



## APPENDIX 1: PRODUCT SUMMARY FOR NEW PRODUCT

### Explanatory Notes

1. Please read the explanatory notes and product requirements carefully before completing the approval application form.
2. Please only complete the product requirements where relevant and applicable. If a product requirement is not applicable, please mark “N/A” in the space provided.
3. If there are any changes in the information furnished in the application prior to the approval of the application, the Authority shall be notified immediately.
4. Please specify the type of product to be submitted:
  - New product (approval) under paragraph 3.1
  - Variation(s) to existing product

| No. | PRODUCT REQUIREMENTS  | DESCRIPTION |
|-----|---|-------------|
| 1.  | Name of product   |             |
| 2.  | Proposed launch date  |             |
| 3.  | Objective of the product  |             |
| 4.  | Notification/Approval from Home Jurisdiction (Foreign branches)   |             |
| 5.  | Explanation of type and features of the product which includes but not limited to the following: <ul style="list-style-type: none"> <li>a) structure of product;</li> <li>b) target customers and suitability;</li> <li>c) offer period;</li> <li>d) tenure;</li> <li>e) coverage;</li> <li>f) age of entry, i.e. policyholder/life assured;</li> <li>g) premium rates;</li> <li>h) profit rates;</li> <li>i) commission rate;</li> <li>j) fees and charges;</li> <li>k) premiums term;</li> <li>l) mode of premium payment;</li> <li>m) reinstatement;</li> <li>n) lapse charges;</li> </ul> |             |



|  |  |  |
|--|--|--|
|  | <ul style="list-style-type: none"> <li>o) tranche limit, if applicable;</li> <li>p) mode and frequency of profit payment;</li> <li>q) initial and renewal expenses;</li> <li>r) collateral;</li> <li>s) potential returns;</li> <li>t) investment objectives;</li> <li>u) assessment of potential risks including exposures to money laundering risk and how these risks will be measured, monitored and controlled;</li> <li>v) exclusions; and</li> <li>w) all attachment tables based on which country [e.g. mortality rate and table, morbidity rate and table, etc.]</li> </ul> |  |
| 6.   | <p>Details of third party arrangements (if any) to include the following details:</p> <ul style="list-style-type: none"> <li>a) details of arrangement;</li> <li>b) information about third party;</li> <li>c) rationale behind alliance;</li> <li>d) potential risks arising from alliance; and</li> <li>e) any information deemed relevant.</li> </ul>   |  |
| 7.   | Method of distribution   |  |
| 8.   | Assessment of the skills, expertise and resources required to sell and manage the product throughout the pre, during and post contractual stages   |  |
| 9.   | Summary of product sales procedure   |  |
| 10.  | Description of investment sub-fund   |  |
| 11.  | Rate of return (illustration from 0% and 2%)   |  |
| 12.  | Complaint handling process   |  |
| <b>Supporting Product Documents (where applicable)</b> |  |  |
| 1.   | <input type="checkbox"/> Board resolution on the application of product  |  |
| 2.   | <input type="checkbox"/> Certification of validation (actuarial certificate) by an actuary approved by BDCB  |  |
| 3.   | <input type="checkbox"/> Promotional material samples/ prospectus/ letter offer/ copy of policy proposal form / acknowledgement slip   |  |
| 4.   | <input type="checkbox"/> Others, please specify _____  |  |

**Note:** Products that do not comply with the requirements of the application shall be deemed unsatisfactory or incomplete and will be returned to the insurer.



## **APPENDIX 2: INFORMATION TO BE DISCLOSED IN STATEMENT TO POLICYHOLDERS**

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1. The insurer shall submit to policyholders a statement on the performance and status of their investment-linked policies, which shall contain the following information:
  - (a) number and value of units held at the end of the previous statement period;
  - (b) number and value of units (at point of subscription) bought during the current statement period including the average unit price;
  - (c) number and value of units (at point of redemption or deduction) sold or deducted during the current statement period including the average unit price;
  - (d) number and value of bonus units and dividends payable during the current statement period;
  - (e) fees and charges payable through deduction of premium or deduction of units, identifying each by the purpose for which the fees and charges relate such as initial charge, charge for insurance coverage or switching fee;
  - (f) premiums received during the current statement period;
  - (g) death benefit at the beginning and end of the current statement period;
  - (h) net cash surrender value at the beginning and end of the current statement period; and
  - (i) amount of outstanding loans, if any, at the end of the current statement period.



