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DEFERRED PREMIUM PAYMENT PLAN **(2ND WINDOW FOR POLICIES DUE BETWEEN 1 OCTOBER 2020 AND 31 MARCH 2021)** *(updated on 20 September 2020)*

FREQUENTLY ASKED QUESTIONS

Q1. What is the Deferred Premium Payment (DPP) plan?

The Covid-19 outbreak has made this a challenging time for businesses, households and Singaporeans.

In April 2020, the Life Insurance Association (LIA) announced that all life insurers would offer a grace period of up to six months to allow more time for policyholders to pay their premiums. This was in addition to any options provided in their policy. It applied to policies with premium due date between 1 April and 30 September 2020 inclusive.

The LIA has announced further measures to support policyholders as the initial scheme of six months DPP ends on 30 September 2020. This second DPP window will apply to all policyholders who have policies with premiums due between 1 October 2020 to 31 March 2021 (both dates inclusive)

Do approach your Financial Consultant to do a holistic review of your policy coverage, and to understand alternative options available for you to continue with your policies. This will enable you to commit to a comfortable premium payment to ensure sustainability going forward. If you do not have a Financial Consultant to assist you, please contact us via our **Online contact form** or call our PRUCustomer Care at 1800 333 0333.

Q2. Who is eligible?

All policyholders who have policies with premiums due between 1 October 2020 to 31 March 2021 (both dates inclusive) only policies that are not already on the initial DPP are eligible.

Insurance coverage is maintained during the period of deferment.

Policyholders must meet any of the following hardship criteria.

Salaried Employees:

- Unemployment due to retrenchment/contract termination
- Involuntary no-pay leave for a period of 3 consecutive months or more
- Reduction in monthly salary by at least 30% for a period of 3 consecutive months or more in comparison to average monthly salary in 2019

Self-employed:

- Loss of source of income (example: closure of business)
- Reduction in monthly income by at least 30% for a period of 3 consecutive months or more in comparison to average monthly income in 2019

Q3. When can I apply for the DPP?

To apply for this second Deferred Premium Payment (DPP), please reach out to your Financial Consultant or contact our PRUCare team at PRUCare@prudential.com.sg. Applications can be submitted from 1 October 2020 to 31 March 2021.

Q4. Does it apply to all products?

Yes, it applies to all products except policies funded by CPFISOA, CPFISSA, Supplementary Retirement Scheme (SRS) and Prushield policies fully funded by Medisave.

Q5. When do I need to make repayment for the premiums?

You will need to ensure payment is made before the DPP period is over, in order to retain your coverage. This means making full payment on your outstanding premiums before the 6-month DPP period is over.

Q6. I'm on a monthly premium, how does the DPP work?

The deferment of 6 months is from the date your monthly premium becomes due. Any payment you make will be used to pay off the longest outstanding premium first.

At any point of time, you can have a maximum of 6 months DPP period for premiums due between 1 October 2020 to 31 March 2021 (both dates inclusive). You will need to make full payment on your outstanding premiums before the 6-month DPP period is over.

For example:



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Customer A has a policy with premium of \$100 per month (monthly frequency). Upon successfully application and approval of the DPP plan, he/she is able to hold back the premium for a period of 6 months (\$600 in total).

If he/she is able to make a payment within any of the months during the DPP period, the premium collected will apply to the longest outstanding premium first. For example, if he/she makes a payment of \$100 in January 2021, this payment will be used to pay for October's premium.

In this example, the customer will need to make full payment on their outstanding premiums due from November to March 2021 by March 2021 as there was a premium paid in January 2021 which covered October's premium.

Q7. What happens if I can't pay after the DPP period?

If we do not receive the outstanding premium after the DPP period, depending on the features of your policy, it will either:

- Lapse, for policies with no cash value
- Automatically activate Automatic Premium Loan (APL), if there is cash value
- Automatically activate Premium Holiday for ILP policies
- Be converted to auto paid up with a reduced sum assured amount

If your policy or rider lapses and you wish to apply for reinstatement, you will be required to apply for the usual reinstatement. This will include full payment of premiums for full reinstatement of benefits.

Q8. Will I continue to be billed for premium due during the DPP period?

Yes. We will continue to notify you by mail, email or SMS. The purpose of the notification is to keep you informed of the total outstanding premium on your policy. We will inform you separately before the 180 days is up.

Q9. How will I be informed of the final deadline to pay?

We will keep you informed of the outstanding amount and the due date via SMS and/or email.

Q10. Can I claim during this DPP period?

Yes, your coverage is not impacted during this DPP period. What's important is that you continue to stay protected. We will deduct the outstanding premium before any payment is made for an approved claim. For PRUshield policy, as due premiums are deducted from CPF MediSave account, the claim will only be processed upon receipt of the overdue premiums.

Q11. Will there be any impact to my Maturity Value if my policy is maturing within this DPP period?

Your outstanding premium will be deducted from the maturity value and the net value will be paid out.

Q12. Will my policy go into Automatic Premium Loan (APL) during this grace period?

If your policy has an APL feature, it will be applied after the grace period if full payment of the outstanding premiums is not made within the extension period.

Q13. What will be the pricing of the funds in view of the non-premium payment?

Fresh units will not be purchased; however, the assurance and admin charges will continue based on the current units available.

Q14. What other features are available to support customers to keep their policies active?

If you are facing difficulties paying your premiums, you can prevent your policy from lapsing by using these existing product features as well (depending on the policy you have):

- Automatic Premium Loan (APL), automatically activated if there is cash value
- Premium Holiday for ILP policies (automatically activated),
- Request to convert to a paid-up policy, with a lower sum assured

To reinstate your policy, you will be required to apply for the usual reinstatement. This will include full payment of premiums for full reinstatement of benefits.

To check whether any of the above feature applies to your policy, you may speak to your Financial Consultants or call the Prudential Customer Service Hotline at 1800 333 0333 or email our PRUCare team at PRUCare@prudential.com.sg