



# DIRECT-Term Series 1.2

## Fact Sheet & Product Summary



# Direct Purchase Insurance

## PART 1 - FACT SHEET

### What are Direct Purchase Insurance (DPI)?

DPI are life insurance products that you can buy directly from insurance companies, without paying any commissions. You do not need to pay commissions because these products are sold without any financial advice. Please read this fact sheet together with the benefit illustration, product summary, and policy contract<sup>1</sup> and product brochures (if available) carefully before buying any DPI. A checklist is also provided to help you in your purchase of a DPI.

### What are the types of DPI offered?

There are two main types of DPI available:

- (a) Term life with Total and Permanent Disability (TPD) cover and an optional Critical Illness (CI) rider
- (b) Whole life with TPD cover and an optional CI rider

TPD is the complete inability to engage in any business/occupation, or total and irrecoverable physical loss, due to accident or sickness.

### What is the difference between a term life DPI and a whole life DPI?

A term life DPI provides insurance protection for a fixed period of time and may be suitable if you wish to provide for your financial dependants until they become self-reliant. There will be a payout if you pass away, or suffer a terminal illness during the coverage period. Terminal illness is the conclusive diagnosis of an illness that is expected to result in death within 12 months. In comparison, a whole life DPI generally provides life-long insurance protection.

As term life DPI are pure protection policies with no savings or investment feature, they are generally cheaper than whole life products. However, this also means that a term life DPI has no cash value when the policy expires, or if you end the policy early.

Whole life DPI are typically more expensive than term life DPI as their premiums are invested to build up cash value in addition to paying for insurance coverage. If you end a whole life DPI early, there may be a cash value (known as surrender value). However, there may be no cash value if you end the policy in the first few years as most of the premiums you have paid would have been used to pay for the initial administrative expenses incurred by the insurers for setting up the policy. For more information, visit <https://www.moneysense.gov.sg/articles/2018/10/buying-direct-purchase-insurance>.

### Should I buy a critical illness rider for my DPI?

Once you have chosen a term or whole life DPI, you may choose to add a CI rider. The CI rider pays out the full coverage amount of a term or whole life DPI in a lump sum either when you are first diagnosed with a CI or after you have undergone surgery covered under the rider (except for Angioplasty<sup>2</sup>). This payout may ease your financial burden as your treatments and medication can be costly. Your income may also be affected as you may not be able to work due to the CI. It is important to note that the term or whole life DPI, together with the CI rider, will be terminated once the coverage amount is paid out under the CI rider.

There is a total of 30 CIs covered under the CI rider. For more information on the CIs covered, please refer to <https://www.moneysense.gov.sg/articles/2018/10/buying-direct-purchase-insurance>. You should also refer to the policy contract for detailed definition of each CI as you will receive a payout under the CI rider only if the illness falls within the definition stated in the contract.

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<sup>1</sup> As life insurers only provide policy contracts upon request, you may wish to request for a copy of the DPI policy contract to find out more details about the policy, such as the exclusion clauses and other terms and conditions of the policy.

<sup>2</sup> The CI rider will only pay out 10% of the coverage amount of the main policy or \$25,000 whichever is lower, for Angioplasty and other invasive treatment for coronary artery. After the insurance company pays out the above, the remaining coverage amount for the main policy and CI rider continues to be in effect.

### How much insurance coverage do I need?

You should consider your financial commitments (e.g. loans, family expenses and children's educational needs) and existing insurance coverage, including insurance provided by your employer, when deciding the insurance coverage that you need. You may use the Insurance Estimator at the following link: <https://www.cpf.gov.sg/eSvc/Web/Schemes/InsuranceEstimator/InsuranceEstimator> to help you decide on the amount of coverage you need.

You should also consider whether you can afford to pay the premiums for the entire duration of the policy, taking into account your outstanding loans, regular expenses and your income over the long term. If you are unable to pay the premiums, your insurance policy will lapse (or end) and you will no longer be covered. You may use the Budget Calculator available on the MoneySENSE website at: <https://www.moneysense.gov.sg/financial-tools/budget-calculator> to check if the premium is affordable based on your current income and expenditure.

### How much insurance coverage can I buy?

You can insure yourself for up to S\$400,000 per insurer, with a cap of S\$200,000 for whole life DPI.

The following are some scenarios to illustrate how the cap of S\$400,000 for DPI and sub-limit of S\$200,000 for whole life DPI work.

**Scenario 1:** If you have bought a term life DPI with sum assured of S\$300,000, you may buy an additional term life DPI or whole life DPI with sum assured of \$100,000 from the same insurer.

**Scenario 2:** If you have bought a whole life DPI with sum assured of S\$150,000 from an insurer, you may buy another whole life DPI with sum assured not exceeding S\$50,000, or a term life DPI with sum assured not exceeding S\$250,000 from the same insurer.

The scenarios above are not exhaustive.

