



合資格延期年金保單
Qualifying Deferred
Annuity Policy

Life Insurance Retire-at-Ease II Deferred Annuity Plan



Monthly Annuity Payment for Delightful Retirement

The life insurance plan is underwritten by Hong Kong Life Insurance Limited ("Hong Kong Life")
Chong Hing Bank Limited is the Appointed Licensed Insurance Agency of Hong Kong Life





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香港人壽保險有限公司刊發
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Monthly Annuity Payment for Delightful Retirement

Retire-at-Ease II Deferred Annuity Plan is a Qualifying Deferred Annuity Policy (“QDAP”) certified by the Insurance Authority which is eligible for claiming tax deduction. Retire-at-Ease II Deferred Annuity Plan includes the following options:

	Up To Age 100 Option	Fixed Term Option
Premium Payment Term	6 years	5 years
Accumulation Period	To age 65 / 70 of the Life Insured	5 years / 10 years
Annuity Period	From age 65 / 70 to age 100 of the Life Insured	10 years
Benefit Term	Until age 100 of the Life Insured	15 years / 20 years
Monthly Annuity Payment	✓	✓
Guaranteed Bonus	✓	×
Accidental Death Benefit	✓	✓ (Applicable to Life Insured who is aged 65 or below at the time of Policy application)
Partial Surrender	×	✓

Retire-at-Ease II Deferred Annuity Plan (The “Plan”) is a Qualifying Deferred Annuity Policy (“QDAP”) certified by the Insurance Authority which is eligible for claiming tax deduction. You can choose the suitable plan for your personal need, through fixed premium payment, to accumulate your retirement fund steadily. Then you can fully enjoy your pleasure retirement life with a regular cash flow on a monthly basis within the Annuity Period.

Highlights



Flexible Accumulation Period



Monthly Annuity Payment to Fit Your Personal Needs



Additional Return to Accelerate Your Success



Life Protection and Flexible Settlement Option for Peace of Mind



Additional Protection against Uncertainties



Enjoy Tax Deduction for Premium Payment





Flexible Accumulation Period

To match your personal retirement plan, the Plan provides flexible options of Accumulation Period.

	Up To Age 100 Option	Fixed Term Option
Premium Payment Term ¹	6 years ¹	5 years ¹
Accumulation Period	To age 65 / 70 of the Life Insured	5 years / 10 years



Monthly Annuity Payment² to Fit Your Personal Needs

No matter which option of Accumulation Period you have chosen, the Annuity Period of Up To Age 100 Option can last until age 100 of the Life Insured, while the Annuity Period of Fixed Term Option is 10 years to provide you extra peace of mind. You may decide the specific amount of Guaranteed Monthly Annuity Payment payable during the Annuity Period at the time of application to fit your personal needs. Besides, the Plan may provide Non-guaranteed Monthly Annuity Payment³ to enhance the potential return of the Policy. You can choose cash withdrawal of the Guaranteed Monthly Annuity Payment and Non-guaranteed Monthly Annuity Payment³ every month or leaving them with the Policy for interest accumulation^{4,5}. If no option is selected, cash withdrawal will be applied. If accumulation with interest⁴ at the Policy is chosen, you may withdraw them anytime or upon Policy Maturity according to your personal needs.



Guaranteed Bonus for More Flexibility

(Only applicable to Up To Age 100 Option)

On the date immediately before the commencement of the Annuity Period, a lump sum of Guaranteed Bonus will be paid for you to start your joyful retirement. You may choose cash withdrawal or leaving it with the Policy for interest accumulation^{4,5}. If no option is selected, cash withdrawal will be applied.

	Up To Age 100 Option with Accumulation Period to age 65 of the Life Insured	Up To Age 100 Option with Accumulation Period to age 70 of the Life Insured
Guaranteed Bonus	Guaranteed Monthly Annuity Payment x 6	Guaranteed Monthly Annuity Payment x 12



Additional Return to Accelerate Your Success

Terminal Dividend (non-guaranteed)⁶ may be distributed according to the plan options as below when the Policy is fully surrendered by the Policyowner or upon the death of the Life Insured, whichever is earlier, and it will not accumulate in the Policy.

	Up To Age 100 Option	Fixed Term Option
End of Policy Year	On or after the end of 7 th Policy Year	On or after the end of 2 nd Policy Year

For Fixed Term Option, when the Policy is partially surrendered by the Policyowner, Terminal Dividend (non-guaranteed)⁶ may be payable on or after the end of 2nd Policy Year. The payable amount is equal to the Terminal Dividend (non-guaranteed)⁶ attributable to the reduced portion of Guaranteed Monthly Annuity Payment.



