



## AIA Singapore

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## Media Release

### **AIA SINGAPORE'S ENHANCED RETIREMENT SAVER (III) TO HELP ADDRESS MOUNTING CONCERNS AROUND RETIREMENT**

*Healthcare or medical related spending expected to be a significant part of expenditure in old age*

Singapore, 24 May 2018 – AIA Singapore today launched the enhanced AIA Retirement Saver (III) to help boost retirement adequacy among Singaporeans as life expectancies<sup>1</sup> and the incidence of critical illnesses continue to increase.

The policy now offers significantly higher maturity yield and includes:

- Lowered premiums by up to 15%, to reduce the cost barriers to retirement planning, especially as more than half indicated current financial obligations as their top barrier to retirement<sup>2</sup>.
- Increased Monthly Dividend by up to 142% to provide a higher stream of regular payouts for customers to better plan their retirement funds for greater peace of mind and security.
- According to Singstat's record in 2018, the average life expectancy for male is 81.0 years and female is 85.4 years respectively<sup>3</sup>. Hence, with longer life expectancies, we enhanced the AIA Retirement Saver (III) to provide our customers with an option to delay Retirement Age till age 70, which results in a higher maturity yield due to the longer accumulation period.
- The minimum Single Premium required for Supplementary Retirement Scheme (SRS) plan has been reduced to S\$15,000 so that we are able to help a wider group of customers with both their tax and retirement planning needs.
- Critical Protector Waiver of Premium, which waives future premiums upon diagnosis of any of the covered Critical Illnesses (CIs). This is particularly important today, given the increasing incidence of chronic illnesses in Singapore.

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<sup>1</sup> Singapore's life expectancy at birth has risen from 59 to 80 years in males, and 63 to 85 years in females from 1960 to 2015. Source: The Straits Times (2017), 'Singaporeans are living longer – but are they ready for old age?' Available at: <https://www.straitstimes.com/opinion/a-lifetime-of-health-and-wealth-makes-for-good-retirement>

<sup>2</sup> Based on AIA Singapore's recent survey among customers via the AIA360 retirement survey

<sup>3</sup> [https://www.singstat.gov.sg/-/media/files/visualising\\_data/infographics/population/life-expectancy2018.pdf](https://www.singstat.gov.sg/-/media/files/visualising_data/infographics/population/life-expectancy2018.pdf)



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The enhancement of AIA Singapore's popular AIA Retirement Saver plan addresses customers' mounting concerns around retirement, providing them with the solution to start taking charge of their savings.

Key features of AIA Retirement Saver (III) offer enhanced returns, certainty, greater choice and guaranteed acceptance:

<b>Enhanced returns</b>	A one-time terminal (non-guaranteed) dividends when customer dies, surrenders or on maturity of the policy
	<b><i>A new add on Critical Protector Waiver of Premium to waive the future premiums upon diagnosis of any of the covered critical illnesses</i></b>
<b>Certainty</b>	Guaranteed monthly retirement income over the income payout period of 15 years
	Capital guaranteed at retirement age
	Potential (non-guaranteed) monthly cash dividend to enhance retirement cashflow streams
<b>Choice</b>	Premium paying modes - Single premium, limited premium of 5 / 10 years, or regular premium up to age 55, 60, 65 or, <b><i>newly added, 70</i></b>
	Accumulation period of up to age 55, 60, 65 or <b><i>70</i></b> (for retirement age 55, 60, 65 or 70 respectively)
<b>Guaranteed Acceptance</b>	No medical underwriting required

Over the last decade, AIA Singapore has consistently delivered one of the strongest returns, outperforming industry averages. In April 2018, AIA Singapore also announced S\$494 million in par fund bonuses projected for the year<sup>4</sup>, with more than 70,000 policies benefiting from a bonus scale increase, some of which with bonus rates that are higher than illustrated at point of sale.

Ms Ho Lee Yen, Chief Customer and Marketing Officer of AIA Singapore, said, "AIA Retirement Saver (III) was designed to help Singaporeans grow and protect their retirement funds so they can enjoy the lifestyle they desire in their golden years with certainty.

