

Appendix B

Product Features (Endowment)

Benefits & Premiums

Event	Descriptions
Death	Increasing sum assured. Increase 10% annually starting from 3 rd policy year, until maximum 150% of the initial sum assured. An additional 5,000 as funeral expense is payable upon death.
TPD	Increasing sum assured (same as death benefits).
CI	-
Surrender	Cash value, calculated using “APV(Future Benefit) – APV(Future Net Premium)” (based on monthly cash flows, by considering premium frequency). Assumptions used are (1) 90% of M9903 for death & 10% of M9903 for TPD; (2) annual investment yield = 6.00% p.a. (constant for all years); (3) No lapse is assumed in the cash value calculation.
Maturity	Sum assured as at last policy month

Gross premiums are 20% higher than net premiums, by considering all benefit outgo, commissions & expenses.

Commission Rates

Premium Term	Policy Year						
	1	2	3	4	5	6	7+
20+	40.00%	30.00%	30.00%	20.00%	20.00%	10.00%	0.00%

Production Bonus = 10.00%; Persistency Bonus = 5.00%

For premium term less than 20 years, the commission rates shall be prorated by “premium term in years / 20”, rounded to XX.XX%.

Assumptions

Event	Descriptions
Death	Select year 1: 60% of M9903; Select year 1: 80% of M9903; Ultimate: 100% of M9903;
TPD	10% of M9903 (no selection effect is assumed)
CI	-
Surrender	By policy year: 30.00% / 20.00% / 10.00% / 5.00% / 3.00% / ...
Expense	As per Chapter 6. Inflation rate = 3.00% p.a.
Investment yield	4.00% p.a. for 2018 and 7.00% p.a. for 2027 & onwards. Investment yields for 2019-2026 are interpolated linearly.

Corporate Tax = 24.00%

For reserves calculations, apply the following adjustments on the above projection assumptions:

- Death / TPD / CI – +20.00%
- Surrender – +10.00% or -10.00%, whichever yields higher results.
- Expense – +10.00%
- Discounted using annual interest rates of 4.00% (constant for all years).