Annualized Internal Rate of Returns upon Policy Maturity

The internal rate of returns (“IRR”) of the Plan varies with Policy Currency, premium payment mode, Accumulation Period, Annuity Period (only applicable to Up To Age 100 Option) and issue age (only applicable to Up To Age 100 Option). Below table shows the range of IRR based on the Life Insured with issue age of 45 for monthly, quarterly, semi-annual and annual premium payment modes, irrespective of gender and smoking habit:

Up To Age 100 Option

Premium Payment Term: 6 Years

Accumulation Period	Annuity Period	HKD				USD			
		Guaranteed IRR (%)		Total IRR (%)		Guaranteed IRR (%)		Total IRR (%)	
		Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.
From age 45 to age 65	From age 65 to age 100 ⁺	1.11%	1.23%	3.29%	3.39%	1.57%	1.68%	3.86%	3.95%
From age 45 to age 70	From age 70 to age 100 [~]	1.93%	2.03%	3.92%	4.00%	2.55%	2.64%	4.57%	4.64%

Fixed Term Option[~]

Premium Payment Term: 5 Years

Accumulation Period	Annuity Period	HKD				USD			
		Guaranteed IRR (%)		Total IRR (%)		Guaranteed IRR (%)		Total IRR (%)	
		Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.
5 years	10 years	0.02%	0.55%	1.93%	2.37%	0.07%	0.60%	2.35%	2.78%
10 years	10 years	0.33%	0.65%	2.71%	2.96%	0.38%	0.70%	3.13%	3.36%

Note:

+ The above figures assume that (i) cash withdrawal is chosen for Monthly Annuity Payment and Guaranteed Bonus from age 65 to age 95 (i.e. the Monthly Annuity Payment is only payable for 30 years and no Monthly Annuity Payment will be paid afterward), (ii) Guaranteed Cash Value plus Terminal Dividend (non-guaranteed) (if any) are received upon the death of the Life Insured at age 95 and (iii) all premiums are paid in full when due and without any discount offered by client incentive program. Total IRR is non-guaranteed. The calculation of IRR has taken into account (i) the premiums (excluding levy and premium discount) to be paid by Policyowner, (ii) the Monthly Annuity Payment and Guaranteed Bonus to be received by the Annuitant and (iii) the Death Benefit to be received by the Beneficiary.

~ The above figures assume that (i) cash withdrawal is chosen for Monthly Annuity Payment and Guaranteed Bonus (only applicable to Up To Age 100 Option) throughout the benefit term and (ii) all premiums are paid in full when due and without any discount offered by client incentive program. Total IRR is non-guaranteed. The calculation of IRR has taken into account (i) the premiums (excluding levy and premium discount) to be paid by Policyowner and (ii) the Monthly Annuity Payment and Guaranteed Bonus (only applicable to Up To Age 100 Option) to be received by the Annuitant.



Life Protection and Flexible Settlement Option for Peace of Mind

If the Life Insured dies while the Plan is in force, the Total Death Benefit will be paid to the Policy Beneficiary.

Total Death Benefit

110% of Total Premiums Paid (subject to the maximum limit of 100% of Total Premiums Paid plus HKD100,000 / USD12,500) less any distributed Guaranteed Bonus (only applicable to Up To Age 100 Option) and distributed Guaranteed Monthly Annuity Payment or 100% of Guaranteed Cash Value as at the date of death of the Life Insured (whichever is greater)	plus Accumulated Guaranteed Bonus ⁵ (if any) (only applicable to Up To Age 100 Option), Accumulated Guaranteed Monthly Annuity Payment ⁵ (if any), Accumulated Non-guaranteed Monthly Annuity Payment and Interest (non-guaranteed) ^{4,5,7} (if any) and Terminal Dividend (non-guaranteed) ⁶ (if any), less Indebtedness (if any).
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In addition, the Plan provides flexible Death Benefit Settlement Options⁸. Instead of receiving the Death Benefit in a lump sum payment, Policyowner can designate other settlement options including Installment Payments (Fixed Amount) or Installment Payments (Fixed Period) while the Plan is in force and the Life Insured is alive to settle the Death Benefit to the Policy Beneficiary.



Additional Protection against Uncertainties

The Plan provides Accidental Death Benefit⁹ for the first Policy Year. If the Life Insured dies because of accident, an extra benefit equals to 30% of the first year premium of the Plan will be paid to the Policy Beneficiary. In no event shall such indemnity under the Accidental Death Benefit exceed an aggregate maximum of HKD400,000 / USD50,000 in respect of all accidental death benefit coverage on the Life Insured, counting all policies issued by Hong Kong Life.



Fixed Premium for Your Better Planning

The premium will remain unchanged throughout the Premium Payment Term¹, allowing you to have a better plan for your future.



Simple Application

Application procedure is simple and no medical examination is required.



Enjoy Tax Deduction¹⁰ for Premium Payment

If you are a Hong Kong taxpayer and the Annuitant¹¹ of the Plan, you can apply for tax deduction under salaries tax or personal assessment for the qualifying premiums paid for the Plan. The maximum annual tax deduction limit for qualifying annuity premiums and MPF tax deductible voluntary contributions is HKD60,000 per taxpayer¹⁰.



