



PRU *Active Retirement II*

Product Information Pack
for
Financial Consultants / Representatives

CONTENTS

1

Product Features

2

Frequently Asked Questions

3

Sales and Marketing Propositions

4

Market Comparison

5

Appendix



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PRU *Active Retirement II*

PRODUCT FEATURES

1. INTRODUCTION

PRUActive Retirement II is a participating endowment insurance plan. The plan provides a stream of Monthly Income benefit during the Payout Period which starts from the policy anniversary immediately before the life assured attains the selected Payout Age. The plan provides the following choices:

- Choice of Premium Payment Term from single premium or over 4 years up to your chosen Payout Age;
- Choice of Payout Age from age 50 to age 90;
- Choice of Payout Period of 10, 15, 20, 25 or 30 years

The plan allows the policyowner to participate in the performance of the participating fund in the form of non-guaranteed bonuses and non-guaranteed monthly income.

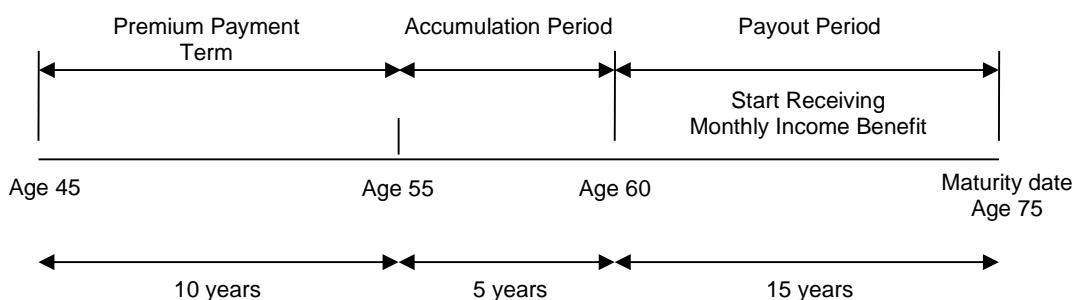
This plan can be taken out on a single life assured up to a maximum of two policyowners. Joint Ownership will be on a joint tenancy basis. In a Joint Ownership policy, when one policyowner dies, the policy will automatically be transferred to the surviving owner. If both policyowners die at the same time, ownership of the policy will vest in the estate of the younger of the two policyowners.

PRUActive Retirement II is an 8th series product. The series defines the premium rates and bonus features of the product.

How it works:

The example set out below is for illustration only. Premium Payment Term, Accumulation Period, Payout Period and Monthly Income payments will vary according to your policy.

Example: Mr Tan who is 45 years old chose a Premium Payment Term of 10 years, the Payout Age of 60 and the Payout Period until he is 75 years.



After the Premium Payment Term, the policy carries on until the selected Payout Age, this period is known as the “**Accumulation Period**”. This is followed by the “**Payout Period**” commencing immediately after the Accumulation Period during which the Monthly Income Benefit are paid out. Choice of Premium Payment Term, Payout Age and Payout Period must be selected during policy application.



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2. FACE VALUE & GUARANTEED MONTHLY INCOME

The term “Sum Assured” will not be used as the customer is not assured for this amount on death. The term “Face Value” will be used to calculate certain elements of the plan.

Guaranteed Monthly Income will be used as way of explanatory of the product.

3. BENEFITS

3.1. Death Benefit

If the life assured dies during the before the Payout Period, we will pay the higher of:

- (a) 101% of the surrender value at the time of death; or
- (b) 105% of the total premium paid at the time of death (but not premiums paid for supplementary benefits, if any) less any bonus you surrendered.

If the life assured dies during the Payout Period, we will pay the higher of:

- (a) 101% of the surrender value at the time of death; or
- (b) 105% of the total premiums paid at the time of death (but not premiums paid for supplementary benefits, if any), less all guaranteed monthly income instalments that have been paid at the time of death, plus any monthly income that you have left with us together with interest.

We will deduct from the Death Benefit payable any:

- amounts owing to us;
- overpaid Guaranteed Monthly Income due to the late notification of death; and
- overpaid Disability Monthly Income due to the late notification of death.

The policy and all its benefits automatically terminate once a Death Benefit claim is paid.

3.2. Monthly Income Benefit

Choice of Payout Period of 10, 15, 20, 25 or 30 years.

The Monthly Income Benefit is made up of

- (a) Guaranteed portion: Guaranteed Monthly Income (“GMI”)
- (b) Non-guaranteed Portion: Bonus Income, Step-up Income and Non-Guaranteed Monthly Income (“NGMI”)

Monthly Income Benefit will be payable on the same day, every month starting from the policy anniversary immediately before the life assured reaches the selected Payout Age. The last Monthly Income Benefit will be payable on the same day of the last month in the last policy year.

The Monthly Income received will not be less than the amount received last month. The Monthly Income will increase every policy anniversary subject to Annual Bonus Update.

3.2.1 Non-Guaranteed portion

The non-guaranteed portion consist of 3 components, the *Bonus Income*, *Step-up Income* and the *Non-Guaranteed Monthly Income*. A supplementary policy illustration will show how the non-guaranteed portion is split between the 3 components.



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3.2.1.1 Bonus Income

At the start of the payout period, the reversionary bonuses built up until this point will be converted to form the Bonus Income. This Bonus Income becomes guaranteed on conversion and is paid throughout the payout period.

3.2.1.2 Step-up Income

The Step-up Income is made up of the non-guaranteed monthly income that were declared from past years. Once declared, the Step-up Income is guaranteed and is paid in addition to the Bonus Income and non-guaranteed monthly income throughout the payout period.

3.2.1.3 Non-guaranteed monthly income

Non-guaranteed monthly income is declared yearly during the payout period and will depend on the performance of the participating fund. Once declared, it is guaranteed.

3.3. Accidental Disability Benefit

Accidental Disability Benefit includes 2 components:

- Accidental Disability Waiver (not applicable to single premium policy)
- Accidental Disability Monthly Income

This benefit can only happen once and will not cover if the life assured becomes "**Totally and Permanently Disabled**" again.

"Disability" and "Total and Permanent Disability" is defined as the condition of being "**Totally and Permanently Disabled**". The following is the definition of "**Totally and Permanently Disabled**":

For a life assured before age 65 years old (inclusive), we pay when the life assured is totally and irrecoverably disabled as a result of which the life assured:

- is unable to engage in any occupation, business or activity which pays an income; or
- suffers total and irrecoverable loss of use of:
 - both eyes; or
 - any two limbs excluding hands and feet; or
 - one eye and any one limb excluding hands and feet.

For a life assured between the ages of 66 and 70 years old (inclusive of both ages), we pay when the life assured is totally and irrecoverably disabled as a result of which the life assured:

- is unable to perform (whether aided or unaided) at least 3 of the 6 Activities of Daily Living for a continuous period of at least 6 months.
- suffers total and irrecoverable loss of use of:
 - both eyes; or
 - any two limbs excluding hands and feet; or
 - one eye and any one limb excluding hands and feet.



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The 6 “Activities of Daily Living” are defined as:

- (a) 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
- (b) Dressing : the ability to put on, take off, secure and unfasten all garments and, as appropriate, any braces, artificial limbs or other surgical or medical appliances
- (c) Feeding : the ability to feed oneself once food has been prepared and made available
- (d) Toileting : the ability to use the lavatory or manage bowel and bladder functions through the use of protective undergarments or surgical appliances, if appropriate
- (e) Mobility : the ability to move indoors from room to room on level surfaces
- (f) Transferring : the ability to move from a bed to an upright chair or wheelchair and vice versa

We will pay this benefit 6 months after the confirmed onset of the Total and Permanent Disability (“**Deferment Period**”) by a Registered Medical Practitioner with the Singapore Medical Council.

In order to receive the stated benefit, the life assured must have sustained the Accidental Injury resulting in Total and Permanent Disability within 12 calendar months from the date of the Accident.

An “**Accident**” is an unforeseen and involuntary event, which directly causes injury by violent, external and visible means, and is independent of any other cause (such as illness or disease of the life assured).

An “**Accidental Injury**” is an injury resulting from an Accident.

If the life assured becomes Totally and Permanently Disabled from other causes and not by an Accident, and has made a successful claim from any attaching disability supplementary benefit, this benefit is no longer be applicable and will terminate.

3.3.1 Accidental Disability Waiver

Once the life assured becomes Totally and Permanently Disabled due to an Accident, any future premium due under the policy will be waived.

This benefit is not applicable to single premium plan and is only applicable during the premium payment period. It will only waive the premium for the basic plan and does not cover the premiums for any optional riders attached to the policy. Premium payment for the optional riders will continue (if any).

If the life assured recovers from being Totally and Permanently Disabled, this benefit will cease and premium payment shall resume.

3.3.2 Accidental Disability Monthly Income

If the life assured becomes Totally and Permanently Disabled because of an Accident before the Policy Anniversary before the life assured attains age 70 years old, we pay an additional monthly instalment which is equal to the Guaranteed Monthly Income (“Accidental Disability Monthly Income”) subject to a maximum amount of \$6,250 per Accidental Disability Monthly Income instalment. We pay this Accidental Disability Monthly Income until the maturity of the policy or upon the death of the life assured, whichever is earlier.



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If the life assured stops being Totally and Permanently Disabled, we stop the Disability Monthly Income payments and this benefit terminates.

This benefit (without claim) will terminate upon the death of the life assured, expires by the Policy Anniversary immediately before the life assured turns 70 years old or maturity of the policy, whichever is earlier.

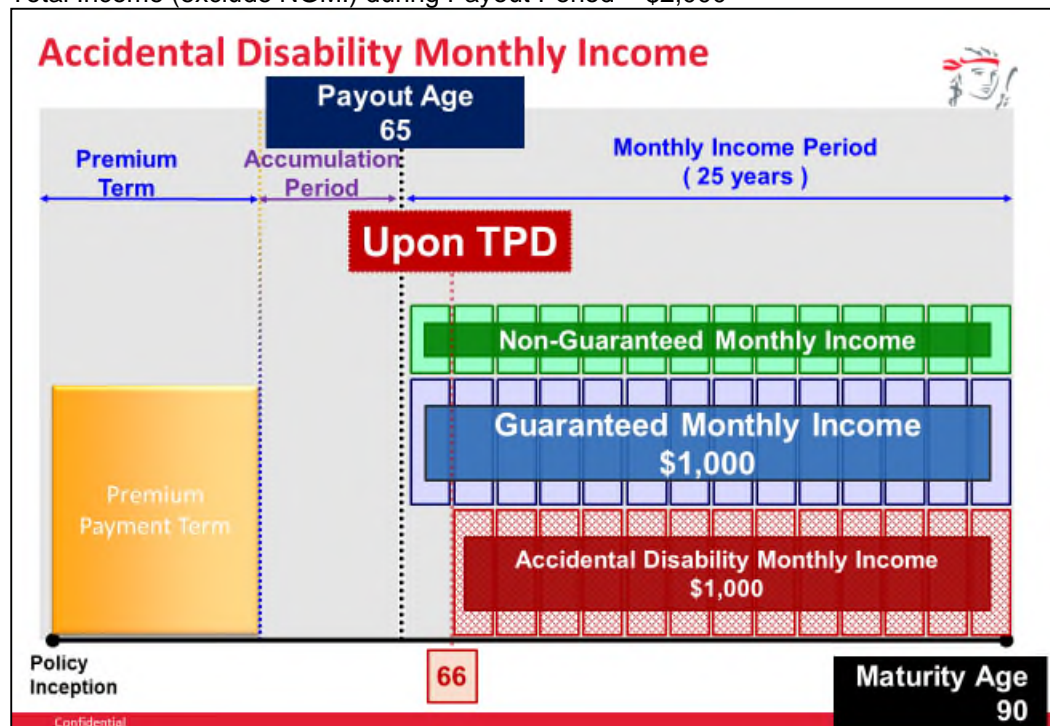
This benefit only covers the Main life assured and does not cover or transfer to the Successor Life Assured with or without activation of the Surviving Spouse Benefit. The Disability Monthly Income will terminate upon the activation of the Surviving Spouse Benefit.

