

# AIA SMART WEALTH

A PLAN THAT CREATES, MANAGES  
AND PROTECTS YOUR WEALTH



HEALTHIER. LONGER,  
BETTER LIVES

# IS IT YOUR DREAM TO...

**Create wealth?**

**Manage and Protect the wealth you created?**

**Use your wealth to secure the future of your loved ones?**

**For a peaceful and happy retirement**



**To achieve future aspirations and expectations**



**'Wealth' in the future is just as important for you as it is today**



**As financial security**

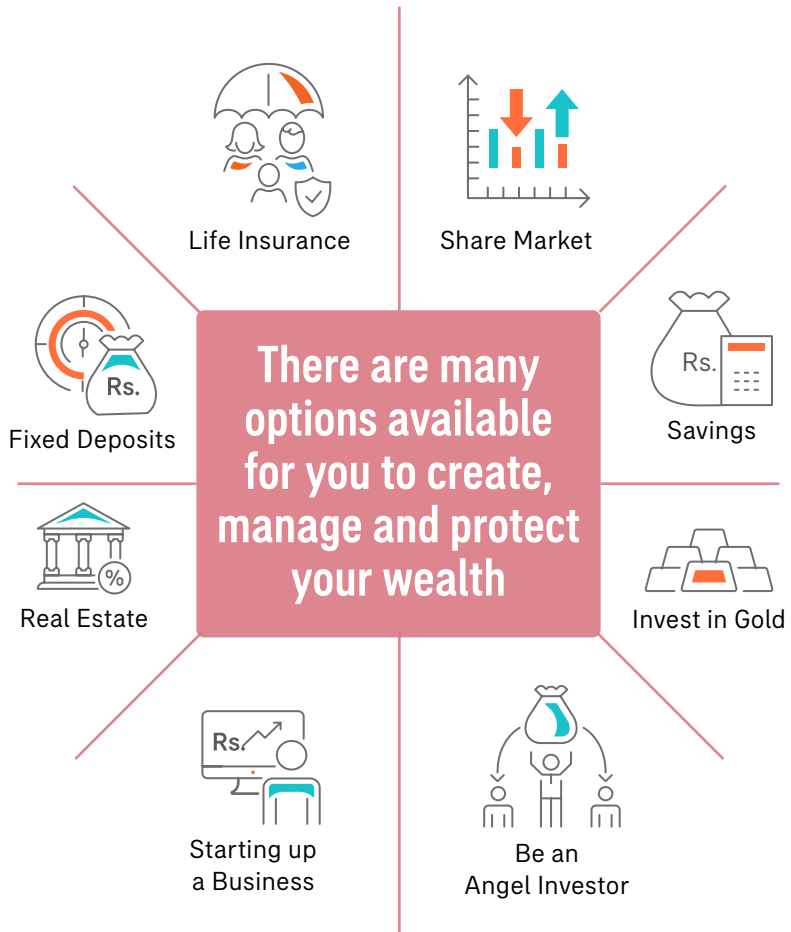


**To create your legacy**



**For your child's education**

Creating wealth is very important but choosing the right options or the correct mix to 'manage' and 'protect' your wealth is also important.




All of these options offer varying degrees of 'Returns' and 'Security'. Therefore, it is important that you analyze each of these options based on the Return and Security that they offer.

We understand that you want to create wealth for the wellbeing of your loved ones, so that their future is financially secured. Which is why you must choose the best option that creates and protects your wealth even when you're not around.

The comparison in the table below gives you a holistic view of how you can invest your money wisely.

**Comparison of options available**



Options for Wealth Creation, Management and Protection	Return	Security	Life Protection
Fixed Deposits			✗
Savings			✗
Real Estate			✗
Share Market			✗
Starting Up a Business			✗
Invest in Gold			✗
Be an Angel Investor			✗
Life Insurance			✓

Note: This comparison is based on desk research done with current market statistics such as interest/dividend rates, perceived risks, perceived market value, public perception, etc. as at April 2021.

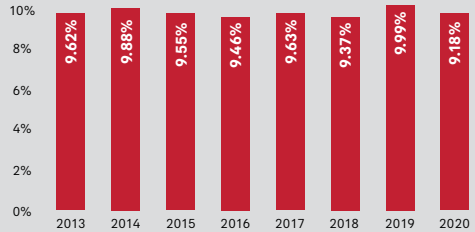
There is only one option that offers a healthy balance of Returns and Security, protecting your wealth while growing it even when you are not around. Life insurance is the only option which has an in-built Life Benefit regardless of its risk and return. This ensures that your wealth stays protected and that your loved ones also remain financially protected, even in your absence.

