PRODUCT SUMMARY: Esteem legacy II

Version 2.25

This Product Summary is for general information only. It is not a contract of insurance. It is a simplified description of the product features applicable to this plan and is not exhaustive. Please refer to the Policy Contract for all terms, conditions and exclusions. For the avoidance of doubt, only the terms, conditions and exclusions as set out in the Policy Contract will bind the policy owner and Us.

Details of Plan Provider:

Etiqa Insurance Pte. Ltd., (201331905K), 23 Church Street, #01-01 Capital Square, Singapore 049481.

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 Life Insurance Association (LIA) or SDIC web-sites (www.lia.org.sg or www.sdic.org.sg).

Nature and Objective of the Plan:

This is a single Premium whole life protection plan that provides Death and Terminal illness coverage. This plan has a Guaranteed Death Benefit before the Policy anniversary when the Life insured attains Age 85.

This is a Participating life insurance policy. It allows You to participate in the performance of the Participating fund in the form of bonuses that are not guaranteed and contains a Non-participating component that provides high coverage.

PLAN BENEFIT:

1. Death Benefit

Upon death of the Life insured while the policy is in force, We will pay the following in one lump sum:

Age of Life Insured when claim event occurs	Benefit
Before the policy anniversary when the Life insured attains Age 85	Higher of: (i) Guaranteed Death Benefit; or (ii) Sum insured and its attaching bonuses (if any)
On or after the policy anniversary when the Life insured attains Age 85	Sum insured and its attaching bonuses (if any)

Any outstanding amounts owe to Us on this policy will be deducted from the benefit amount payable.

When We make this payment, the policy ends.

While We assess the death claims, if the claimant needs financial assistance to prepare the funeral, We may consider offering an immediate payment of up to SGD 3,000 per Life insured. This funeral expense financial aid, if given, will be deducted from the final Death Benefit to the claimant. Our advance payment of this financial aid does not mean that We have approved the death claim. If the death claim is rejected after Our assessment, We have the right to ask You to return this advance payment.

2. Guaranteed Death Benefit

The Guaranteed Death Benefit guarantees a minimum death coverage before the Policy anniversary when the Life insured attains Age 85. It is computed by multiplying the Sum insured of the Basic policy by a factor which is determined by the entry Age of the Life insured. Please refer to the Policy Illustration for Your Guaranteed Death Benefit amount.

3. Terminal Illness (TI) Benefit

If the Life insured has a TI while the policy is in force, We will pay the Death Benefit in one lump sum. The maximum aggregate amount payable is Five Million Singapore Dollars (SGD 5,000,000) per Life insured for all policies and riders issued by Us with TI Benefit.

If the TI Benefit payable is lesser than the Death Benefit, the Death Benefit will be automatically reduced by the amount paid for the TI. The policy remains in force and the remaining Death Benefit is the original Death Benefit less the amount paid for TI.

If the TI Benefit payable is the same as the Death Benefit, the policy ends when We make this payment.

"Terminal illness (TI)" is the conclusive diagnosis of an illness that is expected to result in the death of the Life insured within 12 months. This diagnosis must be supported by a specialist and confirmed by the Company's appointed Doctor. Terminal illness in the presence of HIV infection is excluded.

4. Surrender Benefit

Upon surrender, the Surrender Benefit is paid in one lump sum. The total Surrender Benefit payable is the sum of the following:

a) a guaranteed Surrender value; and
b) reversionary bonus Surrender value (if any); and
c) performance bonus (if any);

less any amounts owing to Us.

5. Change of Life Insured

While the policy is in force, You have the option to request for a change of Life insured after the second (2nd) Policy year, subject to the following conditions:

a) the new Life insured must meet the entry age requirement for this plan;
b) there must be insurable interest between You and the new Life Insured;
c) acceptance of the new Life insured is subject to Our approval, depending on the insurability of the new Life insured and such other terms and conditions as We shall determine from time to time;
d) all exclusions and conditions will be applicable to the new Life insured. The exclusions and conditions to this policy will begin from the effective date of the change of Life insured;
e) where the Policy owner is a corporation, Policy owner may request to change the Life insured under this policy, without any limit on the number of changes throughout the policy term;
f) where the Policy owner is not a corporation, Policy owner may request to change the Life insured under this policy, once throughout the policy term;
g) the Guaranteed Death Benefit cover will be revised to guarantee a minimum death coverage before the Policy anniversary when the <u>new</u> Life insured attains Age 85.

If We have paid a claim under the TI Benefit and the policy is still in force thereafter, the change of Life insured Benefit will terminate under this policy.

