

For immediate release

## Media Release

# Life insurers will continue to assist policyholders facing financial difficulties as industry-wide Deferred Premium Payment (DPP) scheme closes for application on 31 March 2021

*Policyholders currently on DPP will continue to be on the scheme until their applicable end date and may approach their insurers for assistance if they face difficulties when the deferred premiums become due. Other policyholders facing financial difficulties with paying premiums can also approach their insurers to explore options.*

**Singapore, 8 March 2021** — The Life Insurance Association, Singapore (LIA Singapore) today confirmed that the industry-wide Deferred Premium Payment (DPP) application window will close on 31 March 2021.

***The industry affirms its continued commitment to support policyholders who are financially impacted by COVID-19 and are unable to pay their premiums after 31 March 2021.***

Policyholders currently on the DPP will continue to be on the DPP scheme until their applicable end date. If they continue to face financial difficulties and remain unable to pay the deferred premiums in full at the end of the deferment period, they may approach their insurers for assistance, which may include options such as extension of the DPP by three months or a three-month instalment payment plan. Other policyholders facing financial difficulties in paying premiums due to COVID-19 are also encouraged to approach their insurers to explore options.

As part of overall efforts to support policyholders, life insurers and financial advisory representatives will continue to closely engage relevant customers to holistically review their policies and consider policy options that can be exercised to adjust insurance coverage and premiums to sustainable levels for the long-term.

“Life insurers have been pro-actively implementing initiatives to support policyholders amid the pandemic. At an industry level, the majority of applications for the Deferred Premium Payment scheme were accepted and the assistance provided has alleviated financial pressure for many policyholders. After 31 March 2021, life insurers remain ever ready to provide company-specific assistance, and our priority remains to ensure that policyholders are protected over the long-term,” said **Mr Khor Hock Seng, President, LIA Singapore.**

### **Statistics on industry-wide DPP scheme**

Approximately 41,000 applications were received in 2020 since the launch of the scheme, accounting for approximately 0.3% of total in-force policies as of 31 March 2020. However, take-up rates for the DPP scheme have notably declined since it was first launched in April last year. 29,000 applications were received in the second quarter of 2020, and applications fell to approximately 6,000 applications in the fourth quarter of 2020. DPP applications have continued to fall through the first two months of 2021.

There has also been a low number of applications for assistance for policyholders who remain unable to pay the deferred premiums in full at the end of their deferment period. Since 1 October 2020, there were approximately 5,900 such applications, which means that only three in 10 policies on DPP sought additional assistance after their DPP expired. The number of such applications has also steadily decreased each month since 1 October 2020.

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## Life Insurance Association, Singapore (LIA Singapore)

Established in 1962, the Life Insurance Association, Singapore (LIA Singapore) is the not-for-profit trade body of life insurance product providers and life reinsurance providers based in Singapore and licensed by the Monetary Authority of Singapore (MAS).

### Vision and Mission

The vision of member companies is *to provide individuals with peace of mind and to promote a society where every person is prepared for life's changing cycles and for those situations unforeseen.*

They are *committed to being a progressive life insurance industry by collectively enhancing consumer understanding, promoting industry best practices, and through the association fostering a spirit of collaboration and mutual respect with government and business leaders.*

### Values underpinning the association and its members

<b>Unified</b>	in our resolve to deliver innovative solutions where every individual's needs are best met.
<b>Professional</b>	in the way we conduct ourselves and in the counsel we give.
<b>Ethical</b>	in ensuring our policyholders' interests are managed with utmost integrity.
<b>Fair</b>	in how we strive to provide favourable outcomes to both our policyholders and shareholders.
<b>Open &amp; honest</b>	in all that we do to build an environment of trust and transparency.
<b>Proactive</b>	in the steps we take to give our people the skills and knowledge to provide sound solutions at all times.

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