SDIC

Deposit Insurance
Policyowners' Protection

POLICY OWNERS' PROTECTION SCHEME

THIS GUIDE EXPLAINS HOW YOUR INSURANCE POLICIES ARE PROTECTED UNDER THE POLICY OWNERS' PROTECTION (PPF) SCHEME.

SECTION 1

ABOUT THE PPF SCHEME

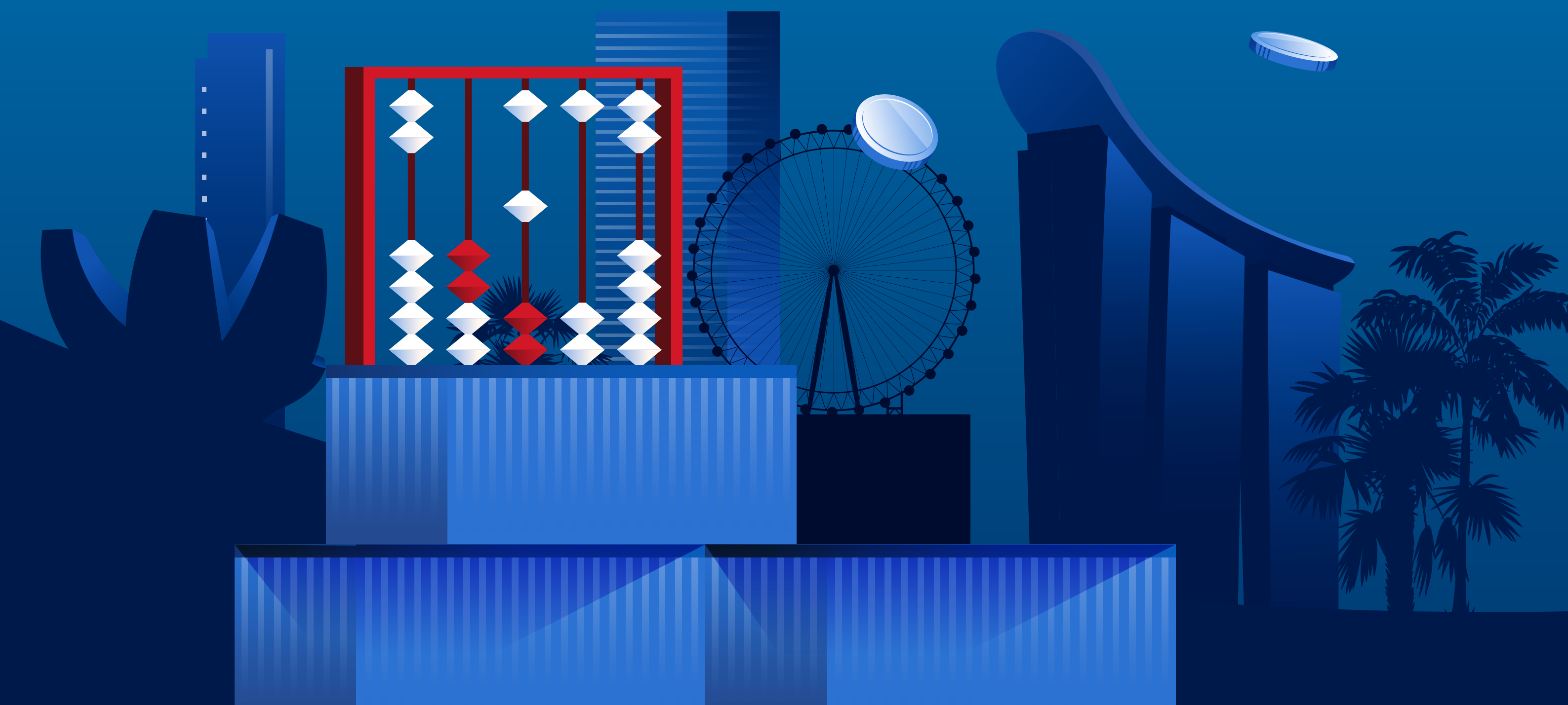
Insurers licensed in Singapore are supervised by the Monetary Authority of Singapore (MAS). **It is MAS' aim to ensure the stability of the financial system in Singapore and to require financial institutions to have sound risk management systems and adequate internal controls. However, MAS does not guarantee the soundness of individual financial institutions.** Therefore, the Policy Owners' Protection (PPF) Scheme has been set up to protect policy owners in the event of a failure of a life or general insurer which is a PPF Scheme member. The Scheme is administered by the Singapore Deposit Insurance Corporation (SDIC), which also administers the Deposit Insurance Scheme. Coverage is automatic but subject to limits.

