

PRUDENTIAL

FAQs: Extension of Premium Payment Grace Period

1. What is the extension of the grace period for premium payments?

The Covid-19 outbreak has made this a challenging time for businesses, households and Singaporeans. To support those who are financially impacted by the COVID-19 situation, all members of the Life Insurance Association have agreed to extend the grace period to pay premiums due by up to six months or 180 days. In giving customers more time to pay their premiums, we want to help those who may be cash-strapped to stay protected during this challenging time.

2. Who is eligible? When does it start?

This extended grace period will apply to all policy holders who have policies with premiums due between 1 April to 30 September 2020 (both dates inclusive). Throughout the 6-months grace period, customers will continue to receive coverage from their plans.

You can also refer to [Monetary Authority of Singapore \(MAS\)'s Media Release](#) and [FAQs](#) for individuals and SMEs.

3. Does it apply to all products?

Yes, it applies to all products.

4. How does this work, do I need to contact Prudential to request for extension of the grace period?

When cash payment is not received, or when GIRO/ Credit Card deduction is unsuccessful for a policy, the original grace period will automatically be extended to 180 days. This is an automatic feature and you don't have to apply for it. Meanwhile, billing will continue as usual. What's important is that you continue to stay protected during this period.

5. When do I need to make repayment for the premiums?

You will need to ensure payment is made before the extended grace period is over, in order to retain your coverage. This means making a full payment on your outstanding premiums before the 6-month extension period is over.

6. I'm on a monthly premium, how does the extension work?

The grace period of 180 days is from the date your monthly premium becomes due. Any payment you make will be used to pay off the longest outstanding premium first.

At any point of time, you can have a maximum of 6 months grace period for premiums due between 1 April to 30 September 2020 (both dates inclusive). You will need to make a full payment on your outstanding premiums before the 6-month extension period is over.

For example:

Customer A has a policy with premium of \$100 per month (monthly frequency). As a result of the extended grace period of 6 months, he/she is able to hold back the premium for a period of 6 months (\$600 in total).

If he/she is able to make a payment within any of the months during the grace period, the premium collected will apply to the longest outstanding premium first. For example, if he/she makes a payment of \$100 in the month of July, this premium will be used to pay for April.

In this example, the customer will need to make a full payment on their outstanding premiums before October as there was a premium paid in July which covered April's premium.

7. What happens if I can't pay after the extended period?

If we do not receive the outstanding premium after the extended period, depending on the features of your policy, it will either:

- Lapse, for policies with no cash value
- Automatically activate Automatic Premium Loan (APL), if there is cash value
- Automatically activate Premium Holiday for ILP policies
- Be converted to auto paid up with a reduced sum assured amount

If your policy or rider lapses and you wish to apply for reinstatement, you will be required to apply for the usual reinstatement. This will include a full payment of premiums for full reinstatement of benefits.

8. Why do you continue to bill me and deduct the premium? I still receive SMS telling me I have outstanding premium. Is the extension in force or not?

We wish to clarify that an extension of grace period means when payment is missed, you have a longer period of time to make the payment before your policy lapses or your coverage gets impacted.

We will continue to deduct premiums based on your current payment method and frequency, and continue to notify you via mail, email or SMS. The purpose of the notification is to keep you informed of the total outstanding premium on your policy. We will inform you separately before the 180 days is up.

9. How will I be informed of the final deadline to pay?

We will keep you informed of the outstanding amount and the due date via SMS.

10. Can I claim during this period when grace is extended?

Yes, your coverage is not impacted during this grace period. What's important is that you continue to stay protected. We will deduct the outstanding premium before any payment is made for an approved claim. For PRUshield policy, as due premiums are deducted from CPF MediSave account, the claim will only be processed upon receipt of the overdue premiums.

11. Will there be any impact to my Maturity Value if my policy is maturing within this grace period?

Your outstanding premium will be deducted from the maturity value and the net value will be paid out.

12. Will my policy go into Automatic Premium Loan (APL) during this grace period?

If your policy has an APL feature, it will be applied after the grace period if full payment of the outstanding premiums is not made within the extension period.

13. What will be the pricing of the funds in view of the non-premium payment?

Fresh units will not be purchased; however, the assurance and admin charges will continue based on the current units available.

14. What other features are available to support customers to keep their policies active? Can I pay by instalment after the deferment period?

If you are facing difficulties paying your premiums, you can prevent your policy from lapsing by using these existing product features as well (depending on the policy you have):

- Automatic Premium Loan (APL), automatically activated if there is cash value
- Premium Holiday for ILP policies (automatically activated),
- Request to convert to a paid-up policy, with a lower sum assured

To reinstate your policy, you will be required to apply for the usual reinstatement. This will include a full payment of premiums for full reinstatement of benefits.

To check whether any of the above feature applies to your policy, you may call the Prudential Customer Service Hotline at 1800 333 0333 or email at customer.service@prudential.com.sg.

We are looking to introduce more measures to help our customers during this challenging time to ensure customers continue to receive the coverage that they need.