# Why should you choose AIA Insurance over other investment options?



## Return

AIA has consistently delivered attractive dividends to policyholders, above the promised amount, over the years. This is an indication of the consistency and quality of AIA's investment strategy.



## Security

The premiums you pay will be invested in a secure fund called the 'Life Fund' which is managed under the governance rules set by the Insurance Regulatory Commission of Sri Lanka.

At AIA, we maintain most of our investments in government bonds and high credit quality debentures.

AIA's prudent investment strategy is designed to ensure the safety and stability of our policyholders' money, whilst optimising returns over the long-term.

Your fund will be well managed ensuring that you will receive better returns.



## Life Protection

The only investment option which has a Life Cover.

AIA has been recognised as the 'Best Life Insurance Company in Sri Lanka' for two consecutive years in 2019 and 2020.\*

100 years of history in the Asia-Pacific Region.

34 million individual policies worldwide.

Note: Above dividend rates indicate the Gross Rate based on 75% of AIA Sri Lanka's Yield in accordance with the policy conditions of currently selling life insurance policies. Please note that past performance is not an indicator of future performance.

\*Awarded by Global Banking and Finance Review.

# AIA SMART WEALTH



**To create and protect your wealth, we offer you AIA Smart Wealth**

**A life insurance plan that offers secured investment benefits. This is a flexible plan that's designed to help you create, manage, and protect your wealth.**

## KEY BENEFITS OF AIA SMART WEALTH AT A GLANCE



Life  
Benefit



Annually  
Guaranteed  
Dividends



A large FUND  
at maturity with  
a significant  
Loyalty Reward



Long term  
protection for a  
short premium  
paying term



Flexibility  
in maturity  
withdrawal



Option of  
emergency cash  
withdrawal



Growing  
Monthly  
Income



Premium  
Protection  
Benefit



Dividend  
Booster



Accident Benefit



Total Permanent  
Disability Benefit



## DID YOU KNOW?

AIA Smart Wealth can help you not just to create wealth but also to manage and protect it.

# Why AIA Smart Wealth is the best solution for you

AIA Smart Wealth helps you to build and grow your wealth in 3 ways.

## WEALTH CREATION



## WEALTH MANAGEMENT



## WEALTH PROTECTION



## WEALTH CREATION



- Pay premiums for a short term - 4 or 6 years and build a fund for up to 20 years.
- Annually guaranteed Dividends.
- A large fund at the end of the Policy Term.
- Collect your fund at maturity as a lump sum or receive an income for up to 30 years (or even opt to receive a portion as a lump sum and the balance as a monthly income).
- An attractive Loyalty Reward at the 15<sup>th</sup> and 20<sup>th</sup> Policy Year (paid at maturity for 10 and 15 year Policy Terms).

## WEALTH MANAGEMENT



- Your fund will be well managed ensuring that you will receive better returns.
- Most of your fund will be invested in government bonds and other secure, high quality financial instruments.
- Prudent and secure investments.
- The Highest Capital Adequacy Ratio (CAR) amongst life insurers in the country.

## WEALTH PROTECTION



- A Life Benefit equal to 5 to 50 times your Total Annualised Premium - If you pass away, your loved ones will receive the Life Benefit.
- An Accident Benefit in the unfortunate event of death due to an accident.
- Coverage for Total Permanent Disability and Permanent Partial Disability due to an accident.
- Premium Protection Benefit - Should you pass away or become totally permanently disabled, AIA will pay your premium on your behalf and your loved ones will receive the maturity as you intended.



# IN-BUILT PROTECTION BENEFITS

## IN THE UNFORTUNATE EVENT OF DEATH



Your loved ones will immediately receive the Life Benefit amount.



If death occurs due to an accident, the Accident Benefit amount is also paid in addition to the Life Benefit amount.



If death occurs during the Premium Paying Term, AIA will pay your premiums on your behalf and continue your policy.



Your loved ones would benefit from the fund at the end of the Policy Term. They will have the flexibility of choosing to claim the fund as a lump sum or a monthly income.

