

## **PRODUCT SUMMARY**

### **Gro Cash Sure (GCMW)**

#### **1. Policy Description**

Gro Cash Sure is a regular premium whole-life plan with a policy term that lasts until the anniversary immediately after the original insured's 120<sup>th</sup> birthday. The premium terms available are 5 and 10 years.

We will start paying a cash benefit at the end of the premium term. We will also pay a maturity benefit at the end of the policy term.

This plan provides protection against death and terminal illness of the insured during the policy term.

Gro Cash Sure is a participating life insurance policy. It allows you to participate in the performance of the Life Participating Fund in the form of bonuses that are not guaranteed. You can find more details about the bonuses in Section 3.

#### **2. Benefits**

##### **2.1 Death and Terminal Illness (TI) Benefit**

If the insured becomes terminally ill or dies during the term of this policy, we will pay the sum of:

1. the higher of:
  - 105% of all net premium(s) paid; or
  - the guaranteed portion of the cash value, and
2. a terminal bonus.

We will pay the cash value if it is higher than the sum calculated above.

We will also pay any cash benefits and cash bonuses which have built up, including any interest earned, until then.

We will take any policy loan and interest from the benefit amount we will pay.

If you choose to receive the cash benefit in monthly payments, we will also pay the remaining monthly cash benefit payments and cash bonuses for the policy year that we have not paid you.

This policy will end when we make this payment. We will not pay any further benefits.

If you have appointed a secondary insured before the insured dies, we will not pay this benefit. Upon the death of the insured, the secondary insured becomes the insured and this policy will continue.

Net premium(s) means the regular or single premium amount as shown in the policy schedule, or the reduced regular or single premium amount if a part of this policy has been cashed in earlier. If you change the frequency of your regular premium amount, we will use the then current regular premium amount to work out all net premium(s) paid. Net premium(s) do not include the premiums paid on riders.

Please refer to the policy contract for the exact terms and definition of TI.

## 2.2 Cash Benefit

If the insured survives at the end of the premium term, and if all premiums for this policy have been paid for, we will start paying the cash benefit at the end of the premium term.

Each yearly cash benefit is 2% of the sum assured and we pay it every year as long as the insured is still alive and this policy has not ended.

If the sum assured of the policy is at least \$80,000, you can choose to receive the yearly cash benefit in monthly payments. We will work out the amount of each monthly cash benefit payment.

If the insured survives at the end of the policy term and the policy has not already ended, we will pay the final yearly cash benefit (in other words, 2% of the sum assured) and the cash bonus as a lump-sum with the maturity benefit. This policy will end when we make this payment.

The policyholder can use the cash benefit in the following ways:

- (a) Receive it as a payout
- (b) Accumulate with Income at the prevailing interest rate, currently at 3.00% p.a.

Cash benefits accumulated with Income can be withdrawn anytime. The prevailing interest rate under (b) is non-guaranteed and is subject to review by Income. Any policy loan and interest will be deducted from the benefit amount payable.

Please refer to the policy contract for the conditions that apply if you choose to accumulate the cash benefits.

## 2.3 Maturity Benefit

If the insured survives at the end of the policy term and this policy has not already ended, we will pay the cash value.

We will also pay any cash benefits and cash bonuses which have built up. We will take any policy loan and interest from the benefit amount we will pay.

This policy will end when we make this payment.

## 2.4 Guaranteed Insurability Option to Buy Another Life Policy

If the original insured experiences any of the following life events, a new policy with only death and total and permanent disability benefits may be taken up on the original insured's life, without evidence of good health.

- i. Turning 21
- ii. Marriage
- iii. Divorce
- iv. Becoming a parent

- v. Death of spouse
- vi. Purchase of a residential property

The sum assured for the new policy will be limited to 50% of the sum assured for this policy, or S\$100,000, whichever is lower. The original insured must meet all the following conditions to take up this option.

