

Have you made your Nomination of Beneficiaries for your insurance policies?



Seal the future for your loved ones!

We know the importance of planning for the future but do we really know how to go about securing financial stability for our loved ones at a difficult time?

Many of us tend to believe we've more than sufficient time to make plans for financial matters after death, and in making intentions clear by having adequate provisions for our loved ones. Thus, we allow procrastination to set in as we don't consider the inevitability of death, and put off making a nomination for our Insurance policy(s) for some reasons or another.

The fact of the matter is, we all know the importance of having our intentions in place, and not doing that can have a devastating effect on our surviving family members should we pass on suddenly. It's an irony that it often takes a tragedy to put us back into perspective on life's fragility – hit us when we least expect it, before we really act on it!

In this paper, we'll share on how simple and straightforward it's for you to make a nomination for your Insurance policy(s), and in sealing the future for your loved ones. And best of all, it's free!

If I die without any nomination, what'll happen to my Insurance payouts?

It's not mandatory by law to make a nomination. In the event if no nomination is made, the insurance company may pay up to \$150,000 of the policy proceeds to any person who's considered a "proper claimant" under Section 61 of the Insurance Act. Any remaining amount above \$150,000 will be paid to the executor(s) named under a Grant of Probate (GoP) or administrator(s) named under a Grant of Letters of Administration (GLA).

Here's an example:

Policy(s)	Sum Assured
Life Plan	\$250,000
Endowment Plan	\$200,000
Total	\$450,000

Insurance Payouts when there is no nominations made	Sum Assured
Total Sum Assured	\$450,000
Payout under Section 61 of Insurance Act to proper claimants	\$150,000
Remaining amount on hold till GoP or GLA	\$300,000

In this example, the surviving family members will only get \$150,000 as the initial payout but have to go through a long process of getting the GoP or GLA via own legal means to secure the remaining \$300,000.

It's important to know that your loved ones do not have to go through this, only if you have made a nomination for your Insurance policy(s).

2. Can you tell me more what this Nomination for Insurance policy(s) is about?

The Nomination of Beneficiaries (NOB) framework was implemented since 1 September 2009 to give all policyowners a clear and affordable legal means to distribute the policy benefits to their nominees.

To make a nomination over a policy, the policyowner must be at least 18 years old, and must be the life assured of the policy. There's a choice of effecting either an **Irrevocable (Trust)** or **Revocable Nomination**.

Simply put, in an Irrevocable (Trust) nomination, you decide to whom the proceeds from your policy will be distributed, but you lose all rights to the ownership of your policy. You're only able to revoke the trust nomination with the consent of all your nominees.

In a Revocable nomination, you named your nominees, but you're also free to make changes without their consent.

3. If I have made a Nomination, how'll the payout be like if something happen to me?

Let's take a look at who gets what kind of benefits in relation to the type of nominations made when things happen.

Type of Benefits	Irrevocable (Trust) Nomination	Revocable Nomination
Who gets the policy proceeds?		
Living benefits	Nominees	You
Death benefits	Nominees	Nominees

In the most unfortunate event where Death benefits are involved, the payout of your policy proceeds to your nominees will be straightforward.

Here's an example:

Policy(s)	Sum Assured
Life Plan	\$200,000
Endowment Plan	\$300,000
Total	\$500,000

Insurance Payouts when there is nominations has been made	Sum Assured
Total Sum Assured	\$500,000

Payout to the nominees according to your Nomination	\$500,000
Remaining amount on hold till GoP or GLA	Nil

In this example, the nominees who're your loved ones will not need to go through the lengthy legal process of obtaining the GoP or GLA as the full policy proceeds of \$500,000 will be released without any of these legal requirements.

You see, making a nomination will make a difference in how soon your loved ones will receive your policy proceeds as you have wished them to.

4. Which Type of Nomination should I go for?

Hence, which is for you?

There's no better type of nominations. It's really the suitability to your needs and your individual circumstances that you need to consider when making a decision. You must read and have understood Life Insurance Association (LIA), Singapore's "Your Guide to the Nomination of Insurance Nominees" before making any nomination.

5. I'm interested! How do I go about getting a nomination done?

This is a very simple process. Just fill up the Nomination of Beneficiary(s) form available in our website and submit the original completed form to Aviva Ltd for registration.

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