Scenario 1

GMI = \$1,000

Accidental Disability Monthly Income = $\text{MIN}(1 \times \text{GMI}, \$6,250) = \$1,000$

Total Income (exclude NGMI) during Payout Period = \$2,000





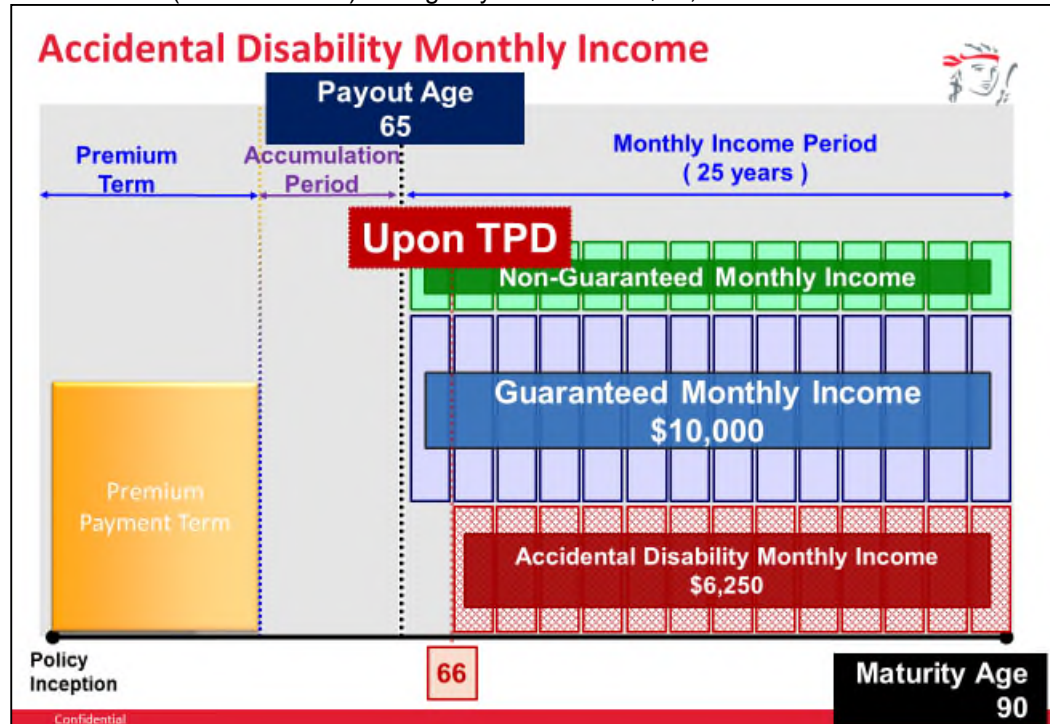
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Scenario 2

GMI = \$10,000

Accidental Disability Monthly Income = $\text{MIN}(1 \times \text{GMI}, \$6,250) = \$6,250$

Total Income (exclude NGMI) during Payout Period = \$16,250



In case that Guaranteed Monthly Income is reduced, Accidental Disability Monthly Income will be calculated based on the reduced Guaranteed Monthly Income provided there is no claim on this benefit. Reduction of Guaranteed Monthly Income will not apply if we are already paying the benefit.

We will claw back any excess payments for case of late notification of death.

If the life assured becomes Totally and Permanently Disabled from other causes and not by an Accident, and has made a successful claim from any attaching disability supplementary benefit, this benefit is no longer be applicable and will terminate.

Maximum Disability Monthly Income = \$6,250 per month

3.4. Payout Option

Available options to customers:

Option 1 (default)	Payout (Receive all benefits as Monthly Income)
Option 2	Accumulate (Reinvest Monthly Income with Prudential)

No backpaying of any benefits that had already been processed.



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Should there be any outstanding under the policy, the accumulated benefits at Payout Age will be used to repay the loan (capital paid before interest) before the start of Payout Period before Monthly Income payout. The sequence of deduction will always be from

- (a) Performance Bonus
- (b) Accumulated reversionary bonus
- (c) Guaranteed Monthly Income

The sequence of offsetting loan is as per current rule:

- (a) APL principle amount
- (b) APL interest
- (c) Policy Loan principle amount
- (d) Policy Loan interest
- (e) Surgical & Nursing Loan (S&N)

Any excess payments in the event of late notification of death will be clawback from the death benefit.

At point of application the policyowner must indicate the bank account details for us to do the direct credit of the Monthly Income Benefit.

3.5. Option to change the length of Payout Period

Policyowner is also given the option to change the length of Payout Period. This will result in higher Monthly Income instalments for a shorter Payout Period and likewise, lower Monthly Income instalments for a longer Payout Period. Your premium amount and Premium Payment Term will not change.

Policyowner is allowed to change the Payout Period any time until **two months** before the start of your payout period.

The Payout Age remains unchanged. (See example below)

Option to vary Payout Period is limited to:

- (a) Only applicable if the Payout Period has not started. Once the Monthly Income Benefit starts paying, the policyowner can no longer exercise this option
- (b) Vary by year(s) and not by month(s)
- (c) Must be 10, 15, 20, 25 or 30 years

The Minimum Guaranteed Monthly Income of \$200 is not required when policyowner change the Payout Period.

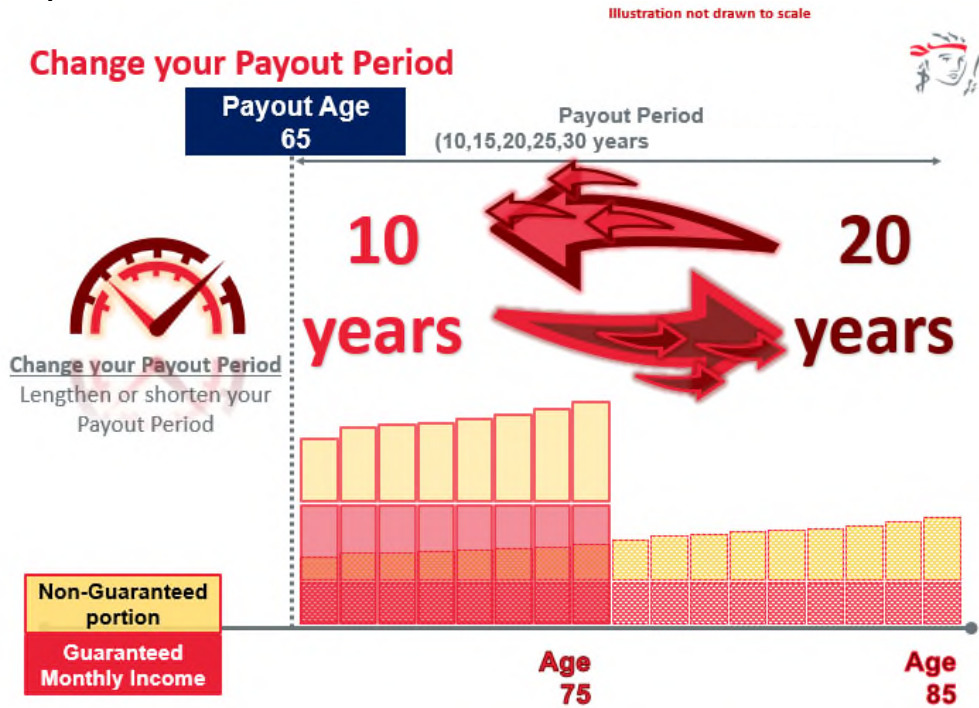
To apply, the customer must use our appropriate application form and meet the conditions on it. We will notify the customer if we accept their application.

The Company reserves the rights to vary these options at any time without any advance notice to the Policyowner.



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Example



3.5.1 If client exercise the Option to vary Payout Period before claim

The Accidental Disability Monthly Income amount will reference to the new GMI amount. The payment of Accidental Disability Monthly Income will cease upon the death of life assured, at the end of the policy term/maturity date based on the new Payout Period or if the life assured stops being Total Permanently Disabled, whichever is earlier.

Example - Shortening:

Original GMI for 20 years	\$1,000
Original ADMI for 20 years	\$1,000
Original ADMI Expiry Age (Benefit Cess Date)	85
Client exercise the option to shorten	20 years to 10 years
New GMI for 10 years	\$2,000
New ADMI for 10 years	\$2,000
New ADMI Expiry Age (Benefit Cess Date)	75 (follow shorter term)

Example - Lengthening:

Original GMI for 10 years	\$1,000
Original ADMI for 10 years	\$1,000
Original ADMI Expiry Age (Benefit Cess Date)	75
Client exercise the option to lengthen	10 years to 20 years
New GMI for 20 years	\$500
New ADMI for 20 years	\$500
New ADMI Expiry Age (Benefit Cess Date)	85



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3.5.2 If client exercise the Option to vary Payout Period after claim

The Accidental Disability Monthly Income amount will remain unchanged. The payment of Accidental Disability Monthly Income will cease upon the death of life assured, at the original policy term, new maturity date based on the shorter Payout Period or if the life assured stops being Total Permanently Disabled, whichever is earlier.

Example – Shortening after claim:

Incepted ANB 45	
Original GMI for 20 years	\$1,000
Original ADMI for 20 years	\$1,000
Original ADMI Expiry Age (Benefit Cess Date)	85
Client exercise the option to shorten	20 years to 10 years
Claim ATPD at age 50	
New GMI for 10 years	\$2,000
New ADMI for 10 years	\$1,000
New ADMI Expiry Age (Benefit Cess Date)	75

Example – Lengthening after claim:

Incepted ANB 45	
Original GMI for 10 years	\$1,000
Original ADMI for 10 years	\$1,000
Original ADMI Expiry Age (Benefit Cess Date)	75
Client exercise the option to lengthen	10 years to 20 years
Claim ATPD at age 50	
New GMI for 20 years	\$500
Remain ADMI for 10 years	\$1,000
ADMI Expiry Age (Benefit Cess Date) remain at	75 (original Ben Cess Date)

3.6. Maturity Benefit

The Maturity Benefit consists of the

- last instalment of the Monthly Income; and
- a maturity bonus

Plus any accumulated Monthly Income less any policy loan (including interest), Automatic Premium Loan (including interest), S&N loan and all other outstanding amounts owing to us in connection with the policy and expenses (including but not limited to administrative, sales related and medical expenses) incurred by us on the policy.

We will also pay out any money paid in excess sitting in suspense account without interest upon maturity of the policy.

3.7. Surviving Spouse Benefit

The **Surviving Spouse Benefit** is an optional benefit that is available on a policy that has a husband and wife as joint owners of the policy. This would mean one of the policyowners is the Main Life Assured, as shown on the Certificate of Life Assurance, and the other policyowner will be the “**Successor Life Assured**”. In this instance, should the Main Life Assured die after the



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premium payment term, we will not pay out the Death Benefit as the policy will now continue on the life of the Successor Life Assured.

The policy under the Successor Life Assured will continue until:

- the death of the Successor Life Assured; or
 - the maturity of the policy,
- whichever event occurs first.

Should the Main Life Assured die during the premium payment term, the Surviving Spouse Benefit will not be activated and the Death Benefit will be paid.

3.7.1 Death of Main Life Assured DURING the premium payment period

Should the Main Life Assured die **DURING** the premium payment term, the Surviving Spouse Benefit will not be activated and we will pay out the Death Benefit.

3.7.2 Death of Main Life Assured AFTER the premium payment period

Should the death of the Main Life Assured occur **AFTER** the premium payment term, the Death Benefit will not be paid.

The Surviving Spouse Benefit will be activated and the Successor Life Assured will become the new life assured and the policy continues without any changes to the original policy term, retirement age or GMI.

The policy continues on the life of the Successor Life Assured as if the Main Life Assured was still alive.

