



Coffeebreak

09/2020

What Provident Has Achieved In 19 Years

New Critical Illness Standardisation (2019) and Its Implications

Provident's Paradigm Shift In Times of Pandemic

Dear Valued Client,

Traditionally, September is not a well like month in the year. For some folks who live up in the northern hemisphere, it is the time of the year where students go back to school after a long summer break. Besides having to transit back to campus life, it is also the time of the year where the weather is transiting from summer to autumn and every hour, the weather can change. Many years ago, when I was up in the UK for my MBA summer school, I remember it was always wet and sometimes hot and sometimes cold. For investors, there is this belief that September is a bad month for stocks. And of course, 19 years ago, September was remembered as the month when terrorism changed the world. On September 11, 2001, two planes crashed into the then World Trade Centre and both towers became ground zero in less than 2 hours.

But that was also the day when Providend was officially birthed as a company. It was a challenging start for us as the government delayed the Financial Advisers Act and we could not apply for our license to practice. With a payroll of 13 people and an office space in the middle of Raffles Place to pay for, it was a very stressful time for Providend and especially for me, the founder and CEO of the company. When we got our license in May of 2003, many of us have depleted our savings. 19 years later, Providend is a thriving boutique wealth advisory firm and known in the industry as firm that has made its name through ethical practices. I am first grateful to God for His protection and favour. I am also thankful to all my colleagues, past and present at Providend whom have sacrificially but steadfastly made

us who we are today. But most importantly, I am thankful to all our clients whom believe in us and have stayed with us all these years. As Providend goes into the next phase of our business life, we will continue to strive towards not just excellence but doing the right thing for our clients. For we know that if we first take care of clients' interest, the rest will fall in place.

2020 has not been an easier year for all of us. As we enter into the final quarter of the year, I wish everyone the best of health.

Warmest regards,
Chief Executive Officer

Christopher Tan



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What Providend Has Achieved In 19 Years

HAPPY BIRTHDAY PROVIDEND!



**WHAT
PROVIDEND
HAS
ACHIEVED
IN 19 YEARS**

PROVIDEND 



02

New Critical Illness Standardisation (2019) and Its Implications

Eddy Cheong, Head of Solutions Team

In 2019, the Life Insurance Association (LIA) proposed a revised set of standardised critical illness definitions that eventually were implemented by insurers. From 26 August 2020, all critical illness policies sold here must adopt this new set of definitions. Definition is important as it is the yardstick for the insurance company to determine if a critical illness diagnosed qualifies for a claim.

This is not the first time critical illness definitions have been standardised. Previous rounds in 2003 and 2014 were implemented to standardise a common set of critical illness definitions for the life insurance industry to adopt so as to avoid confusion among insurers in the different ways definitions were crafted as well as to keep the definitions relevant in view of medical advancement.

The objectives of LIA's review this time is to bring the 2014's common critical illness definitions up to date and align with advances in medical technology and practices as well as to address ambiguity based on insights from the past 5 years of experience. The names of some definitions were also revised to better reflect the intent of the coverage.

So what is the impact from this 2019 standardisation?

In our findings, we observed that most of the definitions remained unchanged or neutral in effect. Some definitions, however, were revised what seem to either become stricter, relaxed, or have a mix of both within the same definition.

In gist, of the 37 major critical illness (CI) definitions:

- 16 of them are unchanged, of which 6 have their headers (names) made clearer with no change to their definitions.
- 21 of these CI definitions have been revised
 - a. 8 of these 21 have clearer headers
 - b. In terms of the change in level of strictness of claims outcome:
 - iii. 3 of these 21 CI are observed to be stricter
 - iv. 2 of these 21 CI have a mix bag of stricter-cum-relaxed parts in its definitions.
 - v. 1 of the 21 CI are observed to be more relaxed
 - vi. 15 of these 21 CI are observed to be neutral in terms of their level of strictness

Let us expand on these two broad categories of CI definitions.