SECTION 2

PPF COVERAGE FOR LIFE INSURANCE POLICIES

Types of Life Insurance policies covered:

- ✓ Individual and group term life policies
- ✓ Individual and group whole life policies
- ✓ Individual and group endowment policies
- ✓ Individual and group annuities
- ✓ Individual and group accident and health (A&H) policies



The PPF Scheme protects different types of life insurance policies up to the following limits:

INDIVIDUAL LIFE AND VOLUNTARY GROUP LIFE POLICIES (e.g. term, whole life, endowment policies) Up to S$500,000 for aggregated guaranteed sum assured and S$100,000 for aggregated guaranteed surrender value, per life assured per insurer.	**INDIVIDUAL AND VOLUNTARY GROUP ANNUITIES** Up to S$100,000 for aggregated commuted value of guaranteed benefits (i.e. annuity payments, death or surrender benefits) per life assured per insurer.	**NON-VOLUNTARY GROUP WHOLE LIFE OR ENDOWMENT POLICIES** Up to S$100,000 for guaranteed sum assured and S$50,000 for guaranteed surrender value per policy.
NON-VOLUNTARY GROUP ANNUITIES Cap of S$100,000 for commuted value of guaranteed benefits per life assured per policy.	**NON-VOLUNTARY GROUP TERM LIFE POLICIES** Cap of S$100,000 for guaranteed sum assured per life assured per policy.	**ACCIDENT AND HEALTH POLICIES** Fully covered, except for riders that pay out part of the main policy's sum assured in certain situations or provides for an additional payout over and above the main policy's sum assured.

Any accumulated values, including interest accrued on such values, of coupon deposits, advance premium payments, premium refunds and unclaimed monies are also covered.

SECTION 3

IF YOUR LIFE INSURER FAILS

If a life insurer which is a PPF Scheme member fails, one of the following will happen:

1 TRANSFER TO ANOTHER INSURER:

(Preferred Option)

Another insurance company may take over your policy. If your total coverage exceeds the limit, it will be adjusted accordingly.

2 RUN-OFF:

An insurance company will be appointed to continue managing your policy until they mature or expire. Coverage may be adjusted if it exceeds the limits.

3 TERMINATION:

(Least Likely Option)

SDIC will compensate policy owners for the early termination in line with the limits.

Claims filed or policies terminated (e.g. matured, surrendered) on or before the date of the insurer's failure will be compensated, within the limits.

EXAMPLE:

You are both the policy owner and the life assured.

In the event there is a claim on your policies or you have surrendered your policies before your life insurer fails, the payout for your insured policies will be adjusted proportionally if your total coverage exceeds the limits.

	Guaranteed Sum Assured	Guaranteed Surrender Value
POLICY 1 (E.G INDIVIDUAL WHOLE LIFE POLICY)	S$200,000	S$100,000
POLICY 2 (E.G INDIVIDUAL ENDOWMENT POLICY)	S$100,000	S$50,000
POLICY 3 (E.G INDIVIDUAL TERM POLICY)	S$300,000	-
TOTAL	**S$600,000**	**S$150,000**

AMOUNT PROTECTED (SUBJECT TO CAPS)	S$500,000	S$100,000
PROTECTION RATIOS	83.3%[1]	66.7%[2]

COMPENSATION ENTITLEMENTS AFTER APPLYING PROTECTION RATIOS

POLICY 1	S$166,667[3]	S$66,667[4]
POLICY 2	S$83,333	S$33,333
POLICY 3	S$250,000	-
TOTAL	**S$500,000**	**S$100,000**

Notes:

1. 500 ÷ 600 x 100% = 83.3%
2. 100 ÷ 150 x 100% = 66.7%
3. S$200,000 x 83.3% = S$166,667
4. S$100,000 x 66.7% = S$66,667

SECTION 4

PPF COVERAGE FOR GENERAL INSURANCE POLICIES

Types of General insurance policies covered:

- ✓ Compulsory insurance policies under the Motor Vehicles Act and Work Injury Compensation Act
- ✓ Short term accident and health (A&H) policies
- ✓ Personal motor insurance policies
- ✓ Personal travel insurance policies
- ✓ Personal property (structure and contents) insurance policies
- ✓ Foreign domestic maid insurance policies

General insurance policies are covered in full except for the following instances:

- ✓ S$50,000 for own property damage motor claims, under personal motor insurance policies
- ✓ S$300,000 for property damage claims under personal property (structure and contents insurance) policies

SECTION 5

IF YOUR GENERAL INSURER FAILS

Policy owners will be compensated for claims incurred up to 30 days from the date of the order to wind up the insurance company, pro-rated premiums paid for the unutilised period of insurance coverage will also be refunded to policy owners where applicable. Policy owners can then seek alternative coverage from other general insurers.

YOUR PROTECTION UNDER SDIC IS AUTOMATIC

If your insurer fails:

1. Look out for official announcements through mass media.

2. Payments will be made to you from the PPF Fund.

3. If you receive partial compensation due to the coverage limits, you can file a claim with the liquidator for the remaining amount.

You do not need to fill out any application form or pay any premium. Simply ensure your personal details with your insurer are up to date.

FIND OUT MORE

Visit www.sdic.org.sg for more information on the Policy Owners' Protection Scheme

www.facebook.com/sdicsg
www.instagram.com/sdicsg
www.tiktok.com/@sdicsg

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Deposit Insurance
Policyowners' Protection