All supplementary benefits will terminate when the Surviving Spouse Benefit is activated. No supplementary benefits are allowed on the policy once the Successor Life Assured becomes the new life assured.

The Accidental Disability benefit will also terminate when the Surviving Spouse Benefit is activated.

To apply for the Surviving Spouse Benefit, you must use our appropriate application form and meet the conditions on it. We will notify you if we accept your application.

You cannot appoint a Successor Life Assured if your policy already has a nomination of beneficiary or a trust has been created under your policy.

4. JOINT OWNERSHIP

This plan can be taken out on a single life assured up to a maximum of two policyowners. Joint Ownership will be on a joint tenancy basis. In a Joint Ownership policy, when one policyowner dies, the policy will automatically be transferred to the surviving owner. If both policyowners die at the same time, ownership of the policy will vest in the estate of the younger of the two policyowners.

Appointment of a Successor Life Assured is only allowed in a joint ownership policy. Only Husband and Wife can apply for Joint Ownership at inception.

Example: Joint Ownership application at inception



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Owner	Husband + Wife	Husband + Wife
Main Life Assured	Husband	Wife
Successor Life Assured	Wife	Husband

5. POLICY LIMITS

5.1. Age at Entry

Plans	Minimum age at entry	Maximum age at entry
PRUActive Retirement II - SP	19 anb	85 anb
PRUActive Retirement II - RP		80 anb

Note: Maximum entry age for Accidental Disability Benefit is 69 anb

5.2. Age at Expiry

Plans	Minimum Expiry Age	Maximum Expiry Age
PRUActive Retirement II - SP	60 anb	110 anb
PRUActive Retirement II - RP		

Note: Expiry age for Accidental Disability Benefit is 70 anb

5.3. Policy Term

Plans	Minimum Policy Term	Maximum Policy Term
PRUActive Retirement II - SP	15 years	91 years (to age 110)
PRUActive Retirement II - RP	20 years	

5.4. Premium Term

Plans	Minimum Premium Term	Maximum Premium Term
PRUActive Retirement II - SP	Single Premium	
PRUActive Retirement II - RP	4 years	71 years [To Payout Age]

Note: Accidental Disability Income Benefit and Accidental Disability Waiver are embedded benefits within the plan.



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5.5. Size of Policy

Minimum Guaranteed Monthly Income = \$200 ; in multiplies of \$1

Plans	Premium Term	Minimum Single/Annual Premium	Maximum Limit
PRUActive Retirement II - SP	Single Premium	\$25,000	Subject to total premiums payable of \$5,000,000
PRUActive Retirement II - RP	4 – 9 years	\$5,000	
	10 – 20 years	\$2,400	
	21 years and more	\$1,200	

Maximum sum assured for Accidental Disability Income Benefit = \$6,250 / per month

5.6. Mode of Payment (for regular premium paying plans only)

Not applicable for single premium plan.

Annual, half-yearly, quarterly and monthly

5.7. Payment Method

5.7.1 For regular premium paying plans

Available via cash, cheque, GIRO and credit card. Payment by all credit card (VISA or MASTERCARD only) is only allowed for first premium.

For subsequent renewal premium, Citibank, UOB, SCB, Maybank and DBS/POSB credit cards are allowed. Other banks' credit cards are not allowed.

For payment via GIRO, the first 2 monthly premiums must be made via cash, cheque or credit card.

5.7.2 For single premium plans

Available via cash/cheque.

6. POLICY VALUES

6.1. Surrender Values

For regular premium plans, the surrender value is available after 36 months from your first premium due date and you have paid premiums for 36 months.

For single premium plans, there is an immediate surrender value.

6.2. Policy Loan

This loan can only be taken during the Accumulation Period and is not applicable during Monthly Income Period.



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A policy loan may be taken against the surrender value of the policy prior to the start of Monthly Income Period. An interest rate, currently at 5.25% p.a. will be charged. This interest rate may vary from time to time.

For regular premium paying plan, the maximum loan amount is set at 90% of the surrender value at the time the loan is taken up.

For single premium plan, the maximum loan amount is set at 70% of the surrender value at the time the loan is taken up.

3 months notice is given to Policyowner if there is a change in interest rate.

Policy loan is not applicable to SRS policy.

6.3. Policy Alteration

6.3.1 Guaranteed Monthly Income

Minimum reduction in Guaranteed Monthly Income is in multiples of \$1. Minimum remaining Guaranteed Monthly Income must be at least \$1. Increase in Guaranteed Monthly Income is not allowed.

Reduction during the premium paying period, policyowners will pay the revised premium amount after the reduction is accepted and we will refund the difference in Surrender Value between the original and revised Guaranteed Monthly Income. Premiums paid before the reduction will not be refunded although they are higher than the revised premium.

Reduction after the premium paying period and during the Accumulation Period, we will refund the difference in Surrender Value between the original and revised Guaranteed Monthly Income. Premium paid will not be refunded.

Reduction during Monthly Income Period is not allowed.

Reduction is also not allowed if we are paying the Accidental Disability Income Benefit.

Reduction will take effect from the next paid-to-date.

If the Guaranteed Monthly Income is reduced, the Accidental Disability Income will be based on the reduced Guaranteed Monthly Income as shown on the new Policy Certificate.

Reduction in Guaranteed Monthly Income will result in other related benefits yet to be paid to be reduced accordingly i.e. Accidental Disability Income. We will not clawback any benefit(s) which have been paid out.

6.3.2 Mode of Payment

Not applicable for single premium plan.

The change of premium payment frequency will only be effected on the next Premium Due Date i.e. if monthly mode, the change will be effective from the following month. If yearly mode, the change will be effective the next Premium Due Date (1 year from last Premium Due Date).



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6.4. Automatic Premium Loan (APL)

Not applicable for single premium plan.

In the event of non-payment of premium, the policy will not terminate so long as the surrender value of the policy is sufficient to enable Prudential to pay one or more premium.

An interest rate, currently at 5.25% p.a. will be charged. This interest rate may vary from time to time. The company reserves the right to vary the interest rate but will not do so before giving 3 months' written notice.

If the Surrender Value is insufficient to cover ONE full modal premium (eg. Mode of Payment = Annual, Annual Premium Due = \$2,400, but Surrender Value = \$2,000), Mode of Payment will be changed to Monthly, Premium Due = \$204 and the Surrender Value of \$2,000 will be used to fund the monthly premium due until it expires before lapsing the policy.

6.5. Paid-up Values

Not applicable for single premium plan.

Paid-up values will be based on surrender value at the point of conversion and will not be entitled to any further bonus declared.

Once the policy is converted to paid-up,

- Guaranteed Monthly Income will be reduced;
- No non-guaranteed Monthly Income will be paid;
- No reversionary bonus will be paid;
- Option to vary Payout Period* will be disallowed;
- all applicable benefits i.e. death and Accidental Disability Monthly Income continues based on the new reduced Guaranteed Monthly Income; and
- the following features will no longer apply:
 - o Policy Loan
 - o Surgical and Nursing Loan
 - o Any supplementary benefits

Total premiums paid to date will be up to the last paid to date before Paid-up is processed.

Minimum paid-up value is \$1 Guaranteed Monthly Income.

Upon paid-up, treatment/calculation of various benefits to be consistent with current practice of GIO products.

** If policyowner has history of varying Payout Period, the latest variation will be effective.*

6.6. Bonus Surrender

Any attaching Reversionary Bonuses can be surrendered for cash after 36 months of premiums have been paid, in-force for 36 months and before the Payout Period. Partial cashing of bonus is allowed.

Interim bonus will be calculated if transaction occurs between January to March. Reversionary Bonus will not be recalculated after bonus declaration in April.



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Not allowed if policy is under Paid-Up.

Not allowed during Payout Period.

6.7. Surgical & Nursing Loan

This loan can only be taken during the Accumulation Period and is not applicable during Monthly Income Period.

If the policy has a surrender value and the Certificate of Life Assurance shows that the customer has this option, the customer can apply for an interest-free loan to pay for medical expenses incurred as a result of a surgical operation performed on the life assured.

The customer can only apply for the loan:

- (a) on the portion of the medical bills where cash payment was made; and
- (b) if the customer cannot claim the medical expenses from any source.

The customer can apply for more than one loan but each loan amount must be at least \$200 and the total of all loans cannot be higher than:

- (a) 10% of the total Guaranteed Monthly Income or 10% of single premium;
 - (b) The total premiums paid excluding additional premiums paid for supplementary benefits; or
 - (c) the surrender value of the policy,
- whichever is lowest.

The customer cannot apply for a loan if the surgical operation arises directly or indirectly out of one of the following:

- (a) dental treatment
- (b) Acquired Immunodeficiency Syndrome ("AIDS"), AIDS-related complex or infection by Human Immunodeficiency Virus ("HIV") condition
- (c) cosmetic surgery
- (d) pregnancy, miscarriage or childbirth.

The customer can repay the loan at any time. We deduct the loan amount owing to us from any payment we make under the policy.

If the total outstanding amount owing to us under the policy exceeds the surrender value, the policy terminates immediately.

To apply, the customer must use our appropriate application form and meet the conditions on it. We will notify the customer if we accept their application.

Surgical & Nursing loan is not applicable to SRS policy.

7. POLICY CONDITION

7.1. Free Look Provision

Within 14 days from the date of receipt of the policy, the policyowner has the right to cancel the policy and receive a full refund of the premiums paid.



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The policy is considered delivered and received in the ordinary course of the post, 7 days after the date of posting.

7.2. Grace Period for Renewal Premium

Not applicable for single premium plan.

The Policyowner has up to 30 days grace period for premium payment. The policy will lapse if premium is not received or there is insufficient surrender value to deduct from at the end of the grace period.

If there is sufficient surrender value, the insurance coverage can be maintained and the premiums will continue to be deducted until the policy has no surrender value at which time the policy will lapse without value.

7.3. Revival Criteria / Reinstatement of Policy

Not applicable for single premium plan.

As per existing practice, revival is subject to the submission of relevant forms such as revival forms and supplementary proposal form etc.

Revival can be effected by Payment of Arrears. We will charge an interest rate of 5.25% for the outstanding premiums of policies which have lapsed for more than 6 months if the Policyowner chose to revive via Payment of Arrears.

Note that revival by re-dating is not allowed.

Auto-revival is allowed.

7.4. Alter from Inception

Alteration from inception is allowed for change of payment frequency.
Not applicable for single premium plan.

7.5. Guaranteed Premium

The Company guarantees that the premium for PRUActive Retirement II remains unchanged throughout the policy term.

7.6. Notice of Claim

The life assured or, in the case of the life assured's death, the legal representative must send us:

For Death Claim, the beneficiary or legal representative must send us:

- A completed claim form
- Current Certificate of Life Assurance
- Clinical Abstract Application Form
- Medical report at his/her own expense
- Death certificate issued by relevant Authority
- Identification documents of Claimant
- Proof of relationship



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- Evidence that the person is entitled to receive the payment (e.g. Deceased's Last WILL, Letter of Administration or Probate, Trust Deed, Assignment Deed etc.)
- Any documentary proof so required by us

If Death occurs outside of Singapore, the following documents must also be submitted:

- Death Abroad Questionnaire
- Declaration of Identity of deceased
- Official document from relevant Authority proving death of life assured

For Accidental Disability Claim, the life assured (or legal representative) must send us as soon as practicable, at your own expense:

- a completed Disability claim form;
- your current Certificate of Life Assurance;
- a medical report including clinical, radiological, imaging evidence, laboratory and histological evidence the life assured's Registered Medical Practitioner;
- any documentary proof as required by us (e.g. police report); and
- a completed Clinical Abstract Application Form

You must also give us evidence to our satisfaction of continuing disability before each payment.

We reserve the right to ask the life assured or life assured's legal representative to provide, at his/her own expense, more documents or evidence to help in the assessment of the claim.