The 16 CI With Unchanged Definitions

Here are the definitions that remained unchanged:

1	Coronary Artery By-pass Surgery	9	Fulminant Hepatitis
2	End Stage Kidney failure^	10	Motor Neurone Disease
3	End Stage Lung Disease	11	Primary Pulmonary Hypertension
4	End Stage Liver Disease	12	Severe Bacterial Meningitis^
5	Open Chest Heart Valve Surgery^	13	Angioplasty & Other Invasive Treatment for Coronary Artery
6	Major Burns	14	Paralysis (Irreversible Loss of Use of Limbs)^
7	Major Organ / Bone Marrow Transplantation	15	Terminal Illness
8	Open Chest Surgery to Aorta^	16	Persistent Vegetative State (Apallic Syndrome) ^

^Bold portion refers to additional description to its header to make definition clearer and less ambiguous. Take for example Apallic Syndrome, it is now renamed to Persistent Vegetative State because most people would understand the Persistent Vegetative State better than the former.

The 21 CI With Changes To Definitions

	Definitions	Change in Claim Strictness
1	Major Cancers [^]	Stricter
2	Heart Attack of Specified Severity	Neutral
3	Stroke with Permanent Neurological Deficit [^]	Neutral
4	Irreversible Aplastic Anaemia [^]	Neutral
5	Coma	Stricter
6	Deafness (Irreversible Loss of Hearing) [^]	Neutral
7	Irreversible Loss of Speech [^]	Neutral
8	Multiple Sclerosis	Neutral
9	Muscular Dystrophy	Neutral
10	Idiopathic Parkinson's Disease [^]	Neutral
11	Alzheimer's Disease / Severe Dementia	Neutral
12	HIV Due to Blood Transfusion and Occupationally Acquired HIV	Relaxed
13	Benign Brain Tumour	Mix of stricter & relaxed
14	Severe Encephalitis [^]	Neutral
15	Blindness (Irreversible Loss of Sight) [^]	Mix of stricter & relaxed
16	Major Head Trauma	Neutral
17	Progressive Scleroderma	Neutral
18	Systemic Lupus Erythematosus with Lupus Nephritis	Neutral
19	Other Serious Coronary Artery Disease	Stricter
20	Poliomyelitis	Neutral
21	Loss of Independent Existence	Neutral

^Bold portion refers to additional description to the header to make definition clearer and less ambiguous.

Major Cancer Made Stricter

More exclusions are added to the 2019 Major Cancer definition. Major Cancer diagnosed based on finding tumour cells in the blood, saliva, faeces, urine or any other bodily fluid in the absence of further definition and clinically verifiable evidence does not meet this definition. More definitive medical evidence is required to satisfy this definition.

Other Serious Coronary Artery Disease Made Stricter

The new definition excludes certain diagnostic procedures in detecting serious coronary artery

disease. If coronary artery disease is detected only through imaging or non-invasive procedures such as CT scan or MRI, this itself is not sufficient to meet the definition requirement.

Coma Made Stricter

What is added to the 2019 definition is the specific exclusion of Coma arising from been medically induced.

Mix Bag Of Strict And Relaxed Parts In Benign Brain Tumour

In the 2014 definition, the brain tumour must be life threatening and has caused damage to the brain to qualify its requirement, but these conditions are now removed from the 2019 definition. However, more exclusions are also added to the 2019 definition, namely abscess and angioma, making it stricter.

Mix Bag Of Strict And Relaxed Parts In Blindness

In the 2014 CI definition, clients can only claim if the vision is measured at 3/60 or worse in both eyes using Snellen eye chart or equivalent test. In the 2019 definition, this was relaxed to 6/60 (the higher the more relaxed) but it is also explicit to state that the blindness must not be correctable by surgical procedures, implants or any other means.

HIV Due To Blood Transfusion And Occupationally Acquired HIV More Relaxed

If one is diagnosed with HIV with Thalassaemia Major or Haemophilia, he or she would not be able to claim under 2014 definition but is now possible under the 2019 definition.

Will My Current CI Plans Be Affected?

These CI definitions will apply to late-stage critical illness policies bought after 26 August 2020. Older policies bought before 26 Aug 2020 are not affected by this standardisation exercise. However, existing Group insurance that is renewed on or after 26 August 2020 will carry the new 2019 definitions.



