



## PRODUCT SUMMARY: PRUActive Saver III

This Product Summary and Policy Illustration are for illustrative purposes only and shall not constitute a contract. The following is a simplified description of the key product features. The exact terms can be found in the policy document.

"Your Guide to Participating Policies", which contains generic but important information on how a participating plan typically works and how bonuses are determined in general, is available on our website, [www.prudential.com.sg](http://www.prudential.com.sg). Alternatively, you may approach a representative of either Prudential Singapore or a distributor duly appointed by Prudential Singapore for a copy of the guide.

### Details of Plan Provider:

Prudential Assurance Company Singapore (Pte) Limited ("Prudential Singapore"), 30 Cecil Street, #30-01 Prudential Tower, Singapore 049712. Tel: 1800 - 333 0 333.

Prudential Singapore is responsible for the product features and contractual provisions and these will be explained to you by a representative of either Prudential Singapore or a distributor duly appointed by Prudential Singapore.

**This policy and its Supplementary benefit(s) (if any) is/are protected under the Policy Owners' Protection Scheme which is administered by the Singapore Deposit Insurance Corporation (SDIC). Coverage for your policy is automatic and no further action is required from you. For more information on the types of benefits that are covered under the scheme as well as the limits of coverage, where applicable, please contact your insurer or visit the General Insurance Association (GIA) /Life Insurance Association (LIA) or SDIC web-sites ([www.gia.org.sg](http://www.gia.org.sg) or [www.lia.org.sg](http://www.lia.org.sg) or [www.sdic.org.sg](http://www.sdic.org.sg)).**

**The Proposer acknowledges receipt of all the pages of the Product Summary for the Main plan and Supplementary benefits (where applicable). The contents have been explained to his/her satisfaction.**

### Aggregation rule:

The aggregate premiums payable for selected plans\* per life assured issued in the past 24 months cannot exceed S\$15 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.

\*Please find the full list of selected plans at [www.prudential.com.sg](http://www.prudential.com.sg)

### Nature and Objective of the Plan:

**PRUActive Saver III** is a participating endowment insurance plan. This plan allows policyowner to choose between a range of premium payment terms: single premium or regular premium term from 5 to 30 years and a range of policy terms from 10 to 30 years. It provides financial protection against death. The policy also allows policyowner to participate in the performance of the participating fund in the form of bonuses that are not guaranteed.

**PRUActive Saver III** is an 8th series product. The series defines the premium rates and bonus features of the product.



## **Benefits under the Plan:**

### ***What is Face Value?***

The Face Value is not the sum assured of your policy. The Face Value is a notional value used to determine the Reversionary Bonuses (non-guaranteed), and the Maturity Benefit.

### ***What do we pay for Death Benefit?***

#### **For Regular Premium (Premium Term of 5 to 30 years):**

The Death Benefit will be the higher of:

- i) 105% of the total premiums paid up to time of death (but not premiums for supplementary benefits [if any]) less any bonus surrendered (if any); or
- ii) 101% of the surrender value, less any amounts owing to us.

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

#### **For Single Premium:**

The Death Benefit will be the higher of:

- i) 105% of the single premium paid less any bonus surrendered (if any); or
- ii) 101% of the surrender value, less any amounts owing to us.

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

### ***What do we pay for Maturity Benefit?***

On the maturity date we pay a maturity benefit in a lump sum. The maturity benefit is percentage of the Face Value plus all the bonuses\* that we have added to the policy, less any amounts owing to us in connection with your policy.

*\* the bonuses are NOT guaranteed.*

### ***Exclusions:***

There are certain conditions (such as death from suicide or Pre-existing Condition within 12 months from Cover Start Date or date of reinstatement (if any)) under which no benefits will be payable. These are stated as exclusions in the policy document. We advise you to read the policy document for the full details of these exclusions.

***"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 or date of reinstatement (if any) of this benefit.***

***What is Surrender Benefit?***

The guaranteed surrender value plus non-guaranteed surrender value will be payable upon surrender of your policy. The surrender value of your policy will vary with the premium payment term of your policy.

For PRUActive Saver III policy of a single premium payment term, we give you an immediate surrender value.

For the rest of the premium payment terms, we give you a surrender value after 36 months from your first premium due date as long as you have paid premiums for 36 months.

***What is the impact of early surrender?***

As buying a life insurance policy is a long-term commitment, an early termination of the policy usually involves high costs and the surrender value, if any, that is payable to you may be zero or less than the total premiums paid. Please refer to the Table of Deductions in the Policy Illustration for more information and to understand the loss or low returns on surrendering the plan early.

