

Frequently Asked Questions on Group Mortgage Insurance

1. GENERAL

I have other forms of insurance coverage. Why do I still need mortgage insurance?

- Mortgage insurance specifically takes care of your mortgage in the unfortunate event of your death, total and permanent disability or terminal illness, so that your loved ones will not have to continue paying off the mortgage.
- Mortgage insurance covers the outstanding loan amount approved by the bank or chosen sum assured, whichever is lower.
- The coverage from other insurance products could be for various purposes, such as taking care of hospitalization and medical expenses, or income protection, savings, or retirement needs for you and your family.

I am buying the property for investment purpose. Do I still need mortgage insurance?

- Yes. In the event of your demise, total and permanent disability or terminal illness, the insurance payout will pay off the mortgage fully so that your loved ones can keep the property.
- Do note that mortgage insurance covers the outstanding loan amount approved by the bank or chosen sum assured, whichever is lower. If you have chosen a sum assured that is lower than your outstanding bank loan, it will not be sufficient to pay off your mortgage loan.

Does Group Mortgage Insurance offer guaranteed renewability till the end of my approved OCBC mortgage loan tenure?

- Yes. This plan offers guaranteed renewability, giving you and your loved ones peace of mind for the duration of your loan tenure.

Who provides the insurance coverage?

- Group Mortgage Insurance is underwritten by The Great Eastern Life Assurance Company Limited (“Great Eastern”), a wholly-owned subsidiary of Great Eastern Holdings and a member of the OCBC Group.

2. INSURANCE COVERAGE / SUM ASSURED

When is my insurance coverage effective?

- The effective date of insurance will be the date signed on the insurance proposal form + 5 business days.

What is the sum assured for Group Mortgage Insurance?

- It is defined as the outstanding OCBC loan amount at the start of each period of insurance, or your chosen sum assured, whichever is lower.

Am I allowed to select a lower sum assured than my initial loan amount?

- Yes. For example if your loan amount is S\$1 million, you may select any sum assured lower than S\$1 million (in multiples of S\$1,000). This chosen sum assured will remain as your sum assured until your loan amount falls below it.

What happens if I choose a sum assured which is lower than my initial loan amount?

- In the event of your demise, total and permanent disability or terminal illness, your loved ones will need to take on the financial burden of repaying the uninsured portion of the mortgage loan. Hence, we encourage you to choose the default option of matching your sum assured with your loan amount.

Am I allowed to choose a sum assured higher than my approved loan amount?

- No. Group Mortgage Insurance is specifically designed to protect your outstanding loan in the unfortunate event of your demise, total and permanent disability or terminal illness, to free your loved ones from any financial burden.

What if my approved loan amount is higher than S\$1.25 million?

- The hassle-free enrolment without medical underwriting is capped at S\$1.25 million sum assured.
- If your approved loan amount is higher than S\$1.25 million, you can opt for a higher sum assured with medical underwriting.

What happens if I make a partial redemption on my mortgage?

- Your Group Mortgage Insurance sum assured will be reduced accordingly to the revised outstanding loan amount at the start of the next period of insurance. The coverage for the current period of insurance remains unchanged.
- Mortgage insurance is the outstanding loan amount approved by the bank or chosen sum assured; whichever is lower. If you have chosen a sum assured that is still lower than your outstanding bank loan after the partial redemption, then the sum assured will not be reduced until such time when the chosen sum assured is higher than the outstanding home loan.

I have multiple mortgages with OCBC Bank. Am I allowed to cover all my properties with Group Mortgage Insurance?

- Yes, subject to assessment based on your total outstanding loan amount. If your total sum assured per life exceeds S\$1.25 million, you will need to undergo medical underwriting.

What happens if my property is classified as Building Under Construction (BUC)?

- Your effective date of insurance will be the date signed on the insurance proposal form + 5 business days.
- The sum assured is based on the full loan amount approved by the bank or your chosen sum assured, whichever is lower.
- This sum assured will continue and will only be adjusted to the outstanding loan amount at the start of the period of insurance after the date when the loan is fully disbursed.

What do you cover for Terminal Illness and Total & Permanent Disability?

- Terminal Illness

Terminal Illness means the conclusive diagnosis of an illness that is expected to result in the death of the Life Insured within 12 months. This diagnosis must be supported by a Registered Medical Practitioner from the appropriate specialization and confirmed by a Registered Medical Practitioner appointed by Great Eastern.