Appendix: Affected CI definitions¹

<p><u>Version 2014</u></p> <p>Major Cancers</p> <p>A malignant tumour positively diagnosed with histological confirmation and characterized by the uncontrolled growth of malignant cells with invasion and destruction of normal tissue.</p> <p>The term malignant tumour includes leukemia, lymphoma and sarcoma.</p> <p>For the above definition, the following are excluded:</p> <ul style="list-style-type: none"> All tumours which are histologically classified as any of the following: <ul style="list-style-type: none"> Pre-malignant; Non-invasive; Carcinoma-in-situ; Having borderline malignancy; Having any degree of malignant potential; Having suspicious malignancy; Neoplasm of uncertain or unknown behavior; or Cervical Dysplasia CIN-1, CIN-2 and CIN-3; Any non-melanoma skin carcinoma unless there is evidence of metastases to lymph nodes or beyond; Malignant melanoma that has not caused invasion beyond the epidermis; All Prostate cancers histologically described as T1N0M0 (TNM Classification) or below; or Prostate cancers of another equivalent or lesser classification; All Thyroid cancers histologically classified as T1N0M0 (TNM Classification) or below; All tumours of the Urinary Bladder histologically classified as T1N0M0 (TNM Classification) or below; All Gastro-Intestinal Stromal tumours histologically classified as T1N0M0 (TNM Classification) or below and with mitotic count of less than or equal to 5/50 HPFs; Chronic Lymphocytic Leukaemia less than RAI Stage 3; and All tumours in the presence of HIV infection. 	<p><u>Version 2019</u></p> <p>Major Cancer</p> <p>A malignant tumour positively diagnosed with histological confirmation and characterized by the uncontrolled growth of malignant cells with invasion and destruction of normal tissue.</p> <p>The term Major Cancer includes, but is not limited to, leukemia, lymphoma and sarcoma.</p> <p>Major Cancer diagnosed on the basis of finding tumour cells and/or tumour-associated molecules in blood, saliva, faeces, urine or any other bodily fluid in the absence of further definitive and clinically verifiable evidence does not meet the above definition.</p> <p>For the above definition, the following are excluded:</p> <ul style="list-style-type: none"> All tumours which are histologically classified as any of the following: <ul style="list-style-type: none"> Pre-malignant; Non-invasive; Carcinoma-in-situ (Tis) or Ta; Having borderline malignancy; Having any degree of malignant potential; Having suspicious malignancy; Neoplasm of uncertain or unknown behavior; or All grades of dysplasia, squamous intraepithelial lesions (HSIL and LSIL) and intra epithelial neoplasia; Any non-melanoma skin carcinoma, skin confined primary cutaneous lymphoma and dermatofibrosarcoma protuberans unless there is evidence of metastases to lymph nodes or beyond; Malignant melanoma that has not caused invasion beyond the epidermis; All Prostate cancers histologically described as T1N0M0 (TNM Classification) or below; or Prostate cancers of another equivalent or lesser classification; All Thyroid cancers histologically classified as T1N0M0 (TNM Classification) or below; All Neuroendocrine tumours histologically classified as T1N0M0 (TNM Classification) or below; All tumours of the Urinary Bladder histologically classified as T1N0M0 (TNM Classification) or below; All Gastro-Intestinal Stromal tumours histologically classified as Stage I or IA according to the latest edition of the AJCC Cancer Staging Manual, or below; Chronic Lymphocytic Leukaemia less than RAI Stage 3;
<p><u>Version 2014</u></p> <p>Other Serious Coronary Artery Disease</p> <p>The narrowing of the lumen of at least one coronary artery by a minimum of 75% and of two others by a minimum of 60%, as proven by coronary arteriography, regardless of whether or not any form of coronary artery surgery has been performed.</p> <p>Coronary arteries herein refer to left main stem, left anterior descending, circumflex and right coronary artery.</p>	<p><u>Version 2019</u></p> <p>Other Serious Coronary Artery Disease</p> <p>The narrowing of the lumen of at least one coronary artery by a minimum of 75% and of two others by a minimum of 60%, as proven by invasive coronary angiography, regardless of whether or not any form of coronary artery surgery has been performed.</p> <p>Diagnosis by Imaging or non-invasive diagnostic procedures such as CT scan or MRI does not meet the confirmatory status required by the definition.</p> <p>Coronary arteries herein refer to left main stem, left anterior descending, circumflex and right coronary artery. The branches of the above coronary arteries are excluded.</p>
<p><u>Version 2014</u></p> <p>Coma</p> <p>A coma that persists for at least 96 hours. This diagnosis must be supported by evidence of all of the following:</p> <ul style="list-style-type: none"> No response to external stimuli for at least 96 hours; Life support measures are necessary to sustain life; and Brain damage resulting in permanent neurological deficit which must be assessed at least 30 days after the onset of the coma. <p>Coma resulting directly from alcohol or drug abuse is excluded.</p>	<p><u>Version 2019</u></p> <p>Coma</p> <p>A coma that persists for at least 96 hours. This diagnosis must be supported by evidence of all of the following:</p> <ul style="list-style-type: none"> No response to external stimuli for at least 96 hours; Life support measures are necessary to sustain life; and Brain damage resulting in permanent neurological deficit which must be assessed at least 30 days after the onset of the coma. <p>For the above definition, medically induced coma and coma resulting directly from alcohol or drug abuse are excluded.</p>