***What are the other features available under PRUActive Saver III?***

- If the policy has a surrender value, the policyowner can apply to surrender part or all of the Reversionary Bonus that we have added to the policy for a cash value. Please note that this will reduce the long term value of the policy.
- Automatic Premium Loan, Policy Loan and Surgical & Nursing Loan are available. Please note that taking these loans will reduce the long term value of the policy. For automatic premium loan and policy loan, a non-guaranteed loan interest will be charged.

Note: Automatic Premium Loan is not applicable to single premium policy.

Please refer to the policy document for the exact terms and conditions of these additional features.



## **Bonuses:**

### ***What type of bonuses?***

The benefits under this plan are made up of guaranteed and non-guaranteed benefits. The guaranteed benefits, including bonuses which have already been allocated to the participating policy owners, will be paid regardless of the performance of the participating fund. Non-guaranteed benefits are in the form of Reversionary Bonus, Performance Bonus and Maturity Bonus. The bonuses are NOT guaranteed and will vary according to the future experience of the participating fund. The bonus rates in this section are based on the illustrated Investment Return of the Participating Fund at 4.25% per annum. Please note that the actual bonuses that may be declared in the future may turn out to be higher or lower than illustrated in this section.

In comparison, at an illustrated Investment Rate of Return of 3.00% per annum, the non-guaranteed benefits are expected to be adjusted downwards depending on the future outlook of the Participating Fund.

Please refer to the policy illustration for the non-guaranteed benefits amount at the illustrated Investment Rate of Return of 3.00% per annum and 4.25% per annum respectively. The two rates are used purely for illustrative purposes and do not represent upper and lower limits of the investment performance of the Participating Fund.

### **Reversionary Bonus:**

This is an annual bonus that we add to the policy benefits from the start of the calendar year after the policy's second anniversary. Once declared, it will form part of the guaranteed benefits of the plan.

The Reversionary Bonus rate is projected to be \$8.50 per \$1,000 Face Value and \$19 per \$1,000 on accumulated Reversionary Bonuses.



**Performance Bonus:**

This is a one-off bonus which is a percentage of the accumulated Reversionary Bonuses. It may be paid when the policyowner surrenders the policy, or when the policy matures. The amount will vary depending on the Termination Date.

The illustrated Performance Bonus rates as a percentage of the accumulated Reversionary Bonuses are as below:

<b>No. of completed years in force</b>	<b>Performance Bonus as a percentage of accumulated reversionary bonus</b>
1	0.0%
2	0.0%
3	5.0%
4	5.0%
5	10.0%
6	15.0% to 20.0%
7	20.0% to 40.0%
8	25.0% to 60.0%
9	30.0% to 80.0%
10	30.0% to 100.0%
11	35.0% to 99.0%
12	40.0% to 98.0%
13	45.0% to 97.0%
14	50.0% to 96.0%
15	53.0% to 95.0%
16	53.0% to 94.0%
17	54.0% to 93.0%
18	54.0% to 92.0%
19	55.0% to 91.0%
20	55.0% to 90.0%
21	56.0% to 89.0%
22	56.0% to 88.0%
23	57.0% to 87.0%
24	57.0% to 86.0%
25	58.0% to 85.0%
26	58.0% to 84.0%
27	59.0% to 83.0%
28	60.0% to 82.0%
29	60.0% to 81.0%
30	61.0% to 80.0%



**Maturity Bonus:**

This is a one-off bonus which is a percentage of the accumulated Reversionary Bonuses. It may be paid when the policy matures. The illustrated Maturity Bonus rates as a percentage of the accumulated Reversionary Bonuses are as follows:

<b>Policy Term</b>	<b>Maturity Bonus as a percentage of Accumulated Reversionary Bonus</b>
10	23% to 235%
11	23% to 248%
12	13% to 243%
13	9% to 245%
14	23% to 248%
15	22% to 247%
16	19% to 244%
17	27% to 239%
18	31% to 238%
19	30% to 241%
20	36% to 249%
21	32% to 249%
22	39% to 253%
23	44% to 262%
24	49% to 278%
25	53% to 294%
26	57% to 313%
27	64% to 327%
28	70% to 337%
29	73% to 347%
30	76% to 348%

Future bonuses which have yet to be allocated to the participating policyowner are not guaranteed and the insurer will decide the level of bonus to be declared each year as approved by the Board of Directors, taking into account the written recommendation by the Appointed Actuary.



### ***How are the assets invested and managed?***

Prudential Singapore's participating fund consists of both single and regular premium policies segregated into a few sub-funds. Each sub fund's investments are managed separately to match its liability characteristics. Regular premium policies are written in the Regular Premium Life Sub-fund ("RPLF"). In the document below, the term "fund" will be referring to RPLF unless stated otherwise.

#### Investment Objective

The investment objective is to maximise the long-term returns of the fund through investments consistent with policyowners' reasonable expectations, while meeting internal and regulatory solvency requirements. To achieve this, we set a Strategic Asset Allocation ("SAA") for the fund.

