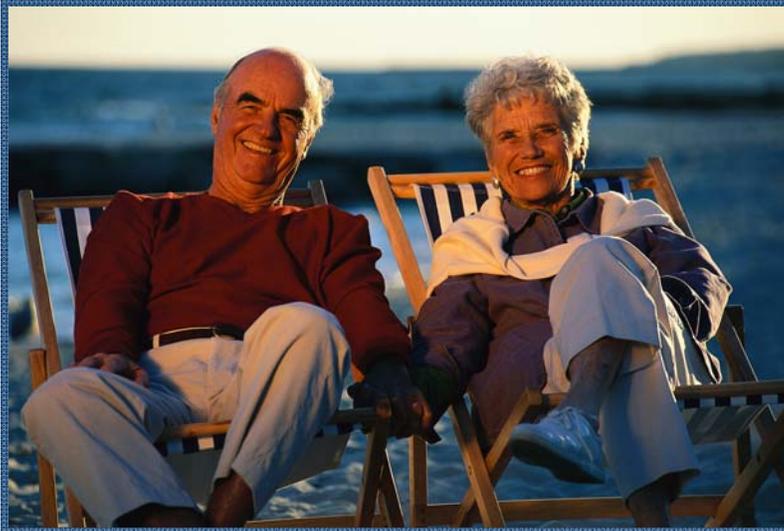




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# Featured Articles



A happy carefree retirement needs early planning.

## *Key to Total Insurance Coverage for Senior...*

- Annuity
- Life Insurance

## Insurance for Senior Citizen: How to provide and cover yourselves adequately!

The two most important retirement and insurance plan your ought to know especially if you are retiring...



### Two Key Questions

By far, the two most important financial issues that concern Senior Citizens are:

1. Do I need to buy annuity;
2. Am I too old to buy life insurance? Wouldn't the premium be very high?

The short answers to the two questions are 'YES' and 'NO' respectively.

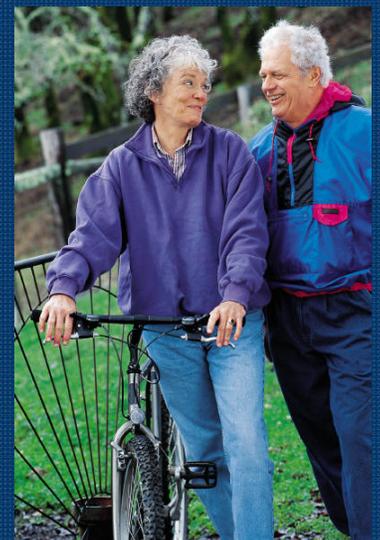
The best options for Senior Citizen, age 50 and above, are two insurance plans that can provide him with a monthly payout for the entire lifetime, and take care of final expenses when the final day comes.

### Annuity

The first of the 2 insurance plans is the Annuity. Annuity for Singapore Citizens and Permanent Residents aged 50 and below as at 31 Dec 07 is now compulsory. If you did not purchase any annuity from private insurers, the compulsory annuity will take effect at age 55 and you can only start drawing the payout at age 85. For private

annuity, you can use your CPF Minimum Sum or cash to pay for it. For annuity purchased using CPF minimum sum, the first payout will be at age 62. For annuity purchased using cash, the first payout can be any age (for instance, first payout age for NTUC Income is from age 40 to 65) chosen by the policy holder.

*The best options are plans that can provide monthly payout for entire lifetime, and take care of final expenses.*



A healthy active lifestyle keeps you going, and younger perhaps.



Enjoy your time with the grand children,  
not worrying about tomorrow.

If you are cash-rich, it is advisable for you to leave your CPF Minimum Sum with CPF Board that will pay you monthly income from your draw-down age for a fixed number of years.

You may then use the cash to buy an annuity that will pay you another monthly income, probably at an earlier age, for life. The annuity will supplement the monthly payout from the CPF Minimum Sum, and will replace it once it runs out in, say 20 years. The monthly annuity will be much higher after 20 years if you buy a participating annuity that pay you bonuses declared by the insurer.

## Life Insurance

As for life insurance, if you think that you cannot afford to buy any whole life insurance at age 50 due to high premium and pre-existing illness, fret not! As at the time of writing, NTUC Income is the only insurer in Singapore that has a life insurance plan (called Senior Plan) that covers you for whole life for death and for Total Permanent Disabilities till age 65. So, you can still purchase life insurance at age 50 to 70, even with a pre-existing illness, as long as you have not been hospitalized for the past 12 months.

The best thing about the Senior Plan is that you just need to pay for 10 years to get the whole life coverage. The sum assured for the Senior Plan is \$15,000 and the coverage will increase every year since it is a participating policy which gives you bonuses over the years. The sum assured will be pro-rated for the first 5 years of insurance. This means that the first year coverage starts from \$3000, becomes \$6000 in second year and increases linearly to \$15,000 by fifth year. For a male age 50, the sum assured becomes \$27,240 at age 80 with a total premium of \$11,106.

As it increases the value of the premium paid, the Senior Plan is best for providing for the final expenses and leaving behind some inheritance for children. Policyholder can surrender the policy for the cash value, though this will be lower than the protection value.

## Conclusion

To be assured of providing for yourself adequately for your whole life and to be covered for Death and Total Disabilities, a private annuity and insurance plan like the Senior Plan from NTUC Income are the two complementing plans that all Senior Citizens should consider.

*Use cash to an  
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*A private annuity  
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consider.*



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