¹https://www.lia.org.sg/media/2161/mu5819-part-3-of-4-_lia-ci-framework-2019_comparison-of-lia-definitions_2014-and-2019.pdf

<p><u>Version 2014</u></p> <p>Benign Brain Tumour</p> <p>Benign brain tumour means a non-malignant tumour located in the cranial vault and limited to the brain, meninges or cranial nerves where all of the following conditions are met:</p> <ul style="list-style-type: none"> It is life threatening; It has caused damage to the brain; Removed It has undergone surgical removal or, if inoperable, has caused a permanent neurological deficit; and Its presence must be confirmed by a neurologist or neurosurgeon and supported by findings on Magnetic Resonance Imaging, Computerised Tomography, or other reliable imaging techniques. <p>The following are excluded:</p> <ul style="list-style-type: none"> Cysts; Granulomas; Vascular Malformations; Haematomas; and Tumours of the pituitary gland or spinal cord. 	<p><u>Version 2019</u></p> <p>Benign Brain Tumour</p> <p>Benign brain tumour means a non-malignant tumour located in the cranial vault and limited to the brain, meninges or cranial nerves where all of the following conditions are met:</p> <ul style="list-style-type: none"> It has undergone surgical removal or, if inoperable, has caused a permanent neurological deficit; and Its presence must be confirmed by a neurologist or neurosurgeon and supported by findings on Magnetic Resonance Imaging, Computerised Tomography, or other reliable imaging techniques. <p>The following are excluded:</p> <ul style="list-style-type: none"> Cysts; Abscess; Angioma; Granulomas; Vascular Malformations; Haematomas; and Tumours of the pituitary gland, spinal cord and skull base.
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<p><u>Version 2014</u></p> <p>Blindness</p> <p>Permanent and irreversible loss of sight in both eyes as a result of illness or accident to the extent that even when tested with the use of visual aids, vision is measured at 3/60 or worse in both eyes using a Snellen eye chart or equivalent test, or visual field of 20 degrees or less in both eyes. The blindness must be confirmed by an ophthalmologist.</p>	<p><u>Version 2019</u></p> <p>Blindness (Irreversible Lost of Sight) Relaxed</p> <p>Permanent and irreversible loss of sight in both eyes as a result of illness or accident to the extent that even when tested with the use of visual aids, vision is measured at 6/60 or worse in both eyes using a Snellen eye chart or equivalent test, or visual field of 20 degrees or less in both eyes. The blindness must be confirmed by an ophthalmologist.</p> <p>The blindness must not be correctable by surgical procedures, implants or any other means.</p>
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<p><u>Version 2014</u></p> <p>HIV Due to Blood Transfusion and Occupationally Acquired HIV</p> <p>A) Infection with the Human Immunodeficiency Virus (HIV) through a blood transfusion, provided that all of the following conditions are met:</p> <ul style="list-style-type: none"> The blood transfusion was medically necessary or given as part of a medical treatment; The blood transfusion was received in Singapore after the Issue Date, Date of endorsement or Date of reinstatement of this Supplementary Contract, whichever is the later; The source of the infection is established to be from the Institution that provided the blood transfusion and the Institution is able to trace the origin of the HIV tainted blood; and The insured does not suffer from Thalassaemia Major or Haemophilia. Removed <p>B) Infection with the Human Immunodeficiency Virus (HIV) which resulted from an accident occurring after the Issue Date, date of endorsement or date of reinstatement of this Supplementary Contract, whichever is the later whilst the Insured was carrying