#### Investment Mix

Asset Type	Strategic Asset Allocation	Asset Allocation as at 31 Dec 2023
Bonds	47.5%	57.7%
Equities	29.5%	29.3%
Property	10.0%	7.7%
Other Assets <sup>1</sup>	13.0%	5.3%
<b>Total Assets</b>	<b>100.0%</b>	<b>100.0%</b>

<sup>1</sup> Other assets include alternative assets, cash and policy loans

The Asset Allocation percentages shown in the table have been rounded to the nearest 0.1%, and hence may not sum to exactly 100%.

SAA is the fund's long-term neutral asset allocation to meet the investment objective of the fund as set out above. Fund managers are allowed to deviate from the SAA, but within a mandated limit to take views on the current market conditions.

#### Investment Rate of Return

For the RPLF, the past investment rates of return (after deducting investment expenses only) are shown in the table below.

	2021	2022	2023	Average of last 3 years	Average of last 5 years	Average of last 10 years
<b>Investment Returns</b>	5.13%	-13.42%	7.24%	-0.80%	2.97%	3.72%

Please note that past performance is not necessarily indicative of future performance.

#### Total Expense Ratio

The Total Expense Ratio is the proportion of total expenses incurred by the Participating Fund to the total assets of the Participating Fund. These expenses include costs such as investment, management, distribution, taxation and other expenses.

An expected level of expenses to be incurred by the Participating Fund has been allowed for in the premiums payable for your policy and is not an additional cost to you. If the actual level of expenses varies significantly from the expected level of expenses, it may affect the non-guaranteed benefits you may receive.

For our Participating Fund, the past Total Expense Ratios are shown in the table below.

	2021	2022	2023	Average of last 3 years	Average of last 5 years	Average of last 10 years
<b>Total Expense Ratio</b>	2.67%	2.65%	2.03%	2.44%	2.53%	2.70%

Please note that past expense ratios may not be indicative of actual expenses that may be incurred in the future.



#### Fund Manager

All investment related to this fund is carried out through Eastspring Investments (Singapore) Limited ("Eastspring Singapore"). Eastspring Singapore may also engage other Prudential plc related companies as sub-fund managers.

Eastspring Singapore address: Eastspring Investments (Singapore) Limited, 10 Marina Boulevard #32-01 Marina Bay Financial Centre Tower 2 Singapore 018983.

#### ***What are the risks that affect the bonuses that you will be getting?***

The level of bonuses depends on the actual experience of key factors affecting the performance of the fund. In determining the level of bonuses, we also considered the future outlook of these key factors. These key factors are:

- Investment performance and future investment outlook of the fund;
- Claims experience, with respect to death ("mortality") and Terminal Illness("TI") experience of the fund;
- Discontinuance ("surrender") experience of the fund;
- Level of expenses incurred by or allocated to the fund

There may be other factors that could affect the bonus levels, for example, changes in taxation and legislation.

#### ***How are the risks shared?***

Your policy is exposed to investment, mortality, lapse and expense risks, which are shared within the RPLF, i.e. with other regular premium plans.

In determining the level of bonuses that can be supported, the assets available to back the plan will be derived by accumulating the premiums paid at the actual rate of investment return less the cost of insurance, expenses incurred, commissions paid, taxes and other costs that may be incurred in managing the fund.

#### ***How are bonuses smoothed over time?***

As investment performance fluctuates over time, bonuses are smoothed to ensure stable medium to long term returns on your policy. As a result, some of the investment returns in good years may not be distributed immediately so as to boost returns in years where the investment return is low. However, the effect of smoothing is intended to be neutral over time.

#### **Reversionary Bonus**

Prudential Singapore's bonus distribution policy is to keep the Reversionary Bonus at a level that is expected to be sustainable over the long term. Thus, while the Reversionary Bonus is usually reviewed annually, it is not expected to fluctuate from year to year. Nevertheless, it may be adjusted up or down under exceptional circumstances.

For the financial year 2023, the Reversionary Bonus declared was \$8.50 per \$1,000 Face Value and at \$19 per \$1,000 on accumulated Reversionary Bonus respectively. Past performance is not necessarily indicative of future performance.

#### **Performance Bonus and Maturity Bonus**

The Performance and Maturity Bonuses are reviewed at least annually. In exceptional circumstances, the review may be more frequent. The Performance and Maturity Bonuses are more likely to change from year to year but Prudential Singapore's policy is to limit the yearly variation so that, under normal circumstances, the payout will not be subject to large fluctuations over the short term.

Performance Bonus rates declared for the past years are as below. Performance Bonus as a percentage of accumulated Reversionary Bonuses:

No. of completed years in force	Year of Declaration
	2023
0 – 2	-
3	5%

There is no Maturity Bonus declared yet as this 8th Series plan was launched in 2021. Past performance is not necessarily indicative of future performance.



