

- S** 3.2.3 A FSP shall advise financial consumers to assess the suitability of IL product by considering the following-
- a. whether the allocation of premium/takaful contribution towards protection and investment meets the financial consumers' financial circumstances;
  - b. whether the IL funds chosen match the consumers' investment objectives and risk appetite;
  - c. whether the financial consumers understand the financial risks and potential losses that may arise from investing in the IL product; and
  - d. whether the financial consumers are satisfied that the IL product would best serve the consumers' needs and that the premium/takaful contribution payable under the policy/takaful certificate is affordable.
- S** 3.2.4 A FSP shall inform financial consumers of their contractual rights and obligations, including-
- a. any significant condition or obligation which the financial consumers must meet;
  - b. duty of the consumers in relation to disclosure and representations to the FSP for insurance/takaful contracts and the consequences of failure to disclose the relevant information, provision of inaccurate or false information, misrepresentation *etc.*;
  - c. the importance for financial consumers to ensure that the proposal form is completed accurately as it forms the basis of the insurance/takaful contract;
  - d. requirement for financial consumers to provide proof of age to the FSP;
  - e. consequences of failure to pay premiums/takaful contributions within the due date and grace period and reinstatement provisions;
  - f. importance of receiving and keeping the receipt from the FSP as proof of payment of premiums/takaful contributions by consumers; and
  - g. time frame required by the FSP to issue a policy/takaful certificate.
- S** 3.2.5 A FSP shall inform financial consumers about the free-look period of fifteen (15) calendar days from the date of delivery of the policy/takaful certificate to review the suitability of the policy/takaful certificate. The FSP must highlight that financial consumers have the right to return the policy/takaful certificate within fifteen (15) calendar days of the delivery of the policy/takaful certificate after reviewing the terms and conditions of the policy/ takaful certificate. Should financial consumers return the policy/takaful certificate within the free-look period, the FSP shall refund-
- a. the unallocated premium/takaful contribution;
  - b. value of units that have been allocated (if any) at unit price at the next valuation date; and
  - c. any insurance/takaful charge and policy/takaful certificate fee that have been deducted, less medical expenses which may have been incurred.
- S** 3.2.6 A FSP shall warn financial consumers on the possible implications and disadvantages of switching from one IL policy/takaful certificate to another IL policy/takaful certificate or from one FSP to another FSP.
- S** 3.2.7 A FSP shall explain to financial consumers the claim procedures and the financial consumers' responsibilities in relation to making a claim against the policy/takaful certificate.