

## Nomination Guide

### Frequently Asked Question on Nomination

#### **Who should make the nomination?**

You can make a nomination if you are 16 years old and above. You are encouraged to appoint a nominee as it will expedite payment of moneys upon death without the need for letters of administration or grant of probate.

#### **How do I make a nomination?**

Step 1 – Download the nomination form from Berjaya Sampo Insurance Berhad website:

You are advised to read the IMPORTANT NOTES set out in the form before making nomination.

Step 2 – Complete the nomination form. The nomination form must be signed by a witness who is 18 years old and above, of sound mind and who is not your nominee.

Step 3 – Submit the original copy of the completed form to your insurance agent or Berjaya Sampo Insurance Berhad office.

#### **Who can I nominate?**

You can nominate any individual(s). However, not all nominees will receive the policy money as beneficiary.

For non-muslim policy owner, if you nominate your spouse or child or parent (provided that there is no living spouse or child at the time of such nomination). A trust policy will be created and the nominee(s) will receive the policy money as a beneficiary (*Appointment of Trust Policy*).

Where the nominee is not your spouse or child or parent (if there is no living spouse or child at the time of nomination), a non-trust policy will be created (*Non-Trust Policy*). - For Muslim policy owner, please see Muslim Policyholder.

#### **What is the difference between beneficiary and nominee?**

A nominee is a person nominated in an insurance Policy to receive or administer the Policy money upon the demise of the policyholder. If your intention is for your nominee(s) to receive the policy money beneficially and not as executor, you have to assign the policy benefits to them, unless your nominee(s) is your spouse, child or parents.

A beneficiary is a person who is entitled to receive for his/her own benefit, the policy money under an insurance Policy.

#### **When do you make a nomination?**

- a) Nomination can be done at the time of the Policy issued to you.
- b) You can also change your nomination at any time throughout the Policy period, when necessary.
- c) The latest nomination submitted by you and effected by us will supersede all previous nominations, if any.

### APPOINTMENT OF TRUST POLICY

#### **What is a Trust Policy?**

A trust Policy is created when a non-Muslim policyholder nominates his/her spouse, child, or parent (where there is no spouse or child living at the time of nomination).

#### **What is the impact of creating a Trust Policy?**

- a) the nominee(s) will receive the Policy money beneficially; and
- b) the Policy money will not form part of the policyholder's estate.

#### **Why is a Trustee appointed?**

- a) to administer the Policy money (especially if the nominee named is below the age of 18); and
- b) to ensure the distribution of the policy money is made according to the non-Muslim policyholder's nomination.

#### **What is the role of a trustees?**

A trustee is a person who is appointed to receive the Policy money in a trust Policy created by a non-muslim policy owner.

Upon the demise of the Policy owner, the trustee's duties would be to receive the Policy money and distribute them to the nominees accordingly. The trustees must act in the best interest of the nominees at all times.

The appointment of trustee(s) is especially important for children below 18 years of age because, legally, minors are considered incompetent to enter into a contract and therefore not able to receive the Policy money directly.

### **What happens if a Trustee is not appointed?**

In the event no trustee is appointed, the trustee(s) shall be:

- a) nominee(s) who is competent to contract;
- b) where the nominee(s) is incompetent to contract, the parent of the incompetent nominee(s) other than the non-Muslim policyholder; or
- c) when there is no surviving parent, the public trustee or a trust company nominated by the non-Muslim policyholder.

### **The trustee(s)' written consent must be obtained to:**

- a) revoke a nomination;
- b) add a nominee who is not a spouse, child or parent;
- c) vary the policy nomination to the adverse interest of the nominees; or
- d) surrender, assign or pledge the policy as security.

### **What portions of the nomination form do I have to complete?**

- a) Policy Number or Certificate Number and Name of Proposer/ Policyholder (who is also the Person Insured);
- b) Appointment of Nominee(s)
- c) Appointment of Trustees
- d) Consent of Trustees
- e) Signature of Policyholder.
- f) Revocation of existing nominee(s) or trustee(s) – (for any change of nominee(s) /trustee(s))

### **What does the non-Muslim policyholder need to do if they want to make changes to the Nominee/Trustee?**

Complete the following sections of the Nomination form:

- a) Policy Number or Certificate Number and Name of Proposer/ Policyholder (who is also the Person Insured);
- b) Appointment of Nominee(s)
- c) Signature of Policyholder.
- d) Revocation of existing nominee(s) or trustee(s) – (for any change of nominee(s) /trustee(s))

## **NON – TRUST POLICY**

### **What is a Non-Trust Policy?**

A non-trust Policy is created when a non-Muslim policyholder nominates a person other than his/her spouse, child or parent.

### **What is the impact of creating Non-Trust Policy?**

- a) the nominee(s) will only receive the Policy money as an executor and not solely as a beneficiary; and
- b) the Policy money will form part of the policyholder's estate and shall be distributed in accordance to his/her will, if any or laws relating to the distribution of the estate of the deceased.

If the intention is for the nominee who is not a spouse, child or parent to receive the Policy money as a beneficiary, the benefits of the Policy must be legally assigned.

### **What portions of the nomination form do I have to complete?**

- a) Policy Number or Certificate Number and Name of Proposer/ Policyholder (who is also the Person Insured);
- b) Appointment of Nominee(s)
- c) Signature of Policyholder.
- d) Revocation of existing nominee(s) or trustee(s) – (for any change of nominee(s) /trustee(s))

## **MUSLIM POLICYHOLDER**

Nominees of Muslim policyholder shall receive the Policy money as an executor and not solely as a beneficiary, and upon receipt of such Policy money shall distribute the Policy money in accordance with Islamic Law.

### **What portions of the nomination form requires completion?**

- a) Policy Number or Certificate Number and Name of Proposer/ Policyholder (who is also the Person Insured);
- b) Appointment of Nominee(s)
- c) Signature of Policyholder.
- d) Revocation of existing nominee(s) or trustee(s) – (for any change of nominee(s) /trustee(s))