7.7. Governing Law

This plan is governed by and interpreted according to the laws of the Republic of Singapore.

7.8. Changes to Policy Benefit and Conditions

The Company reserves the right to vary the policy benefits and conditions at any time by giving 30 days' notice to the policy owner before doing so.

7.9. Termination

The benefits under the policy will terminate upon:

- non-payment of premiums (applicable for Regular Premium plan); or
 - upon surrender of the policy; or
 - the policy lapsing because the amounts owing to us within the policy exceeds the surrender value; or
 - a claim on Death is made where the first coverage payout is paid
- whichever event occurs first.

The benefits under Accidental Disability Benefit will terminate upon:

- the death of the life assured; or
 - non-payment of premiums; or
 - the Policy Anniversary immediately before the life assured turns 70 years old; or
 - the life assured dies or stops being Totally and Permanently Disabled; or
 - a claim on Accidental Disability is made where the first coverage payout is paid
- whichever event occurs first.



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8. ASSIGNMENT / TRUST / NOB

8.1. ASSIGNMENT

8.1.1 For Single Owner policy

Allowed
Not applicable to SRS policies.

8.1.2 For Joint Owner policy

Allowed
Not applicable to SRS policies.

8.1.3 For Joint Owner policy with Successor Life Assured

Allowed
Not applicable to SRS policies.

Example of Absolute Assignment:

	At Inception	After Absolute Assignment
Owner	Husband	Wife
Main Life Assured	Husband	Husband
Successor Life Assured	-	-

	At Inception	After Absolute Assignment
Owner	Husband + Wife	Bank
Main Life Assured	Husband	Husband
Successor Life Assured	Wife	Wife

8.2. NOMINATION OF BENEFICIARIES (SECTION 49M & 49L)

NOB is not allowed if the policy is purchased on a joint ownership basis and/or a Spouse has been appointed as the Successor Life Assured under the Surviving Spouse Benefit. Likewise, a Spouse cannot be appointed as the Successor Life Assured if the policy has an NOB.

Example 1:

Owner = **A + B**
Life Assured = **A**
Successor Life Assured = **B**
NOB is not allowed

Example 2:

Owner = **A + B**
Life Assured = **A**
Successor Life Assured = **N.A**
NOB is not allowed

Example 3:

Owner = **A**
Life Assured = **A**
Successor Life Assured = **N.A**



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NOB is allowed

8.2.1 For Single Owner policy

Allowed

For SRS policy, only revocable nomination is allowed.

8.2.2 For Joint Owner policy

Not allowed

8.2.3 For Joint Owner policy with Successor Life Assured

Not allowed

8.3. JUVENILE TRUST

Not applicable

8.4. EDUCATIONAL TRUST

Not applicable

9. EXCLUSIONS

9.1. Death Benefit

If the life assured commits suicide within 12 months from the Cover Start Date of the policy or from the date of reinstatement (if any), the policy becomes void, we cancel it and refund the total premiums* received less expenses (including but not limited to administrative, sales related and medical expenses) incurred by us on the policy.

If death occurs due to a Pre-existing Condition within the first year from the Date of Policy/ Date of reinstatement, the death benefit is restricted to refund of total premiums paid to date* (excluding premiums paid for supplementary benefit) less any policy loan (including interest), Automatic Premium Loan (including interest), S&N loan and all other outstanding amounts owing to us in connection with the policy and expenses (including but not limited to administrative, sales related and medical expenses) incurred by us on the policy.

A Pre-existing condition is the existence of any signs or symptoms for which treatment, medication, consultation, advice or diagnosis has been sought or received by the Life Assured or would have caused an ordinary prudent person to seek treatment, diagnosis or cure, prior to the Cover Start Date of this benefit.

*Total premiums paid refer to Death premiums. If there is a reduction in the policy Face Value, the total premiums paid used in computing the benefit payable in the event of Death will be based on the revised premium set out in the new Certificate of Life Assurance and will be calculated as if this revised premium amount had been paid since the issue of the policy.

The payment of the Death Benefit is subject to the activation of the Surviving Spouse Benefit



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9.2. Accidental Disability Benefit

We do not pay if the Disability existed at the Cover Start Date of this benefit or at the date of reinstatement (if any) and if the Accidental Injury of the life assured arises directly or indirectly out of one of the following:

- the claim was made when the life assured was already deceased at the time of the claim. We will pay the Death Benefit instead;
- the Accidental Disability occurred when the life assured is below 28 days of age; or
- the Accidental Disability existed at the Cover Start Date or date of reinstatement (if any) of this benefit;
- war or warlike activities, invasion, acts of the foreign enemy, hostilities (whether declared or not), civil war, rebellion, revolution, insurrection, military or usurped powers;
- terrorism involving the use of nuclear, biological or chemical agents;
- illnesses or diseases of any kind, including but not limited to, fits, hernia, venereal disease, Acquired Immunodeficiency Syndrome (AIDS) or food poisoning;
- illnesses or diseases as a result of bite(s) inflicted by, and/or contact(s) with, animal or insect, which animal or insect is infected by, or is a carrier of, such illnesses or diseases;
- physical or mental defect or infirmity existing at the Cover Start Date or date of reinstatement (if any) of this benefit;
- Accident(s) arising and due to pregnancy or confinement and related complications;
- deliberate acts such as taking intoxicating liquor or drugs, committing suicide or attempted suicide or intentional self-injury while sane or insane;
- unlawful acts, the hand of justice or wilful exposure to unnecessary danger except in the attempt to save a human life;
- any injury sustained while the life assured is committing or is attempting to commit an offence or is resisting arrest by a law enforcement officer;
- injuries as a result of committing, attempting or provoking an assault;
- state of unsound mind;
- taking part in a hazardous activity or sports unless carried out legally under the supervision of a licensed organisation;
- participation in professional or competitive sports where the life assured would or could earn income or remuneration from engaging in such sports;
- being in an aircraft of any type, or boarding or descending from any aircraft, except as a fare-paying passenger in an aircraft that is on a regular scheduled route operated by a commercial airline;
- radiation or contamination from radioactivity;
- racing of all kinds, other than on foot or bicycle;
- engaging in commando or bomb disposal duties/training, active military duties such as maintenance of civil order, engagement in hostilities, whether war is declared or not, and travel by military aircraft or waterborne vessel. This exclusion overrides all other terms and conditions relating to military services;
- an activity under Special Exclusion and/or Special Terms and Conditions shown on your Certificate of Life Assurance.

10. SUPPLEMENTARY BENEFITS

Not applicable for single premium plan. Riders are available for regular premium paying plans only.

Existing limits and underwriting rules for these riders shall apply. Premium term for riders is subject to the rider's coverage term.

Mid-term add is allowed.



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Supplementary benefits that can be attached are:

- Crisis Waiver III & Early Stage Crisis Waiver
- Payer Security Plus & Early Payer Security
- Accidental Assist & Recovery Aid
- Fracture Care PA

11. UNDERWRITING GUIDELINES

11.1. Aggregation Rules

The aggregate premiums payable for all **Guaranteed Issuance** policies (except Prulink SuperSaver Account) per life assured issued in the past 24 months cannot exceed S\$5 million (or equivalent). The calculation is based on the total committed premiums of the product, excluding premiums for supplementary benefits (if any) (e.g. 10 x annual premium for a 10-year premium term product, or full single premium for a single premium product). US dollar denominated policies will be aggregated after applying an exchange rate of US\$1 to S\$1.40 on the premiums payable. We reserve the right to review/vary this rate.

11.2. Medical Underwriting

11.2.1 For application without riders

No medical underwriting is required.
No health declaration is required as well.

11.2.2 For application with riders

Medical underwriting is required for the riders.

11.3. Restriction on Nationality

It is available to all Singaporean, Singapore Permanent Resident and foreigner with valid passes. Other pass holders will be considered on case by case basis. Please refer to PruInfo's Foreigner Guidelines (File named: New Business) for more info.

11.4. Backdating

Not applicable for single premium plan.

Backdating is allowed for regular premium paying policies only. We will allow backdating:

- (a) up till 6 months from product launch date; and
- (b) it should not cross calendar year of product launch for participating products.

12. PREMIUM CALCULATION

12.1. Premium Rates

Premium rates are level, dependent on age of entry, choice of premium term, Payout Age and Payout Period.

12.2. Prusmart Lady/PruLady/PruMan/PruTerm Plus Advantage Discount

Not applicable



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12.3. Policy Size Adjustment

Large sum discount is available.

There are a few bandings for large sum discount, based on the Face Value of the plan

Single Premium	Band 1	Band 2	Band 3	Band 4	Band 5	Band 6
Face Value Range	0 – 13,999	14,000 – 39,999	40,000 – 59,999	60,000 – 99,999	100,000 – 199,999	200,000 onwards

Regular Premium	Band 1	Band 2	Band 3	Band 4	Band 5
Face Value Range	0 – 39,999	40,000 – 59,999	60,000 – 99,999	100,000 – 199,999	200,000 onwards

12.4. Policy Fees

There are no policy fees.

12.5. Frequency Factors for Different Premium Paying Mode

Not applicable for single premium plan. The frequency factors used for conversion annual premium into other modes of payment are:

Premium payable	Yearly	Half-yearly	Quarterly	Monthly
Frequency factor	1	0.505	0.255	0.085



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PRU *Active Retirement II*

FREQUENTLY ASKED QUESTIONS

PRODUCT FEATURES

[The 'you' used in this FAQ refers to the policyowner]

Q1 What is PRUActive Retirement II?

- A1** PRUActive Retirement II is a participating endowment insurance plan. The plan provides a stream of Monthly Income benefit during the Payout Period which starts from the policy anniversary immediately before the life assured attains the selected Payout Age. The plan provides the following choices:
- o Choice of Premium Payment Term from single premium or over 4 years up to your chosen Payout Age;
 - o Choice of Payout Age from age 50 to age 90;
 - o Choice of Payout Period from 10, 15, 20, 25 or 30 years;
 - o Choice of Guaranteed Monthly Income

It also provides coverage for death and accidental disability. Should the life assured become Totally and Permanently Disabled because of an Accident before the Policy Anniversary before the life assured attains age 70 years, this plan waives any future premiums due for the policy (excluding premiums for supplementary benefits, if any) and pays a stream of Disability Monthly Income equivalent to the Monthly Income until the maturity of the policy or upon death of the life assured, whichever is earlier.

This plan can be taken out on a single life assured up to a maximum of two policyowners. Joint Ownership will be on a joint tenancy basis. In a Joint Ownership policy, when one policyowner dies, the policy will automatically be transferred to the surviving owner. If both policyowners die at the same time, ownership of the policy will vest in the estate of the younger of the two policyowners.

For a policy which is under joint ownership between husband and wife, the plan also offers the Surviving Spouse Benefit where one of the policyowners is the Main Life Assured and the other policyowner can be appointed as the Successor Life Assured. The plan continues in the event the Main Life Assured passes away after the premium payment term.

Q2 What are the key benefits of PRUActive Retirement II?

- A2** PRUActive Retirement II provides a stream of Monthly Income which starts from the Policy Anniversary immediately before the life assured attains their selected Payout Age.

PRUActive Retirement II offers financial protection against death of life assured.

Should the life assured become Totally and Permanently Disabled, caused by an Accident before the Policy Anniversary before the life assured attains age 70 years old, this plan waives any future premiums due for the policy (excluding premiums for supplementary benefits, if any) and pays a stream of Disability Monthly Income equivalent to the Monthly Income until the maturity of the policy or upon death of the life assured, whichever is earlier.



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Q3 What do we pay for Death Benefit?

A3 If the life assured dies before the Payout Period, we will pay the higher of:

- o 101% of the surrender value at the time of death; or
- o 105% of the total premiums paid at the time of death (but not premiums paid for supplementary benefits, if any), less any bonus you surrendered.

