

**Life Insurance**  
**Grand Fortune Whole Life**  
**Protection Plan**

**Fulfilling Life with Grand Fortune**



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



**Policy Reverse Mortgage Programme - Eligible Life Insurance Plan**





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**HKLife.com.hk**

Issued by Hong Kong Life Insurance Limited

GF01-202401\_041

# Fulfilling Life with Grand Fortune



With continuous effort over the years, you have created abundant wealth that you wish to preserve and pass on to your future generations. Grand Fortune Whole Life Protection Plan (the “Plan”) not only facilitates you to manage your asset with peace of mind, but also grows your wealth steadily, allowing you to build a solid financial foundation for your beloved ones and future generations to flourish their life.



Single Premium  
Simple  
Management



Double Dividends  
Additional Return



Flexible Wealth  
Management to Plan  
for the Future



Two Types of Benefit  
Class to Match  
Your Life Planning



Flexible  
Death Settlement  
Options



Additional Item -  
Tax or Legal Advisory  
Allowance for Legacy  
Planning / Health  
Check-up Allowance

### Single Premium Simple Management

Simply pay a lump sum of premium and you can start your financial planning with whole life protection. The Plan offers two types of benefit class to cater for your different needs on premium budget, protection and savings.

### Double Dividends Additional Return

The Plan not only provides Guaranteed Cash Value, Annual Dividend (non-guaranteed)<sup>1</sup> may also be distributed annually in terms of cash starting from the 1<sup>st</sup> Policy Anniversary. You can choose cash withdrawal or leaving it with the Policy for interest accumulation<sup>1</sup> to meet your personal needs.

In addition, Terminal Dividend (non-guaranteed)<sup>1</sup> may be payable at or after the end of 3<sup>rd</sup> Policy Year when the Policy is fully surrendered by the Policyowner or upon the death of the Life Insured, whichever is earlier.

When the Policy is partially surrendered by the Policyowner, Terminal Dividend (non-guaranteed)<sup>1</sup> may be payable at or after the end of 3<sup>rd</sup> Policy Year. The payable amount is equal to the Terminal Dividend (non-guaranteed)<sup>1</sup> attributable to the reduced portion of Sum Assured. Terminal Dividend (non-guaranteed)<sup>1</sup> will not accumulate in the Policy.

### Flexible Wealth Management to Plan for the Future

The Policyowner may make a one-off or regular withdrawal from the cash value of the Policy (including the Guaranteed Cash Value (if any), Accumulated Dividends and Interest (non-guaranteed)<sup>1,2</sup>(if any) and Terminal Dividend (non-guaranteed)<sup>1</sup>(if any)) according to his/ her needs in order to fulfill the dreams like children's education and fruitful retirement, etc. However, the future cash value of the Policy will be reduced accordingly.

After the Policy has acquired a Guaranteed Cash Value, the Policyowner can opt for Partial Surrender<sup>3</sup> to withdraw the Guaranteed Cash Value and Terminal Dividend (non-guaranteed)<sup>1</sup>(if any) attributable to the reduced portion of Sum Assured of the Policy.





## Two Types of Benefit Class to Match Your Life Planning

The Plan offers two types of benefit class for you to choose according to your financial planning and protection needs. When the Life Insured dies, the Total Death Benefit will be paid to the Beneficiary as below:

Benefit Class	Feature	Total Death Benefit	
Grand Fortune Whole Life Protection Plan –100	Protection oriented	100% of Sum Assured, plus Accumulated Dividends and Interest (non-guaranteed) <sup>1,2</sup> (if any) and Terminal Dividend (non-guaranteed) <sup>1</sup> (if any), less Indebtedness (if any).	
Grand Fortune Whole Life Protection Plan –50	Balancing savings and protection	100% of Total Premiums Paid or applicable percentage of Sum Assured stated in the Schedule of Death Benefit (whichever is greater), plus Accumulated Dividends and Interest (non-guaranteed) <sup>1,2</sup> (if any) and Terminal Dividend (non-guaranteed) <sup>1</sup> (if any), less Indebtedness (if any).	
		Schedule of Death Benefit:	
		<div><div>The Life Insured's death occurs:</div><div>Percentage of Sum Assured</div></div>	
		At or before the end of the 15 <sup>th</sup> Policy Year	100%
		Within the 16 <sup>th</sup> Policy Year	95%
		Within the 17 <sup>th</sup> Policy Year	90%
		Within the 18 <sup>th</sup> Policy Year	85%
		Within the 19 <sup>th</sup> Policy Year	80%
		Within the 20 <sup>th</sup> Policy Year	75%
		Within the 21 <sup>st</sup> Policy Year	70%
		Within the 22 <sup>nd</sup> Policy Year	65%
		Within the 23 <sup>rd</sup> Policy Year	60%
		Within the 24 <sup>th</sup> Policy Year	55%
Within the 25 <sup>th</sup> Policy Year and thereafter	50%		

