

Heirloom

New Business and Underwriting Guidelines



Agenda

- General, Operational and Admin
- Medical Underwriting
- Financial Underwriting
- Others



General, Operational & Admin Issue Age

Issue Age

- Minimum and maximum ages
 - Minimum Issue Age: 20
 - Maximum Issue Age: 70

- Insurance Age is based on last birthday

General, Operation & Admin

Backdating

Backdating

- Allowed up to 6 months
- BI backdating date and estimated issue date must be within the BI validity timeframe shown on the BI otherwise new, signed BI required due to change in values

Premium Collection (Regular Premium cases)

- Minimum initial premium (MIP) + MIP x number of backdated months.
- Must round up to next month. Eg) back date for 2 months + 5 days = 3 months
- Premium required to issue = MIP x 1 month + MIP x 3 months = 4 months

General, Operation & Admin

Premium Payment

- Premium may only be collected on approval from the High Net Worth Team FA Concierge Team
- Must come from a Singapore bank/bank account belonging to the policy owner and/or life insured
- Payment method is limited to:
 - Cheque (only from the policy owner or insured)
 - Telegraphic transfer (client is responsible for bank charges)

General, Operational & Admin Application and Supporting Documents

Form/Document	Required For
MLS Universal Life Application	Initial submission or formal application
Benefit Illustration and Product Summary	All applications require most up to date BI with each page signed/dated by owner
Trust Certification	All trust owned policies. Must provide a copy of the trust agreement as supporting documentation.
Corporate Owner Certification Form (FATCA)	All corp. owned cases
ACRA or equivalent	All corp. owned cases
Manulife Medical Exam > 65	All applicants > 65

Policy Ownership

- The following policy ownership is accepted for this product:
 - Personal ownership
 - Business ownership
 - Trust ownership

- PIC is not allowed

General, Operational & Admin

Proof of Identity & Address

Nationality/Residency	Identity Documentation
Singaporeans/Singapore PR	NRIC card
Other nationality residing in Singapore	All valid passports AND Copy of e-pass or other applicable pass AND Proof of Address
Other nationality residing outside of Singapore	All valid passports Proof of Address

ID documents are required for each of the following: **insured, owner, payor and must be marked as certified true copy by the advisor**

Acceptable proof of residential address - **bank statement, national identity card, utility/telephone bills and correspondence from government agency**

General, Operational & Admin

Informal Enquiry

➤ Minimum requirements for an informal enquiry/ Preliminary Inquiry:

- Name of Life Insured
- NRIC or Passport Number
- Gender
- BI to include sum assured and premium amount
- Any other information (medical and/or financial) on which an initial underwriting opinion is required

General, Operational & Admin High Net Worth

- New definition of high net worth client
- Annual income \$250,000 or net worth of \$2,500,000

- High Net Worth Applicants
 - Better risk classes available
 - Higher mortality risk accepted
 - Higher capacity may be available

Medical Underwriting Requirements 1

- **Best Class for Country A and B, Non-HNW Country B**
- Chart reflects USD

Age/Sum Assured	20 – 39	40 – 49	50 – 55	56-60	61 - 70
\$500,000 - \$1,000,000	ME, ML9+	ME, ML9+	ME, ECG, ML11+	ME, ECG, ML11+, APS	ME, ECG, ML11+, APS
\$1,000,001 - \$5,000,000	ME, ML9+	ME, ML9+	ME, ECG, ML11+, APS	ME, ECG, ML11+, APS	ME, ECG, ML11+, APS
> \$5,000,000	ME, ML16+, TST, APS	ME, ML16+, TST, APS	ME, TST, ML11+, APS	ME, TST, ML11+, APS	ME, TST, ML11+, APS

- Sum assured is calculated based on the aggregate of the maximum death benefit of all coverage currently pending and the total inforce with MLS within 24 months
- Underwriting reserves the right to request medical or financial evidence on an individual basis as needed by the specific details of an application
- Paramedical exam can be accepted for ages 20 – 55 up to \$3,000,000 (total line) and ages 56 – 64 up to \$2,000,000 (total line) for a proposed insured who does not have a significant medical history (e.g. diabetes, heart disease, high blood pressure) and who has not been rated or declined by another insurer.