Surrender Benefit

The Policyowner may choose to fully surrender the Policy. Upon Full Surrender, Total Surrender Value will be payable to the Policyowner. Total Surrender Value is equal to 100% of Guaranteed Cash Value as at the date of surrender plus Accumulated Guaranteed Bonus⁵ (if any) (only applicable to Up To Age 100 Option), Accumulated Guaranteed Monthly Annuity Payment⁵ (if any), Accumulated Non-guaranteed Monthly Annuity Payment and Interest (non-guaranteed)^{4,5,7} (if any) and Terminal Dividend (non-guaranteed)⁶ (if any), less Indebtedness (if any).

The surrender value upon policy Full Surrender at the end of the first Policy Year, assuming the Policyowner does not pay for the premium payable for the second Policy Year:

Accumulation Period	As a percentage of amount of premium payment paid			
	Up To Age 100 Option		Fixed Term Option	
	To age 65 of the Life Insured	To age 70 of the Life Insured	5 years	10 years
HKD	21-22% [#]	21-22% [#]	55%-57% [#]	45%-47% [#]
USD	21-22% [#]	21-22% [#]	55%-58% [#]	45%-47% [#]

Take Up To Age 100 Option with Accumulation Period of To age 70 of the Life Insured in HKD policy with monthly premium payment mode as example, assuming the surrender value as a percentage of amount of premium paid is 21%, if the Policyowner has paid HKD10,000 in the first Policy Year, the surrender value at the end of first Policy Year is HKD2,107[#].

[#] The percentages are subject to premium payment mode and are rounded to the nearest whole number and while the figures of surrender value is rounded to the nearest integer.



Basic Application Conditions

	Up To Age 100 Option		Fixed Term Option	
Accumulation Period	To age 65 of the Life Insured	To age 70 of the Life Insured	5 years	10 years
Premium Payment Term ¹	6 years		5 years	
Issue Age*	Age 30 to 54		Age 45 to 75	Age 40 to 75
Policy Currency	HKD / USD			
Annuity Period	Until age 100 of the Life Insured		10 years	
Benefit Term	Until age 100 of the Life Insured		15 years	20 years
Minimum Guaranteed Monthly Annuity Payment [^]	HKD1,600 / USD200		HKD2,000 / USD250	
Minimum Total Premiums Paid [^]	HKD180,000 / USD24,000 (Per Policy)			
Maximum Total Premiums Paid	HKD20,000,000 / USD2,500,000 (Calculated based on the aggregate Total Premiums Paid of all QDAP policies issued by Hong Kong Life per Life Insured)			
Premium Payment Mode	Annual / Semi-annual / Quarterly / Monthly			

* Age means age of the Life Insured at the last birthday

[^] Both the minimum requirements for Guaranteed Monthly Annuity Payment and Total Premiums Paid must be fulfilled.

How does Retire-at-Ease II Deferred Annuity Plan provide you a blissful retirement?



Case Sharing 1: Up To Age 100 Option with Accumulation Period to age 70 of the Life Insured



Policyowner, Annuitant
and Life Insured:

Alan (Age 45)



Occupation:

Engineer



Family Status:

