

**About AIA Bhd.**

American International Assurance Bhd. (AIA Bhd.) began operations in Kuala Lumpur, Malaysia in 1948 as a branch of American International Assurance Company, Limited (AIA). With over 60 years of local market presence, AIA Bhd. has now become one of the country's largest life insurers, with a network of 23 branches nationwide. The company's focus is on designing new and innovative products to meet the changing needs of the market. AIA Bhd. is a member of the AIA Group.

**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.

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# We offer flexibility for a safe way to save

A savings plan that gives you guaranteed cash payments up to age 88, with limited premium payment option of 8 years.

The Power of We

AIA.COM.MY



# Elite Savings Plan (ESP)

## Packaged Endowment

Date: \_\_\_\_\_

### Product Disclosure Sheet

Please read this Product Disclosure Sheet before you decide to take out the Elite Savings Plan (ESP). Be sure to also read the general terms and conditions.

Financial freedom is the milestone that each of us plan to reach. We strive to provide for our family while attempting to set aside a decent sum for our golden nest. Do not allow financial constraint to keep you from being protected. Introducing ESP, a packaged endowment plan that only requires a premium payment of 20 years and you will enjoy the protection coverage until age 88.

### What is Elite Savings Plan (ESP) about?

ESP is a packaged Endowment plan in which 80% of the total sum assured is non-participating (Elite Savings Plan-Non Participating(ESP-NP) and 20% of the total sum assured is participating (Elite Savings Plan-Participating(ESP-P)). ESP has a coverage term up to age 88. Both plans pay Guaranteed Cash Payments at the end of the 8th Policy Anniversary and every Policy Anniversary thereafter. The ESP-P provides additional Annual Dividends<sup>1</sup> which are not guaranteed by the Company. ESP-P and ESP-NP policies are to coexist with each other<sup>2</sup>.

### BENEFITS

#### What are the covers / benefits provided?

This plan provides:

- **Death benefit**  
If the Insured dies before the Maturity Date and while this Policy is in force, the sum assured<sup>3</sup> will be payable. The sum assured varies according to the Insured's age and the policy year. The minimum death benefit is 100% of the initial sum assured. The sum assured will increase from 100% at the initial policy years and reach the maximum at the 8th policy year. However, the sum assured will gradually reduce to 130% of the initial sum assured from the 9th Policy Anniversary onwards.
- **Maturity benefit**  
If your policy is in force and the Insured is then alive on the maturity date, 130% of the total sum assured will be payable.
- **Total and Permanent Disability (TPD) benefit<sup>4</sup>**  
Upon total and permanent disability, you will receive a disability payment in one lump sum which is advanced from your total sum assured or 10% of the sum assured in each of the first two years, followed by the remaining 80% in the third year, depending on the nature of the disability.
- **Guaranteed Cash Payments**  
Guaranteed Cash Payments are payable at the end of the 8th Policy Anniversary until the Insured attains 88 years of age.

<sup>1</sup> Payable from Participating policy. Amount is not guaranteed and shall be determined by the investment and operational performances of the Company

<sup>2</sup> The premium for both policies have to be paid concurrently. Any request of cancellation, termination and changes to either policy will apply to the other policy.

<sup>3</sup> Please refer to the Sales Illustration as provided by the agent for the exact amount.

<sup>4</sup> For standard life

- **Surrender/Terminal Dividend**

This is a non-guaranteed dividend which may be payable when your policy ends – upon total permanent disability, death, maturity or if you choose to surrender your policy after the first Policy Anniversary and provided that this Policy is still in force. The surrender/terminal dividend is payable from ESP-P.

- **Annual Dividends**

These are non-guaranteed dividends that are determined annually by the company, which are payable on the Policy's anniversary upon payment of the second full year's premium. Once allocated to your policy, you will have the option of withdrawing the cash dividend or leaving it with the company to grow with interest at a rate determined by the company from time to time. The annual dividends are payable from ESP-P plan.