out the normal professional duties of his or her occupation in Singapore, provided that all of the following are proven to the Company's satisfaction:</p> <ul style="list-style-type: none"> Proof of the accident giving rise to the infection must be reported to the Company within 30 day of the accident taking place; Removed Proof that the accident involved a definite source of the HIV infected fluids; Proof of sero-conversion from HIV negative to HIV positive occurring during the 180 days after the documented accident. This proof must include a negative HIV antibody test conducted within 5 days of the accident; and HIV infection resulting from any other means including sexual activity and the use of intravenous drugs is excluded. <p>This benefit is only payable when the occupation of the insured is a medical practitioner, housemen, medical student, state registered nurse, medical laboratory technician, dentist (surgeon and nurse) or paramedical worker, working in medical centre or clinic (in Singapore).</p> <p>This benefit will not apply under either section A or B where a cure has become available prior to the infection. "Cure" means any treatment that renders the HIV inactive or non-infectious.</p>	<p><u>Version 2019</u></p> <p>HIV Due to Blood Transfusion and Occupationally Acquired HIV</p> <p>A) Infection with the Human Immunodeficiency Virus (HIV) through a blood transfusion, provided that all of the following conditions are met:</p> <ul style="list-style-type: none"> The blood transfusion was medically necessary or given as part of a medical treatment; The blood transfusion was received in Singapore after the Issue Date, Date of endorsement or Date of reinstatement of this Supplementary Contract, whichever is the later; and The source of the infection is established to be from the Institution that provided the blood transfusion and the Institution is able to trace the origin of the HIV tainted blood. <p>B) Infection with the Human Immunodeficiency Virus (HIV) which resulted from an accident occurring after the Issue Date, date of endorsement or date of reinstatement of this Supplementary Contract, whichever is the later whilst the Insured was carrying out the normal professional duties of his or her occupation in Singapore, provided that all of the following are proven to the Company's satisfaction:</p> <ul style="list-style-type: none"> Proof that the accident involved a definite source of the HIV infected fluids; Proof of sero-conversion from HIV negative to HIV positive occurring during the 180 days after the documented accident. This proof must include a negative HIV antibody test conducted within 5 days of the accident; and HIV infection resulting from any other means including sexual activity and the use of intravenous drugs is excluded. <p>This benefit is only payable when the occupation of the insured is a medical practitioner, housemen, medical student, state registered nurse, medical laboratory technician, dentist (surgeon and nurse) or paramedical worker, working in medical centre or clinic (in Singapore).</p> <p>This benefit will not apply under either section A or B where a cure has become available prior to the infection. "Cure" means any treatment that renders the HIV inactive or non-infectious.</p>
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03

Providend's Paradigm Shift In Times of Pandemic

Lee Kang Hui, Finance Manager

Six months have passed since the implementation of circuit breaker in Singapore. Undoubtedly, it has changed the way we live, work and play. While our industry is considered as an essential service, Providend has also activated our Business Continuity Plan with all our employees working from home since 1st April 2020, playing our part to keep our employees and community safe.