- The original insured must take up this option within three months after the date of the life event.
- The original insured must not be totally and permanently disabled, or be diagnosed with an advanced-stage dread disease at the time of taking up this option.
- The original insured must be 50 years old and under at the time of taking up this option.
- The life event must have taken place no earlier than 12 months after the cover start date of the policy.
- At Income's request, the original insured must provide satisfactory documentary proof of a life event.

The original insured can take up this option no more than two times. Each time the original insured takes up this option, it must be on a different life event.

Any special terms that are added to this policy (such as extra exclusions or an increased premium) will also be added to the new policy which the original insured takes up.

Original insured means the insured that was appointed when we issued this policy.

#### 2.5 Secondary Insured Option

A secondary insured may be appointed (including at application) during the policy term when the policy is in force to ensure the continuity of the policy upon death of the insured.

The secondary insured may be appointed or removed before the death of the insured provided the following conditions are met:

- the premium of this policy is paid only with cash;
- no nomination of beneficiary has been made for this policy; and
- there is no change to the ownership of this policy including assignment, bankruptcy and trust.

The secondary insured must be yourself (before the age of 65 years old), your spouse (before the age of 65 years old), or your child or ward (before the age of 18 years old) at the time of exercising this option.

This option to appoint a secondary insured cannot be exercised more than three times.

The secondary insured becomes the insured of this policy only upon death of the insured for the remaining policy term. This policy can only have one insured at any point of time.

#### 2.6 Surrender Value

There is a surrender value on this policy after premiums have been paid for at least two years. At the end of the premium term, if you did not cash in this policy and all premiums for this policy have been paid for, the guaranteed cash value for this policy is equal to total premiums paid excluding premiums paid on riders.

Please note that buying a life insurance policy is a long-term commitment. An early termination of the policy usually involves high costs and the surrender value payable may be zero or less than the total premiums paid.

Depending on your policy and time of surrender, the return on your policy may be low. It may also be likely that you could incur a loss on your policy in the event of early surrender. You may wish to refer to your policy illustration to understand the cost of surrendering your policy, especially in early durations.

### 3. Bonuses

Bonuses are the way you receive a share of the profits of the Life Participating Fund. There are 2 types of bonuses for this plan, namely cash bonus and terminal bonus.

- i. A cash bonus may be payable on top of each cash benefit, by applying a bonus rate to the sum assured. This cash bonus may include any loyalty bonus payable from the end of 20<sup>th</sup> policy year after the end of premium term. We may or may not pay this cash bonus for each policy year. The bonus rate, which is declared yearly, is not guaranteed and may vary from year to year according to the future performance of the Life Participating Fund.

| Premium Term | Cash bonus (include loyalty bonus, if applicable)                          | Percentage of the sum assured<br>(Based on Illustrated investment rate of return of 4.25% p.a.) |
|--------------|--|---|
| 5            | End of 5 <sup>th</sup> policy year to end of 24 <sup>th</sup> policy year  | 7.30%   |
|              | End of 25 <sup>th</sup> policy year onwards                                | 7.90%   |
| 10           | End of 10 <sup>th</sup> policy year to end of 29 <sup>th</sup> policy year | 7.30%   |
|              | End of 30 <sup>th</sup> policy year onwards                                | 7.90%   |

In comparison, at an illustrated investment rate of return of 3.00% per annum, the cash bonus rates are expected to be adjusted downwards depending on the future outlook of the Life Participating Fund.

Please refer to the policy illustration for the cash bonus 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 Life Participating Fund.

The policyholder can choose to leave both the cash benefit and cash bonus with Income to accumulate at the prevailing interest rate.

- ii. Terminal Bonus is an additional bonus, which we may pay at the time of a claim, maturity or surrender of the policy.

Future bonuses of this plan, which have yet to be added to your policy, are not guaranteed. Each year, Income will decide on the amount of bonuses to be allocated to each participating plan. Bonus allocations are approved by the Board of Directors, based on the recommendation by the Appointed Actuary.