- **Limited Premium Paying Duration**

The premium paying duration for ESP is 20 years. You have the option to use the Guaranteed Cash Payments to pay for the premiums after the 8th Policy Anniversary. Under this Option, the remaining 12 years' premiums are payable by using the guaranteed cash payment.

Note : Please refer to the policy contract for the full details of the benefit coverage.

### Is the death benefit guaranteed?

Yes, the death benefit is guaranteed.

### Am I allowed to attach any riders to this plan?

You have an option to further enhance your insurance protection by adding extra coverage<sup>5</sup> from our range of optional benefits including:

- 1) **Waiver Of Premium**

Should you be diagnosed to be suffering from or actually undergo a covered Surgery under any one of the 35 Critical Illnesses as listed in the Supplementary Contract, we will waive the future basic policy premiums for the portion covered by this rider when due.

- 2) **Payor Benefit (PB), Payor Benefit On Critical Illness (PB-CI)**

Upon the payor's death, total permanent disability or being diagnosed to be suffering from critical illness or actually undergoing a covered Surgery under any of the 35 critical illnesses (provided PB-CI rider is purchased) as listed in the rider's policy contract, future premiums for the basic policy that the rider is attached to will be waived and the company will keep the policy in force until the maturity of the policy. This benefit shall apply before the payor reaches age 60 and until the child reaches age 25 or expiry of the rider, whichever is earlier.

## ELIGIBILITY

### Am I eligible to apply for ESP?

This plan is available to individuals between the ages of 4 weeks old to 55 years old; subject to the approval of our underwriters.

## COVERAGE AMOUNT

### What is the minimum coverage amount?

Minimum total coverage amount is RM30,000 (RM24,000 for ESP-NP plus RM6,000 for ESP-P) and the total sum assured must be in an amount in multiples of RM10,000.

### In the event of death of a child, will the full basic sum assured be payable?

<sup>5</sup> These benefits are made available subject to additional premiums. Please also note that there are applicable exclusions and limitations for these benefits as specified in the policy contract

If the Insured is a child, the total amount that is payable will be based on the juvenile lien percentage as illustrated in the table below:

Age last birthday	Payable as a percentage of the basic sum assured
Less than 1 year old	20%
1-year old	40%
2- year old	60%
3- year old	80%
4- year old or above	100%

### GUARANTEED CASH PAYMENTS

#### How are the guaranteed cash payments paid out?

Guaranteed cash payments are paid based on the following:

Plan	Guaranteed Cash Payment Payable Term (End of each Policy Year)	Guaranteed Cash Payment Amount
ESP-NP	8th to 19th policy year	Vary according to Insured's age
	20th policy year onwards	4.25% of the total of ESP-NP's initial Sum Assured
ESP-P	8th to 19th policy year	Vary according to Insured's age
	20th policy year onwards	8% of the total of ESP-P's initial Sum Assured

Please refer to the example of the Guaranteed Cash Payment below;

#### Example:

Age	: 35
Gender	: Male
Smoker Status	: Non Smoker
Health Status	: Standard
Premium paying option	: 8 pay
Total Sum Assured	: RM30,000
Non-PAR Policy Sum Assured	: RM24,000
PAR Policy Sum Assured	: RM6,000

End of Policy Year	Guaranteed Cash Payment Payable Term (End of each Policy Year)		Total Guaranteed Cash Payment Amount (Non-Par + Par) (RM)
	Non-Par (RM)	Par (RM)	
8th to 19th policy year	1339*	543*	1882
20th policy year onwards	1020	480	1,500.00 (equivalent to 5% of the total initial sum assured)

\* Guaranteed cash payment payable after offsetting the premium

Note: The whole of the guaranteed cash payment due at the next policy anniversary will not be payable if the policy is terminated early or converted.

Please refer to the Sales Illustrations as provided by the agent for the amount of the guaranteed cash payable for your policy.

### Are dividends of ESP-P guaranteed?

The annual and surrender/terminal dividends are not guaranteed and will depend on the participating fund's investment and operational performance.