"Healthcare and medical related expenses are an increasing concern, with people expecting to spend almost 20% of their retirement expenditure on this area. Even among those who have started retirement planning, more than 1 in 3 still feel unprepared.

<sup>4</sup> AIA S'pore to pay out S\$494 million in policy bonuses (Apr 3, 2018). The Straits Times. Available at: <https://www.straitstimes.com/business/aia-spore-to-pay-out-494m-in-policy-bonuses>



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“With this plan, we want to give our customers the confidence to take charge and plan for their retirement, which is easier and more achievable when they start at an early age. As Singapore tackles the challenges that accompany our demographic changes, we will continually enhance our products and services to meet our customers’ unmet protection needs, empowering them to live healthier, longer and better lives.”

These customer insights were obtained via AIA360, an online platform for our customers to provide feedback on their financial planning needs. This helps to support AIA Singapore in our continual efforts to develop and enhance our comprehensive suite of innovative products and services to address what our customers really want.

AIA Retirement Saver (III) was launched amid concerns around being able to cope with healthcare and medical related costs in retirement given Singapore’s demographic changes. Yet 4 in 5 would still like to retire before they are 65 years old and the median desired monthly retirement income is S\$2,500 – a difficult ask, given average monthly savings of approximately S\$1,500<sup>5</sup>.

This AIA360 retirement survey was completed by 421 respondents aged 21 to 60.

- End -

### Appendix: More details on AIA Retirement Saver (III)

#### Take charge

- a. If you have not started on a retirement plan, you need to start now as your money will not be worth what it is 20 years due to inflation. Relying on your savings and CPF Life alone will not be enough for your retirement as well.
- b. With options to pay till age 55, 60, 65 and 70, premiums are more affordable to start a retirement plan especially for those in their late 20s and early 30s

#### Easy & Simple

Start your retirement with AIA Retirement Saver (III) with just four key decisions:

- c. Choose your premium term - Single premium, limited premium of 5 / 10 years, or regular premium up to age 55, 60, 65 or 70
- d. Choose when you want to receive your retirement income - retirement age 55, 60, 65 or 70

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<sup>5</sup> Based on insights from AIA360 retirement survey.



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- e. Choose how much you wish to receive for your monthly retirement income;
- f. Hassle-free application with guaranteed acceptance (no medical examination is required)

### **Certainty during your retirement**

Be confident of your retirement with AIA Retirement Saver (III) that provides:

- g. Capital guarantee at retirement age
- h. Guaranteed monthly retirement income over the 15 years income payout period

### **Protection against Critical Illness**

- i. Waives future premiums if one is diagnosed with critical illness, allowing the retirement savings to accumulate, without worrying that the plan will cease.

### **Attractive returns**

- j. Enjoy potential monthly dividends that enhances your retirement income stream to cushion the impact of inflation
- k. Receive a one-time terminal (non-guaranteed) dividends upon maturity, surrender or death

### **About AIA**

AIA Group Limited and its subsidiaries (collectively “AIA” or the “Group”) comprise the largest independent publicly listed pan-Asian life insurance group. It has a presence in 18 markets in Asia-Pacific – wholly-owned branches and subsidiaries in Hong Kong, Thailand, Singapore, Malaysia, China, Korea, the Philippines, Australia, Indonesia, Taiwan, Vietnam, New Zealand, Macau, Brunei, Cambodia, a 97 per cent subsidiary in Sri Lanka, a 49 per cent joint venture in India and a representative office in Myanmar.

The business that is now AIA was first established in Shanghai almost a century ago. It is a market leader in the Asia-Pacific region (ex-Japan) based on life insurance premiums and holds leading positions across the majority of its markets. It had total assets of US\$216 billion as of 30 November 2017.

AIA meets the long-term savings and protection needs of individuals by offering a range of products and services including life insurance, accident and health insurance and savings plans. The Group also provides employee benefits, credit life and pension services to corporate clients. Through an extensive network of agents, partners and employees across Asia-Pacific, AIA serves the holders of more than 30 million individual policies and over 16 million participating members of group insurance schemes.

AIA Group Limited is listed on the Main Board of The Stock Exchange of Hong Kong Limited under the stock code “1299” with American Depositary Receipts (Level 1) traded on the over-the-counter market (ticker symbol: “AAGIY”).



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