

DIRECT – FWD Whole Life

Product summary

Note:

Please read this product summary before you decide to take up this product.

Name of the insurer

FWD Singapore Pte. Ltd.

Product name

DIRECT – FWD Whole Life

1. What is this product about?

DIRECT - FWD Whole Life is a participating whole of life policy that provides coverage for death and terminal illness up to the person insured's 99th birthday. This policy also provides coverage for total and permanent disability up to the person insured's 65th birthday.

You will receive a Maturity Benefit if the person insured is still alive at the policy maturity date.

This participating policy allows you to take part in the performance of the Participating Fund, in the form of bonuses that are not guaranteed.

Note:

"You / your" refers to the policy owner.

In this policy, the person insured is also the policy owner, unless you assign your policy.

See [section 4](#) (What is policy assignment?) below.

2. What are the benefits I will receive under this policy?

Your benefits

**Death or
Terminal Illness
(TI) Benefit**

A lump sum benefit will be paid if the person insured dies or is diagnosed with a terminal illness during the policy term. Any policy debt and interest will first be deducted.

The benefit will be the total of the:

- (a) sum insured;
 - (b) accumulated Reversionary Bonus (if any); and
 - (c) non-guaranteed Terminal Bonus.
- less any outstanding debt.

Note:

The policy will terminate following payment of the Death or Terminal Illness Benefit. If there is an increase or decrease in the sum insured, the Death or Terminal Illness Benefit payable will be revised accordingly.

Your benefits

Total and Permanent Disability (TPD) Benefit

In the event a person insured is diagnosed with a total and permanent disability before age 65, the Death Benefit will be advanced and paid out in one lump sum.

Surrender Value

You will receive the Surrender Value if you choose to surrender your policy, as long as your premiums are paid-to-date. Your Surrender Value will start to accrue from the end of policy year 2.

Any policy debt and interest will first be deducted.

The Surrender Value will be the total of the:

- (a) guaranteed surrender value;
- (b) surrender value on the accumulated Reversionary Bonus (if any); and
- (c) surrender value on the non-guaranteed Terminal Bonus.

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.

Maturity Benefit

We will pay the Maturity Benefit if the person insured is alive on the policy maturity date. Any policy debt and interest will first be deducted.

The Maturity Benefit will be the total of the:

- (a) sum insured;
- (b) any accumulated Reversionary Bonus; and
- (c) non-guaranteed Terminal Bonus.

3. What are the bonuses I will receive from this policy?

This policy provides you with both guaranteed and non-guaranteed benefits. The non-guaranteed benefits, sometimes referred to as bonuses, are how you partake in a share of the Participating Fund's profits. The bonuses are recommended by our appointed actuary and determined by us.

The guaranteed benefits will be provided for regardless of the performance of the Participating Fund. Guaranteed benefits include the guaranteed portion of the Surrender Value, Maturity Benefit, Death Benefit, Terminal Illness Benefit, and TPD Benefit.

Please refer to [section 2](#) (What are the benefits I will receive under this policy?) above to understand how and when these benefits will be payable.

Bonuses

Reversionary Bonus

The Reversionary Bonus is a non-guaranteed bonus added to your policy every year. Once added to your policy, they are guaranteed and will be provided for, regardless of the actual performance of the Participating Fund.

Terminal Bonus

The Terminal Bonus is a non-guaranteed bonus payable upon termination of the policy, such as in the event of a claim under the Death, Terminal Illness or TPD Benefit, or on surrender or maturity of the policy.

Please refer to the policy illustration for the bonus amount at the illustrated investment rate of return. The investment rate of returns are used purely for illustrative purposes and do not represent the investment performance of the Participating Fund.

Please note that the actual bonuses may vary depending on the performance of the Participating Fund.

4. What is policy assignment?

Policy assignment

Policy assignment

You can transfer the benefits and all rights under your policy to someone else, through an assignment. For us to record this assignment of benefits, you need to provide us the completed required form. We will not be responsible for checking the validity of the assignment.

When you (assignor) assign the policy to another person or company (assignee), you are transferring all ownership and rights over the policy to the assignee. Upon the policy being assigned, the assignee will have full control of the policy as if they are the policy owner.

You can assign this policy any time after the policy issue date.