## PREMIUMS

### How much premium do I have to pay?

The total premium that you have to pay and the policy terms may vary depending on the underwriting requirements. Below are some of the indicative annual premiums for male non smoker of standard health with a total sum assured of RM30,000:

	ESP-NP Sum assured of RM24,000		ESP-P Sum assured of RM6,000	
	1st - 8th Policy Year (RM)	9th - 20th Policy Year (RM)	1st - 8th Policy Year (RM)	9th - 20th Policy Year (RM)
Male Age				
0	5947.20	2973.60	2910.00	1455.00
25	5640.00	2820.00	2760.00	1380.00
35	5616.00	2808.00	2670.00	1335.00

Please refer to the Sales Illustrations as provided by the agent if your age, sex, smoker status and health status are different from those illustrated above.

You should satisfy yourself that this plan will best serve your needs and that the premium payable under the policy is an amount you can afford.

### What is the premium paying duration for ESP?

Premiums are payable for 20 years with an option to pay for 8 years by using the guaranteed cash payments to pay for the premiums from year 9 to 20.

### What are the Options available if I decide to stop paying premium in future?

#### 1. Cash Value

You may surrender your policy after the second policy year for a Cash Surrender Value plus any annual dividends accumulations<sup>6</sup> and surrender dividend<sup>6</sup> less any loan indebtedness.

You are required to surrender both ESP-P & ESP-NP concurrently. You should note that upon early surrender your Cash Surrender Value may be less than the total premium paid.

## 2. Reduced Paid-up (RPU) Insurance

Your premium is payable for 20 years. However, you have the option to shorten the premium duration through RPU. In exchange for a shorter premium duration, your total amount of coverage will however, be reduced accordingly. Additionally, all riders that are attachable to your policy will terminate when RPU is selected. This includes the total and permanent disability benefit packaged under the basic plan.

The RPU option is available once your policy has acquired a Cash Value.

## 3. Extended Term Insurance

You may continue these policies as Non-Participating Extended Term Insurance in an amount equal to the Sum Assured increased by any Annual Dividend Accumulations<sup>6</sup> and Surrender Dividend<sup>6</sup> less any indebtedness. The length of the term policy depends on the size of the Cash Value and the attained age of the Insured.

### How can I pay the premiums?

Premiums are payable in any one of the following ways:

- a) In cash or cheque. For payment in cheque, please make it payable to "American International Assurance Bhd".
- b) Autopay:
  - i) Credit card
  - ii) Auto Debit (HSBC, BSN and MBB)
- c) Standing instruction
- d) AIA Maybank Corporate Collection Account (AIA MCCA)

Your premium payments may be made once a year, twice a year, four times a year or once a month.

Please note that for auto debit, standing instruction or AIA MCCA payment method, the following additional conditions will apply:

- For payment made once a year, twice a year and four times a year: the first payment has to be payable in cash or cheque
- For payment made once a month, a minimum of first 2 payments have to be payable in cash or cheque.

You are required to pay the premium for both ESP-P and ESP-NP concurrently.

## FEES & CHARGES

### What are the fees and charges that I have to pay?

There are no fees and charges other than the premiums payable.

In the event of early termination or surrender, the cash value if any may be less than the total premiums paid. Please refer to the sales illustration for a projection of the cash value payable.

## TERMS & CONDITIONS

### What are some of the key terms and conditions that I should be aware of?

- Importance of disclosure – you must disclose all material facts such as medical condition, and state your age correctly.

<sup>6</sup> Payable from the ESP-P plan.

- Free-look period – you may cancel your policy by returning the policy within 15 days after you have received the policy. The premiums that you have paid (less any medical fee incurred) will be refunded to you.
- Grace period – you are given a grace period of 31 days from the due date for payment of each subsequent premium. If premium remains unpaid at the end of this grace period, the policy may lapse subject to the cash value / account value / accumulation value of the policy.

Note:

This list is non-exhaustive. Please refer to the policy contract for the terms and conditions.