***What are the fees and charges imposed on this plan?***

This plan shares in the experience of the fund. This means that any expenses incurred by the fund can be charged to the policy according to the risk-sharing rules described earlier.

Examples of such expenses include:

- Investment fees paid to fund managers for providing management services
- Mortality (death), Terminal Illness, lapse and surrender claims
- Marketing and other distribution-related costs
- Administration fees incurred in underwriting of new business
- Management and Overhead Expenses
- Commission fees paid to Prudential Financial Consultants or intermediaries

All expenses, including commissions, are shared and charged to the fund (assets backing the policy) according to the risk-sharing rules described earlier.

Please refer to the Total Distribution Cost Table in the Policy Illustration for more information.

Please note that the charges described in this section will not be in the form of explicit fees or charges to you; it has already been allowed for in calculating your premium.

***How will I be updated on the performance of my plan?***

An Annual Bonus Update will be sent to you annually. This document aims to keep you informed of the performance of the fund, its future outlook, the bonuses allocated to your policy for that year and any changes in future bonuses. Whenever there is a change in the bonus rates, you will also receive an update from Prudential Singapore. You may expect to receive the Annual Bonus Update after April each year.

Please contact your representative of either Prudential Singapore or a distributor duly appointed by Prudential Singapore at any time if you wish to receive an updated full policy illustration showing the illustrations of future bonuses based on Prudential Singapore's best estimate of the future performance of the participating fund.

**Conflict of Interest:**

Potential conflicts of interest arise in the allocation of expenses between the participating and other insurance funds. Over-allocation of expenses to the participating fund is detrimental to policyowners of participating policies. As such, Prudential Singapore strives to achieve a fair allocation substantiated by regular expense investigations.

**Related Party Transactions:**

The fund manager managing the entire assets of the fund is a related party to Prudential Singapore. The size of RPLF under management by Eastspring Singapore is S\$32,868 million as at 31 Dec 2023.

The Investment Committee ("IC") of Prudential Singapore has oversight responsibility for the activities of the fund managers to ensure that the transactions are carried out at arm's length. It is responsible for setting the mandates for day-to-day fund operation. The Asset & Liability Management Committee ("ALCO") of Prudential Singapore is responsible for setting the SAA and monitoring asset and liability matching.

The IC will also periodically review the investment fees charged by the fund managers, and advise Prudential Singapore accordingly. The Board of Directors ("Board") appoints the membership of the IC and ALCO. The Board will be responsible for reviewing and approving the IC and ALCO Constitution or Terms of Reference.

**Premiums:**

The premium rate for the basic plan is guaranteed. Premiums are payable for the period of premium payment term and can be paid monthly, quarterly, half-yearly or yearly.

PRUActive Saver III is not a Medisave-approved policy and you may not use Medisave to pay the premium for this policy.

**Select additional benefits according to your need(s):**

With additional premiums, you may add supplementary benefits to this insurance plan for extra protection.

All supplementary benefits are subject to product terms and conditions. Please consult a representative of either Prudential Singapore or a distributor duly appointed by Prudential Singapore for more information.

**Exclusions:**

There are certain conditions (such as death from suicide or Pre-existing Conditions within 12 months from Cover Start Date, or date of reinstatement (if any) under which no benefits will be payable. These are stated as exclusions in the policy document.

You are advised to read your policy document for the full details of these exclusions.

**Supplementary Retirement Scheme (SRS)**

If you bought your Policy using your SRS funds, your Policy is subject to the terms and conditions of the Supplementary Retirement Scheme which shall overrule these terms and conditions in the event of any conflict or inconsistency.

All payments made will be according to the terms and conditions of the Supplementary Retirement Scheme.

**Note:**

Life Insurance is a contract of utmost good faith and a proposer is required to disclose in proposal form fully and faithfully all the facts, which he knows or ought to know, as otherwise the policy issued may be void.

The terms and conditions of your policy are contained in your policy document.

**Free Look Period:**

**After purchasing a life insurance policy, you have a 14-day free-look period - starting from the day you receive your policy documents to review the documents carefully. During this time, if you choose to cancel your policy, we will refund you the premiums you have paid (without interest), less any medical fees and other expenses, such as payments for medical check-ups and medical reports, incurred by us.**

**If we make your policy document and all other documents from us available electronically via PRUaccess, we consider they have been delivered and received when you receive the relevant SMS or email telling you that the documents are accessible on PRUaccess. Otherwise, we consider your policy and all other documents from us as delivered and received seven days from the date of posting to the last-known address you gave us.**

**If you decide this policy is not suitable for your needs, simply write to us within the 14-day free-look period.**