5. When will my policy end?

Your policy will end on the earliest of the following dates:

- the policy maturity date shown in your policy schedule;
- the end of the 60-day grace period, if premium is not paid and there is insufficient Surrender Value to offset the missed premium;
- the date we pay out the Death, Terminal Illness or TPD Benefit in full;
- the date we approve your request to surrender your policy;
- the date this policy lapses; or
- the date we are told to terminate your policy by law or regulation.

6. What are the limitations and exclusions under this policy?

This policy has certain exclusions, meaning situations where we won't pay the benefits. We list below the exclusions that apply to the benefits under your policy.

We may also apply specific exclusions to your policy when we offer to issue your policy. If any specific exclusion applies to certain benefits, we will record the details in an endorsement.

Exclusions

Suicide or self-inflicted act

We will not pay the Death or Terminal Illness Benefit or TPD Benefit under this policy if the claim arises:

- from suicide, attempted suicide, or an intentional self-inflicted act; and
- within one year from the start of your policy cover, the date we last reinstate (restart) your policy, or the date you increase your sum insured (on the increased portion).

This applies regardless of the mental state of the person insured.

Unlawful acts

We will not pay the Death or Terminal Illness Benefit or TPD Benefit under this policy if the claim arises because you or the person insured deliberately participated in an unlawful act, or failed to act in accordance with the law.

If any one of the above scenarios happens, we will cancel the policy. We will refund the total premiums paid, less any policy debt and interest owed to us. The policy will then end.

7. Investment of the Participating Fund

Investment objective and strategy

The investment objectives of the Participating Fund are to achieve stable medium to long term investment returns needed to meet the projected benefits of the policy, while ensuring that the Participating Fund remains financially sound.

The strategic asset allocation and actual allocation (as of 31 December 2024) for the Participating Fund that this policy invests in is as set out in the table below.

Asset class	Strategic asset allocation	Actual allocation as of 31 December 2024
Equities	30%	27%
Fixed income (bonds)	65%	57%
Cash	5%	16%

The higher allocation to cash in the actual allocation is to ensure sufficient liquidity in the Participating Fund and this is typical for a new Participating Fund. Over time, we expect the actual allocation to be closer to the strategic asset allocation as the Participating Fund continues to grow and further gain scale.

The allocation for each asset class may change in future according to the investment objective and strategy of the Participating Fund.

Fund manager

Assets in the Participating Fund are fully managed by PineBridge Investments Singapore Limited, an external fund manager appointed by us. PineBridge Investments Singapore Limited is located at, 1 George Street, #21-06, Singapore 049145.

Investment rate of return

The historical investment rates of return (after deducting investment expenses) of the Participating Fund are shown below:

	2022	2023	2024	Averaged over the last 3 years	Averaged over the last 5 years	Averaged over the last 10 years
Net Investment Return of Life Participating Fund	N.A.	9.6%	3.9%	N.A.	N.A.	N.A.

Important:

As the Participating Fund was newly established in 2023, there are no historical investment rates of return available prior to year 2023. The investment return represents an annualised return that was calculated using money weighted rate of returns, as approved by the Life Insurance Association of Singapore ("LIA").

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

Changes in the economic and investment environment may affect the investment performance of the Participating Fund and the non-guaranteed benefits that you may receive.

Total expense ratio

The total expense ratio is the proportion of total expenses incurred by the Participating Fund to the 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 that you may receive.

The historical expense ratios of the Participating Fund are shown below:

	2022	2023	2024	Averaged over the last 3 years	Averaged over the last 5 years	Averaged over the last 10 years
Total expense ratio	N.A.	720%	77%	N.A.	N.A.	N.A.

Important:

As the Participating Fund was newly established in 2023, there are no historical expense ratios available prior to year 2023.

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

The total expense ratio for 2024 has shown considerable improvement from 2023. FWD Singapore provided initial funding to assist with the setup costs of the Participating Fund. With this seed funding and our expectation for the Participating Fund to continue its strong growth, the higher expense ratio in initial years is not expected to adversely impact customer bonus, which are set based on a longer-term stable expense. As the Participating Fund scales, we anticipate that the total expense ratio will decrease to levels comparable to those seen in the industry.