If the life assured dies during the Payout Period, we will pay the higher of:

- o 101% of the surrender value at the time of death; or
- o 105% of the total premiums paid at the time of death (but not premiums paid for supplementary benefits, if any), less all guaranteed monthly income instalments that have been paid at the time of death,

plus any monthly income that you have left with us together with interest.

We will deduct from the Death Benefit payable any:

- o amounts that you owe us;
- o overpaid monthly income because you were late in letting us know of the death of the life assured; and
- o overpaid disability monthly income because you were late in letting us know of the death of the life assured.

The whole policy automatically ends once a death claim is paid.

Q4 What do we pay for Accidental Disability Benefit?

A4 If the life assured becomes totally and permanently disabled because of an accident before the cover end date of the Accidental Disability Benefit as shown in your certificate of life assurance, we pay an extra monthly instalment which is equal to the guaranteed monthly income (Disability Monthly Income) up to a maximum amount of \$6,250 for each disability monthly income instalment. We pay this Disability Monthly Income from the next month following the date of disability until the maturity of the policy or when the life assured dies, whichever event happens first. We pay on the same date each month as the scheduled monthly income instalment payout date.

If your policy has a regular Premium Payment Term, and when the disability of the life assured because of an accident is confirmed, we will waive any future premiums due on your policy. Premiums for any supplementary benefits are not included.

If the life assured stops being Totally and Permanently Disabled, we stop the waiver of any premiums due and Disability Monthly Income payments, and this benefit terminates.

This benefit can only be claimed once and will not cover if the life assured becomes Totally and Permanently Disabled again.

Q5 How does the waiver of premium for Accidental Disability work?

A5 Once the life assured suffers Total and Permanent Disability due to an Accident, any future premium due under the policy will be waived.

This benefit is only applicable during the premium payment period. It will only waive the premium for the basic plan and does not cover the premiums for any optional riders attached to the policy. Premium payment for the optional riders will continue (if any).

If the life assured recovers from being Totally and Permanently Disabled, this benefit will cease, and premium payment shall resume.



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Q6 What are the non-guaranteed benefits of PRUActive Retirement II?

A6 There are the non-guaranteed benefits:

- (a) Before Payout Period, policy is entitled to Reversionary Bonus & Performance Bonus
- (b) During Payout Period, policy is entitled to Bonus Income, Step-up Income & Non-Guaranteed Monthly Income
- (c) On maturity, policy is entitled to maturity bonus

MONTHLY INCOME & PAYOUT PERIOD

Q7 When will my customer receive his first Monthly Income?

A7 The Monthly Income will be payable monthly throughout the Payout Period starting on the Policy Anniversary immediately before the life assured reaches his selected Payout Age.

Q8 What is the Monthly Income made up of?

A8 The Monthly Income Benefit is made up of:

- (a) Guaranteed portion: Guaranteed Monthly Income ("GMI")
- (b) Non-guaranteed Portion: Bonus Income, Step-up Income and Non-Guaranteed Monthly Income ("NGMI")

Q9 How will my customer receive his Monthly Income payout?

A9 Customers have the option to receive ("Payout" option) or accumulate ("Accumulate" option) the Monthly Income with us. The customers can choose to switch between the 2 options any time during the policy term. The change will only be effective on the next Monthly Income payment. Once the Monthly Income instalments has been paid, we will not allow it to be backpay for accumulation.

Q10 What is Bonus Income?

A10 At the start of the payout period, the reversionary bonuses built up until this point will be converted to form the Bonus Income. This Bonus Income becomes guaranteed on conversion and is paid throughout the payout period.

Q11 What is Step-up Income?

A11 The Step-up Income is made up of the non-guaranteed monthly income that were declared from past years. Once declared, the Step-up Income is guaranteed and is paid in addition to the Bonus Income and non-guaranteed monthly income throughout the payout period.

Q12 What happens if my customer chose to accumulate the Monthly Income?

A12 If the customer chooses to leave the Monthly Income with us, we apply an annual interest rate on the accumulated Monthly Income. The interest accrues on a daily basis. On each Policy Anniversary, the previous year's interest will be added to the accumulated Monthly Income and interest will be credited on the total amount.

We reserve the right to vary the interest rate but will not do so before giving the customer 30 days' written notice.

Once the Monthly Income instalments has been paid, we will not allow it to be backpay for accumulation.



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Q13 What is the interest payable when customer chooses to accumulate the Monthly Income?

A13 The current prevailing interest rate is at 2.50% per annum.

The interest rate is not guaranteed and we reserve the right to vary the interest rate but will not do so before giving the customer 30 days' written notice.

Q14 Can my customer withdraw the accumulated Monthly Income?

A14 If the customer chooses to accumulate the Monthly Income, the customer can apply to withdraw at any time before the maturity date of the policy, subject to a minimum withdrawal of \$1,000. There is no minimum balance required.

If at the time of the application for withdrawal, the accumulated Monthly Income is less than \$1,000, the customer must withdraw the whole amount.

Q15 Can my customer change the policy's Payout Period?

A15 Yes, your customer can choose to change the length of the Payout Period:

- o any time until two months before the start of your Payout Period. Your Payout Age remains unchanged.
- o only if your Monthly Income payments have not started. Once your Monthly Income payments have started, this option is no longer available.

To apply, you must use our appropriate application form and meet the conditions on it. We will let you know if we accept your application.

Q16 What is the amount of Monthly Income if customer choose to shorten the Payout Period?

A16 This will result in higher Monthly Income instalments for a shorter Payout Period.

Q17 What is the amount of Monthly Income if customer choose to lengthen the Payout Period?

A17 This will result in lower Monthly Income instalments for a longer Payout Period.

Q18 If my customer bought 2 similar PRUActive Retirement II policies with 2 different Payout Periods. And later, my customer chooses to change both policies' Payout Period to the same length. Will the Monthly Income be the same?

A18 Yes, given that all parameters (i.e. same premium amount, premium term, payout age) are the same except a Payout Period, the Monthly Income will be the same given the same Payout Period.



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Q19 If my customer is currently receiving Accidental Disability Monthly Income from this PRUActive Retirement II policy, what happens if customer choose to change his Payout Period?

- A19** If the disability monthly income instalments have started and you choose to change your monthly income Payout Period, the following will apply:
- o if you lengthen your monthly income Payout Period, we will pay your disability monthly income up to the end date of the monthly income Payout Period at the point we pay your first disability monthly income instalment;
 - o if you shorten your monthly income Payout Period, we will pay your disability monthly income up to the end date of the new monthly income Payout Period.
 - o the disability monthly income instalment amounts will not change

Q20 Anything else my customer needs to be aware when changing the Payout Period?

- A20** Your premium amount and Premium Payment Term will not change.

The change you make must be in number of years and not months.

The Payout Period can only be 10, 15, 20, 25 or 30 years.

Q21 How will my customer be informed of the changes in non-guaranteed benefits (Reversionary Bonus, Performance Bonus and Non-Guaranteed Monthly Income)?

- A21** An Annual Bonus Update will be sent to you annually. This document aims to keep you informed of the performance of the fund and its future outlook.

Before the Payout Period, this document will also provide an update of the revised (if applicable) illustration of the non-guaranteed Monthly Income rates and bonus.

During the Payout Period, it will inform you of the non-guaranteed Monthly Income allocated to your policy for that year. You will be informed whenever there is a change in the declared non-guaranteed Monthly Income rates, you will also receive an update on the changes in the future non-guaranteed Monthly Income from Prudential Singapore.

You may expect to receive the update on the non-guaranteed Monthly Income and bonus rates after April of each year.

MATURITY BENEFIT

Q22 What will my customer receive when the policy reaches maturity?

- A22** The Maturity Benefit consists of:
- o Last instalment of the Monthly Income; and
 - o Maturity bonus;
- Plus any accumulated monthly income, less any amounts owing to us.

We will also pay you any monthly income that you have left with us together with interest.

Q23 What is the maturity bonus for PRUActive Retirement II?

- A23** This is a one-off bonus paid at maturity of the policy. The Maturity Bonus rates is projected to be a percentage of the total Guaranteed Monthly Income payable.



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SURVIVING SPOUSE BENEFIT

Q24 What is the Surviving Spouse Benefit?

A24 The Surviving Spouse Benefit is a benefit only available on a policy that has husband and wife as joint owners. This would mean one of the policyowners is the “Main Life Assured” as shown on the Certificate of the Life Assurance, and the other policyowner is appointed as the “Successor Life Assured”.

Should the Main Life Assured die after the premium payment term, we will not pay out the Death Benefit as the policy will now continue on the life of the Successor Life Assured. All supplementary benefits will terminate upon the death of the Main Life Assured. No supplementary benefits are allowed on the policy once the Successor Life Assured becomes the new life assured. The Accidental Disability Benefit – Disability Monthly Income and Waiver of Premium will also be terminated. The policy will continue on the life of the Successor Life Assured till the original maturity date of the policy or death of the Successor Life Assured, whichever event occurs first.

Should the Main Life Assured die during the premium payment term, the Surviving Spouse Benefit will not be activated and we will pay out the Death Benefit.

Q25 Who can be a Successor Life Assured?

A25 As the Surviving Spouse Benefit is only available to policies with Joint Ownership, only the spouse of the Main Life Assured can be the Successor Life Assured:

Owner	Husband + Wife	Husband + Wife
Main Life Assured	Husband	Wife
Successor Life Assured	Wife	Husband

Q26 What happens to the policy with an appointed Successor Life Assured upon the death of the Main Life Assured?

A26 There are two possibilities for this scenario:

1. Main Life Assured dies during the premium payment term:
 - Surviving Spouse Benefit **will not** be activated
 - Successor Life Assured **will not** become the new Main Life Assured
 - Death claim will be processed and policy will terminate as specified in the policy document
2. Main Life Assured dies after the premium payment term:
 - Surviving Spouse Benefit will be activated
 - Successor Life Assured will become the new life assured (provided the application had already been accepted and approved by Prudential)
 - Policy will continue on the life of the Successor Life Assured without any changes to the original policy term, Payout Age or Monthly Income at policy issuance, till the original maturity date of the policy or death of the Successor Life Assured, whichever event occurs first
 - No Death Benefit will be paid out
 - Accidental Disability Benefit – Disability Monthly Income and Waiver of Premium will be terminated (whether it is activated or not)
 - Any attaching supplementary benefits will be terminated



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Example:

Owner	Husband + Wife
Main Life Assured	Husband
Successor Life Assured	Wife

Upon the death of the Husband after premium payment term, the Surviving Spouse Benefit is activated.

Owner	Wife
Main Life Assured	Wife
Successor Life Assured	N.A

Q27 What happens when the appointed Successor Life Assured dies?

A27 When the Successor Life Assured dies, the Surviving Spouse Benefit will not be activated. The policy remains unaffected by the death of the Successor Life Assured.

Q28 Why is the Surviving Spouse Benefit only available to policies with joint ownership between husband and wife?

A28 The purpose of the Surviving Spouse Benefit is for customers who are planning to retire together. By synergising joint ownership and Successor Life Assured, the plan is able to continue in the event that the Main Life Assured passes away while the Successor Life Assured still retains control over the policy.

Without joint ownership, the policy will belong to the Estate of the deceased when the Policyowner dies. And this will disrupt their initial intention of retiring together.

And without the Surviving Spouse Benefit, the plan will pay Death Benefit to the Estate and customer will not be able to benefit fully from the plan as originally planned by the couple.

Hence, only by having the 2 criteria in place can the benefit work perfectly for this purpose.

Q29 How do customers appoint a Successor Life Assured?

A29 To appoint a Successor Life Assured, the policyowners have to complete the "Application of Successor Life Assured for Surviving Spouse Benefit" form and meet the conditions on it. We will notify the policyowners once the application has been accepted.

The appointment can be done any time during the policy term or as early as at the point of proposal submission.

If the policyowners choose to appoint a Successor Life Assured during proposal stage, the application form must be fully completed for new business submission. Should there be any outstanding requirements for the application, the appointment for Successor Life Assured will be rejected while the proposal will be issued. Subsequently, appointment of Successor Life Assured can be done through Policy Services.