- Total & Permanent Disability

i) For actively working Life Insured between 21 to 65 attained age,

"Total and Permanent Disability" means that the disability must be total and permanent and that there is neither at the point of commencement of the disability nor at any time thereafter any work, occupation or profession that the Life Insured can ever sufficiently do or follow to earn or obtain any wages, compensation or profit.

ii) For Life Insured with no gainful occupation between 21 to 70 attained age,

"Total and Permanent Disability" means the inability of the Life Insured to perform at least 3 out of 6 activities of daily living as defined below, even with the aid of special equipment, and will always require the physical assistance of another person throughout the entire activity.

The activities of daily living are:

1) Washing

The ability to wash in the bath or shower (including getting into and out of the bath or shower) or wash by other means.

2) Dressing

The ability to put on, take off, secure and unfasten all garments and as appropriate, any braces, artificial limbs or other surgical or medical appliances.

3) Feeding

The ability to feed oneself food after it has been prepared and made available.

4) Mobility

The ability to move indoors from room to room on level surfaces.

5) Toileting

The ability to do all of the following: to get to and from the lavatory, to get on and off the lavatory, to maintain an adequate level of personal hygiene.

6) Transferring

The ability to move from a bed to an upright chair or wheelchair and vice versa.

iii) Presumptive definition of Total and Permanent Disability - For Life Insured between 21 to 70 attained age,

A Life Insured shall be regarded as being totally and permanently disabled under the following definition of disability if that Life Insured, due to accident, or sickness or disease, has been subject to one (or more) of the following impairments:

- 1) The total and irrecoverable loss of sight of both eyes; or
- 2) The loss by severance or loss of permanent use of both hands at or above the wrists or both feet at or above the ankles; or
- 3) The loss by severance or loss of permanent use of one hand at or above the wrist and one foot at or above the ankle; or
- 4) The loss by severance or loss of permanent use of one limb at or above the wrist or ankle and total and irrecoverable loss of sight of one eye.

The Total and Permanent Disability must be deemed permanent in the opinion of a Registered Medical Practitioner.

3. ELIGIBILITY

My OCBC mortgage is for an overseas property, am I allowed to take up Group Mortgage Insurance?

- No. Group Mortgage Insurance is only meant for OCBC customers with Private Home Loans for properties in Singapore.

Should I sign up for Group Mortgage Insurance together with my mortgage application?

- Yes. This is to ensure you get loan protection as early as you can.

Is there a validity period to sign up for Group Mortgage Insurance?

- Yes. The validity period is 90 days from your loan acceptance date.

I'm an existing OCBC customer but my mortgage is with another bank, am I eligible to sign up for Group Mortgage Insurance?

- This product is exclusively for OCBC mortgage customers with loan start dates on or after 1 March 2019. However, there are various other solutions to address your needs for financial protection on your loan.

4. JOINT LIVES

Does Group Mortgage Insurance allow for joint lives application?

- Yes, up to 4 Lives Insured can be covered jointly under the same Group Mortgage Insurance contract.
- Each Life Insured will receive a set of contractual documents upon the effective date of his/her insurance. The documents shall include the Certificate of Insurance, Terms and Conditions, Letter of Acceptance and Product Summary. Renewal confirmation shall be provided at the start of each subsequent period of insurance.
- Each Life Insured gets to enjoy a 5% discount on monthly premiums.

What conditions must be fulfilled for joint lives application?

- All Lives Insured applying jointly for Group Mortgage Insurance must be borrowers of the OCBC mortgage loan, of which they are the co-owners of the property that the loan is contingent on.

What happens to the Group Mortgage Insurance contract when one of the Lives Insured dies, suffers from total and permanent disability or terminal illness?

- Group Mortgage Insurance contract will pay off the outstanding loan amount at the time of the Event or the chosen sum assured, whichever is applicable, to OCBC. Any difference between the sum assured at the start of the period of insurance and the outstanding mortgage will be paid out to the Life Insured's Estate. The insurance coverage for the remaining Lives Insured will cease.

Can I take up Group Mortgage Insurance first and add a joint borrower at a later stage?

- Yes. However, any addition of joint borrowers under Group Mortgage Insurance has to be made within 90 days of the loan acceptance date only. Beyond the 90 days, no additional person is allowed to be added into the insurance.

If any one of the Lives Insured terminates the Group Mortgage Insurance coverage, what happens to the coverage for the other joint Lives Insured?

- Since it is a joint contract, as long as one of the Lives Insured terminates the coverage, the Group Mortgage Insurance coverage for the other joint Lives Insured under the same contract will terminate as well.

Are the joint Lives Insured allowed to select different levels of sum assured?

- Yes, each of the joint Lives Insured is allowed to select his/her own different levels of sum assured up to the loan amount that he/she has been granted by OCBC Bank. However, this is not advisable because any selected lower sum assured may result in insufficient payout to pay off the outstanding home loan in the event of the demise, terminal illness or TPD of the joint life. Hence, we encourage all joint lives to choose the default option of matching their sum assured to their loan amount.

