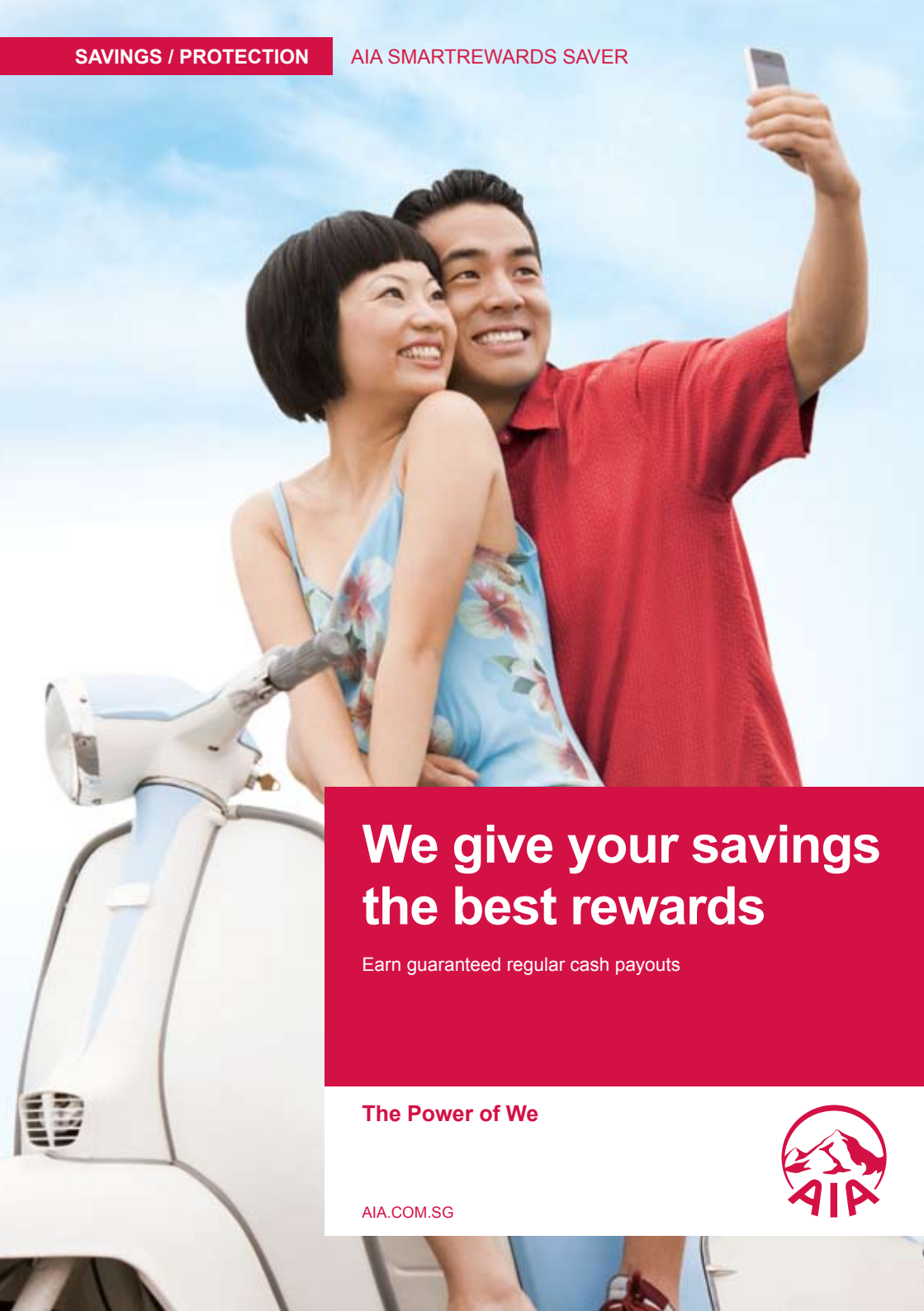


SAVINGS / PROTECTION

AIA SMARTREWARDS SAVER



We give your savings the best rewards

Earn guaranteed regular cash payouts

The Power of We

AIA.COM.SG





**To sign up for
AIA SmartRewards
Saver, speak to your
AIA Financial Services
Consultant or call the
AIA Customer Care
Hotline at 1800 248 8000**

Developing a regular savings habit early is one of the best ways to achieve financial security over the long term. Protecting yourself and your loved ones against the unexpected could be important to you too. But a balanced life should also be enjoyed as you go along. So is it possible to plan for tomorrow *and* enjoy today?