The policyowner is allowed to appoint or remove the spouse as the Successor Life Assured up to 3 times throughout the policy term.

Note: The Successor Life Assured cannot be appointed if the policy already has a Nomination of Beneficiary or a Trust has been created under the policy.



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Q30 What are the conditions to being a Successor Life Assured?

A30 The spouse who is not the Main Life Assured can be the Successor Life Assured at any time during the policy term subject to the following conditions:

- The plan is taken up on a joint ownership between husband and wife
- There is no nomination of beneficiary
- There is no Trust creation

The Successor Life Assured need to be above 19 age next birthday.

Q31 Who can appoint or remove a Successor Life Assured?

A31 Only the original policyowners of the policy can appoint or remove a Successor Life Assured. Should the ownership of the policy change, the new policyowners will not be able to appoint or remove the Successor Life Assured.

Therefore, the appointment or removal of the Successor Life Assured can only occur when the original policyowners are alive.

Q32 How often can the Successor Life Assured be appointed or removed?

A32 The Successor Life Assured can be altered up to 3 times any time during the policy term.

Q33 Can the Successor Life Assured be changed after the Surviving Spouse Benefit has been activated?

A33 No, once the Surviving Spouse Benefit has been activated, the Successor Life Assured will become the new life assured and this benefit terminates.

Q34 What are the documents required in the event of death of the Main Life Assured so that the appointed Successor Life Assured can now be the new life assured?

A34 In the event the Main Life Assured passes away, we will require the following documents for the appointed Successor Life Assured to be the new life assured:

- o Copy of Death Certificate of the Main Life Assured; and
- o Copy of Marriage Certificate between the Main Life Assured & the Successor Life Assured; and
- o Copy of NRIC with current signature of the Successor Life Assured

Please note that we reserve the right to reject the transfer of the Successor Life Assured to be the new life assured if the circumstances of the Successor Life Assured have changed and is no longer aligned with our criteria for a Main Life Assured. Some reasons for rejection for transfer include but not limited to, any life assured is:-

- o a politically exposed person;
- o a person taking on the nationality of a country under embargo;
- o someone on a regulatory or sanctions list, including a watchlist of persons involved in money laundering, terrorism and other high-risk activities; or
- o a person specified on any nationally or internationally recognised watchlist.

In an unlikely event that the application for transfer is rejected, we will pay out the Death Benefit and the policy will terminate.



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Q35 Upon the death of the Main Life Assured, does the Successor Life Assured automatically assume the role of the new life assured?

A35 Upon the death of the Main Life Assured after the premium payment term, the Surviving Spouse Benefit will be activated. We will send out a notification to the policyowners that the Successor Life Assured has become the new life assured. We will request for additional supporting documents if required.

In an unlikely event that the application for transfer of the policy to the Successor Life Assured is rejected, we will pay the Death Benefit and the policy will terminate.

If the Main Life Assured dies during the premium payment term, the Surviving Spouse Benefit will not be activated. The Death Benefit will be paid and the policy will terminate.

Q36 What other benefits are applicable when the Successor Life Assured becomes the new life assured?

A36 The Monthly Income Benefit will still be applicable and will start/continue as intended until the original maturity of the policy, or the death of the Successor Life Assured, whichever event occurs first.

Death Benefit will still be paid in the event the Successor Life Assured passes away after becoming the new life assured. The policy then terminates.

Q37 Is Mid-Term Add (MTA) of Supplementary Benefit(s) allowed if the Successor Life Assured becomes the new life assured?

A37 No, MTA of Supplementary Benefit(s) is not allowed on the new Main Life Assured.

Q38 What happens to the policy when we were notified of the death of the Main Life Assured and the Successor Life Assured at the same time?

A38 In such case, the Surviving Spouse Benefit will not be activated as the Successor Life Assured is no longer alive.

Ownership of the policy will vest in the estate of the younger of the two policyowners. Therefore, the Death Benefit will be paid to the estate of the younger of the two policyowners.

Q39 When the policy reaches its maturity date and we are notified at that point in time that both the Main Life Assured as well as the Successor Life Assured have passed away at the same time, will Maturity Benefit still be payable?

A39 No. Should both Main Life Assured and Successor Life Assured die at precisely the same time (as evidenced in their death certificate), the Surviving Spouse Benefit will not be activated. Death Benefit will be paid to the estate of the younger of the two policyowners.

Q40 When the policy reaches its maturity date and we are notified at that point in time that both the Main Life Assured as well as the Successor Life Assured have passed away, but at different times, will Maturity Benefit still be payable?

A40 In the event the death date of Main Life Assured is before the death date of Successor Life Assured, we will pay the **Death Benefit** based on the death date of the Successor Life Assured and the policy terminates.

For Example:

PRUActive Retirement II: Incepted on 31 Dec 2021

Premium Cessation Date: 31 Dec 2025



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Main Life Assured passed away on 31 Dec 2030 (after premium payment term)
Surviving Spouse Benefit will activate on 31 Dec 2030
Successor Life Assured passed away on 31 Dec 2040
Maturity Date of the policy: 31 Dec 2050

We will pay the **Death Benefit** based on 31 Dec 2040 and the policy terminates.

In the event the Successor Life Assured passed away before the Main Life Assured and only notify Prudential upon the death of the Main Life Assured, we will pay the **Death Benefit** based on the death of the Main Life Assured.

Q41 Is the Surviving Spouse Benefit available to other plans?

A41 This benefit is only available to PRUActive Retirement I/II & the old PruGolden Retirement series.

Q42 Are there any age limits for the appointment of the Successor Life Assured?

A42 Yes, in order for the policyowners to appoint a Successor Life Assured, he and/or she must be at least 19 age next birthday.

There is no longer any maximum age of entry appointment of Successor Life Assured for PRUActive Retirement II.

Q43 Can a Successor Life Assured be appointed if a policy has been assigned, has a Nomination of Beneficiary or has a Trust?

A43 No, if a policy has Nomination of Beneficiary or has a Trust, a Successor Life Assured cannot be appointed

Q44 Is there a separate form for the appointment of Successor Life Assured?

A44 Yes, there will be a form named "Application of Successor Life Assured for Surviving Spouse Benefit". Refer to the appendix for more information.

JOINT OWNERSHIP

Q45 What is Joint Ownership?

A45 Customers have the option to purchase a PRUActive Retirement II policy on a Joint Ownership basis instead of on a Single Owner basis. PRUActive Retirement II can have a maximum of 1 Main Life Assured and 1 Successor Life Assured.

Joint ownership can only be done at inception for Husband and Wife policies; or via an assignment.

Joint Ownership is on a joint-tenancy basis such that when one policyowner dies, the surviving policyowner will become the sole owner. If both policyowners die at the same time, ownership of the policy will vest in the estate of the younger of the two policyowners.



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Q46 Will there be any changes in premiums if the policy is purchased on a Joint Ownership basis?

A46 No. The premium rate is based on the Main Life Assured.

Q47 Can a PRUActive Retirement II purchased using SRS be purchased on Joint Ownership?

A47 No, if the policy is funded by SRS, it cannot be on Joint Ownership and hence, cannot appoint successor life assured and not eligible for surviving spouse benefit.

Q48 Can a policyowner apply to add a joint owner on his/her policy after inception?

A48 No. Joint Ownership can only be applied at inception. However, a policy can have Joint Assignees via an Absolute Assignment. Please refer to Q58 for more details.

Q49 Who can apply for Joint Ownership?

A49 Only Husband and Wife can apply for Joint Ownership of a policy. All other relationships will not be allowed.

Q50 Can both joint owners be covered under PRUActive Retirement II?

A50 No. For a joint owner policy, one of the joint owners will be the Main Life Assured for PRUActive Retirement II.

Should the Main Life Assured wish to be covered under Crisis Waiver III Benefit:

Owner	Husband + Wife	Husband + Wife
Main Life Assured	Husband	Wife
Crisis Waiver III (including Early Stage Crisis Waiver)	Crisis Waiver III on Husband is allowed	Crisis Waiver III on Wife is allowed

Q51 Can Nomination of Beneficiary (NOB) or a Trust be made for policies with Joint Ownership?

A51 Nomination of Beneficiary and Trust is not allowed for policies with Joint ownership.

Q52 Are the signatures from both joint owners required for all transactions?

A52 Yes, signatures from both joint owners are required for all transactions, including New Business transactions (i.e. Signing of Policy Illustration, Product Summary, Proposal Forms, Questionnaires and all relevant forms (if applicable)).

Q53 Will the Policy Certificate reflect the details of the Proposer and the Joint Proposer?

A53 Yes, the policy certificate will be reflecting both the Proposer and the Joint Proposer as joint owners of the policy.

Q54 Will FATCA and Common Reporting Standard (CRS) be applicable to both owners under Joint Ownership?

A54 Yes. FATCA and CRS will be applicable to both owners under Joint Ownership.



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Q55 How do I generate a quotation with joint owners for PRUActive Retirement II?

A55 Please refer to the steps below on how to generate a PRUActive Retirement II policy with Joint Ownership in the SQS module.

For PRUONE Express:

Step 1: Select “Yes” under Joint Proposer

Step 2: Select “Retirement Products”

Step 3: Add Proposer 2

The screenshot shows the 'Profile' screen in the PRUONE Express app. A red banner at the top says 'Please select Proposer 2.' with a close button. Below this, the 'JOINT PROPOSER?' section has 'YES' selected and 'NO' unselected. A dropdown menu shows 'PruWealth'. The 'JOINT LIFE?' section has 'YES' unselected and 'NO' selected. Below this, a modal dialog is open with the title 'Joint Proposer' and options 'Cancel', 'Joint Proposer', and 'Done'. The 'Joint Proposer' option is highlighted. The background shows the 'Main Life Assured' section with 'Ho Oppo' as the proposer and 'Retirement Products' as the product. The 'ADD PROPOSER' button is visible at the bottom.

The screenshot shows the 'Profile' screen in the PRUONE Express app. The 'JOINT PROPOSER?' section has 'YES' selected and 'NO' unselected. The dropdown menu now shows 'Retirement Products'. The 'JOINT LIFE?' section has 'YES' unselected and 'NO' selected. Below this, the 'Main Life Assured' section shows 'Ho Oppo' as the proposer and '30 years' as the age. The 'ADD PROPOSER' button is visible at the bottom.



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The following scenarios are possible*:

Example 1:

Proposer 1/Main Life Assured: Wife

Proposer 2: Husband

Example 2:

Proposer/Main Life Assured: Husband

Proposer/2nd Life Assured: Wife

**these are just some examples and do not cover all situations*

Q56 Is Mid-Term Add (MTA) of supplementary benefits allowed on joint owner policies?

A56 Yes. MTA is allowed on joint owner policies on the Main Life Assured.

SINGLE OWNER POLICIES WHO WISH TO HAVE A JOINT OWNER POLICY

Q57 Can existing single-owner PRUActive Retirement II policies add on an additional owner?

A57 No. However, Joint Ownership can be achieved via Absolute Assignment and no evidence of insurable interest is required (i.e. Joint Assignees). The existing policyowner can make an Absolute Assignment and assign it to a trusted third party first (to make an Absolute Assignment, the assignor must sign away all rights to receive benefits from the policy).

Thereafter the assignee will have to perform another Absolute Assignment back to the original policyowner and the new joint owner.

Example:

Original Policyowner: A

A would like to have a Joint Ownership with B: A+ B

A performs an absolute assignment to C

C will thereafter perform an absolute assignment to A+B – **Joint Assignees**

The original policyowner is unable to perform Absolute Assignment back to him/herself plus another person.

Example:

Original Policyowner: A

A would like to have a Joint Ownership with B: A+ B

A will not be able to perform an Absolute Assignment to A+B

Key principle

- i) Establishing insurable interest is not needed for an Absolute Assignment to take place
- ii) In an assignment, the owner must give up all rights to the policy benefits

The original policyowner is unable to perform Absolute Assignment back to him/herself plus another person.