5. PREMIUM RATES & PAYMENT MODE

Are my Group Mortgage Insurance premiums guaranteed?

- No. Premium rates are not guaranteed.
- In the event premium rates are to be adjusted, they shall be adjusted from the next policy renewal date. We will inform you of the adjusted rate at least 30 days before the adjusted premium rate takes effect.

Will my premium rates increase once I cross over to the next age band?

- Yes. The higher premium rate of the next age band will apply in the premium calculation once you are in the next age band at the start of the next period of insurance.

Age next birthday	Monthly premium rate for every S\$100,000 outstanding mortgage
18-35	S\$3.75
36-45	S\$6.50
46-55	S\$18.08
56-65	S\$44.08

If you remain in the same age band, your premium will decrease yearly as your outstanding loan decreases.

For my premium calculation, what do you mean by Age Next Birthday?

- For example, if your attained age is 39 years old now, your Age Next Birthday will be 40 years old.

What are the different modes of premium payment?

- You may pay with any credit card or debit card. The credit card/debit card deduction would be either on the 7th or the 21st day of every month. Regardless of the date of deduction, your effective date of insurance will be the date signed on the insurance proposal form + 5 business days.

6. PORTABILITY FEATURE

How do I continue my Group Mortgage Insurance coverage when I refinance the mortgage with another financial institution?

- First, you need to be insured with Group Mortgage Insurance for at least 3 years, in order to enjoy this portability feature.
- If you choose to continue the insurance coverage upon refinancing the mortgage with another financial institution, you need to provide Great Eastern with the new mortgage loan schedule, including details such as your new loan amount, loan tenure and interest rate package selected.
- New contractual documents will then be issued based on your refinanced loan. Your new insurance coverage should match your new loan amount and follow a predetermined reducing sum assured schedule.

Will the other joint Lives Insured be entitled to this portability feature too?

- Yes. All joint Lives Insured under a Group Mortgage Insurance will be allowed to continue their insurance coverage upon refinancing, without the need for medical underwriting. The take-up of the portability feature must apply to all joint Lives Insured and not be executed by particular member(s) of the joint Lives Insured.

7. POLICY CONDITIONS

Are pre-existing conditions covered under Group Mortgage Insurance?

- Claim will not be payable if death, terminal illness or TPD results directly or indirectly from any pre-existing condition which occurs within 12 months from effective date of insurance, or from the date of any reinstatement.

Example 1: A person has a heart condition prior to purchasing Group Mortgage Insurance. If this person dies of a heart attack 2 months after the insurance inception date, this will be classified as a pre-existing condition death and thus the claim will not be payable.

Example 2: A person has a heart condition prior to purchasing Group Mortgage Insurance. If this person dies of a heart attack 2 years later, this will not be classified as a pre-existing condition death and the claim will be payable.

Besides pre-existing conditions, which other claim scenarios are excluded from Group Mortgage Insurance?

- Other key exclusions include:
 - i) Suicide which occurs within 12 months from effective date of insurance, or from the date of any reinstatement.
 - ii) Self-inflicted injuries while sane or insane.
 - iii) Disability which exists prior to the effective date of insurance, or from the date of any reinstatement.

Example: A person has an amputated arm prior to purchasing Group Mortgage Insurance. If this person meets with an accident 2 years later and loses another arm, TPD claim for the permanent loss of 2 limbs shall not be payable. However, if this person loses the second arm and a leg in the accident, then the TPD claim shall be payable.

Please refer to the Terms and Conditions for the full list of exclusions.

What is the maximum age allowable for renewal?

- 70 (age next birthday)

8. OTHERS

How long is the free look period?

- You can cancel your Group Mortgage Insurance contract by submitting a written request to Great Eastern within 14 days of receipt of the Letter of Acceptance. Any premium paid will be refunded without interest.

How do I make a claim?

- The Claimant or Insured member can submit all relevant claim documents via mail to: Great Eastern Life
Group Insurance Department
Great Eastern Holdings Limited
1 Pickering Street
#10-01 Great Eastern Centre
Singapore 048659

The required claim documents to be submitted are:

- i) Claim Form
- ii) Insurance Contract
- iii) Certificate of Insurance
- iv) Medical Report
- v) Certified True Copy of Death Certificate (for Death Claim)
- vi) Certified True Copy of Letter of Administration **OR** A copy of Probate (for Death Claim)

Note that GE will obtain from OCBC the Outstanding Loan Amount as of the Claim Event Date. You may call our customer service hotline during working hours @ 6248 2112 or email us at GroupCSO-SG@greateasternlife.com to request for the Claim Form.