Married

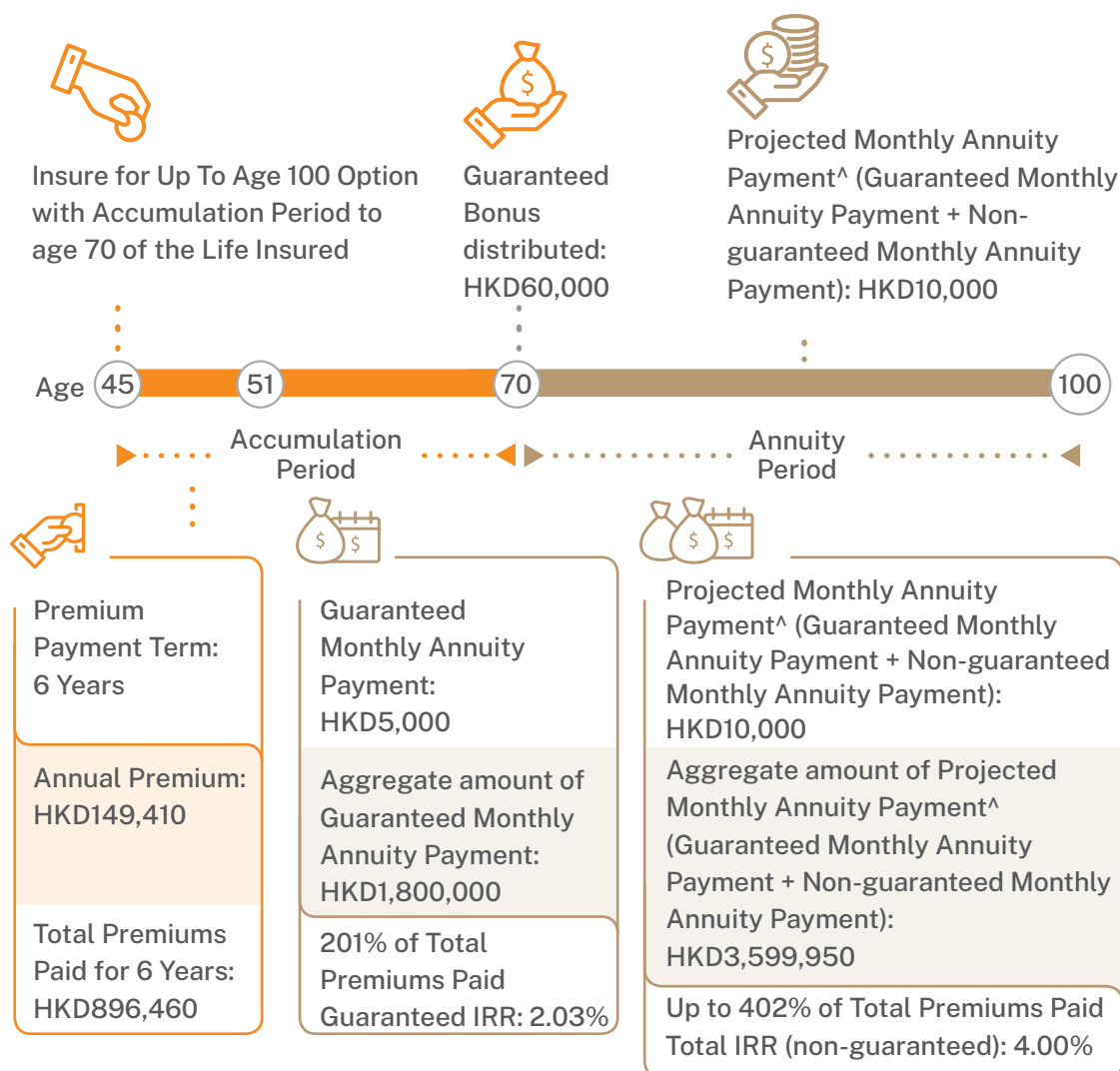


Current Family Monthly
Income:

HKD90,000

Alan realizes that Hong Kong people are having longer lifespan and the risk of longevity should not be neglected. He wants to start his retirement planning as early as possible in order to have a fruitful retirement life and avoid becoming the family burden. He then insures for **Up To Age 100 Option with Accumulation Period to age 70 of the Life Insured**. With regular annual premium payments at his young age, his retirement reserve is accumulated during the Accumulation Period. Upon commencement of the Annuity Period (i.e. starting from the Policy Anniversary immediately following his 70th birthday), Monthly Annuity Payment will be distributed by the Plan. The sustainable cash flow ensures him a worry-free retirement life.

Assuming that cash withdrawal is chosen for Guaranteed Bonus and Monthly Annuity Payment Option throughout the benefit term and all annual premiums are paid in full when due:



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Alan's Policy Details

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Premium Payment Term	6 years	Guaranteed Monthly Annuity Payment	HKD5,000
Accumulation Period	From age 45 to 70 of the Life Insured	Non-guaranteed Monthly Annuity Payment	HKD5,000
Annuity Period	From age 70 to 100 of the Life Insured	Guaranteed and Non-guaranteed Monthly Annuity Payment	HKD10,000
Annual Premium	HKD149,410	Guaranteed Bonus	HKD60,000
Total Premiums Paid	HKD896,460		
Guaranteed IRR	2.03%	Total IRR (non-guaranteed)	4.00%

The above example is strictly for illustration purpose and the figures may differ slightly from the actual figures in the Policy due to rounding differences. Please refer to the Insurance Proposal of the Plan for actual premium and more details.

[^] Monthly Annuity Payment includes Guaranteed Monthly Annuity Payment and Non-guaranteed Monthly Annuity Payment. Non-guaranteed Monthly Annuity Payment is not guaranteed and may be changed from time to time. Past performance is not indicative of future performance. The actual amount payable may be higher or lower than the illustrated example.

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Case Sharing 2: Fixed Term Option with Accumulation Period of 10 years



Policyowner, Annuitant
and Life Insured:

Betty (Age 45)



Occupation:

Senior manager



Family Status:

Married



Current Family Monthly
Income:

HKD120,000

Betty is very busy at work and feels that the work pressure has increased in recent years. Then she decides to retire earlier to enjoy her own life. Betty and her husband have 2 sons. She wants to have a peaceful life after her retirement but she does not want to give financial burden to her sons. She therefore insures for **Fixed Term Option with Accumulation Period of 10 years**. With regular annual premium payments at her career peak, her retirement reserve is accumulated during the Accumulation Period. Upon commencement of the Annuity Period (i.e. starting from the 10th Policy Anniversary), Monthly Annuity Payment will be distributed by the Plan until Policy maturity.

