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## **MEDIA RELEASE**

### ***For immediate release***

### **New Framework for Nomination of Insurance Nominees takes effect September 1, 2009**

#### **New Insurance Nomination Law offers policyholders choices for estate planning**

**Singapore, 7 September 2009** – The Insurance Nomination Law, which came into effect on 1 September under the Insurance Act, gives policyholders two options when nominating a beneficiary or beneficiaries under their life or, accident and health insurance policy.

Under the new law, policyholders of policies that are effected on their own lives and which pay a death benefit can choose from two options: Make a trust nomination, or a revocable nomination.

With a trust nomination, the policyholder relinquishes all rights to the policy, and can only regain it with the consent of all nominees.

With a revocable nomination, the policyholder retains the ability to unilaterally change, add or remove nominees.

The new framework provides policyholders with more choices and a clear means to ensure that proceeds from their policies are distributed in accordance with their wishes.

The life insurance industry has actively participated in the developmental work undertaken by the Monetary Authority of Singapore (MAS).

Mr Darren Thomson, President of LIA, said: “For estate planning, the new framework provides the all important clarity, and hence the peace of mind, by giving policyholders legal options to use in naming their beneficiaries, and a choice of control over the policy - whether they wish to relinquish or retain their rights during their life time. The nomination process

itself is straightforward, with easy-to-fill forms. To ensure policyholders are up to date on the new law, the LIA is issuing a consumer guide on the nomination of insurance nominees.”

The easy-to-read consumer guide has been developed in close consultation with the MAS. It outlines how the Insurance Nomination Law applies to various types of policies and the steps in making a trust or revocable nomination.

The consumer guide is available on the LIA website ([www.lia.org.sg](http://www.lia.org.sg)).

The new Insurance Nomination Law does not apply retrospectively to existing policies with previous nominations. However, existing policies with no previous nominations are eligible for nomination under the new law.

### **About the Life Insurance Association, Singapore**

The Life Insurance Association, Singapore is the not-for-profit trade body of life insurance product providers and life reinsurance providers based in Singapore and licensed by the Monetary Authority of Singapore. Its 19 members comprise 16 life insurers and three life reinsurers.

Member companies see it as their common vision *to provide individuals with peace of mind and to promote a society where every person is prepared for life's changing cycles and for those situations unforeseen.*

*They are committed to being a progressive life insurance industry by collectively enhancing consumer understanding, promoting industry best practices, and through the association fostering a spirit of collaboration and mutual respect with government and business leaders.*

Shared values underpinning the association and its members are:

**Unified** in our resolve to deliver innovative solutions where every individual's needs are best met.

**Professional** in the way we conduct ourselves and in the counsel we give.

**Ethical** in ensuring our policyholders' interests are managed with utmost integrity.

**Fair** in how we strive to provide favourable outcomes to both our policyholders and shareholders.

***Open & honest*** in all that we do to build an environment of trust and transparency.

***Proactive*** in the steps we take to give our people the skills and knowledge to provide sound solutions at all times.

**For more information, please contact:**

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