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Q58 Why must there be two Absolute Assignments to form a joint assignee?

A58 This is because in an Absolute Assignment, the assignor has to give up all rights to the policy benefits.

Q59 How are the two assignments made?

A59 Each Absolute Assignment will take about 3 working days to complete and we will issue a new Policy Certificate. After which, the new assignee can administer the second assignment to the original policyowner and joint owner to complete the change to a joint owner policy and a new Policy Certificate with both owners will be issued.

Do note that in each Absolute Assignment, the assignee(s) must meet FATCA requirement in addition to the other applicable laws (i.e. Bankruptcy, Anti-Money Laundering, etc)

Q60 What can my customer(s) do after an Absolute Assignment?

A60 Your customer(s) is/are able to do the following examples:

- o Can the assignee surrender the policy for surrender benefits? **Yes.**
- o Can the assignee change the mailing address for the policy? **Yes.**
- o Can the Appointment of Successor Life Assured be changed? **Yes**, both Assignee and original policyowners must sign the application and provided that the original owner has insurable interest in appointing the Successor Life Assured
- o Can the assignee add supplementary benefit(s)? **Yes.**

Q61 What do I need to do to perform an Absolute Assignment?

A61 To make an assignment, the customer(s) is/are required to complete a deed of assignment form.

There are 2 forms

1. Assignment from single Assignor to Joint Assignees
2. Assignment from single Assignor to single Assignee

Q62 How is joint assignment different from Joint Ownership at inception?

A62 A joint assignee policy is also on a joint tenancy basis.

However, joint owners at inception are jointly obligated to pay premiums, and insurable interest of Successor Life Assured is determined based on the owners.

Q63 Must I, the Financial Consultant, be present at the signing of the Absolute Assignment form?

A63 No, unless you are the witness, you need not be present at the signing of the Absolute Assignment form.

Q64 Must the Absolute Assignment form be signed in Singapore?

A64 No, the signing of the Absolute Assignment form need not take place in Singapore.



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Q65 Which mailing address do we use after an assignment to joint assignees has taken place?

A65 In the Absolute Assessment form, the joint assignees will agree to use a single mailing address.

Q66 Is assignment to joint assignees restricted to only PRUActive Retirement II?

A66 No, joint assignees is not specific to PRUActive Retirement II and can be applied to all products. There are exceptions like policies funded from SRS or CPF accounts, policies with NOB or Trust.

NEW BUSINESS

Q67 Who is eligible to apply?

A67 The plan is available to all Singaporeans, Singapore Permanent Residents and foreigners with valid passes. Other pass holders will be considered on case by case basis. Please refer to PruInfo's Foreigner Guidelines (File named: New Business) for more info.

Q68 Is medical underwriting required for the application of PRUActive Retirement II?

A68 No. As PRUActive Retirement II is a Guaranteed Issuance Offer (GIO) policy, no medical underwriting is required. However, do note that full underwriting will apply if supplementary benefits which are not GIO are attached.

Q69 Can the customer choose to backdate the policy?

A69 Yes, backdating is allowed subject to the following:
(a) up till 6 months from product launch date; and
(b) it should not cross calendar year of product launch for participating products.

Backdating is not allowed for single premium plans.

Q70 Is there any maximum limit (death limit/premium limit) imposed on PRUActive Retirement II?

A70 Yes, the aggregate premiums payable for selected plans per life assured issued in the past 24 months cannot exceed S\$5 million (or equivalent). The calculation is based on the total committed premiums of the product (e.g. 10 x annualised premium for a 10-year premium term product, or the full single premium for a single premium product). US dollar denominated policies will be aggregated after applying an exchange rate of US\$1 to S\$1.40 on the premiums payable. We reserve the right to review/vary this rate.

Q71 Which selected plans are included in this aggregation?

A71 The list selected plans can be found on the corporate website under "Our Company" > "Understanding Insurance" > "Guaranteed Issuance Plans Aggregation Rule"



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Q72 Why is there a need for aggregation rules on these selected products?

A72 Due to the nature of guaranteed issuance feature, the company will be exposed to adverse behaviour from high risk customers. High risk customers who are often declined or declared as sub-standard cases under a fully underwritten product will have a higher tendency to purchase these products.

In order to reduce anti-selection, the aggregation rules will be essential to help reduce such behaviour.

Q73 I have submitted an application under PRUActive Retirement and is yet to be incepted. My customer would like to change plan to PRUActive Retirement II. How can I go about doing it?

A73 Please submit:

- a) FC memo to 'Non-taken up' the PRUActive Retirement application &
- b) Submit fresh application for PRUActive Retirement II

PREMIUM RATES

Q74 Are premium rates guaranteed?

A74 The premium rates for PRUActive Retirement II are guaranteed.

Q75 What will happen to the policy in the event of non-payment of premium?

A75 The policy will be maintained under the Automatic Premium Loan feature provided there is sufficient surrender value to advance the premium due. The premiums due will be advanced under the Automatic Premium Loan feature of the plan and we will charge an interest of 5.25% per annum. We reserve the right to vary the interest rates from time to time.

The policy will terminate and no benefits will be payable once the outstanding policy loans, premiums and interest exceeds the surrender value of the policy.

Q76 Is PRUSmart Lady/PRULady/PRUMan or PRUTerm Plus Advantage Discount applicable to PRUActive Retirement II?

A76 No, the mentioned discount will not be granted for PRUActive Retirement II.

Q77 Is large sum discount applicable for PRUActive Retirement II?

A77 Yes, large sum discount is applicable.

POLICY SERVICES

Q78 Can my customer choose to change the benefits such as Guaranteed Monthly Income under his/her PRUActive Retirement II policy?

A78 An increase in the Guaranteed Monthly Income is not allowed.

The policyowner can reduce the GMI, which may result in a partial surrender. If there is any partial surrender value, it will be paid after we less off any indebtedness. There will be no refund of pro-rated premium.



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Once a reduction in GMI takes effect, the Monthly Income and reversionary bonus will be based on the new GMI. It will also result in other related benefits yet to be paid to be reduced accordingly i.e. Disability Monthly Income. Prudential will not clawback any benefit(s) which have been paid out.

The minimum reduction amount is subject to multiples of \$1.

Reduction in GMI during the premium payment period

Policyowners will pay the revised premium amount after reduction is accepted and we will refund the difference in Surrender Value between the original and revised GMI. Premiums paid before the reduction will not be refunded although they are higher than the revised premiums.

Reduction in GMI during Accumulation Period

Prudential will refund the differences in Surrender Value between the original and revised GMI. Premiums paid will not be refunded.

Reduction in GMI during Payout Period

Reduction of GMI during the Payout Period is allowed, we will refund the difference in Surrender Value between the original and revised GMI.

Reduction of GMI when Disability Monthly Income has been activated

Reduction of GMI will reduce the Disability Monthly Income payable.

Any alteration will only be effective on the next Premium Due Date.

Q79 Is cancellation of the Accidental Disability Benefit – Disability Monthly Income and Waiver of Premium allowed?

A79 No, cancellation of the Accidental Disability Benefit – Disability Monthly Income and Waiver of Premium are not allowed.

Q80 What can the policyowner(s) do to the policy?

A80 The policyowner(s) can do the following:

	Premium Payment Term	Accumulation Period	Payout Period
Policy Loan	Yes		No
APL	Yes		No
Paid-up Option	Yes		No
S&N Loan	Yes		No

* APL and Paid-up not applicable for single premium

* Policy loan and S&N Loan is not applicable to SRS policies.

Q81 What happens if the policy has taken a loan(s)?

A81 Should there be any outstanding loans under the policy at the start of the Payout Period, the surrender value will be used to repay the loan before paying out any monthly income. This will reduce the future monthly income instalments. The sequent of offsetting loan is as per current business rule:

- o APL principle amount
- o APL interest
- o Policy Loan principle amount
- o Policy Loan interest
- o Surgical & Nursing Loan (S&N)



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CLAIMS

Q82 What happens upon a claim should there be outstanding loans (i.e. automatic policy loan, policy loan or Surgical and Nursing loan)?

A82 We will deduct any amounts owing to us before paying any approved claims. Thereafter, the policy will terminate.

Q83 Will the policy pay any Maturity Benefit?

A83 Yes, please refer to the policy document or Q22 for the Maturity Benefit.

SALES ADVISORY STANDARDS

Q84 What do I need to take note of when completing the PruPlanner for this product?

A84 PRUActive Retirement II is suitable for customer who wish to address Wealth Accumulation goal of Retirement.

The Illustrated Total Benefits based on the monthly income option of Payout / Accumulate is to be used for comparison with the customer's Retirement shortfall to assess for any overselling.

The Illustrated Total Benefits can be found in the Policy Illustration under "Benefits at a Glance".

(i) For payout option, the Illustrated Total Benefits received at the end of policy term (based on illustrated investment return at 4% p.a.) is to be used to compare with the customer's Retirement shortfall.

(ii) For accumulate option, the Illustrated Total Benefits accumulated at the end of policy term (based on illustrated investment return at 4% p.a.) is to be used to compare with the customer's Retirement shortfall.

If the corresponding Illustrated Total Benefits exceed the customer's Retirement shortfall, the FC needs to highlight to the customer on the detriment / implication that may arise, and document a justification to explain the basis of recommendation, the customer's awareness and agreement with the deviation.

For more information on PruPlanner documentation, please refer to The Guide to PruPlanner Documentation and FAQ to the Guide to PruPlanner Documentation, which are available in PruRaise >> PruInfo >> Competence and Compliance >> Sales Advisory Materials.

MARKETING SUPPORT

Q85 Will there be brochures for PRUActive Retirement II?

A85 Yes. Electronic brochure will be made available and you can direct your customers to Prudential's corporate website at www.prudential.com.sg.

GENERAL

Q86 Is mandatory training required PRUActive Retirement II?

A86 Training for PRUActive Retirement II, is not mandatory if the previous e-assessment for PRUActive Retirement has been completed and passed.
However, as PRUActive Retirement II is one of the new 8th Series SGD Participating products launch due to LIA PAR PI Changes 2021, a mandatory e-assessment on 'PAR PI Changes' must be completed.



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Q87 Will PRUActive Retirement II be available in PRUONE Express/Online PRUONE Express?

A87 Yes, PRUActive Retirement II will be re-launched and available in PRUONE Express/Online PRUONE Express from 10 August 2021.



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PRU *Active Retirement II*

Sales & Marketing Propositions

We understand that our customers would like to achieve financial freedom and peace of mind during the best years of their life.