In accepting the new Life insured, We may adjust the benefits of the Policy. You may also have to pay additional Premiums and We will notify You upon acceptance of Your application.

The policy will now have a maturity date and will mature on the Policy anniversary immediately before the Original Life Insured attains Age 125. The maturity benefit to be paid will be the Surrender Benefit.

PREMIUM:

This is single Premium policy.

BONUSES:

Future bonuses of this plan which have yet to be allocated to You are not guaranteed and We will decide the level of bonus to be declared each year as approved by the board of directors, taking into account the written recommendation by the appointed actuary.

The Benefits under this plan are made up of guaranteed and non-guaranteed Benefits. The guaranteed Benefits will be paid regardless of the performance of the Participating fund. Non-guaranteed Benefits are in the form of reversionary bonus and performance bonus. The reversionary bonus and performance bonus stated below are NOT guaranteed and will vary according to the future experience of the Participating fund.

6. Reversionary Bonus

The Reversionary Bonus is determined annually and credited to the policy on the following Policy anniversary. Once the Reversionary Bonus is declared and added/vested, it forms part of the guaranteed Benefit of the policy.

Based on the illustrated investment rate of return of 4.25% p.a., the Reversionary Bonus rate is illustrated at SGD 7.00 per SGD 1,000 Sum insured per year and SGD 7.00 per SGD 1,000 on accumulated Reversionary Bonus and payable after the policy is in force for one (1) year. In comparison, at an illustrated investment rate of return of 3.00% p.a., the reversionary bonus rate is expected to be adjusted downwards depending on the future outlook of the Participating Fund.

Please refer to the policy illustration for the bonus amount at the illustrated investment rate of return of 3.00% p.a. and 4.25% p.a. respectively. The two rates are used purely for illustrative purposes and do not represent upper and lower limits of the investment performance of the Participating Fund.

7. Performance Bonus

Performance Bonus is a one-off bonus which may be paid when You surrender Your policy or make a claim on the policy. The amount varies, depending on the number of completed years the policy has been in force with Us.

Based on the illustrated investment rate of return below, the performance bonus on death and TI, expressed as a percentage of the accumulated reversionary bonus, is illustrated as follow:

End of Policy year	Performance Bonus as a % of Reversionary Bonus
	At Illustrated Investment Rate of Return of 4.25% p.a.
5 – 10	56 to 235
11 – 19	245 to 325
20 – 29	335 to 425
30 and above	460

Based on the illustrated investment rate of return below, the performance bonus on surrender, expressed as a percentage of the Surrender value of the accumulated reversionary bonus, is illustrated as follow:

End of Policy year	Performance Bonus as a % of Surrender Value of Reversionary Bonus
	At Illustrated Investment Rate of Return of 4.25% p.a.
5 – 10	56 to 235
11 – 19	235
20 – 29	235
30 and above	330

All bonuses are not guaranteed unless it has been declared by Us and the actual amount may vary depending on the performance of the Participating fund that the plan is invested.

In comparison, at an illustrated investment rate of return of 3.00% p.a., the death, TI and surrender bonus rates are expected to be adjusted downwards depending on the future outlook of the Participating fund.

Please refer to the policy illustration for the bonus amount at the illustrated investment rate of return of 3.00% p.a. and 4.25% p.a. respectively. The two rates are used purely for illustrative purposes and do not represent upper and lower limits of the investment performance of the Participating Fund.

8. Investment of Assets

The investment objective is to maximise the long term returns of the SGD Participating fund through investments consistent with Policy owners' reasonable expectations, while meeting the internal and regulatory solvency requirements. The strategic asset allocation for the SGD Participating fund is as follows:

Asset Type	Strategic Asset Allocation	Actual Allocation as at 31 December 2024
Equities	18.0%	18.4%
Bonds	70.0%	79.4%
Other Assets*	12.0%	2.2%
Total Assets	100.0%	100.0%

*Other assets include alternative assets, cash and policy loan.

While We partly manage the assets of the SGD Participating fund, Maybank Asset Management Singapore Pte. Ltd. ("Maybank Asset Management Singapore"), Our sister company, has been appointed to primarily manage the assets. In addition, BlackRock (Singapore) Ltd and PGIM Private Placement Investors, L.P. had been appointed in March 2023 and October 2024 respectively to manage a portion of the assets.

Maybank Asset Management Singapore address: 50 North Canal Road #03-01, Singapore 059304.

BlackRock (Singapore) Limited address: 20 Anson Road, #18-01 Twenty Anson, Singapore 079912.
PGIM Private Placement Investors, L.P. Address: 655 Broad Street, 17th Floor, Newark, NJ 07102.