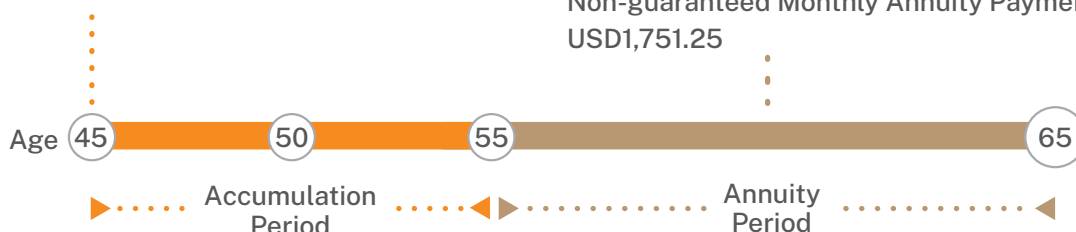
Assuming that cash withdrawal is chosen for Monthly Annuity Payment Option throughout the benefit term and all annual premiums are paid in full when due:



Insure for Fixed Term Option with
Accumulation Period of 10 years



Projected Monthly Annuity Payment[^]
(Guaranteed Monthly Annuity Payment +
Non-guaranteed Monthly Annuity Payment):
USD1,751.25



Premium
Payment Term:
5 Years

Annual Premium:
USD27,393.75

Total Premiums
Paid for 5 Years:
USD136,968.75



Guaranteed Monthly
Annuity Payment:
USD1,250

Aggregate amount of
Guaranteed Monthly
Annuity Payment:
USD150,000

109.5% of Total
Premiums Paid
Guaranteed IRR: 0.70%



Projected Monthly Annuity
Payment[^] (Guaranteed Monthly
Annuity Payment + Non-guaranteed
Monthly Annuity Payment):
USD1,751.25

Aggregate amount of Projected
Monthly Annuity Payment[^]
(Guaranteed Monthly Annuity
Payment + Non-guaranteed
Monthly Annuity Payment):
USD210,150

Up to 153% of Total Premiums Paid
Total IRR (non-guaranteed): 3.36%

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Betty's Policy Details

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Premium Payment Term	5 years	Guaranteed Monthly Annuity Payment	USD1,250
Accumulation Period	10 years	Non-guaranteed Monthly Annuity Payment	USD501.25
Annuity Period	10 years	Guaranteed and Non-guaranteed Monthly Annuity Payment	USD1,751.25
Annual Premium	USD27,393.75		
Total Premiums Paid	USD136,968.75		
Guaranteed IRR	0.70%	Total IRR (non-guaranteed)	3.36%

The above example is strictly for illustration purpose and the figures may differ slightly from the actual figures in the Policy due to rounding differences. Please refer to the Insurance Proposal of the Plan for actual premium and more details.

- [^] Monthly Annuity Payment includes Guaranteed Monthly Annuity Payment and Non-guaranteed Monthly Annuity Payment. Non-guaranteed Monthly Annuity Payment is not guaranteed and may be changed from time to time. Past performance is not indicative of future performance. The actual amount payable may be higher or lower than the illustrated example.

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Remarks

1. The Policy will be terminated if the Policyowner cannot settle the premium payment before the end of the Grace Period during the Premium Payment Term, subject to the Automatic Premium Loan, Non-forfeiture Option and other relevant provisions of the Policy. For detailed terms and conditions, please refer to the policy document issued by Hong Kong Life. If the Policy is terminated before the Policy Maturity, the Total Surrender Value (if applicable) received by the Policyowner may be less than the Total Premiums Paid.
2. Monthly Annuity Payment includes Guaranteed Monthly Annuity Payment and Non-guaranteed Monthly Annuity Payment.
3. Non-guaranteed Monthly Annuity Payment is not guaranteed and may be changed from time to time. Past performance is not indicative of future performance. The actual amount payable may be higher or lower than those illustrated in the Insurance Proposal.
4. The annual interest accumulation rate is not guaranteed and may be changed from time to time. Past performance is not indicative of future performance. The actual amount payable may be higher or lower than those illustrated in the Insurance Proposal.
5. The Guaranteed Bonus (only applicable to Up To Age 100 Option), Guaranteed Monthly Annuity Payment and Non-guaranteed Monthly Annuity Payment and Interest withdrawn will no longer be accumulated as part of the Total Surrender Value and the Total Death Benefit of the Policy. The Total Surrender Value and the Total Death Benefit of the Policy will be reduced accordingly.
6. Terminal Dividend is not guaranteed and may be changed from time to time. Past performance is not indicative of future performance. The actual amount payable may be higher or lower than those illustrated in the Insurance Proposal.
7. Accumulated Non-guaranteed Monthly Annuity Payment and Interest means the aggregate of (1) the total amount of distributed Non-guaranteed Monthly Annuity Payment left with Hong Kong Life (if any); and (2) the total amount of interest accumulated on any distributed Guaranteed Bonus (only applicable to Up To Age 100 Option), Guaranteed Monthly Annuity Payment and Non-guaranteed Monthly Annuity Payment left with Hong Kong Life.
8. Only applicable in the event of the death of the Life Insured after the Premium Payment Term and all premiums due have been paid, and subject to the terms and conditions, and the then administrative rules as determined by Hong Kong Life from time to time. For detailed terms and conditions, please refer to the policy document issued by Hong Kong Life.
9. The Accidental Death Benefit is only applicable to Life Insured who is Hong Kong resident of age 65 or below at the time of Policy application.
10. Please refer to the website of the Inland Revenue Department ("IRD") or contact the IRD directly for any tax related enquiries. You may also seek independent and professional advice from your tax and accounting advisors.
11. The Annuitant means an individual being entitled to receive the Monthly Annuity Payment and Guaranteed Bonus (only applicable to Up To Age 100 Option) payable under the Plan. The Annuitant, Policyowner and the Life Insured of the Plan must be the same individual.

