

MAS 302

15 Oct 1991

NOTICE TO LIFE INSURERS  
INSURANCE ACT, CAP 142

This Notice replaces MAS 302 dated 1 Oct 87.

## **NEW POLICIES AND PROPOSAL FORMS, AND RATES OF PREMIUM**

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### **New Policy and Proposal Forms**

1 A company transacting life business in Singapore which adopts a policy form or proposal form for a new type of contract or which replaces either of these forms for any existing type of contract shall supply to the Authority one copy of each form one month before its adoption. The dates when the new form will come into force shall be stated. Please also indicate whether it is a new policy or a replacement to an existing policy.

2 Each document shall be accompanied by an explanation of the benefits provided by the contract to which the form relates.

### **Premium Certificate**

3 A company shall also inform the Authority of any new or changes in premium rates one month before the adoption. One copy of the information on premiums shall be submitted to the Authority. The following particulars are to be supplied:

- a) tables of premium rates;
- b) the date on which the new premium rates will come into force;
- c) the formula used by the actuary to calculate the premium rates;
- d) the mortality table;
- e) the rate of interest;
- f) the rate and form of any bonus for which provision is included in the premium rates and the rate and form of the bonus which the company anticipates will be granted;
- g) the provision included in the premium rates for
  - i) initial commission
  - ii) other initial expenses
  - iii) renewal commission

- iv) renewal expenses
- v) other expenses, eg after expiry of the premium paying period;
- h) the provision included for contingencies;
- i) the adjustments made for large sums insured and for the payment of premiums more frequently than annually;
- j) the basis on which the actuarial reserve of the policy would be made; and
- k) a certificate by a qualified actuary that the rates are suitable and in accordance with sound insurance principles.

4 The description of each provision for expenses shall be made in a form which is readily understandable by a person with reasonable knowledge of life insurance and shall include details of the rates of all commissions which will be paid (including overriding commission) and the conditions for payment.

5 The certificate of the actuary shall be accompanied by a statement setting out the relationship of the assumptions made by the actuary as to mortality, interest earnings and expenses to the actual experience of the company in respect of each of these components of the premium for this type of policy or for similar types of policy.

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