9. Investment Rate of Return

For Our SGD Participating fund, the past investment rates of return (after deducting investment expenses only) are shown in the table below.

	2022	2023	2024	Average of last 3 years	Average of last 5 years	Average of last 10 years
Investment Returns	-11.06%	5.49%	2.04%	-1.44%	-0.40%	1.92%

Please note that past performance is not necessarily indicative of future performance.

10. Total Expense Ratio (TER)

The TER is the proportion of total expenses incurred by the Participating fund to the assets of the Participating fund. These expenses include costs such as investment, management, distribution, taxation and other expenses.

An expected level of expenses to be incurred by the Participating fund has been allowed for in the Premiums payable for Your policy and is not an additional cost to You. If the actual level of expenses vary significantly from the expected level of expenses, it may affect the non-guaranteed Benefits You may receive.

For Our Participating fund, the past TERs are shown in the table below.

	2022	2023	2024	Average of last 3 years	Average of last 5 years	Average of last 10 years
Total Expense Ratio	2.26%	1.16%	1.49%	1.61%	2.25%	3.64%

Please note that past expense ratios are not necessarily indicative of actual expenses that may be incurred in the future.

11. Type of Risk Affecting the Level of Bonuses

The level of bonuses depends on the actual performance of the Participating fund. Key factors affecting the performance of the Participating fund are:

- Investment return
- Expenses incurred or allocated to the Participating fund
- The amount of death and sickness claims paid out on policies in the Participating fund
- The numbers of surrenders of the policies in the Participating fund.

We will determine the level of bonuses taking into account the current performance, the future outlook as well as the financial soundness of the Participating fund.

12. Sharing of Risks

Your Premiums, along with those of other Participating policies will be combined in one pool of assets in the Participating fund. The surrender risks are pooled and shared by all policies in the Participating fund which include both single and regular Premium plans. The investment risks borne by Your plan will be shared with other Participating plans. Other risks may be shared among products that have the same features. Examples of such risks include expense risks, mortality risks and morbidity risks.

In determining the level of bonuses that can be supported, the assets available to back the plan will be derived by accumulating the Premiums paid at the actual rate of investment return less the cost of insurance, expenses incurred, commission paid, taxes and other costs that may be incurred in managing the Participating fund.

13. Smoothing of Bonuses

As investment performance fluctuates over time, bonuses are smoothed to achieve stable medium to long term returns on Your policy. As a result, some of the investment returns in good years may not be distributed so as to boost returns in years where the investment return is low. However, the effect of smoothing is intended to be neutral over time.

(i) Reversionary Bonus

Etiqa's bonus distribution policy is to keep the reversionary bonus at a level that is expected to be sustainable over the long term. Thus, while the reversionary bonus is usually reviewed annually, it is not expected to fluctuate from year to year. Nevertheless, it may be adjusted up or down under exceptional circumstances.

The reversionary bonus rates declared over the past 2 years are consistent with the reversionary bonus at Illustrated Investment Rate of Return of 4.25% p.a. as stated under section "Bonuses: Reversionary Bonus" in the Product Summary.

(ii) Performance Bonus

There is no performance bonus declared yet as this plan was launched in 2023.

Please note that past performance is not necessarily indicative of future performance.

14. Fees and Charges

This plan shares in the experience of the fund. This means that any expenses incurred by the fund can be charged to the policy according to the risk-sharing rules described earlier.

Examples of such expenses include:
- Investment fees paid to fund managers for providing management services
- Mortality (death), TI, lapse and surrender claims
- Marketing and other distribution-related costs
- Administration fees incurred in underwriting of new business
- Management and overhead expenses
- Commission fees paid to Your financial adviser or intermediaries

All expenses, except for commission, are shared and charged to the assets backing the policy according to the risk-sharing rules described earlier. For commissions, the actual amount is charged to each individual policy.

Please refer to the Total Distribution Cost Table in the Policy Illustration for more information.

Please note that the charges described in this section will not be in the form of explicit fees or charges to You; it has already been allowed for in calculating Your Premium.

POLICY CONDITIONS:

15. Free Look Period

You may return this policy for cancellation within fourteen (14) days after You receive the policy document, for any reason. We will deduct any costs incurred by the Company in assessing the risk under the policy, such as payments for medical check-up and other expenses, from the Premium You paid and refund the balance to You.

If Your policy document is sent by email, We consider this policy is delivered to You one (1) day after the date of emailing. If Your policy document is sent by post, We consider this policy is delivered to You seven (7) days after the date of posting.