Exclusion of Accidental Death Benefit

The Accidental Death Benefit shall not cover any claims caused directly or indirectly, wholly or partly, by any one of the following occurrences:

1. suicide or self-inflicted injuries while sane or insane;
2. war whether declared or undeclared or any act thereof, invasion, civil commotion, riots or any warlike operations;
3. service in the armed forces in time of declared or undeclared war or while under orders for warlike operations or restoration of public order;
4. violation or attempted violation of the law or resisting arrest or participation in any brawl or affray;
5. engaging in or taking part in (a) driving or riding in any kind of race; (b) professional sports; (c) underwater activities involving the use of breathing apparatus; (d) flying or other aerial activity except as a fare-paying passenger in a commercial aircraft;
6. accident occurring while or because the Life Insured is affected by alcohol or any drug;
7. poison, gas or fumes whether voluntarily or involuntarily taken;
8. disease or infection (except infection which occurs through an accidental cut or wound), including infection with any Human Immunodeficiency Virus (HIV) and/or any HIV-related illness including Acquired Immunodeficiency Syndrome (AIDS) and/or any mutations, derivations or variations thereof;
9. childbirth, pregnancy, miscarriage or abortion.

Important Statements

- **Basic Plan**

Tax Implication on QDAP

Please note that the QDAP status of this product does not necessarily mean you are eligible for the tax deduction available for QDAP premiums paid. This product's QDAP status is based on the features of the product as well as certification by the Insurance Authority and not the facts of your own situation. You must also meet all the eligibility requirements set out under the Inland Revenue Ordinance and any guidance issued by the Inland Revenue Department of HKSAR before you can claim these tax deductions. In particular, there may not be tax deduction benefits for retired Policyowners who are not subject to salaries tax or tax under personal assessment.

Any general tax information provided is for your reference only, and you should not make any tax-related decisions based on such information alone. You should always consult with a professional tax advisor if you have any doubts. Please note that tax law, regulations or interpretations are subject to change and may affect related tax benefits including the eligibility criteria for tax deduction. Hong Kong Life does not take any responsibility to inform you about any changes in the laws and regulations or interpretations, and how they may affect you. Further information on tax concessions applicable to QDAP may be found in Insurance Authority's website at www.ia.org.hk.

Certification of QDAP by Insurance Authority

The Insurance Authority certification is not a recommendation or endorsement of the policy nor does it guarantee the commercial merits of the policy or its performance. It does not mean the policy is suitable for all Policyowners nor is it an endorsement of its suitability for any particular Policyowner or class of Policyowners. The policy has been certified by the Insurance Authority but such certification does not imply official recommendation. The Insurance Authority does not take any responsibility for the contents of the product leaflet of the policy, makes no representation as to its accuracy or completeness, expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the product brochure of the policy.

Cooling-off Period

If you are not satisfied with your Policy, you have a right to cancel it within the cooling-off period and obtain a refund of any premium(s) and levy(ies) paid (in the original payment currency) to Hong Kong Life without any interest. A written notice signed by you should be received directly by Hong Kong Life Insurance Limited at 15/F Cosco Tower, 183 Queen's Road Central, Hong Kong within the cooling-off period (that is, the period of 21 calendar days immediately following either the day of delivery of the Policy or the Cooling-off Notice to you or your nominated representative (whichever is the earlier)). After the expiration of the cooling-off period, if you cancel the Policy before the end of the term, the projected Total Surrender Value (if applicable) may be less than the Total Premiums Paid.

Risk

1. Exchange Rate Risk

You are subject to exchange rate risks for the Policy denominated in currencies other than the local currency. Exchange rates fluctuate from time to time. You may suffer a loss of your benefit values and the subsequent premium payments (if any) may be higher than your initial premium payment as a result of exchange rate fluctuations.

2. Liquidity Risk / Long Term Commitment

The Plan is designed to be held until the Maturity / Expiry Date. If you partially surrender (only applicable to Fixed Term Option) or terminate the Policy prior to the Maturity / Expiry Date, a loss of the premium paid may be resulted.

The premium of the Plan should be paid in full for the whole payment term. If you discontinue the payment, the Policy may lapse and a loss of the premium paid may be resulted.

3. Credit Risk of Issuer

The life insurance product is issued and underwritten by Hong Kong Life. The premium to be paid by you would become part of assets of Hong Kong Life and that you and your Policy are subject to the credit risk of Hong Kong Life. In the worst case, you may lose all the premium paid and benefit amount.