All guaranteed benefits, including bonuses which have already been added to your policy, will be provided for regardless of the performance of the Life Participating Fund.

Different types of plans could have different bonus rates. Please refer to Section 7 for the details of the bonuses.

#### 4. Investment of the Life Participating Fund

Premiums from all participating policyholders are combined and invested in our Life Participating Fund, which has a broad mix of investment assets.

##### Investment Objective

The investment objective of the Life Participating Fund is to maximize returns for our participating policyholders while maintaining an acceptable level of risk.

##### Investment Strategy

When setting the investment strategy of the Life Participating Fund, we aim to balance between seeking an attractive return over the long run and taking an acceptable level of risk. The major factors we consider include the product design (e.g. amount of guaranteed benefits, policy term) of our plans, Income’s financial strength, and the prevailing regulations.

##### Current Investment Mix and Performance of the Life Participating Fund

The Life Participating Fund is invested in a wide mix of assets. The main asset classes are local and overseas equities, bonds, property and cash.

As of 31 December 2022, the investment mix of the Life Participating Fund is:

| Asset Type                  | Strategic Asset Allocation | Current Investment Mix |
|-----------------------------|----------------------------|------------------------|
| Risky Assets*               | 36%                        | 37%                    |
| Fixed Income, Cash & Others | 64%                        | 63%                    |

\* Includes equities and properties

Over time, the relative return of different types of assets may change substantially. Hence, we may vary the investment mix in the future, according to the investment objective and strategy of the Life Participating Fund.

##### Total Expense Ratio

The Total Expense Ratio is the proportion of total expenses incurred by the Life Participating Fund to the assets of the Life 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 Life 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 vary significantly from the expected level of expenses, it may affect the non-guaranteed benefits you may receive.

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

|                     | 2020  | 2021  | 2022  | Averaged over the last 3 years | Averaged over the last 5 years | Averaged over the last 10 years |
|---------------------|-------|-------|-------|--------------------------------|--------------------------------|---------------------------------|
| Total Expense Ratio | 0.82% | 1.01% | 1.07% | 0.97%                          | 0.92%                          | 0.86%                           |

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

**Investment Rate of Return**

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

|                    | 2020  | 2021  | 2022   | Averaged over the last 3 years | Averaged over the last 5 years | Averaged over the last 10 years |
|--------------------|-------|-------|--------|--------------------------------|--------------------------------|---------------------------------|
| Investment Returns | 9.14% | 0.54% | -8.73% | 0.05%                          | 2.05%                          | 3.24%                           |

Please note that past performance may not be indicative of future performance.

Changes in the economic and investment environment may affect the investment performance of the Life Participating Fund and the bonuses or dividends that you may receive.

**External Fund Managers**

Assets in the Life Participating Fund are partly managed by Income and partly managed by external fund managers appointed by Income. Details of these external fund managers are shown in Appendix A.

**5. Factors Affecting the Life Participating Fund’s Performance**

The performance of the Life Participating Fund depends on a number of factors, of which the main ones are:

- Investment performance of the Life Participating Fund, which impacts the Fund most;
- Expenses incurred in managing the Life Participating Fund;
- Mortality and morbidity claims experience of the Life Participating Fund; and
- Surrender and lapse experience of the Life Participating Fund.

The performance of the Life Participating Fund will affect the bonus allocation of your participating policy each year. Income will take into account the Fund’s current performance, its future outlook, as well as the financial strength of the Life Participating Fund when setting bonus rates.

**6. How Risks are shared in the Life Participating Fund**

Premiums from all participating policyholders are combined and invested in the Life Participating Fund. Hence, the Life Participating Fund is of a significant size that enables risks to be pooled and diversified.