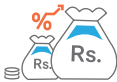
## IN THE UNFORTUNATE EVENT OF PERMANENT DISABILITY DUE TO AN ACCIDENT



If Total Permanent Disability occurs, you will receive the applicable benefit amount as specified in the policy document. If Permanent Partial Disability occurs, you will receive the applicable benefit amount mentioned in the policy document.



If Total Permanent Disability occurs during the Premium Paying Term, AIA will pay your premiums on your behalf and continue your policy. The continuation of the policy by AIA is applicable even if the Total Permanent Disability is due to a sickness.



You can enjoy the fund you intended to build at the end of the Policy Term. You have the flexibility of choosing to claim the fund as a lump sum or a monthly income.



## LOYALTY REWARDS ARE PAID TO PROVIDE YOU A LARGE MATURITY FUND!

Your financial commitment will give you Loyalty Rewards of up to 450% of the Annualised Basic Premium in the 15<sup>th</sup> and 20<sup>th</sup> year for 20 year Policy Terms and at maturity for 10 and 15 year Policy Terms.

Premium Paying Mode	Term 20 Plan				Term 15 Plan	Term 10 Plan
	Year 15		Year 20		Year 15	Year 10
	6 pay	4 pay	6 pay	4 pay	6 pay	4 pay
Annually	50%	50%	400%	250%	225%	150%
Half Yearly	50%	50%	400%	250%	225%	150%
Quarterly	50%	50%	350%	200%	200%	150%
Monthly	50%	50%	300%	200%	175%	150%

## A LUMP SUM AT MATURITY OR A MONTHLY INCOME ENRICHED BY THE DIVIDEND BOOSTER

You can opt to claim your full Maturity Benefit as a Lump Sum or you can choose to claim it as a monthly income for a period of 5 to 30 years. The Dividend Booster feature will boost your monthly income by paying 30% more of the Annual Dividend Rate, if you select the Monthly Income Option at maturity.



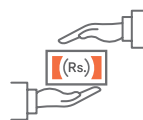
## ANNUALLY GUARANTEED DIVIDENDS

AIA Smart Wealth offers a unique Dividend system that ensures continuous growth of your fund each year. This can be either at the Declared Dividend Rate (net of charges) or the Annual Guaranteed Dividend Rate (net of charges), whichever is higher.



## IN CASE OF A FINANCIAL EMERGENCY

Any time after the completion of the Premium Paying Term, you can withdraw 15% of the Fund Value. This flexibility is provided considering the eventualities we could face in life and it is available once during the Policy Term.



## HOW DOES AIA SMART WEALTH WORK?

**Example 1:** Rajiv is 35 years old (on his next birthday). He is married and living life to its fullest with his wife and two kids. He purchased AIA Smart Wealth with the following benefits.



Premium Paying Term - <b>6 Years</b>	Life Benefit - <b>Rs. 2.5 Million</b>
Policy Term - <b>20 Years</b>	Accident Benefit - <b>Rs. 2.5 Million</b>
Annual Premium - <b>Rs. 250,000</b>	Premium Protection Benefit - <b>Yes</b>

## How AIA Smart Wealth has helped Rajiv to create, manage and protect his wealth

### Investment Benefits for Rajiv

The Illustrated Fund for Rajiv at maturity will be as follows.

	Assumed Dividend Rates		
	4% p.a	8% p.a	10% p.a
Illustrated Fund at maturity (in Rs.).	2,784,734	4,521,958	5,884,770

If Rajiv chooses to receive his Maturity Benefit as a monthly income for a period of 15 years, the illustrated monthly income at the beginning of each year will be as follows (in Rs).

Assumed Dividend Rates	4% p.a	8% p.a	10% p.a
<b>Illustrated Annual Dividend Rates with Dividend Booster</b>	<b>5.2% p.a</b>	<b>10.4% p.a</b>	<b>13% p.a</b>
At age 56	15,471	25,122	32,693
At age 61	19,233	39,820	58,262
At age 66	23,911	63,116	103,829
Total Income Value during the Income Receiving Period	3,844,140	9,316,512	14,923,213

## Protection Benefits for Rajiv

If Rajiv unfortunately passes away during the 3<sup>rd</sup> Year due to an accident, his loved ones will receive the following PROTECTION BENEFITS.