### **APPENDIX 3: FUND PERFORMANCE REPORT TO POLICYHOLDERS**

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1. The insurer shall provide the minimum information set out below in the fund performance report to policyholders of investment-linked insurance business policies:
  - a. summary of the audited financial statements of the fund;
  - b. description of the investment objectives of the fund, and asset allocation as at the reporting date;
  - c. analysis on the fund performance of not less than five years, where applicable, on the net (of charges and tax) investment return of the fund;
  - d. statement on any changes in the investment objectives, strategies, restrictions and limitations of the fund during the year. This includes explanations should the fund depart from its stated investment objectives and strategies;
  - e. details of any distributions made during the period;
  - f. performance of relevant benchmark indices of the market in which the fund is invested;
  - g. details of any soft commissions received by fund managers; and
  - h. auditor's certification



## **APPENDIX 4: INFORMATION TO BE DISCLOSED IN ADVERTISEMENTS AND PUBLICATIONS**

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### **Advertisement shall not be False or Misleading**

1. No insurer shall provide any information in any advertisement or a publication that is false or misleading, or that cannot be justified on the facts known to the person responsible for the advertisement or publication, at the time the advertisement or publication is advertised or published.
2. No insurer shall, whether by the prominence given to specific information or otherwise, create in any advertisement or publication in relation to an ILIB or ILIB sub-fund a false or misleading impression as to the ILIB sub-fund in question.

### **Contents of Advertisement**

3. Where an offer or invitation in respect of units in an ILIB sub-fund is being made at the time an advertisement or publication in relation to the ILIB sub-fund is advertised or published, the insurer shall not advertise or publish the advertisement or publication unless such advertisement or publication:
  - (a) states –
    - i. that a product summary in relation to the ILIB sub-fund is available;
    - ii. how a copy of the product summary may be obtained;
    - iii. that a potential investor should read the product summary before deciding whether to subscribe for units in the ILIB sub-fund; and
    - iv. that the value of the units in the ILIB sub-fund and the income accruing to the units, if any, may fall or rise;
  - (b) states the name of the insurer of the ILIB and the manager of the ILIB sub-fund if the advertisement or publication does not otherwise clearly identify the insurer or manager;
  - (c) where the name of the ILIB sub-fund is not indicative of the ILIB sub-fund's investment objectives and focus, states that ILIB sub-fund's investment objectives and focus;
  - (d) where the advertisement or publication includes a quotation expressing acclaim or approval for or recommending the ILIB sub-fund or the manager for the ILIB sub-fund, states the source of such quotation;
  - (e) where there is no guarantee or warranty given as to –



- i. the protection of the principal sum a policyholder invests in the ILIB sub-fund (whether including or excluding the subscription fee); or
  - ii. the rate of return on the ILIB sub-fund, does not contain words such as “guarantee”, “warranty” or any other expression suggesting that the principal sum invested in or rate of return on the ILIB sub-fund is guaranteed, or that a policyholder cannot lose money;
- (f) where the ILIB sub-fund is represented as a guaranteed ILIB sub-fund, states the name of the guarantor;
- (g) where the ILIB sub-fund is a hedge fund or other high risk fund, indicates that an investment in the ILIB sub-fund involves a high degree of risk, and that investment in such an ILIB sub-fund is only appropriate for a person able and willing to take such a risk; and
- (h) where the units of the ILIB sub-fund are listed or where an application has been or shall be made for such units to be listed for quotation on the official list of any approved exchange, and all or most investors may only deal in the units through the approved exchange, includes –
- i. a statement that investors cannot redeem the units with the manager for the ILIB sub-fund or that investors may only redeem units with the manager for the ILIB sub-fund under certain specified conditions; and
  - ii. a statement that the listing of the units does not guarantee a liquid market for the units.