The **AIA SmartRewards Saver** combines the benefits of savings and protection in a single plan. With guaranteed annual cash payouts from the end of the second policy year, you can enjoy the pleasures of life along the way and potentially build a sizeable nest egg for the future. And all the while, you will have the peace of mind of knowing that your family will be taken care of if anything happens to you.

Savings

- Start from as little at S\$37.65 per month¹
- Choose from two terms – 21 and 25 years

Cash payouts

- 5% guaranteed cash payout every year (from the end of the second policy year to the second-last policy year)

Plus

- 25% guaranteed cash payout at maturity (21-year plan)
- 5% guaranteed cash payout at maturity (25-year plan)

Protection

- In the event of death, your loved ones will receive the Insured Amount (or the total premiums paid², without interest and less coupons received, if that amount is higher), plus any bonuses that may have accumulated

Plan for tomorrow, live for today

What would you do with extra cash payouts each year? With **AIA SmartRewards Saver**, you can treat yourself to an exotic getaway; enjoy a shopping trip with your friends; cover off basic expenses; or learn a new skill that could change your life. The possibilities are endless.

In addition to receiving guaranteed annual cash payouts (also known as 'coupons') and enjoying valuable life insurance protection, AIA SmartRewards Saver also offers the potential to earn additional returns in the form of discretionary (non-guaranteed) bonuses³ applied to your plan. There are two terms to choose from – 21 and 25 years.

The benefits of this plan include:

No lump sum required

AIA SmartRewards Saver is designed to help you get into the good habit of putting aside money on a regular basis. You do not need any lump sum when you sign up. Starting from as little as S\$37.65 per month¹, you will enjoy three types of benefits: regular cash payouts annually⁴ and once at maturity; potential bonuses; and valuable insurance protection.

5% guaranteed cash payout every year plus 25% or 5% at maturity

From the end of the second policy year to the second-last policy year, AIA SmartRewards Saver pays out 5% of the Insured Amount of the basic policy in cash, annually, to spend as you wish — guaranteed. At maturity, the 21-year plan will pay 25% while the 25-year plan will pay 5%. This means that, for both plans, you are guaranteed to receive at least 120% of the Insured Amount over the life of the basic policy. If you prefer not to receive the 5% guaranteed cash payout each year, you have the option to redeposit it with AIA to earn interest.

Accumulate bonuses

In addition to the guaranteed cash payouts above, your plan has the potential to earn bonuses which would be paid out in the event of surrender⁵, death, or at maturity. Discretionary (non-guaranteed) bonuses may be declared and added to your policy each year during the life of the policy and once added, the bonuses are guaranteed⁶.

Protection against the unexpected

The plan provides a basic Insured Amount. In the unfortunate event of death, your loved ones will receive the Insured Amount (or the total premiums paid², without interest and less coupons received, if that amount is higher), plus any bonuses that may have accumulated in your plan. Your regular premium will determine the value of the basic Insured Amount, which will be used as the basis for calculating the guaranteed annual payouts, and any bonuses that your plan may accrue.

Premium waiver

If, during the term of the policy, you are unfortunate to suffer Total and Permanent Disability before the age of 65, future premium payments on the basic policy will be waived⁷. This means that you will remain eligible to receive benefits payable under the basic policy, but you will no longer have to make your regular premium payments for your basic policy. This benefit is attached to your basic policy as a Supplementary Agreement and applies only if your basic policy continues to be in force other than as reduced paid up insurance or extended term insurance.

Extra protection

A wide range of benefits can be added to AIA SmartRewards Saver providing enhanced insurance protection against unforeseen events including critical illness, accidental death and hospitalisation. Ask your AIA Financial Services Consultant for details.

Examples

Ms Lim entered university shortly after her 19th birthday to study a degree in Business Management and Economics. Encouraged by her parents to develop a regular savings habit, and manage her own budget allowance, she signed up for an AIA SmartRewards Saver 25 plan. Her regular monthly premium was S\$71, for an Insured Amount of S\$10,000. The Insured Amount gave her peace of mind that should anything happen to her, the money could help her parents with her final expenses.