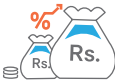
Life Benefit of Rs. 2,500,000 will be paid to Rajiv's loved ones.



Accident Benefit of Rs. 2,500,000 will be paid to Rajiv's loved ones in addition to the Life Benefit.



AIA will pay the premiums on Rajiv's behalf and continue his policy.



Rajiv's loved ones would benefit from the fund at the end of the Policy Term. They will have the flexibility of choosing to claim the fund as a lump sum or a monthly income at maturity.



**Example 2:** Gayan is 40 years old (on his next birthday). He is married and living life to its fullest with his wife and two kids. He purchased AIA Smart Wealth with the following benefits.



Premium Paying Term - <b>4 Years</b>	Life Benefit - <b>Rs. 2 Million</b>
Policy Term - <b>10 Years</b>	Accident Benefit - <b>2 Million</b>
Annual Premium - <b>Rs. 400,000</b>	Premium Protection Benefit - <b>Yes</b>

## How AIA Smart Wealth has helped Gayan to create, manage and protect his wealth

### Investment Benefits for Gayan

The Illustrated Fund for Gayan at maturity will be as follows.

	Assumed Dividend Rates		
	4% p.a	8% p.a	10% p.a
Illustrated Fund at maturity (in Rs.).	1,903,502	2,409,706	2,721,034

If Gayan chooses to receive his Maturity Benefit as a monthly income for a period of 15 years, the illustrated monthly income at the beginning of each year will be as follows (in Rs).

Assumed Dividend Rates	4% p.a	8% p.a	10% p.a
<b>Illustrated Annual Dividend Rates with Dividend Booster</b>	<b>5.2% p.a</b>	<b>10.4% p.a</b>	<b>13% p.a</b>
At age 51	10,575	13,387	15,117
At age 56	13,147	21,219	26,940
At age 61	16,344	33,634	48,009
Total Income Value during the Income Receiving Period	2,627,658	4,964,675	6,900,282

## Protection Benefits for Gayan

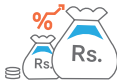
If Gayan unfortunately becomes Totally Permanently Disabled during the 2<sup>nd</sup> Year due to an accident, his loved ones will receive the following PROTECTION BENEFITS.



Rs. 2,000,000 will be paid to Gayan as specified in the Policy Document.



AIA will pay the premiums on Gayan's behalf and continue his policy.



Gayan and his loved ones would benefit from the fund at the end of the Policy Term. He will have the flexibility of choosing to claim the fund as a lump sum or a monthly income.



# IMPORTANT PRODUCT INFORMATION

<b>Entry Age</b>	19 - 61 years (Next Birthday)
<b>Maximum Maturity Age</b>	76 years (Next Birthday)

<b>Premium Paying Term</b>	4 years or 6 years
<b>Policy Term</b>	Option 1 - 20 years (6 Pay & 4 Pay)
	Option 2 - 15 years (6 Pay only)
	Option 3 - 10 years (4 Pay only)
<b>Draw down option as monthly income (Term)</b>	05 to 30 years

<b>Minimum Total Annualised Premium</b>	4 Year Premium Paying Term – Rs. 100,000
	6 Year Premium Paying Term – Rs. 75,000

<b>Premium Paying Mode</b>	Annually, Half-yearly, Quarterly and Monthly
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# APPLICABLE CHARGES

Policy Year		1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	5 <sup>th</sup>	6 <sup>th</sup>
Allocation Charge on Annualised Basic Premium	6 Pay	60%	25%	15%	10%	5%	5%
	4 Pay	60%	25%	15%	10%	-	-

Policy Year	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup> to 10 <sup>th</sup>	11 <sup>th</sup> Policy Year onwards
Surrender Penalty	100%			100% to 0%*	0%

\*Linearly grading down over the years.

## Administration Charge

Rs. 1,224 per annum for 2021 increasing by 15% per annum every 1<sup>st</sup> of January.

## Modal Charge

4% on premium for monthly mode.

## Fund Management Charge

0.75% per annum will be charged on the investment account balance throughout the term of the policy as well as the monthly income period.



# FREQUENTLY ASKED QUESTIONS

## 1. **What is AIA Smart Wealth?**

AIA Smart Wealth is a Life Insurance policy with a Short Premium Paying Term which provides Long Term Protection whilst creating, managing, and protecting your wealth.