#### **Past Performance of ILIB Sub-Fund**

4. No insurer shall order the publication of an advertisement or publication in relation to an ILIB sub-fund that includes information on the past performance of the ILIB sub-fund unless the advertisement or publication –
- (a) includes a prominent statement that the past performance of the ILIB sub-fund is not necessarily indicative of the future performance of the ILIB sub-fund;
  - (b) states the return on the ILIB sub-fund and include a statement on the basis of calculation of the return;
  - (c) where dividends have been declared or distributions have been made by the ILIB sub-fund, states the return on the ILIB sub-fund, calculated on the assumption that all dividends and



distributions are reinvested, taking into account all charges which would have been payable upon such reinvestment, and includes a statement that the return is calculated on this basis;

- (d) presents the return on the ILIB sub-fund in relation to a period of not less than one year, except that in the case of an ILIB sub-fund that has been constituted for less than 12 months, presents the return on the ILIB sub-fund in relation to a period commencing from the inception of the ILIB sub-fund;
  - (e) where the total return on the ILIB sub-fund is presented for a period exceeding one year, states the average annual compounded return on the ILIB sub-fund over the same period; and
  - (f) indicates the period to which the return on the ILIB sub-fund relates, of which –
    - i. the last day of the period shall not be earlier than 3 months prior to the day on which the advertisement or publication is advertised or published; and
    - ii. the first day and last day of the period shall be determined on either of the following bases:
      - [A] the first business day or last business day of a month; or
      - [B] the first dealing day or last dealing day of the ILIB sub-fund in a month.
5. For the purposes of paragraph 4 of this **Appendix 4**, where an ILIB sub-fund which has been constituted for less than 12 months invests at least 90% of its funds in another collective investment scheme (“the underlying fund”), information on the past performance of the underlying fund may be included in the advertisement or publication, but not otherwise.
6. No insurer shall include any information on the past performance of an underlying fund in an advertisement or publication in relation to an ILIB sub-fund unless the advertisement or publication –
- (a) includes an appropriate warning regarding the limitations of using information of past performance of the underlying fund as a proxy for the past performance of the ILIB sub-fund; and
  - (b) complies with paragraph 4 of this **Appendix 4** as though the information on the past performance of the underlying fund were information on the past performance of the ILIB sub-fund.
7. Where any past performance of an ILIB sub-fund included in an advertisement or publication in relation to that ILIB sub-fund is due to exceptional circumstances that may not be sustainable, the



insurer shall include in the advertisement or publication a prominent warning statement to that effect.

8. For the purposes of paragraph 7 of this **Appendix 4**, “exceptional circumstances” include, but is not limited to –
  - (a) an investment in an initial public offer of securities which has a large impact on the return on the ILIB sub-fund but where such return is unlikely to be sustained; and
  - (b) a high annual return for a particular year where the ILIB sub-fund has, or collective investment schemes or ILIB sub-funds with a similar investment focus have, yielded a much lower historical long term average annual compounded return.
9. No insurer shall include in an advertisement or publication in relation to an ILIB sub-fund any information on past performance based on simulated results of a hypothetical collective investment scheme or ILIB sub-fund.

**Comparison of Past Performance of ILIB Sub-Fund with that of another Collective Investment Scheme or ILIB Sub-Fund or an index**

10. No insurer shall order for publication of an advertisement or a publication in relation to an ILIB sub-fund with a comparison of the past performance of the ILIB sub-fund with that of another collective investment scheme or ILIB sub-fund unless –
  - (a) such other collective investment scheme or ILIB sub-fund has investment objectives and an investment focus which are similar to those of the ILIB sub-fund to which the advertisement or publication relates; and
  - (b) the advertisement or publication states the basis of calculation of past performance and where applicable, that fees and charges payable through deduction of premium or cancellation of units are excluded from this calculation.
11. No insurer shall order for publication an advertisement or a publication in relation to an ILIB sub-fund that includes a comparison of the past performance of the ILIB sub-fund with that of an index unless –
  - (a) the advertisement or publication states the basis of calculation of past performance and where applicable, that fees and charges payable through deduction of premium or cancellation of units are excluded from this calculation; and





- (b) the advertisement or publication states the basis of calculation of past performance and where applicable, that fees and charges payable through deduction of premium or cancellation of units are excluded from this calculation.
12. No insurer shall make any comparison of the past performance of an ILIB sub-fund with that of another collective investment scheme or ILIB sub-fund or with an index unless such comparison uses a common currency and where the currencies of the entities being compared are different, such comparison must base the conversion to the common currency on prevailing exchange rates at the relevant time.
13. Any person making a comparison of past performance of an ILIB sub-fund with that of another collective investment scheme or ILIB sub-fund or an index shall also comply with the requirements set out in paragraphs 4 to 9 of this **Appendix 4**.