The key risks that the Life Participating Fund is subjected to include investment risks, expense risks (when expenses of running the business are higher than expected), mortality and longevity risks, morbidity risks, and surrender and lapse risks

(when actual surrenders differ from expected). Some non-participating and investment-linked businesses are written in the Life Participating Fund and they may also be subjected to similar risks. These risks result in profit and losses, which will be accounted for in the surplus of the Life Participating Fund, thus influencing its financial strength.

In determining sustainable bonus rates for the participating policies, we look to their asset share, which is the value of the assets available to back the policy. It is calculated as the total premiums received plus actual investment returns and other profits earned by the Life Participating Fund, less expenses and charges and other outgo.

## **7. Smoothing of Bonuses**

As investment performance may vary from year to year, bonuses are smoothed to ensure stable medium to long-term returns on your participating policy. This means that bonuses may be held back in good years to support the maintenance of the bonus in years when the performance of the Life Participating Fund is less favourable. It is intended that over the long term, the net impact of smoothing is neutral. Smoothing will never reduce any guaranteed benefits that may apply. Smoothing is a common industry practice.

As this is a new plan, actual bonuses have yet to be declared.

## **8. Expenses of the Life Participating Fund**

Expenses are incurred in the course of running the Life Participating Fund. These expenses include commission, distribution costs, general overheads, underwriting expenses, policy issue and claims expenses, depreciation, etc. This is not an exhaustive list of expenses incurred by the Life Participating Fund.

Expense directly incurred by the Life Participating Fund would be charged to the Life Participating Fund. However, some expenses are shared across all funds. These expenses would be allocated to each fund (including the Life Participating Fund), using a methodology determined by the Appointed Actuary. To ensure equity and fairness, the methodology aims to allocate expenses in a manner that reflects the cost of running the business in each fund.

These expenses incurred by the Life Participating Fund have been included in the premium and will not be separately charged to the policyholder.

## **9. Conflict of Interests**

We seek to treat our customers fairly, balancing any conflicting interests that arise between various groups and generations of policyholders or between policyholders and shareholders.

## **10. Related Party Transactions**

Fullerton Fund Management Company Ltd, an external fund manager which manages a substantial portion of the Life Participating Fund, is a related party to Income. Income has governance and controls in place to ensure related party transactions are conducted at arm's length.

## 11. Riders

With additional premiums, you may attach available riders to enjoy extra protection.

All riders are subject to terms and conditions. For more information on these riders, please refer to the relevant product summaries of the riders.

## 12. Premiums

Premiums are payable throughout the premium term. You can choose to pay monthly, quarterly, half-yearly or yearly. Premium rates are guaranteed.

## 13. Exclusions

There are certain conditions which no benefits will be payable under this policy as listed below. Please refer to the policy contract for the full details of the exclusions.

### Death Benefit

This policy is not valid if the insured commits suicide within one year from the cover start date. The total premiums paid, without interest, less any amounts we have paid you, and any amount you owe us, from the cover start date will be refunded.

### Terminal Illness (TI) Benefit

The benefit is not payable if your claim arises from:

- deliberate acts such as self-inflicted injuries, illnesses or attempted suicide;
- unlawful acts, provoked assault or deliberate exposure to danger; or
- the effects of alcohol, drugs or any dependence.

### Other Conditions

After you have been continuously covered for one year from the cover start date, we will pay your claim unless:

- it is a case of fraud;
- you fail to pay a premium;
- the insured has a material pre-existing condition which you did not tell us about when you applied for this policy or rider if health declaration is required;
- you or the insured fail to tell us any significant information or information which is true, correct and complete which would have reasonably affected our decision to accept your application; or
- the claim is excluded or not covered under the terms of this policy or rider.

## 14. Free-Look

You will have 14 days from the date you receive the policy documents to be sure that you want to keep the policy. If we post or email the policy to you, the 14 days will start seven days from the date of posting or emailing.