4. Market Risk

The amount of Non-guaranteed Monthly Annuity Payment and Terminal Dividend (if any) of the Plan depends principally on the factors including investment returns, claim payments, policy persistency rates, operation expenses and tax; while the annual interest accumulation rate principally depends on the factors including investment performance and market conditions. Hence the amount of Non-guaranteed Monthly Annuity Payment and Terminal Dividend (if any) and annual interest accumulation rate are not guaranteed and may be changed over time. The actual Non-guaranteed Monthly Annuity Payment and Terminal Dividend payable and annual interest accumulation rate may be higher or lower than the expected amount and value at the time when the Policy was issued.

5. Inflation Risk

When reviewing the values shown in the Insurance Proposal, please note that the cost of living in the future is likely to be higher than it is today due to inflation.

Important Policy Provisions

6. Suicide

If the Life Insured commits suicide, while sane or insane, within one (1) year from the Issue Date or date of any reinstatement, whichever is later, the liability of Hong Kong Life shall be limited to a refund of paid premiums to the Beneficiary without interest less any existing Indebtedness. In the case of reinstatement, such refund of premium shall be calculated from the date of reinstatement.

7. Incontestability

The validity of the Policy shall not be contestable except for (i) the non-payment of premiums, (ii) fraud or (iii) misstatement of age and/or sex as specified in the Misstatement of Age and/or Sex provisions, after it has been in force during the lifetime of the Life Insured for two (2) years from the Issue Date or date of any reinstatement, whichever is later. Premiums paid will not be refunded should the Policy be voided by Hong Kong Life.

8. Automatic Termination

The Plan shall terminate automatically:

- i. upon the death of the Life Insured; or
- ii. if and when the Plan matures or is fully surrendered; or
- iii. if and when a premium remains unpaid at the end of the Grace Period as specified in the General Provisions unless Automatic Premium Loan applies; or
- iv. if and when the Indebtedness of the Policy equals to or exceeds the Guaranteed Cash Value; or
- v. if and when the Guaranteed Cash Value less Indebtedness (if any) is less than the premium required to maintain the Policy up to the next premium due date as specified in the Automatic Premium Loan provisions.

Others

9. Insurance Costs

The Plan is an insurance plan with a savings element. Part of the premium pays for the insurance and related costs (if any).

10. Non-guaranteed Monthly Annuity Payment and Terminal Dividend

Hong Kong Life determines the amount of divisible surplus that will be distributed in the form of Non-guaranteed Monthly Annuity Payment and Terminal Dividend. Non-guaranteed Monthly Annuity Payment and Terminal Dividend will be determined and distributed according to the Policy's terms and conditions and in compliance with the relevant legislative and regulatory requirements as well as relevant actuarial standards, whereas Terminal Dividend is available for certain types of policies and payable at the termination of the policies.

The amount of divisible surplus depends principally on the factors including investment returns, claim payments, policy persistency rates, operation expenses and tax. Hence the amount of Non-guaranteed Monthly Annuity Payment and Terminal Dividend is not guaranteed and may be changed over time. The actual Non-guaranteed Monthly Annuity Payment and Terminal Dividend payable may be higher or lower than the expected amount at the time when the policies were issued.

11. Withdrawal of Cash Payments

The withdrawal of cash payments (including but not limited to guaranteed bonus (if any) (only applicable to Up To Age 100 Option) and monthly annuity payments (if any) etc.) will decrease the Total Surrender Value and Total Death Benefit of the Policy.

12. Partial Surrender (only applicable to Fixed Term Option)

In case of Partial Surrender, the Guaranteed Cash Value and Terminal Dividend of the Policy will be decreased accordingly. This will also decrease the Monthly Annuity Payment, Total Surrender Value and Total Death Benefit of the Policy.

13. Policy Loan

After the Plan has acquired a Guaranteed Cash Value and while the Policy is in force, the Policyowner may, upon the sole security and satisfactory assignment of the Policy to Hong Kong Life, apply for a Policy Loan from the Plan. Any loan on the Policy shall bear interest at a rate declared by Hong Kong Life from time to time. Interest on the loan shall accrue and compound daily from the date of loan. The Policy Loan Interest Rate is not guaranteed and will be changed from time to time. The loan and the interest accrued thereon shall constitute Indebtedness against the Policy. Interest shall be due on each Policy Anniversary subsequent to the date of loan. In the event that the Indebtedness of the Policy equals to or exceeds the Guaranteed Cash Value, the Policy will terminate. Any Policy Loan and accrued loan interest may reduce the Total Surrender Value and Total Death Benefit of the Policy.

Any application for Policy Loan is not allowed on or after the date of commencement of the Annuity Period.

14. Non-Protected Deposit

The Plan is not equivalent to, nor should it be treated as a substitute for, time deposit. The Plan is not a protected deposit and is not protected by the Deposit Protection Scheme in Hong Kong.