During her student years and later, when she started her career as a junior analyst at a bank, she didn't have a large disposable income but was able to enjoy a 'guilt free' shopping treat every year with her friends using the S\$500 annual cash payout starting from the end of the second policy year.

When Ms Lim turned 44, her AIA SmartRewards Saver plan matured and she was able to use her maturity proceeds which included accumulated bonuses and a final cash payout of 5% of the Insured Amount to help fund her daughter's university tuition fees.

Ms Lim encouraged her daughter to begin a regular savings plan to get a head start on her financial future.



After completing his national service and university education, Mr Wong, a non-smoker, landed his first job as a chemical engineer in a research lab at the age of 25. At age 32, he and his wife were expecting their first child and they wanted to set aside money for their child's education, so he signed up for an AIA SmartRewards Saver 21 plan with a regular monthly premium of S\$192.50 and an Insured Amount of S\$25,000. At the same time, Mr Wong chose to add a 5-year Prestige Term Rider to his plan for an additional regular monthly premium of S\$13 and an Insured Amount of S\$100,000. This extra life cover provided his growing family with affordable protection in the event of his premature death.

Each year starting from the end of the second policy year, Mr Wong received a cash payout of S\$1,250 which he always used to buy his wife's birthday present.

Unfortunately when Mr Wong was 36 years of age, he was killed in an accident. Mr Wong's wife, his designated beneficiary, received the Death Benefit of S\$25,000 and accumulated bonuses from his basic policy, plus the S\$100,000 benefit from his 5-year Prestige Term Rider. Mrs Wong was able to use the proceeds to cover her husband's final expenses, part of their son's education expenses, and reserved the rest for her future living expenses.



Frequently Asked Questions

It is always our intention to write in plain English, and to be as transparent as possible when describing our products. The questions and answers below reflect the most common concerns raised by our customers. If you have any other questions not addressed here, please ask your AIA Financial Services Consultant for more information. Alternatively, you may visit our website at AIA.COM.SG or contact the AIA Customer Care Hotline at 1800 248 8000.

Q1. How do I purchase?

The best way to get started is to complete an AIA Financial Health Review with your AIA Financial Services Consultant. Based on the results of the fact find, your AIA Financial Services Consultant will help to select a plan that best suits your needs and help you determine the appropriate level of coverage. You may need to take a medical examination depending on your age, gender, and your answers to a health questionnaire on the application form. Your AIA Financial Services Consultant will submit the completed application form and supporting documents to AIA on your behalf.

Q2. Which payouts are guaranteed?

The plans comprise both guaranteed and non-guaranteed payouts. The cash payouts of 5% of the Insured Amount paid annually (from the end of the second policy year to the second-last policy year) are guaranteed, as is the maturity payout of 25% or 5% of the Insured Amount of the 21-year and 25-year basic policies respectively. The annual discretionary bonuses and Terminal Bonus[†] are not guaranteed and depend on the performance of AIA's Participating Fund. The guaranteed payments can be treated as a form of savings with guaranteed returns, while the non-guaranteed bonuses offer the potential of higher returns.

Q3. How are bonuses determined?

When you buy a participating policy, your premiums are paid into AIA's Participating Fund where they are combined with the premiums paid by all other participating policyholders. We pay benefit payments and expenses from the Fund, and the balance is invested. Each year we determine the value of the assets in the Fund and, after subtracting the value of the guaranteed benefits and other liabilities, the amount left over is available to declare future bonuses and dividends. The level of bonuses is determined by taking into account the current performance as well as future outlook for the Participating Fund.

Q4. How will I receive payouts?

The guaranteed annual cash payouts are paid in lump sum cash payments from the end of the second policy year, giving you the freedom to spend the money any way you wish. The amount will be paid via cheque and delivered via post to the address on record.

Q5. Do I have to decide now if I want to cash my coupon, or redeposit it?

You can change your mind at any time if you would like to receive your cash payout, or redeposit it. When you sign up for the plan, you will be asked to indicate your option. This option will apply each year unless you notify your AIA Financial Services Consultant of your desire to change your instruction. You may also contact the AIA Customer Care Hotline at 1800 248 8000 for assistance.