## 2. **For how long do I need to pay premiums when I purchase a AIA Smart Wealth plan?**

You need to pay premiums for only 4 or 6 years. But you are protected for up to 20 years.

## 3. **I already have my savings. Why do I need this?**

There are many options for you to invest in and save. But Life Insurance is the only option which provides 'Protection' whilst increasing your savings. AIA Smart Wealth is one of the best life insurance plans with in-built protection and savings benefits.

## 4. **What are the Premium Paying Term and Policy Term options available to me?**

4 Pay 10 (Premium Paying Term is 4 years and Policy Term is 10 years)

4 Pay 20 (Premium Paying Term is 4 years and Policy Term is 20 years)

6 Pay 15 (Premium Paying Term is 6 years and Policy Term is 15 years)

6 Pay 20 (Premium Paying Term is 6 years and Policy Term is 20 years)

## 5. **What would happen if I pass away?**

In the unfortunate event of your death, your loved ones will immediately receive the Life Benefit amount. If the death is due to an accident, the Accident Benefit amount is also paid in addition to the Life Benefit amount. If the death is during the Premium Paying Term, AIA will pay your premiums on your behalf and continue your policy. So, your loved ones would benefit from the fund you intended to build for them. They will have the flexibility of choosing to claim the fund as a lump sum or a monthly income at maturity.

## 6. **How does AIA Smart Wealth build my fund?**

The basic premium that you pay will be invested in your investment account from day one (after deducting allocation charges) so that your fund building starts from your first payment itself. Additionally, Annual Dividends will be added to your fund on a compounding basis so that you have a large fund at the end of the Policy Term.

**7. Does AIA Smart Wealth pay a Guaranteed Dividend for my fund?**

Your fund will be boosted by an Annual Dividend each year. The Guaranteed Dividend is the Minimum Dividend that your fund will receive. However, if the Actual Declared Dividend Rate is higher than the Annual Guaranteed Dividend Rate, then what you receive is the higher Dividend Rate. This ensures that you receive a larger fund at maturity.

**8. What are the Dividend Rates that AIA has paid in the recent past?**

The minimum guaranteed Dividend Rate vs the declared Dividend Rate for similar products in the recent past are shown below:

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021
Minimum guaranteed Dividend Rate	8%	8%	8%	8%	8%	8%	8%	8%	8%
Actual declared Dividend Rate	9.62%	9.88%	9.55%	9.46%	9.63%	9.37%	9.99%	9.18%	

Note: The minimum guaranteed Dividend Rate and the actual Dividend Rate declared annually may vary based on the expected yield of the Life Fund and this could be lower, higher or similar to the Dividend Rates declared in the past.

**9. What are the protection benefits available with AIA Smart Wealth?**

- Life Benefit.
- Accident Benefit which covers death due to accident, Total Permanent Disability, and Permanent Partial Disability due to an accident (TPD and PPD due to accident).
- Premium Protection Benefit.

**10. Can I withdraw cash from this policy?**

You can withdraw 15% of your Fund Value after the completion of the Premium Paying Term, once during the Policy Term.

## **11. What is the difference between Annualised Basic Premium and Total Annualised Premium?**

Annualised Basic Premium is the premium without the risk charges for the Life Benefit, the Accident Benefit and the Premium Protection Benefit. This premium will be allocated to your investment account to build your fund after applying Allocation Charges.

Total Annualised Premium is the premium for all your savings and protection benefits. This includes the premium allocated to your investment account, the premium for the Life Benefit, the Accident Benefit, and the Premium Protection Benefit.

## **12. How can I purchase a AIA Smart Wealth Policy?**

You can contact your AIA Wealth Planner, Authorized Broker or call us on 0112 310 310.

## **Terms and Conditions**

This product can be obtained only from a licensed AIA Wealth Planner or from an Authorized Broker.

You have the right to choose an insurer and / or an insurance product of your choice and / or to refuse any insurance product that is bundled or tiered with any financial products or services provided by a Bank or any other institute.

This is only a product overview. Terms and Conditions apply. For full product details and Terms and Conditions please refer the policy document. You will also be provided with a Sales Illustration – Quotation before signing your Proposal Form which further elaborates the product's features and disclosures.

If the Life Assured is not the Policy Owner, the benefits provided by the policy will be applicable to the Policy Owner, whilst the covers are applicable to the Life Assured.

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