8. Factors affecting the performance of the Participating Fund

The key factors affecting the performance of the Participating Fund would include:

1. Investment performance
2. Expenses incurred
3. Mortality and morbidity experience (where relevant)
4. Surrender and lapse experiences

The performance of the Participating Fund may affect the bonuses of your policy each year. When we determine the bonuses to be declared from year-to-year, we will take into account factors such as the Participating Fund's current performance, its future outlook and its financial strength.

Do note that the actual bonus rates may therefore vary from the projected values shown in your policy illustration depending on the actual performance of the Participating Fund.

9. Type of risks shared in the Participating Fund

The type of risks affecting the Participating Fund and the bonus levels are primarily investment risk, expense risk, mortality and morbidity risk, surrender and lapse risk.

Premiums paid by policy owners are combined and invested in the Participating Fund. When determining the bonus rates, we will group policies from similar products together. In general, all policies in a particular grouping will share in the overall experience and performance, which enables risks to be pooled and diversified. The main consideration is to ensure that all participating policy owners are treated fairly and equitably.

In determining sustainable bonus rates, we look to the value of the assets available to back the group of policies. Generally, it is calculated as the total premiums received plus actual investment returns and other profits earned by the Participating Fund, less expenses and benefit outlay.

10. 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 policy. This means that bonuses may be held back in good performance years to support the maintenance of the future bonuses in years when the performance of the Participating Fund is less favourable. Over the long term, the net impact of bonus smoothing is intended to be broadly neutral. Smoothing of bonuses does not reduce any guaranteed benefits of your policy.

The bonus rates declared over the past 3 years (or shorter if the plan was launched later) are consistent with the bonus payable at an illustrated investment rate of return of 4.25% p.a. as stated in the policy illustration.

11. Expenses and charges

The expenses that are incurred and the charges that can be allocated to the Participating Fund would include (but not be limited to) investment expenses, general management, and overhead expenses such as underwriting expenses, policy issue and claims 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.

12. Premiums

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

Grace period: A grace period of 60 days from each premium due date is given for you to pay the respective due premiums.

13. 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 see the policy illustration for the loss or low returns you may suffer if you surrender the policy early.

14. Free look period

If you aren't completely satisfied with your policy, and you haven't made a claim under it, you have 14 calendar days from the date you receive your policy to cancel it. If you exercise the free-look cancellation, we will refund you the premiums you have paid, less any medical fees and other expenses incurred, such as payments for medical examination and reports. We considered the policy delivered from the time we email it to you.

15. Performance update

We will provide you with the following documents annually to update you on the performance of the Participating Fund:

- a. Bonus statement
- b. Participating Fund performance report

16. Conflicts of interest

There is no conflict of interest in relation to the Participating Fund and its management.

17. Related party transactions

PineBridge Investments Singapore Limited, an external fund manager which manages the Participating Fund, is a related party to us. We ensure effective governance and have controls in place to ensure related party transactions are conducted at arm's length.

18. Your Guide to Participating Policies

Should you wish to find out more about how participating life insurance policies work, you may refer to "Your Guide To Participating Policies", developed specially by the Life Insurance Association of Singapore (LIA), available on our website (www.fwd.com.sg) or LIA's website (www.lia.org.sg).

19. Is this policy protected under the 'Policy Owners' Protection Scheme'?

Yes, 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 us or visit the General Insurance Association of Singapore (GIA) / Life Insurance Association (LIA) websites (www.gia.org.sg)/(www.lia.org.sg) or SDIC website (www.sdic.org.sg).

Important information

Buying a life insurance 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.

We reserve the right to terminate or suspend any transactions at our discretion. We shall not be responsible for any losses whatsoever arising from or attributable to our decision to suspend or terminate these facilities.

The actual benefits payable will be based on the actual performance of the assets of the Participating Fund. Past performance is not an indication of future performance.

This product summary does not form a part of any contract of insurance. It is intended only to be a simplified description of the product features applicable to this policy and is not exhaustive. It does not have any regard to any specific investment objectives, financial situation or the particular needs of a specific person.

The contents of this product summary may vary from terms of cover eventually issued. Please refer to the policy contract for all terms and conditions, including exclusions whereby the benefits under your policy may not be paid out. You are advised to read the policy contract. For avoidance of doubt, only the terms and conditions as set out in the policy contract will bind the parties.