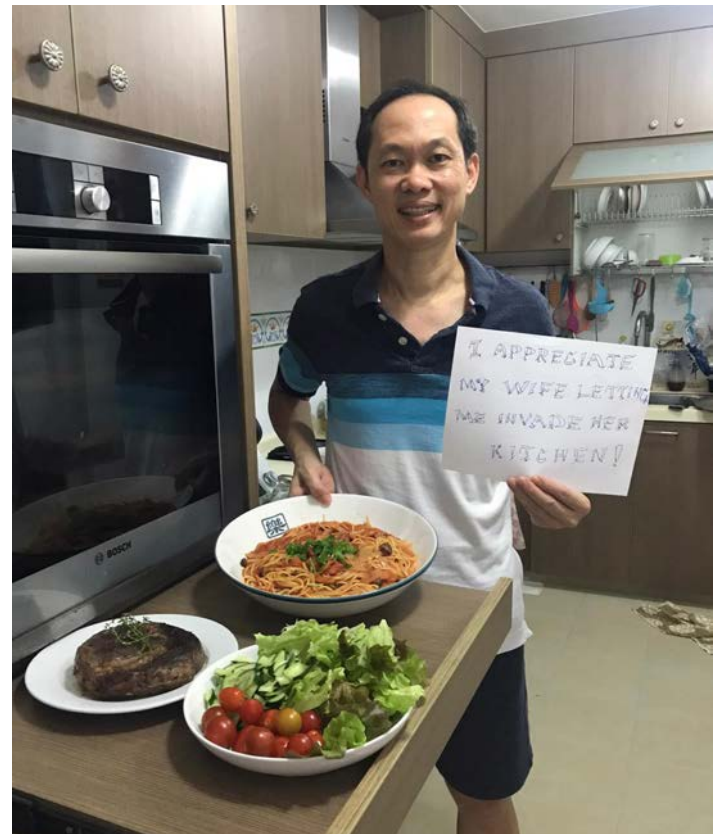
As a company that pride ourselves as "A family serving families", one main concern that we

have with telecommuting was how it would affect our team dynamics and corporate family culture if the circuit breaker prolongs. Nonetheless, despite of the COVID-19 pandemic, Christopher, our CEO, has always encouraged us to have the mindset that this year is going to be the best year yet for Providend. Besides achieving good financial results and positive returns on investments for our clients, we believe that 'a best year' can be defined by many other aspects of life.



Rather than viewing this pandemic as a crisis, we underwent a paradigm shift and saw this as an opportunity to improve our employees' physical, mental and social health, inculcate our core values, i.e. the S.P.I.R.I.T of Provident, and strengthen our corporate family culture to increase our resilience for the future.

Henceforth, we introduced various activities to the company to bring unity and let everyone continue to enjoy and have fun while working from home. Every Monday, we would start off our week with a virtual group workout at 9am to keep everyone healthy and fit. During this period, we have tried many different exercises such as Fight Do, Tabata and HIIT etc and it has created many delightful shared memories among us.



Adapting to a new working environment at home is definitely challenging initially. As such, a daily standup meeting is initiated where we will get to meet our fellow colleagues from the same department, discuss what we have done the previous day, challenges that we face and the tasks that we will be doing for the day. With this meeting in place, it has allowed us to understand our work priorities in relation to our company goals and objectives, better manage our tasks while telecommuting and

resolve any issues promptly. Surprisingly, without any instructions from the company, everyone would turn on their video camera during the meeting which I believe has allowed us to stay connected genuinely and continue to meet 'face-to-face' virtually.

Not only do we want our colleagues to connect with each other professionally, we also want to connect with each other personally and form great camaraderie. With that in mind, we have introduced "Let's have tea together" where it is conducted fortnightly via Zoom and employees are able to get their own drink, a treat from the company, while attending the session. We had lots of fun and really enjoyed the bonding activities during these sessions. Some activities that we had were playing online games together such as Skribbl.io, a multiplayer drawing and guessing game; and Kahoot quiz to help us get to know our fellow colleagues better. These activities have enabled us to learn more about each other outside of work and appreciate each other's thinking and behavioural preferences.

On top of these events and activities planned, Christopher has also thought of a few simple gestures to continually motivate and engage everyone. Right before the desserts stores and manufacturers were asked to close, Christopher together with our Branding team, surprised all of us with our childhood ice cream from the neighbourhood ice cream uncle. Another instance is when Christopher spontaneously declared a half day off for us and arranged for lunch delivery for our family! The management team were also involved to write a short thank you message card which was sent by post to the members of their departments to show their appreciation to them.

It is really heartening to see that everyone puts in the effort to participate in these activities and foster stronger bonds. Going through this pandemic is certainly not easy but we know that we are not alone and we will go through this together to emerge even stronger, not just as a company but as a family.





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See You Latte!



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