

Manulife Financial Launches High Net Worth Financial Product for First Time in Asia

By Jared Heng



Manulife Financial, a Canadian-based financial services group serving millions of customers worldwide, Thursday launched its new offering called 'Heritage' in Singapore. Heritage is a US currency-denominated universal life insurance policy that is designed as an intelligent asset management, asset diversification and wealth protection strategy, according to the group.

Heritage targets the High Net Worth Individuals (HNWI) market segment, allowing HNWI to consolidate their wealth by protecting the real value of their asset portfolios upon demise.

"A first-of-its-kind to be underwritten in Asia for Manulife, Heritage is tailored exclusively for the HNWI who would normally have a minimum of US\$5 million in assets and wish to have the security of wealth preservation, legacy enhancement and timely liquidity for wealth distribution," said Annette King, President and Chief Executive Officer, Manulife Singapore.

Ms King added that the continued growth of individual wealth presented the "perfect opportunity" to introduce a product such as Heritage, which would further enhance Manulife's corporate profile and extend the group's expertise into other areas of the market.

The HNWI market segment is growing in Asia. According to the Capgemini-Merrill Lynch Wealth Management Report 2010, Asia will overtake North America with the highest number of HNWI by 2013.

While Heritage will cater mainly to HNWI with at least US\$5 million in assets, Manulife will also consider for eligibility income-rich individuals who have the potential to be asset-rich in future on a case-by-case basis. "We look at such individuals' income levels, which would be quantified in terms of their potential asset value in future," said Nick Czolak, Senior Vice President and Chief Marketing Officer, Manulife Singapore.

Distinctive Features

Distinctive features of Heritage include flexible premium payments, a Cash Value Enhancement option for clients who wish to use the product as collateral for a loan, two death benefit options and a no-lapse guarantee for coverage.

With a flexible premium payment arrangement, clients can pay in a lump sum or periodically, as well as determine how long the funding period will be.

The no-lapse guarantee guarantees that the death benefit will not lapse even if the net surrender value falls to zero or below as long as the death benefit protection test continues to be met and policy debt does not exceed policy value, according to Manulife.

The current crediting rate is at 4.8 per cent per annum. With a minimum guaranteed interest crediting rate of 3 per cent per annum, this interest rate is credited monthly to the policy value.

To promote a healthier lifestyle, Heritage policies underwritten in Singapore include a Quit Smoking Incentive (QSI) feature. QSI provides smokers who are trying to stop smoking with standard non-smoker policy charges for the first three years. With satisfactory evidence that the policyholder has quit smoking for at least 12 consecutive months, the client's risk class and policy charges will be permanently changed to those of a standard non-smoker.

In addition, Heritage continues to provide insurance benefits beyond the centenarian mark and these special clients will incur no further costs of insurance or face amount charges.

Heritage will be distributed by selected international brokers, private banks, retail banks and Manulife financial planners. "We will be working with the international distributor network, including parties such as Charles Monat Associates and Citibank," Mr Czolak said. "We are also talking to several other banks with which we already have existing arrangements."