Here are some marketing propositions which you may find useful for promoting **PRUActive Retirement II**:

Uniquely for your customer only	<p>Unlike typical retirement plans that offer inflexible choices of premium term, payout age & payout period.</p> <p>PRUActive Retirement II offers the combinations that address customers' gaps without limiting them to old fashion product construct where plans are only offered on specified premium terms, payout ages and payout periods.</p>
Monthly Income never decrease	<p>PRUActive Retirement II focuses on creating a safety net against market volatility that may result in diminishing monthly income.</p> <p>If the markets perform well in a year, they receive an additional payout which becomes part of their new monthly guaranteed income. This principle applies for the entire payout period of the plan. In other words, one's monthly retirement payout can only increase or remain levelled but will never be lower than the previous year's monthly income.</p>
Option of Surviving Spouse Benefit under Joint Ownership	<p>The Surviving Spouse Benefit is a benefit that is available on a policy that has a husband and wife as joint owners of the policy. This would mean one of the policyowners is the "Main Life Assured" as shown on the Certificate of the Life Assurance, and the other policyowner is appointed as the "Successor Life Assured".</p> <p>Coupled with Joint Ownership, your customer can own a PRUActive Retirement II policy on joint ownership basis with their spouse to ensure continued access to the policy should the unforeseen happens. In the event that the Main Life Assured, passes on after the premium payment term, the surviving owner, the Successor Life Assured, will become the sole owner as well as the new life assured of the policy. This ensures that your customer(s) can reap the benefits and enjoy the Monthly Income to the end of the original maturity date.</p> <p>Should the Main Life Assured die after the premium payment term, we will not pay out the Death Benefit as the policy will now continue on the life of the Successor Life Assured. All supplementary benefits will terminate upon the death of the Main Life Assured. No supplementary benefits are allowed on the</p>



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	policy once the Successor Life Assured becomes the new life assured. The Accidental Disability benefit will also be terminated
Accidental Disability Benefit	<p>If the life assured becomes Totally and Permanently Disabled because of an Accident before the Policy Anniversary prior to the life assured attaining 70 years old, the benefit</p> <ul style="list-style-type: none"> • waives any future premium due for the policy (excluding premiums for supplementary benefits, if any); and • pays a stream of monthly income ("Disability Monthly Income") equal to the Guaranteed Monthly Income until the maturity of the policy or the death of the life assured, whichever is earlier. This income is on top of the Monthly Income which the customer will be receiving at their selected retirement age. <p>The maximum Disability Monthly Income payable is \$6,250.</p> <p>This will help the customer and the family to tide through this unfortunate event by removing the financial obligation of paying premiums and providing an additional payout to them.</p>
Payment for Plan using Supplementary Retirement Scheme (SRS) funds	<p>PRUActive Retirement II's single premium version now allows to be funded by SRS, offering more payment options.</p> <p>For customers with funds in SRS account, there is now more product options to help them grow their funds for their retirement needs.</p>



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Here are some **Market Segments** that may be suitable:

Successful younger working adults	<p>PRUActive Retirement II can be beneficial to them for the following reasons:</p> <ul style="list-style-type: none">• With less liabilities, starting small can help snowball these savings into fruitful returns in the long run• In the event of an Accident causing them to be disabled, the Accidental Disability Benefit will help them to tide through this difficult period• Starting to save earlier for retirement will enable them to benefit from PRUActive Retirement II as the premium rates will be lower as compared to someone who is older
Mature adults and Married with children	<p>PRUActive Retirement II appeal to those who are in the prime of their careers and have the financial capability to quickly build their nest eggs over time, for as long as they want</p> <p>The plan can potentially give them more control in their retirement planning, with much more flexibility compared to a traditional insurance policy.</p>
Career minded singles	<p>Being single, financial freedom and a peace of mind will be the top 2 priorities during retirement.</p> <p>With the option of receiving Monthly Income all the way up till age 110, it can free singles from the worry that their Monthly Income payout will not be able to support them till the end</p>



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PRU *Active Retirement II*

MARKET COMPARISON

Due to the uniqueness of PRUActive Retirement II's monthly income structure, PRUActive Retirement II has no like-to-like products available on the market for comparison. Nonetheless, we have put together the features comparison of the retirement products offered by the following key insurers within the retirement product space.

- Co. M
- Co. A
- Co. Av

Indicative comparison of returns, yields and breakeven years have also been included as a general guide but are in no way a true reflection of PRUActive Retirement II.

Important Notes:

- *The information presented is strictly confidential and for internal use only and cannot be reproduced, amended or circulated in whole or in part to anyone, including policyholders and potential prospects, for whatever purpose or reason.*
- *Please be reminded that representatives of PACS (FCs/FSCs) are not allowed to make any comparisons with the products of other insurers during their sales presentation or when prospecting. This restriction is to comply with the LIA Members' Undertaking 22/12.*
- *You should refer to the respective product policy documents for exact wordings and details.*
- *This comparison does not include information on all similar products. PACS does not guarantee that all aspects of the products have been illustrated. You may wish to conduct your own comparison for products that are listed in www.comparefirst.sg*



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1. Feature Comparison

At present, there is no other product on the market that offers the unique construct of PRUActive Retirement II. Key selling points of PRUActive Retirement II are highlighted below:

- PACS is first-in-the-market to guarantee monthly income to never fall below what was paid previously
- PACS is also the only insurer to offer highly customisation on premium term, payout age and payout period to perfectly fit your client's retirement needs
- PACS is also the only insurer to offer our first-in-the-market Surviving Spouse Benefit for joint ownership policy
- PACS is also the only insurer to allow entry premium size of \$1200 per annum
- PACS is one of the few insurers in the market which offers flexibility to alter payout period halfway through the policy (before the start of payout period)



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Feature Comparison Table

		PRUActive Retirement II	Co.M	Co. A	Co. Av
Higher Illustration Rate		4.00%	4.25%		
Premium Term		SP / 4 to RP	SP / 5 / 10 / 15 / 20	SP / 5 / 10 / RP	5 / 10 / 15 / 20 / 25
Payout Age		50 to 90	50 / 55 / 60 / 65 / 70	50 / 55 / 60 / 65 / 70	Start after premium term + acc. period > 5yr Premium term = 5 to 40 years acc. period > Premium term of 10 / 15/ 20 / 25 = 0 to 40 years acc. period
Payout Period		10, 15, 20, 25, 30 years	5 [^] / 10 / 15 / 20 / WL ^N/A to 5 yrs prem payment term	15 or 20 years	5 to 35 years
Min/Max entry age		RP: 19 – 80 ANB SP: 19 – 85 ANB	18 – 65 ALB	16 – 65 ALB	17 – 50 ANB
Min/ Max Premium		SP: \$25,000 4-9yrs premium: \$5,000 p.a. 10-20yrs premium: \$2,400 p.a. 21yrs onwards: \$1,200 p.a. Subject to Min. GMI \$200	-	Min. GMI of \$200	\$800 p.a. but subject to Min. GMI of \$300
Underwriting		GIO	GIO	GIO	GIO
Coverage		Death	Death / TI	Death	Death / TI
		A.TPD waiver A.TPD income	TPD Waiver LOI Income		TPD Waiver LOI Income (Accelerated)
Death Coverage	Accumulation Period	105% TPP OR 101% SV	105% TPP OR GSV	101% of TPP OR GSV	105% TPP OR GSV
	Payout Period	105% TPP less GMI; OR 101% SV	105% TTP less GMI OR GSV OR 12x GMI	101% TPP less GMI OR GSV	105% TPP less GMI OR GSV



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Flexibility to change Payout Period	Yes (2 mths before start of payout period)	Yes (up to 2 years before RA)	No	No
Monthly income guaranteed to be equal or more than previous month (step up Monthly Income)	Yes	No	dividends increase about 5% per year (Non-G)	No
Policy Continuity	Surviving Spouse Benefit	No	No	No
Accumulation of Monthly Income	Yes	Yes	Yes	Yes
SRS Option for SP	Yes	Yes	Yes	N/A
Capital Guaranteed at Retirement Age	No	Yes	Yes	Yes



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Yield Comparison

Due to the unique construct of PRUActive Retirement II, the Non-Guaranteed portion comprises Bonus Income, Step-up Income and Non-guaranteed monthly income. In which, Bonus Income and Step-up Income are guaranteed throughout the Payout Period once it is declared. Hence, the illustrated Guaranteed Yield-to-Maturity could potentially increase year-on-year.

Please note that the comparisons in the following pages only serve as an indicative guide only.

Based on 40 MNS, 5-year total premiums paid basis, at Retirement Age of 65 for 15 years
[Co. M & Co. A are based on retirement age 66]

40 MNS, 5pay, Payout Age 65, PP 15yrs	PRUActive Retirement II	Co.M	Co. A	Co. Av
Illustration Rate	4.00%	4.25%		
Premium Term	5 years	5 years	5 years	5 years
Accumulation Period	20 years	21 years	21 years	20 years
Total Premium Paid	\$87,500	\$86,452	\$87,008	\$87,112
GMI per month	\$678	\$630	\$640	\$660
NGMI per month	\$243 - \$1,339	\$945	\$340 - \$673	\$584
AMI per month	-	-	-	\$229
Total Monthly Income	\$921 - \$2,017	\$1,575	\$980 - \$1,313	\$1,473
Maturity Bonus	\$24,528	-	\$121,498	-
Total Benefits				
At Payout Age				
▪ Guaranteed SV	\$73,801	\$86,452	\$91,520	\$94,080
▪ Total SV	\$106,174	\$97,891	\$140,371	\$129,326
Guaranteed				
▪ Value	\$122,641	\$113,400	\$115,200	\$118,800
▪ As % of TPP	140%	131%	132%	136%
Total (include bonus)				
▪ Value	\$290,922	\$283,500	\$324,704	\$265,065
▪ As % of TPP	332%	327%	373%	304%
Yield to Maturity				
▪ Guaranteed	1.10%	0.86%	0.90%	1.02%
▪ Total	3.80%	3.87%	3.93%	3.75%
Breakeven Year				
▪ Guaranteed	36	26	25	26
▪ Total	22	24	15	21



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Based on 40 MNS, RP-20 years total premiums paid basis, at Retirement Age of 65 for 15 years
 [Co. M & Co. A are based on retirement age 66]

40 MNS, RP, Payout Age 65, PP 15yrs	PRUActive Retirement II	Co.M	Co. A	Co. Av
Illustration Rate	4.00%	4.25%		
Premium Term	20 years	20 years	21 years	20 years
Accumulation Period	5 years	6 years	5 years	5 years
Total Premium Paid	\$144,000	\$143,336	\$144,333	\$143,586
GMI per month	\$1,003	\$920	\$870	\$960
NGMI per month	\$297 - \$1,044	\$935	\$373 - \$740	\$580
AMI per month	-	-	-	\$244
Total Monthly Income	\$1,301 - \$2,048	\$1,855	\$1,243 - \$1,610	\$1784
Maturity Bonus	\$36,345	-	\$109,933	-
Total Benefits				
At Payout Age				
▪ Guaranteed SV	\$109,282	\$143,336	\$144,420	\$155,072
▪ Total SV	\$154,969	\$161,706	\$188,625	\$192,631
Guaranteed				
▪ Value	\$181,724	\$165,600	\$156,600	\$172,800
▪ As % of TPP	126%	115%	108%	120%
Total (include bonus)				
▪ Value	\$339,795	\$333,918	\$363,225	\$321,000
▪ As % of TPP	236%	232%	252%	224%
Yield to Maturity				
▪ Guaranteed	0.99%	0.60%	0.35%	0.80%
▪ Total	3.56%	3.54%	3.58%	3.51%
Breakeven Year				
▪ Guaranteed	37	26	26	25
▪ Total	24	24	25	22/23



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Based on 40 MNS, same single premium basis, at Retirement Age of 65 for 15 years
 [Co. M & Co. A are based on retirement age 66]

40 MNS, SP, Payout Age 65, PP 15yrs	PRUActive Retirement II	Co.M	Co. A
Illustration Rate	4.00%	4.25%	
Premium Term	SP	SP	SP
Accumulation Period	25 years	26 years	26 years
Total Premium Paid	\$88,000	\$87,520	\$88,639
GMI per month	\$684	\$600	\$720
NGMI per month	\$262 - \$1613	\$1,119	\$403 - \$799
Total Monthly Income	\$946 - \$2,297	\$1,719	\$1,123 - \$1,519
Maturity Bonus	\$24,761	-	\$130,752
Total Benefits			
At Payout Age			
▪ Guaranteed SV	\$106,431	\$87,520	\$107,280
▪ Total SV	\$139,744	\$97,207	\$159,862
Guaranteed			
▪ Value	\$123,804	\$108,000	\$129,600
▪ As % of TPP	141%	123%	146%
Total (include bonus)			
▪ Value	\$318,994	\$309,420	\$364,802
▪ As % of TPP	362%	353%	412%
Yield to Maturity			
▪ Guaranteed	1.04%	0.62%	1.14%
▪ Total	3.89%	3.87%	4.01%
Breakeven Year			
▪ Guaranteed	36	26	20
▪ Total	17	23	16/17