maintain a satisfactory level of personal hygiene.
- Feeding – the ability to feed oneself once food has been prepared and made available.

Standard life means an insured who is not a **non-standard life**.

Total and permanent disability, and totally and permanently disabled, mean any of the below.

- If the insured is under 65 years old, **total and permanent disability, and totally and permanently disabled** mean **total physical loss**, or the inability to take part in any paid work for the rest of a person's life.
- If the insured is 65 years old and above but under 70 years old, **total and permanent disability, and totally and permanently disabled** mean **total physical loss, or severe disability**.

Total physical loss means:

- the total and permanent loss of sight in both eyes;
- the loss of, or total and permanent loss of use of, two limbs at or above the wrist or ankle; or
- the total and permanent loss of sight in one eye and the loss of, or total and permanent 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.