Visit <https://www.moneysense.gov.sg/articles/2018/10/buying-direct-purchase-insurance> for more examples on the amount of DPI you can buy.

### What are the different coverage periods offered for term life DPI and how do I choose among them?

You may choose from three different coverage periods for your term life DPI:

- (a) 5 year renewable
- (b) 20 years
- (c) Term up to age 65

A 5 year renewable term life DPI may be suitable if you prefer shorter coverage and the flexibility to renew your policy. The premiums may be higher at the point of renewal due to your age, but any medical conditions uncovered since the start of the term life DPI will continue to be covered after the renewal.

The other options are a term life DPI with coverage period of 20 years, and a term life DPI that covers you up to age 65. These may be suitable if you prefer longer coverage.

As your dependants will not benefit from the DPI's coverage after it expires, you should consider the age of your dependants when choosing your policy coverage period.

### What are the different premium payment periods offered for whole life DPI and how do I choose between them?

You may choose to pay premiums for your whole life DPI up to age 70 or age 85.

If you choose to pay premiums until age 70, you will need to pay higher premiums every year, but the total amount paid over the entire premium payment period will be lower.

If you choose to pay premiums until age 85, you will pay lower premiums every year, but the total amount paid over the entire premium payment period will be higher.

Consider if you can afford to pay the premiums until the age you have chosen, taking into account that you may not be earning any income after you retire.

### What other important points should I be aware of?

You should read and understand the policy contract and product summary which set out the terms and conditions of the policy, such as the following:

1. Coverage period (for whole life DPI)

Insurers may either set a maturity age (e.g. age 99 or 100) when all benefits would be paid out, or pay the benefits only upon your death or diagnosis of a terminal illness, even if this occurs beyond age 99 or 100.

2. Premiums for TPD coverage

The coverage for TPD lasts up to a maximum age of 65. The premiums that you pay may change throughout the premium payment period, depending on how the insurers price the TPD coverage.

(a) If the TPD coverage is priced separately from the main DPI, the premiums will be reduced once TPD coverage ends after age 65.

(b) If the TPD coverage is priced as part of the main DPI and spread out equally over the entire premium payment period, the premiums will remain the same even though TPD coverage ends after age 65.

3. Exclusion clauses

Different insurers may have different exclusion clauses which state the situations when benefits under the DPI are not payable. For example, some insurers may not pay out the TPD benefit if the policyholder becomes totally and permanently disabled arising from travel on a non-commercial aircraft. Some insurers may void the policy contract if the policyholder's death arises from any criminal activity; or an act of war (whether declared or not). You should read the product summary and policy contract to find out what these exclusions are and whether the DPI meets your needs.

### What do I need to disclose in my DPI application?

You should disclose all information requested in the proposal form (including any pre-existing medical conditions) fully and truthfully. If material information<sup>3</sup> is not disclosed, or is falsely disclosed, you or your dependants may not be able to claim the benefits under the DPI. If you are unsure whether the information is material, you are advised to disclose it.

After you submit your application, the insurer will conduct its underwriting. As the terms and benefits of the DPI may change after underwriting, you should consider whether the revised terms and benefits still meet your needs when you receive the policy documents.

### I am still not sure what type of DPI to buy and how much coverage I need. What should I do?

DPI may not be suitable for you if you are unsure about which type of DPI or how much coverage to buy as no financial advice is provided during the purchase process. In such a case, you are encouraged to seek advice from a financial advisory representative who will be able to advise you on a suitable product.

#### Useful resources and tools:

- 1) MoneySENSE website (including Frequently Asked Questions on DPI):\_  
<https://www.moneysense.gov.sg/articles/2018/10/buying-direct-purchase-insurance>
- 2) Web Aggregator (for life insurance products):\_  
<http://www.comparefirst.sg>
- 3) MoneySENSE Budget Calculator:\_  
<https://www.moneysense.gov.sg/financial-tools/budget-calculator>
- 4) CPF Board Insurance Estimator:\_  
<https://www.cpf.gov.sg/eSvc/Web/Schemes/InsuranceEstimator/InsuranceEstimator>.

<sup>3</sup> Examples of material information include:

- Whether you are a smoker
- Whether you are currently on any medication or receiving any treatment
- Whether you have any pre-existing medical conditions

**Credible websites that you can visit to understand the suitability of this insurance product for your needs**

- a) Insurance Estimator - calculate the amount of life insurance coverage you would need.  
<https://www.cpf.gov.sg/eSvc/Web/Schemes/InsuranceEstimator/InsuranceEstimator>
- b) Budget Calculator - check if the premium that you will pay is affordable based on your current income and expenditure.  
<https://www.moneysense.gov.sg/financial-tools/budget-calculator>
- c) Compare the features and premiums of DPI and other types of life insurance products?  
<http://www.comparefirst.sg>

**Important notes:**

1. You have been advised to declare all pre-existing medical conditions and your current financial situation
2. You have been advised to disclose all existing life insurance policies you own, or are in the process of applying for
3. You have been guided to the above sites and should satisfy yourself to the relevance of your budget for your insurance needs and the suitability of this policy for you.
4. You have been informed that the purchase of the DPI is without financial advice from a financial advisory representative.