## EXCLUSIONS

### What are the major exclusions for ESP?

This plan shall not cover:

- i) Death caused by suicide within 1 year from the issue or commencement date.
- ii) Any disability resulting from:
  - Attempted self-destruction or self-inflicted injuries while sane or insane.
  - Service in any armed forces or public order restoration.
  - Activities connected to any aerial device or conveyance except as a passenger on a commercial airline on an established passenger route.
  - Any congenital defect which has manifested or diagnosed before the Insured attains seventeen (17) years of age.
- iii) Pre-existing disability resulting from a physical or mental condition.

This list is non-exhaustive. Please refer to the policy contract for the full list of exclusions under this policy.

## COVERAGE

### When does my life insurance coverage start?

Your coverage starts from the date on which your completed and signed application is approved by us and when we have received the appropriate premium.

### Are ESP-P and ESP-NP related?

ESP-P coexists with ESP-NP. At the point of inception, if there are riders attached to one policy, the same riders should be attached to the other policy. Any request of cancellation, termination and changes to one policy will apply to the other policy. The changes include but not limited to any changes of the attachable riders, change of Face Amount and change of the frequency of premium payments. However, the Coexistence is subject to the Non-Forfeiture Provisions and Reinstatement Clause of the Policy.

## CANCELLATION

### Can AIA cancel my policy?

No.

### Can I cancel/surrender my policy?

Buying a life policy is a long-term financial commitment. If you do not pay your premiums within the grace period, your policy may lapse. You may cancel your policy at any time by writing in to us if you haven't made a claim yet. You are required to cancel both ESP-P & ESP-NP concurrently.

## CLAIMS

### How do I make a claim?

You need to complete the relevant claims forms which you can obtain from your AIA Agent, by calling the AIA Customer Service Hotline at 1300-88-1899 or visit any AIA branch. You will find a

list of AIA branches in Malaysia on the back of this document.

### **What other documentation is required to be submitted together with the claim?**

In addition to the relevant claims forms, we require additional medical reports (as listed at the back of the claims form) to support the claim.

### **When do I have to notify AIA of a claim?**

In the event of a claim, it is advisable that you notify us immediately\*.

- \* The notification period varies in accordance with the types of claims made. Please refer to the policy contract.

## **REINSTATEMENT**

### **Can I reinstate my policy after it has lapsed?**

Yes, you may reinstate your policy (ESP-P and ESP-NP concurrently) subject to the company's terms and conditions. You may be required to provide health evidence to prove your insurability at the time of reinstatement.

## **TAX RELIEF**

### **Is the premium paid for this policy eligible for income tax relief?**

This policy may qualify you for personal tax relief subject to the final decision of the Inland Revenue Board.

## **INFORMATION**

### **What do I need to do if there are changes to my contact details?**

It is important that you inform us of any change in your contact details to ensure that all correspondences reach you in a timely manner.

### **Where can I get further information?**

#### **About ESP**

Should you require additional information on ESP or about any other AIA insurance plans or riders, you can contact your AIA Agent, call our AIA Customer Service Hotline at 1300-88-1899 or by visiting any AIA branch nationwide. You will find a list of AIA branches on the back of this policy document. You can also contact us via email by visiting [www.aia.com.my](http://www.aia.com.my)

#### **About Life Insurance**

Should you require additional information about life insurance, you may also refer to the insuranceinfo booklet on 'Life Insurance' available at all our branches or you can obtain a copy from the insurance agent or visit [www.insuranceinfo.com.my](http://www.insuranceinfo.com.my)

## **IMPORTANT NOTE:**

BUYING LIFE INSURANCE POLICY IS A LONG-TERM FINANCIAL COMMITMENT. YOU MUST CHOOSE THE TYPE OF POLICY THAT BEST SUITS YOUR PERSONAL CIRCUMSTANCES. PLEASE REFER TO THE SALES ILLUSTRATION PERTAINING TO YOUR POLICY PROVIDED TO YOU BY YOUR INSURER. YOU SHOULD READ AND UNDERSTAND THE INSURANCE POLICY AND DISCUSS WITH THE AGENT OR CONTACT THE INSURANCE COMPANY DIRECTLY FOR MORE INFORMATION.

The information provided in this disclosure sheet is valid as at 1 June 2010. In the event of discrepancy, the policy contract prevails.