Medical Underwriting Requirements 2

- **Best Class Standard**
- **Country A Only**
- Chart reflects USD

Age/Sum Assured	20 – 39	40 – 49	50 – 55	56-60	61 - 70
\$500,000 - \$1,500,000	NML	NML	NML	ME, ECG, ML11+, APS	ME, ECG, ML11+, APS
\$1,500,001 - \$5,000,000	ME, ML9+	ME, ML9+	ME, ECG, ML11+, APS	ME, ECG, ML11+, APS	ME, ECG, ML11+, APS
> \$5,000,000	ME, ML16+, TST, APS	ME, ML16+, TST, APS	ME, TST, ML11+, APS	ME, TST, ML11+, APS	ME, TST, ML11+, APS

- Sum assured is calculated based on the aggregate of the maximum death benefit of all coverage currently pending and the total inforce with MLS within 24 months
- Underwriting reserves the right to request medical or financial evidence on an individual basis as needed by the specific details of an application

Medical Underwriting Requirements 3

- **Best Class Standard**
- **HNW Country B Only**
- Chart reflects USD

Age/Sum Assured	20 – 39	40 – 49	50 – 55	56-60	61 - 70
\$500,000 - \$1,000,000	NML	NML	NML	ME, ECG, ML11+, APS	ME, ECG, ML11+, APS
\$1,000,001 - \$5,000,000	ME, ML9+	ME, ML9+	ME, ECG, ML11+, APS	ME, ECG, ML11+, APS	ME, ECG, ML11+, APS
> \$5,000,000	ME, ML16+, TST, APS	ME, ML16+, TST, APS	ME, TST, ML11+, APS	ME, TST, ML11+, APS	ME, TST, ML11+, APS

- Sum assured is calculated based on the aggregate of the maximum death benefit of all coverage currently pending and the total inforce with MLS within 24 months
- Underwriting reserves the right to request medical or financial evidence on an individual basis as needed by the specific details of an application

Medical Underwriting

Time Limitations for Underwriting Requirements

Medical Exam	Lab Tests (ML9, ML11, ML16)	ECG/TST	Application	Health Questions on Application
12 months*	12 months	12 months	6 months	90 days

* Applies to standard or better. Substandard lives, validity period is 6 months.

All underwriting requirements must still be within the validity period at the time the policy is issued.

Letter of introduction – 6 months
Bank Reference Letter – 6 months
ACRA - 3 months

Medical Underwriting

Use of own health screening report

- Accepted if within the 6 month validity period.
- Exam must be completed in Singapore
- Underwriter will evaluate the information received. If the report or medical tests do not include all of our requirements, the missing requirements will be requested.

Underwriting Risk Class Criteria – HNW Applicants

Risk Classes		Residency Code Classification	
Non-Smoker		Country A	Country B
Super Preferred		✓	✓
Preferred		✓	✓
Standard Plus		✓	✓
Standard		✓	✓
Smoker			
Preferred		✓	✓
Standard		✓	✓
Maximum Rating		300%	300%
Flat Extras		Non-medical flat extras may be allowed on some risk classes with the exception of Super Preferred	
Minimum Face Amount		USD \$500,000	
Aviation Risks		Commercial pilots from Singapore Airlines, SilkAir, Cathay Pacific and Dragon Air may be considered. Private pilots only considered with aviation exclusion	

Underwriting Risk Class Criteria – Non-HNW Applicants

Risk Classes		Residency Code Classification	
Non-Smoker		Country A	Country B
Super Preferred		✓	X
Preferred		✓	✓
Standard Plus		✓	✓
Standard		✓	✓
Smoker			
Preferred		✓	✓
Standard		✓	✓
Maximum Rating		300%	200%
Flat Extras		Non-medical flat extras may be allowed on some risk classes with the exception of Super Preferred	
Minimum Face Amount		USD \$500,000	
Aviation Risks		Commercial pilots from Singapore Airlines, SilkAir, Cathay Pacific and Dragon Air may be considered. Private pilots only considered with aviation exclusion	

Medical Underwriting

Underwriting Criteria for Classification

- Age limit
- Tobacco /nicotine use
- Other criteria:
 - Blood Pressure
 - Build
 - Cholesterol levels
 - Family /personal history
 - Lifestyle
 - Driving history / hazardous sports
- Refer to Underwriting Guide for specific details

Smoking Classifications

Smoking Classifications

Super-Preferred Non Smoker	Meets the Super Preferred criteria and has not used any form of tobacco or nicotine products in the last 5 years. Limited Cigar Use: No more than 12 cigars per year and negative cotinine result
Preferred Non Smoker	Meets the Preferred criteria and has not used any form of tobacco or nicotine products in the last 2 years. Limited Cigar Use: No more than 12 cigars per year and negative cotinine result
Standard Plus Non Smoker	Meets the Standard Plus criteria and has not used any form of tobacco or nicotine products in the last 12 months Limited Cigar Use: No more than 24 cigars per year and negative cotinine result
Standard Non Smoker	No cigarette use within the past 12 months and either: 1. Does not meet all Preferred criteria, or 2. Uses other tobacco or nicotine products
Preferred Smoker	Meets the Preferred criteria but has used cigarettes within the past 12 months
Standard Smoker	Does not meet the Preferred criteria and has used cigarettes within the past 12 months