15. Dispute on Selling Process and Product

Chong Hing Bank Limited ("Appointed Licensed Insurance Agency") is the Appointed Licensed Insurance Agency of Hong Kong Life, and the life insurance product is a product of Hong Kong Life but not the Appointed Licensed Insurance Agency. In respect of an eligible dispute (as defined in the Terms of Reference for the Financial Dispute Resolution Centre in relation to the Financial Dispute Resolution Scheme) arising between the Appointed Licensed Insurance Agency and the customer out of the selling process or processing of the related transaction, Appointed Licensed Insurance Agency is required to enter into a Financial Dispute Resolution Scheme process with the customer; however any dispute over the contractual terms of the life insurance product should be resolved between Hong Kong Life and the customer directly.

- **Supplementary Benefits**

Accidental Death Benefit

Tax Implication on QDAP, Certification of QDAP by Insurance Authority, Cooling-off Period, Exchange Rate Risk, Credit Risk of Issuer, Inflation Risk and Dispute on Selling Process and Product in the above Basic Plan section and the below point(s) is/are applicable to the Accidental Death Benefit:

Important Policy Provision

1. Automatic Termination

The Accidental Death Benefit shall terminate automatically:

- i. if and when the Accidental Death Benefit expires; or
- ii. if and when the Basic Plan terminates.

Dividend Policy

Hong Kong Life offers a comprehensive range of life insurance products which provide both guaranteed and non-guaranteed benefits to the Policyowners depending on the specific features of different products.

The guaranteed benefits generally include the insurance coverage payable on death, maturity, or disablement as well as guaranteed cash value for loan or Policy cancellation. The non-guaranteed benefits are the dividends (including Non-guaranteed Monthly Annuity Payment, Annual Dividend and Terminal Dividend (if applicable)) and rate of interest (referred to as “interest accumulation rate”) on Non-guaranteed Monthly Annuity Payment, Annual Dividend and other cash payments (if applicable) left on deposit under a Policy. The rate of interest may vary at the discretion of Hong Kong Life. Past dividends record is not indicative of future performance.

The amount available for distribution as dividends to relevant classes of Policyowner is determined by the Appointed Actuary of Hong Kong Life in accordance with Hong Kong Life’s internal dividend management. The amount depends on both the emerging experience and the future best estimate assumption including investment returns, claim payments, policy persistency rates, operation expenses and tax. The Appointed Actuary will also report to the Board of Hong Kong Life on the Policy covering allocation of profits between shareholders and participating fund for approval, taking into account the principle of fair treatment of customers, and the equity between shareholders and Policyowners.

Dividends will be determined and distributed according to the Policy’s dividend provision and in compliance with the relevant legislative and regulatory requirements as well as relevant actuarial standards, whereas Terminal Dividend is available for certain types of Policies and payable upon termination of the Policies.

As stated, the amount of dividends will vary according to the emerging experience of the above factors and types of the products. Hong Kong Life applies a smoothing approach in relation to the distribution of the dividends. It will only be modified if the actual experience is significantly different from expected or if the future expectation is changed.

Policyowners may also choose to leave their Monthly Annuity Payment, Annual Dividend or other cash payments (if applicable) with Hong Kong Life to earn interest at a rate determined by Hong Kong Life based on its investment performance and market conditions. As a consequence, the interest accumulation rates are not guaranteed and may be adjusted from time to time.

Investment Policy

The underlying investment is a dedicated fund managed by Hong Kong Life according to the investment mandate of participating fund specified in Hong Kong Life's internal investment guidelines. The fund's investments are mainly government bonds or corporate bonds with high credit rating and equities.

Generally, the asset allocation strategy is that at least 60% of the fund's assets will be invested in bonds mainly issued in US and Hong Kong, 0% to 30% invested in Hong Kong equities, and 0% to 10% in cash, with relatively higher allocation in USD denominated assets. The target currency mix of the fund's investments will vary according to the currency mix of Hong Kong Life's liability. Allocation of different asset classes will be reviewed regularly with considerations of the market conditions, economic outlook and global insights in order to generate sustainable long term returns.

For the details of Non-guaranteed Monthly Annuity Payment and Terminal Dividend history for each product series, please visit the company website of Hong Kong Life (<https://www.hklife.com.hk/en/customer-info/fulfillment-ratios>).

Should you have any enquiries, please visit any branches of Chong Hing Bank Limited, or call Hong Kong Life's Customer Services Hotline at 2290 2882.

This product brochure is for reference and is applicable within Hong Kong only. The information of this product leaflet does not contain the full terms of the policy document. For full terms and conditions, please refer to the policy document. If there is any conflict between the product brochure and the policy document, the latter shall prevail. The copy of the policy document is available upon request. Before applying for the insurance plan, you may refer to the contents and terms of the policy document. You may also seek independent and professional advice before making any decision.

Please mail to Hong Kong Life Insurance Limited at 15/F Cosco Tower, 183 Queen's Road Central, Hong Kong or call Hong Kong Life's Data Protection Officer at 2290 2882 if you request Hong Kong Life not to use your personal data for direct marketing purposes. No charge shall be levied on such arrangement.

In the event of conflicts between the Chinese and English versions, the English version shall prevail.