During this time, if you choose to cancel the policy, we will refund you the premiums you have paid, less any medical fees and other expenses such as payments for medical check-ups and medical reports incurred by us.

#### **15. Grace Period**

There is a 30 days grace period to pay the premiums due on your policy.

If we are due to pay any benefits during this period, we will take off any unpaid premiums from the benefits.

#### **16. Lapse**

If premiums are still not paid after the grace period, your policy and its riders (if any) may lapse. If your policy has sufficient cash value, the premiums for the policy and its riders (if any) can continue through a loan (called an automatic premium loan) and interest will be charged on the loan. The loan and interest will be deducted from any amount due to pay under the policy. The policy and its riders (if any) will lapse when the amount of the loans and interest is more than the cash value of the policy.

#### **17. Reinstatement Period**

If this policy and its riders (if any) end due to insufficient cash value, reinstatement of this policy and its riders (if any) is allowed within 36 months by paying the premiums owed along with interest. Satisfactory proof of the insured's good health has to be provided and there is no change in the risks covered by this policy. However, if we do not ask for the insured's health declaration or medical checks at the time of application, then you need not give us satisfactory proof of the insured's good health.

#### **18. Claim**

To make a claim for death benefit, we must be told within six months after the insured's death.

If this policy provides for accidental death or accidental total and permanent disability (TPD) benefit, we must be told within thirty days after the insured's death or TPD. If you tell us after the thirty days, we will not pay the claim for accidental death or accidental TPD benefit.

To make a claim for other benefits, we must be told within six months after the diagnosis or the event giving rise to the claim. If you tell us after the six months, we will not pay the claim for the other benefits.

When we pay a claim, we will not refund any premiums that have been paid.

Please refer to our webpage for the claim procedures: <http://www.income.com.sg/claims>.

#### **19. Termination**

You may write in to terminate or surrender your policy any time. Please refer to our webpage for the termination or surrender procedures: <http://www.income.com.sg/claims/life-and-health-insurance/surrender-of-policies>.

Please note that an early termination of the policy usually involves high costs and the surrender value payable (if applicable) may be zero or less than the total premiums paid.

## 20. Performance Update

To evaluate the performance of your policy and the Life Participating Fund, you may wish to refer to the following documents:

- i. Annual Bonus Update (sent annually to participating policyholders)
- ii. Policyholder Annual Statement (sent annually to all policyholders)
- iii. Post Sales Illustration (available upon request)

## 21. Policy Owners' Protection Scheme

This policy is 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 Income or visit the GIA/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)).

## DISCLAIMER

This product summary does not form a part of the contract of insurance. It is only meant to be a simplified description of the product features which apply to this plan and does not explain the whole contract. The contents of this product summary may be different from the terms of cover eventually issued. Please read the policy contract for the precise terms, conditions and exclusions. Only the terms, conditions and exclusions in the policy contract will be enforceable by the policyholder and Income.

**Appendix A - List of External Fund Managers**

**Appointed Managers:**

- |    |   |   |   |
|----|---|---|---|
| 1. | MFS International Singapore Pte Ltd                 | - | 501 Orchard Road #13-01   Wheelock Place<br>Singapore 238880                          |
| 2. | PIMCO Asia Pte Ltd                                  | - | 8 Marina View #30-01   Asia Square Tower 1<br>Singapore 018960                        |
| 3. | Wellington International Management Company Pte Ltd | - | 8 Marina Boulevard, #03-01   Tower 1, Marina Bay Financial Centre<br>Singapore 018981 |
| 4. | Morgan Stanley Investment Management Company        | - | 23 Church Street #16-01   Capital Square<br>Singapore 049481                          |
| 5. | Schroder Investment Management (Singapore) Ltd      | - | 138 Market Street #23-01   CapitaGreen<br>Singapore 048946                            |
| 6. | Fullerton Fund Management Company Ltd               | - | 3 Fraser Street #09-28   DUO Tower<br>Singapore 189352                                |