Q6. How long do I have to keep paying premiums?

You have to pay premiums throughout the policy term – 21 or 25 years — depending on the plan you choose.

Q7. Are there any penalties if I cancel before the policy term is over?

There are no penalties, but if you surrender your policy early, the surrender value payable may be less than the premiums paid.

Q8. How can I calculate an appropriate Insured Amount?

Your AIA Financial Services Consultant can calculate an appropriate Insured Amount for you by conducting an AIA Financial Health Review. This will depend on your budget and any specific life insurance objectives you may have.

Q9. Can I change my mind and cancel the policy after I've purchased?

Yes you can. You have 14 days to review your policy. If you decide that the policy is not suitable for your needs, we will refund all your premiums without interest, less medical and other expenses we have incurred in processing your application. You will need to send us written notice of cancellation within 14 days from the date you receive your policy contract.

*The Terminal Bonus is a one-time, non-guaranteed, discretionary bonus that may be payable when your policy matures, or when you surrender the policy or on death, provided you have kept the policy with us for a minimum number of years (usually at least 15 or 20).

Important notes

- ¹ The example is based on a Female non-smoker age 19 taking out the AIA SmartRewards Saver 25 plan with an Insured Amount of S\$5,000.
- ² Excluding additional premiums paid for non-Standard life, adjustment for the size of the Insured Amount or premium payment mode.
- ³ When you buy a participating policy, your premiums are paid into AIA's Participating Fund where they are combined with the premiums paid by all other participating policyholders. We pay benefit payments and expenses from the Fund, and the balance is invested. Each year we determine the value of the assets in the Fund and, after subtracting the value of the guaranteed benefits and other liabilities, the amount left over is available to declare future bonuses and dividends. The level of bonuses is determined by taking into account the current performance as well as future outlook for the Participating Fund.
- ⁴ The first coupon is payable at the end of the second policy year. All coupons will cease should you convert your plan to reduced paid-up insurance or extended term insurance.
- ⁵ The surrender value of the accrued bonuses paid out on early surrender may be less than the actual accrued bonuses.
- ⁶ The surrender value of the accrued bonuses paid out on early surrender may be less than the actual accrued bonuses. Future bonuses will not be added to your basic policy upon its conversion to reduced paid-up insurance or extended term insurance.
- ⁷ To qualify for Premium Waiver, the policy must be still in force and provided the disability continues for at least 6 consecutive months. Future premium payments on the basic policy will be waived, as long as the insured continues to meet our criteria of Total & Permanent Disability. The Supplementary Agreement automatically terminates on the policy anniversary of the basic policy immediately following the 65th birthday of the insured. However, any claims arising before such termination shall not be affected.

All insurance applications are subject to underwriting and acceptance by American International Assurance Company, Limited (AIA). Submission of an application form and payment does not guarantee acceptance by AIA. AIA reserves the right to withdraw the plans earlier or reject your application without prior notice. This brochure is not a contract of insurance. The precise terms and conditions of the plans, including exclusions whereby the benefits under the plans will not be paid out, are specified in the policy contract. You are advised to read the policy contract. Only terms and conditions set out in the policy contract are binding. Buying a life insurance policy is a long-term commitment. An early termination of the policy usually involves high costs and the surrender value payable may be less than the total premiums paid. This is only general information provided by us and does not have regard to any specific investment objectives, financial situations or specific needs of any person. You may wish to seek advice from an AIA Financial Services Consultant before making a commitment to purchase the product. If you choose not to, you should consider carefully whether the product is suitable for you.

The information in this brochure is correct as at June 2010.

About the AIA Group

The AIA Group is a leading life insurance organisation in Asia Pacific that traces its roots in the region back more than 90 years. It provides individuals and businesses with products and services for life insurance, retirement planning, accident and health insurance as well as wealth management solutions. Through an extensive network of more than 320,000 agents and approximately 23,500 employees across 15 geographical markets, the AIA Group serves the customers of over 23 million in-force policies in the region.

The AIA Group has branch offices, subsidiaries and affiliates located in jurisdictions including Australia, Brunei, China, Hong Kong, India, Indonesia, Macau, Malaysia, New Zealand, Philippines, Singapore, South Korea, Taiwan, Thailand and Vietnam.