## Partial Surrender

In case of Partial Surrender, the Sum Assured shall be reduced proportionally based on the percentage of Guaranteed Cash Value and Terminal Dividend (non-guaranteed)<sup>1</sup> (if any) being withdrawn for the Partial Surrender. Upon the reduction of Sum Assured, the Total Premiums Paid, Guaranteed Cash Value, Annual Dividend (non-guaranteed)<sup>1</sup>(if any) and Terminal Dividend (non-guaranteed)<sup>1</sup>(if any) of this Plan shall be reduced proportionately. Total Death Benefit shall also be adjusted accordingly.

### Change of Life Insured<sup>4</sup> (Only applicable to corporate customers)

Keyman insurance is applicable to company for business continuity planning. While the Plan is in force and the Life Insured is alive, corporate business entity Policyowner may change the Life Insured at any time after the 1<sup>st</sup> Policy Anniversary.

### Flexible Death Settlement Options<sup>5</sup>

The Plan provides flexible Death Benefit Settlement Options<sup>5</sup>. Instead of receiving the Death Benefit in a lump sum payment, Policyowner can designate one of the following settlement options while the Plan is in force and the Life Insured is alive to settle the Death Benefit to the Beneficiary.

#### 1. Installment Payments (Fixed Amount)

Death Benefit will be paid in fixed amount at regular intervals (monthly, quarterly, semi-annually or annually).

#### 2. Installment Payments (Fixed Period)

Death Benefit will be paid in installments (monthly, quarterly, semi-annually or annually) for an agreed fixed payment period.

#### 3. Partial Installment Payments (Fixed Amount)

A designated percentage of Death Benefit will be paid in a lump sum. The unpaid balance of Death Benefit will be paid in fixed amount at regular intervals (monthly, quarterly, semi-annually or annually).

#### 4. Partial Installment Payments (Fixed Period)

A designated percentage of Death Benefit will be paid in a lump sum. The unpaid balance of Death Benefit to be paid in installments (monthly, quarterly, semi-annually or annually) for an agreed fixed payment period.

#### 5. Partial Installment Payments until the Designated Age of the Beneficiary

Death Benefit will be paid in fixed amount at regular intervals (monthly, quarterly, semi-annually or annually) before the Designated Age of the Beneficiary. The unpaid balance of Death Benefit (if any) will be paid in a lump sum at the Designated Age of the Beneficiary.

#### 6. Increasing Installment Payments

Death Benefit will be paid by increasing installments (monthly, quarterly, semi-annually or annually). Death Benefit will be paid in a specified amount for the first installment. The subsequent installments will be increased by 3% each year starting from the second year until Death Benefit is fully settled.

### Additional Item

The Policyowner can enjoy one of the following allowances<sup>6</sup> of up to HKD8,000/ USD1,000 after the expiry of cooling off period and during the first 3 Policy Year while the Policy is in force.

- Tax or Legal Advisory Allowance for Legacy Planning<sup>6</sup>
- Health Check-up Allowance<sup>6</sup>

**Basic Application Conditions**

Premium Payment Term	Single Premium
Issue Age*	Age 0 (15 days after birth) to 75
Policy Currency	USD
Benefit Term	Whole Life
Minimum Sum Assured	USD500,000

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



## Case Sharing: Case 1

### Grand Fortune Whole Life Protection Plan - 100

Protection oriented



#### Mr. Lee (Age 50)

- Businessman
- Married
- Has a pair of son and daughter
- Standard non-smoker

Mr. Lee is the breadwinner for a family of four. He understands that he must be well prepared for the rainy days to protect his beloved family members and ensure they have sufficient support for their living. He has decided to insure for Grand Fortune Whole Life Protection Plan – 100 to enjoy the comprehensive life protection, as well as to reach his long term financial target.

Mr. Lee insures for Grand Fortune Whole Life Protection Plan – 100 at age 50.