# DIRECT-Term Series 1.2 - Product Summary

## 1 Introduction

DIRECT-Term Series 1.2 is a regular premium term plan that provides cover at affordable premiums. The plan offers cover for the event of death, terminal illness and total and permanent disability. The product does not have a cash surrender value.

This is a Direct Purchase Insurance (DPI) product, with no financial advice provided. The product is not available for sale through all other distribution channels of Singlife.

Term	5 year (renewable)	To age 65	20 years (non-renewable)
Minimum entry age	18		
Maximum entry age	64	59	64
Minimum sum assured	SGD 50,000		
Maximum sum assured*	SGD 400,000		

\*The maximum total sum assured per insured for all DIRECT-Term regardless of the number of policies purchased with Singlife is, SGD 400,000.

## 2 Your benefits

### 2.1 Death benefit

Your base benefit sum assured will be paid if, during the period of cover, the Life Assured dies.

### 2.2 Terminal Illness benefit

Your base benefit sum assured will be paid if, during the period of cover, the Life Assured is diagnosed with a terminal illness.

Please refer to the Base Benefit Terms and Conditions for the exact terms and definitions of terminal illness.

### 2.3 Total & Permanent Disability (TPD) benefit

Your base benefit sum assured will be paid if, during the period of cover, the Life Assured becomes totally and permanently disabled (before age 64).

Please refer to the Base Benefit Terms and Conditions for the exact terms and definitions of total and permanent disability.

### 2.4 Supplementary benefits

You have the option to enhance your protection by including the supplementary benefit **DIRECT-Critical Illness Benefit** into your base plan.

Please refer to the Supplementary Benefit Product Summary for details.

### 2.5 Exclusions

We will not cover any claim arising directly or indirectly from:

- a) for Death benefit,
  - attempted suicide or suicide within one (1) year your cover is in place, or has been increased, or has been re-instated.
- b) for Terminal Illness benefit,
  - attempted suicide within one (1) year from your cover is in place, or has been increased, or has been re-instated; or
  - Human Immunodeficiency Virus (HIV) infection.
- c) for TPD benefit,
  - self-inflicted injury or attempted suicide;
  - deliberate misuse of drugs, alcohol or dependence;
  - injuries sustained during travel on any aerial device or conveyance except as a fare-paying passenger or a crew member of an international airline operating on a scheduled route or operated by RSAF; or
  - active participation in war or any war-like activities, strikes, riot, civil commotion or terrorist activities.

### 3 Your premiums

You can choose to pay premiums monthly, quarterly, semi-annually or annually. Your premium rates for this base benefit are level and guaranteed throughout the base benefit term.

### 4 Adjusting your policy to fit your needs

You have the flexibility to adjust the plan to your needs any time.

#### 4.1 Renewability

If you have chosen the five (5) year renewable option, your base benefit will be automatically renewed at the end of the base benefit term as long as no claim was made against the base benefit and your attained age at renewal is seventy-nine (79) or below.

The premium for such renewal will be based on prevailing rates using the Life Assured's age at renewal without underwriting. The premium for the renewed base benefit term is guaranteed and will stay level throughout the renewed base benefit term.

Please refer to the Base Benefit Terms and Conditions for the full details of the renewability of this base benefit.

### 5 Important Notes

This product summary does not form a part of any contract of insurance. It is intended only to be a simplified description of the product features applicable to this plan and is not exhaustive.

Please refer to the Terms and Conditions for more detailed information.

#### 5.1 Free-look period

You have fourteen (14) days from the email notification of policy issuance to evaluate if your plan meets your needs.

If you decide to cancel this policy, we will refund the premiums paid without interest, after deducting any medical and underwriting expenses incurred in processing your application.

#### 5.2 Policy Owners' Protection Scheme

This policy is protected under the Policy Owners' Protection Scheme which is administered by the Singapore Deposit Insurance Corporation (SDIC). Coverage for your policy is automatic and no further action is required from you. For more information on the types of benefits that are covered under the scheme as well as the limits of coverage, where applicable, please contact us or visit the LIA or SDIC websites ([www.lia.org.sg](http://www.lia.org.sg) or [www.sdic.org.sg](http://www.sdic.org.sg)).

#### Need help?

If you need help and answers to your policy, get in touch with us via one of the contact points.

**Online FAQs:** <https://faq.singlife.com>  
**Online chat:** Start a live chat at our website [singlife.com](http://singlife.com)  
**Email:** [service@singlife.com](mailto:service@singlife.com)  
**Customer hotline:** +65 6911 1111  
**Address:** 18 Robinson Road, #04-03 Singapore 048547