Financial Underwriting Requirements 1

Sum Assured USD	Financial Underwriting Requirements
≤ \$2,000,000	Answers to the income and net worth questions on the application
\$2,000,001 - \$5,000,000	Answers to the income and net worth questions on the application AND Financial Representative's Cover Letter of Introduction
> \$5,000,000	Answers to the income and net worth questions on the application AND Financial Representative's Cover Letter of Introduction And At least one of the following: 1. Certified Public Accountant letter (internationally recognised firms – refer to Underwriting Guidelines booklet) <ul style="list-style-type: none"> • No. of years of business relationships with Proposed Insured/Owner • Estimated net worth with details (assets & liabilities)

- Sum assured is based on the total currently applied for (all carriers) or the total applied for and inforce with MLS, whichever is higher
- Underwriting reserves the right to ask for additional information to assist with verification of financial status and /or identity
- Additional requirements if coverage is for a business need (refer to the underwriting guide)
- For financial underwriting justification, underwriter will consider the total sum assured (currently applied for, inforce and concurrent policies) with all carriers

Financial Underwriting Requirements 2

Sum Assured USD	Financial Underwriting Requirements
> \$5,000,000	<ul style="list-style-type: none"> • Background information • Details of the business and performance, if applicable (business ownership, turnover, net assets, total profit and net profit) • Estimated income from business and (self employed) or average income for the last 2 years (individuals) • Any other information related to the financial status of Proposed Owner/Insured <p>The qualified CPA must not be the Proposed Owner/Insured, or a member of immediate family member. No report or document prepared by an employee is acceptable.</p> <p>2. Personal income tax assessment/return for the past 2 years</p> <p>3. Audited personal / business financial statements for the past 2 years (with proof of ownership, e.g. ACRA)</p>

- Sum assured is based on the total currently applied for (all carriers) or the total applied for and inforce with MLS, whichever is higher
- Underwriting reserves the right to ask for additional information to assist with verification of financial status and /or identity
- Additional requirements if coverage is for a business need (refer to the underwriting guide)
- For financial underwriting justification, underwriter will consider the total sum assured (currently applied for, inforce and concurrent policies) with all carriers

Financial Underwriting Requirements 3

Sum Assured USD	Financial Underwriting Requirements
> \$5,000,000	<p>4. Bank reference letter, information in the letter must contain:</p> <ul style="list-style-type: none">• Confirmation of the relationship with Proposed Owner/Insured, as well as the duration and quality of the relationship• Range of assets, liabilities and total net worth• Assets under management (AUM)* with the bank, and whether those assets are held singly or jointly; and• Annual income <p>*Compliance requirement to have AUM information. If the info is not in the bank reference letter, relationship manager must provide the info via his/her corporate email address</p>

- Sum assured is based on the total currently applied for (all carriers) or the total applied for and inforce with MLS, whichever is higher
- Underwriting reserves the right to ask for additional information to assist with verification of financial status and /or identity
- Additional requirements if coverage is for a business need (refer to the underwriting guide)
- For financial underwriting justification, underwriter will consider the total sum assured (currently applied for, inforce and concurrent policies) with all carriers

Financial Underwriting

Purpose of Insurance 1 – Income Replacement

Income replacement based on earned income formula:

- 75 Minus Current age (upto maximum 35x times) x Annual earned income: Permissible Insurance cover
- Example 1: Applicant age 35 with annual earned income of USD100K
 - ✓ 75-35: 40
 - ✓ Permissible cover: 35 x USD 100K: USD 3.5M

Financial Underwriting

Purpose of Insurance 2 - Estate Liquidity Needs

- Estate liquidity need based on *30% of net assets (total assets excluding cash – total liabilities)
- Individual consideration for assets without objective valuation (e.g. jewellery, antique, etc.)
- For applicants over aged 70, not more than 20% of net asset
- For working persons, Income Replacement + Estate Liquidity Needs is the most common reason for cover

Financial Underwriting

Earned Income

Earned Income (Employees) / *Earned Income (self-employed)

Regularly derived as a result of the employment contract

- Salary/wages
- Commission
- Fringe benefits eg. car allowance, education benefits, share option gains, grant of shares
- Bonus of any kind
- Cash allowances e.g. for food, travelling, servants, housing, cost of living, living away from home allowance, home leave, etc
- Share of Company net profit (based on % of Company ownership)*

Financial Underwriting

Unearned Income

Unearned Income

- Rent, interest, dividends, trust distributions, royalties or other monies
- Not paid as a result of personal exertion
- Usually not insured unless the client can demonstrate that it will cease in the event of death or incapacity

