Policy Ownersâ?? Protection Scheme: What Is Actually Covered

Description

Policy Ownersâ?? Protection is automatic for eligible policies issued by PPF Scheme members. Life-policy guaranteed benefits are protected subject to statutory caps, while non-guaranteed bonuses and investment performance should not be assumed to be covered.

A Singapore policy owner who wants to understand the safety net if a licensed life or general insurer fails faces a narrower question than the headline suggests: check the insurer, policy type, guaranteed benefits and applicable protection limits without mistaking the scheme for product approval. The table separates the branches that change the answer before the practical checks and worked example.

Choose the branch before acting

Situation	Practical next step
Life policy with guaranteed benefits	Identify each protected guaranteed benefit and apply the relevant cap
Investment-linked policy	Separate the value of units from any insured benefit
General insurance policy	Check whether the class and insurer fall within the General Fund rules
Policy issued outside Singapore	Do not assume the Singapore scheme applies; verify jurisdiction and issuing entity

Check the issuing insurer, not the brand

SDICâ??s scheme materials apply protection to eligible insured policies issued by members of the relevant fund. A familiar group name is not enough: the policy schedule should identify the legal issuing company. SDIC PPF disclosure statement.

Protection is automatic for eligible policies; there is no separate consumer application at purchase. That automatic status does not mean MAS or SDIC recommends the product, guarantees the insurer or removes the need to assess suitability. SDIC PPF disclosure statement.

Break the policy into benefit types

For life insurance, guaranteed benefits are protected at 100% up to the applicable caps set out for categories such as sum assured, surrender value and annuity payments. The exact cap depends on the benefit and policy type. SDIC annual report.

Non-guaranteed bonuses, illustrated returns and investment-linked fund performance are different from guaranteed policy benefits. Mark each figure in the benefit illustration as guaranteed or non-guaranteed before estimating the safety-net amount. SDIC PPF disclosure statement.

General policies use a different test

The scheme has separate Life and General Funds. Eligible compulsory and specified Singapore policies may receive protection under the General Fund rules; the policy class, risk location and issuing member determine the route. SDIC PPF disclosure statement.

A travel, motor, property or liability policy should be checked against the current official tables rather than placed under one blanket percentage. Keep endorsements because a mid-term change can affect the covered risk. SDIC PPF disclosure statement.

Build a failure-readiness file

Store the policy schedule, premium receipts, benefit statement, nomination or assignment documents and the insurerâ??s PPF disclosure. These records help identify the owner, insured person and outstanding benefits if administration transfers. SDIC PPF disclosure statement.

If an insurer fails, follow MAS and SDIC instructions rather than cancelling or replacing a policy in haste. Switching can create new underwriting, exclusions, surrender costs or a gap that the protection scheme was never designed to solve. SDIC PPF disclosure statement.

Put the numbers or sequence to work

A policy illustration shows S$300,000 guaranteed death benefit plus non-guaranteed bonuses. The owner first confirms the issuing company is a PPF Life Fund member, then checks the current cap table for the guaranteed benefit. The bonus column is not added automatically. This method produces a defensible estimate without presenting the scheme as a promise about one claim.

The example is a planning model, not a quoted price, official calculator result, medical instruction or promised outcome. Replace its assumptions with the issued notice, live service, signed contract, current timetable or professional advice that controls the real decision.

Before you commit

1. Read the legal name of the issuing insurer
2. Confirm current PPF membership
3. Identify life or general fund
4. Separate guaranteed and non-guaranteed benefits
5. Apply the official policy-type cap
6. Keep schedule, receipts and endorsements
7. Follow MAS or SDIC instructions during a failure

A useful working note combines **a policy-schedule markup separating issuer, fund and benefit type** with **a guarantee-versus-illustration worksheet for estimating protected value**. Enter only details that can be tied to a current document or live record.

Missteps that change the answer

- Checking the marketing brand instead of issuer
- Treating all illustrated values as guaranteed
- Assuming a foreign-issued policy is covered
- Confusing PPF protection with product endorsement
- Replacing a policy before understanding surrender and underwriting costs

If one of these conditions appears, pause before payment, submission, travel or implementation and reconcile it through the relevant official service. Save the issued result or acknowledgement; a search snippet or forwarded screenshot cannot establish a current entitlement.

Recheck protection after a policy change

A rider, assignment, nomination, partial surrender or replacement can change the benefit record. Save each endorsement and repeat the issuer-benefit-cap check rather than relying on the original sales illustration. For a complex policy, ask the insurer to identify the guaranteed benefits in writing and compare that answer with the current official protection table.

Related next steps

Once this decision is settled, you may need to compare a Singapore T-bill route. The next adjacent check is to place the decision in a wider plan.

Common questions

Must I register for PPF protection?

No. Protection is automatic for eligible policies of scheme members. SDIC PPF disclosure statement.

Are all life-policy values protected in full?

No. Guaranteed benefits are subject to policy-type caps and non-guaranteed values differ. SDIC annual report.

Does the scheme mean an insurer cannot fail?

No. It provides a safety net if a member fails; it is not a solvency guarantee. SDIC PPF disclosure statement.

Rules, service details and schedules can change. Reopen the linked official page before acting when the date, eligibility, payment destination, safety instruction or live availability is decisive.

Date Created
27/07/2026
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