

- S** 1.3 The requirements under this part also apply to insurance/takaful products offered as an optional add-on purchase³¹ or packaged with a financial or non-financial product³² offered by a FSP or its intermediary distributing insurance/takaful products via NDDP.

2. Ordinary Life Insurance/Family Takaful Products

2.1 Pre-contractual stage

- S** 2.1.1 A FSP shall inform financial consumers that it is licensed under the FSA or IFSA and regulated by BNM. Where insurance/takaful is to be arranged through an intermediary, the name and address of the intermediary and the FSP underwriting the insurance/takaful must be disclosed to financial consumers.
- S** 2.1.2 A FSP shall inform financial consumers of the importance of providing sufficient and accurate information to enable the FSP to advise the financial consumers on the suitability of the life insurance/family takaful product, taking into consideration the appropriateness of such product to the financial consumers' needs and circumstances.
- S** 2.1.3 A FSP shall provide financial consumers with a description of the life insurance/family takaful product features, including-
- a. Types of life insurance/family takaful and scope of cover;
For example:
 - i. **Term insurance/takaful** offers insurance protection/takaful coverage for a limited period only, e.g. 10 years. The benefits will be paid only if the insured/takaful participant passes away or if the insured/takaful participant suffers total and permanent disability during the term of the policy/takaful certificate.
 - ii. **Whole life insurance** offers life-long protection and premiums are paid throughout the consumers' life. The benefits will be paid when the insured passes away or if the insured suffers total and permanent disability during the term of the policy.
 - iii. **Endowment insurance/takaful** combines protection and savings. The benefits will be paid either at the maturity of the policy/takaful certificate, death of the insured/takaful participant or the occurrence of permanent disability during the term of the policy/takaful certificate, whichever is earlier.
 - b. Whether the insurance/takaful is meant for protection, savings, investment or a combination thereof;
 - c. For life insurance products, whether the policy is participating in profits immediately or whether it is participating in profits with a deferment period to be specified or whether it does not participate in profits;

³¹ This includes offering insurance/takaful products with other financial and/or non-financial products, where the insurance/takaful component may be obtained separately on a standalone basis.

³² While financial consumers do not make a purchase decision on the insurance/takaful product, clear disclosure of relevant information is still important and must be made.