#### **Comparison of Past Performance of ILIB Sub-Fund with that of another form of Investment**

14. No insurer shall, in an advertisement or publication in relation to an ILIB sub-fund, include a comparison of the past performance of the ILIB sub-fund with that of another form of investment unless –
- (a) such other form of investment has a risk profile which is similar to that of the ILIB sub-fund; and
  - (b) such advertisement or publication states the basis of calculation of past performance and where applicable, that fees and charges payable through deduction of premium or cancellation of units are excluded from this calculation.
15. Any person making a comparison of past performance of an ILIB sub-fund with that of another form of investment shall also comply with the requirements set out in paragraphs 4 to 9 of this **Appendix 4**.

#### **Performance of Manager or Sub-Manager**

16. No insurer shall include any information on the past or present performance, skills or techniques of the manager for the ILIB sub-fund or a person managing the assets of the ILIB sub-fund on behalf of the manager (“sub-manager”) in any advertisement or publication in relation to an ILIB sub-fund, unless the advertisement or publication –
- (a) states the source of such information;
  - (b) indicates the period to which such information relates; and



(c) includes a prominent statement that the past performance of the manager or sub-manager is not necessarily indicative of its future performance.

17. No insurer shall, in any advertisement or publication in relation to an ILIB sub-fund, present any information on the past or present performance, skills or techniques of the manager or sub-manager for the ILIB sub-fund, or the past or present performance of any other collective investment scheme or ILIB sub-fund under the management of the manager or sub-manager, in a selective or biased way, such that any particular success is exaggerated or lack of success is disguised.

#### **Future Performance of ILIB Sub-Fund**

18. Subject to paragraph 20 of this **Appendix 4**, no insurer shall, in an advertisement or publication in relation to an ILIB sub-fund –

(a) include any prediction or forecast as to the future or likely performance of the ILIB sub-fund;  
or

(b) use words such as “targeted”, “expected” or any similar words or description in relation to a rate of return.

19. No insurer shall include any prediction, projection or forecast on the economy, stock market, bond market or the economic trends of the markets which are targeted by the ILIB sub-fund in any advertisement or publication unless such advertisement or publication is accompanied by a prominent statement to the effect that the prediction, projection or forecast is not necessarily indicative of the future or likely performance of the ILIB sub-fund.

20. The Authority may by notice in writing allow, in an advertisement or publication in relation to an ILIB sub-fund, inclusion of a prediction, projection or forecast on any matter other than that referred to in paragraph 19 of this **Appendix 4**.

21. No insurer shall include in an advertisement or publication in relation to an ILIB sub-fund a prediction, projection or forecast on any matter under paragraph 20 of this **Appendix 4** unless –

(a) the person making the prediction, projection or forecast has reasonable grounds for making it; and

(b) the advertisement or publication discloses such assumptions, warning statements and other information as may be required by the Authority.

22. Where the return on an ILIB sub-fund is guaranteed, the insurer shall present any guaranteed return on an average annual compounded basis.



23. A person presenting any prediction, projection or forecast allowed by the Authority under paragraph 20 of this **Appendix 4**, shall present such prediction, projection or forecast on an average annual compounded basis.

### **Legibility and Audibility**

24. Where an advertisement or publication in relation to an ILIB sub-fund is in a visual form, the insurer shall cause the publication of such advertisement or publication containing the information required under paragraphs 3 to 23 of this **Appendix 4** –
- (a) to be clearly legible; and
  - (b) in the case of an advertisement or publication appearing in any document, including a newspaper, periodical, magazine or letter, electronic mail or website, to be in a font size of at least 10-point Times New Roman.
25. Where an advertisement or publication in relation to an ILIB sub-fund in a visual form contains a footnote, the insurer shall cause the footnote –
- (a) to be in a font size which is at least half the font size of the word of statement to which it relates; and
  - (b) in the case of an advertisement or publication appearing in any document, including a newspaper, periodical, magazine or letter, electronic mail or website, to be in a font size which is at least 10-point Times New Roman but need not be larger than 14-point Times New Roman.
26. Where an advertisement or publication in relation to an ILIB sub-fund is shown or broadcast over the radio, television, cinema or other similar means, the insurer ordering the publication of such advertisement or publication shall cause the information required under paragraph 3(a)(iii) of this **Appendix 4** to be contained in the advertisement or publication to be audible, unless the advertisement or publication is only in visual form, in which case such person shall cause such information to be visually displayed in a legible size for at least 5 seconds.