Financial Underwriting

Non-earning spouse

Up to USD 3M

- Working Spouse has at least equivalent insurance coverage (existing inforce & new)

More than USD 3M to 10M

- Not more than 50% of Working Spouse's cover

Evidence of Working Spouse's financial information for underwriting assessment

For those with assets in his/her own name

- 20% - 30% net worth excluding cash

Financial Underwriting Students

Up to USD 3M

- One of the parents with at least equivalent insurance coverage (existing inforce & new)

More than USD 3M to 10M

- Offer up to 50% of the income earner's cover

Siblings (if any) must be insured with equivalent sum assured

- If not, reasons why this child needs more cover

Evidence of income earner's financial information for underwriting assessment

Financial Underwriting Intermediary Background Report (Letter of Introduction)

- Relationship with the proposed insured
- Duration & quality of the relationship
- Purpose of cover
- Basis & justification of total sum assured
- Net worth (with breakdown of assets and liabilities)
- Medical history, financials, occupation/employment, remuneration, business, family, lifestyle, habits, etc
- Standing offers or other pending policies
- Any other general information of the proposed insured
- Information relating to the working spouse and income earner's for non-earning spouse and parent where applicable

Financial Undewriting

Total Line Endorsement (TLE)

Insurers impose a TLE where:

- Concurrent applications of high covers are submitted
- Income does not justify for all concurrent applications
- Client's intention is not clear or not decided
- Face Amounts exceeds USD 10M (regardless whether there are concurrent applications or not)
- Total cover exceeds Jumbo Limit (by residency)

Financial Underwriting

Total Line Endorsement (TLE) wordings

1. The Applicant/Policyowner agrees to withdraw any and all applications from any other insurer, regardless of location, once Manulife (Singapore) Pte Ltd has accepted the insurance application, policy number XXXXXXXXXX (“the Policy”), on the life of XXXXXXXX (“ the Proposed Insured”)
2. The Applicant/Policyowner warrants that the total amount of life insurance cover on the life of the Proposed Insured under all existing life insurance policies will not exceed USD 10,000,000 + SGD 1,000,000 on the day when the insurance coverage of the Policy to be issued by the Company takes effect.
3. The Applicant/Policyowner agrees that all the above shall be conditions precedent to the issuance of the Policy by the Company.
4. The Applicant/Policyowner agrees that failure to meet any of the above conditions precedent shall render the Policy to be void and unenforceable

Others

Foreign Residency Classification

Country A		Country B	
Argentina	Germany	Brazil	Peru
Australia	Hong Kong	Indonesia (some areas excl)	Philippines (some areas excl)
Bermuda	Italy	India (some areas excl)	Saudi Arabia (w/exclusion)
British Virgin Islands	Luxembourg	Israel (some areas excl)	South Africa
Brunei	Poland	Kuwait	Thailand (some areas excl)
Canada	Slovakia	Malaysia	UAE
Cayman Islands	South Korea	Maldives	Venezuela
Chile	Taiwan	Mauritius	Vietnam
China (excl. Tibet and Xinjiang)	United Kingdom	Oman	
France	United States	Panama	

Refer to Underwriting Guidelines for complete list

Others

Nationals of PRC

Eligibility requirements:

- Establish residency outside of PRC or
- Use a trust structure as policy owner where the trust is resident outside the PRC
- Evidence that there are adequate resources outside of PRC to satisfy premium requirements
- Correspondence address for the policy owner and any beneficiaries outside the PRC
- Owner and insured must be physically in Singapore to sign the application

Policy must not be marketed to PRC nationals for tax avoidance purposes

Others Medical Facilities

- Preferred Clinic: Fullerton Healthscreening Clinic

The Penthouse
#26-02 Ngee Ann City Tower B
391B Orchard Rd
Singapore 238874
Tel: 6836-336

Appointments: hnw@fullertonhealthcare.com
Hot Line: 9722-5026

Contact Manulife HNW Team to obtain a service requisition form **after** booking an appointment for health screening services for an Heirloom (I) application. This ensured the facility uses the correct exam forms and performs the correct tests needed.

Others

Additional Approved Medical Facilities

The following medical facilities are approved and actively in use for this business in Singapore

Raffles Hospital	Fullerton Healthcare @ Ocean Financial Centre
Raffles Medical (Terminal 3)	Executive Health Screeners (Gleneagles Hospital)
Medifast Medical Centre (Novena Medical Centre)	Executive Health Screeners (Mount Elizabeth Novena Hospital)

Refer to the Underwriting Guide for contact information for these facilities

Points of Contact

For Submission of New Business and Underwriting follow-up

Please email to:

- Sgp_Hnw@manulife.com

Concierge Team contact details

Tel: 6883 8191

Email: SGP_Concierge_FA@manulife.com

Thank you