16. Termination

Your policy will end when one of these events happens first:

a) the policy is terminated in accordance with the terms and conditions of the policy;
b) We paid out 100% of the Death Benefit of this policy;
c) full surrender of the policy and we paid out 100% of the Surrender value;
d) the loan amount plus interest on this policy owing to Us exceeds the Surrender value;
e) Your written request and Our acceptance of the application to terminate the policy; or
f) any other cause of termination as permitted under or any change or laws or regulatory requirements, including court orders.

17. Exclusions

There are certain conditions under which no Benefits will be payable. These conditions are stated as exclusions.

When there is condition(s) specific to the Life insured which We will not cover, We will state them on Our offer of conditional acceptance, the Policy Information Page and Endorsement.

When any of the exclusion happens, We will return the higher of either the total Premiums paid (less any amounts previously paid to You under this policy) without interest, or the Surrender value (if any) less any amounts owing to Us.

Death Benefit

We do not pay the Death Benefit if the death is directly or indirectly, wholly or partly caused by intentional acts (sane or insane) such as self-inflicted injuries, suicide or attempted suicide within the first twelve (12) months from the Policy Issue date or the latest Reinstatement date, whichever is later.

TI Benefit

We do not pay the TI Benefit if the TI is directly or indirectly, wholly or partly caused by:

a) Intentional acts (sane or insane) such as self-inflicted injuries, suicide or attempted suicide; or

b) Acquired Immune Deficiency Syndrome (AIDS), AIDS-related conditions or infection in the presence of Human Immunodeficiency Virus (HIV) except HIV due to blood transfusion and occupationally acquired HIV.

Residency

The following exclusion clause will apply to the residents of the following countries: Bahrain, Egypt, Lebanon, Saudi Arabia and Ukraine.

Exclusion clause: No Benefit will be payable under the policy if the death of the Life insured results from direct or indirect consequence of war, warlike operations (whether war is declared or not, conventional, biological, chemical or nuclear), invasion, acts of foreign enemies, hostilities, acts of terrorism, terrorist sabotage, rebellion, mutiny, civil commotion, civil war, revolution, insurrection, military or usurped power, martial law, embargo, or any act committed by any person or persons for the purpose of overthrowing a government by violent force or to influence political decision making. Terrorism (suspected or proven) shall be understood to include the consequences of hostage taking, drive-by shootings, planting of bombs, and other forms of physical violence.

18. Other Material Information

Update on Performance:

You can expect to receive an annual bonus update from Us on the performance of Your policy and the Participating fund by October each year. An updated Policy Illustration is available upon request.

Conflict of Interest:

Potential conflicts of interest arise in the allocation of expenses between the Participating and other insurance funds. Over-allocation of expenses to the Participating fund is detrimental to Policy Owners of Participating policies. As such, We strives to achieve a fair allocation substantiated by regular expense investigations.

Related Party Transactions:

All transactions with the related parties will be approved by relevant internal committee to ensure that transactions are done at arm's length.

Impact of Early Surrender:

As buying a life insurance policy is a long-term commitment, an early termination of the policy usually involves high costs and the Surrender value, if any, that is payable to You may be zero or less than the total Premiums paid.

Please refer to the Table of Deductions in the Policy Illustration for the potential cost of surrendering the plan early.

Premium Financing (if applicable):

If Your policy's Premium is financed by any bank loan:

a) You will not retain ownership rights on the policy as the policy is assigned to the bank; and

b) the interest charged on the bank loan is not correlated to the illustrated investment rate of return of Your policy and can be higher than the illustrated investment rate of return of Your policy; and
c) You will service the loan repayment comprising of loan principal and/or interest including cancellation fees and/or any charges relating to the bank loan throughout the tenure of the loan. This applies even if You decide to cancel Your policy during the free look period; and
d) You cannot use the Surrender value under Your policy to service the bank loan.

Please note that Etiqa Insurance Pte. Ltd. does not provide the Premium financing facility for the policy.

Note:

Age means the age at next birthday

Life Insurance is a contract of utmost good faith and a proposer is required to disclose in Proposal form fully and faithfully all the facts, which he knows or ought to know, as otherwise the policy issued may be void.

The terms and conditions of Your policy are contained in Your Policy Contract.

If You wish to know more about Participating life insurance products, You may refer to “Your Guide to Life Insurance” and "Your Guide to Participating Policies" on Our website or LIA’s website (www.etiqa.com.sg or www.lia.org.sg). Alternatively, We can provide You a copy of the guide upon request.