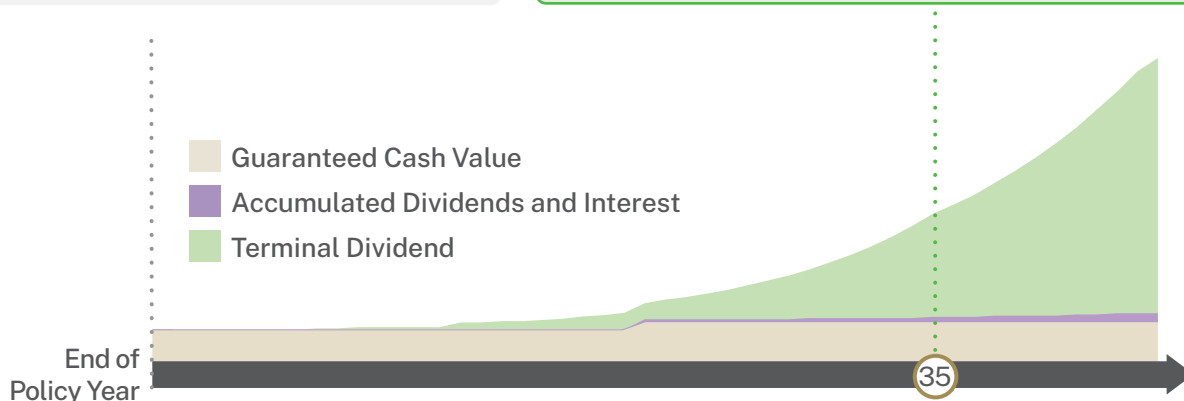
Country of Residence:	Hong Kong S.A.R. (Region A)
Sum Assured:	USD1,000,000
Premium Payment Term:	Single Premium
Single Premium:	USD300,000
Total Premiums Paid:	USD300,000

#### Scenario 1

If Mr. Lee surrenders his Policy at age 85, the projected Total Surrender Value of the Policy of USD764,088 will be paid.

#### Projected Total Surrender Value (USD):

= 300,000	(Guaranteed Cash Value) +
15,118	(Accumulated Dividends and Interest (non-guaranteed))* +
448,970	(Terminal Dividend (non-guaranteed))*
= 764,088	(up to 255% of Total Premiums Paid)





Mr. Lee insures for Grand Fortune Whole Life Protection Plan – 100 at age 50.

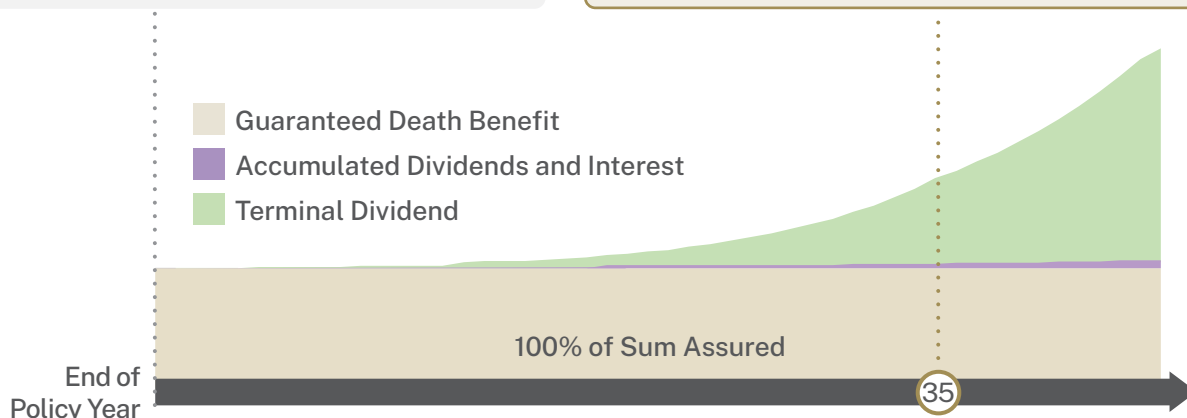
Country of Residence:	Hong Kong S.A.R. (Region A)
Sum Assured:	USD1,000,000
Premium Payment Term:	Single Premium
Single Premium:	USD300,000
Total Premiums Paid:	USD300,000

## Scenario 2

If Mr. Lee passes away at age 85, the projected Total Death Benefit of the Policy of USD1,464,088 will be paid to his Beneficiary.

### Projected Total Death Benefit (USD):

$$\begin{aligned}
 &= 1,000,000 \quad (100\% \text{ of Sum Assured}) + \\
 &\quad 15,118 \quad (\text{Accumulated Dividends and Interest (non-guaranteed)})^* + \\
 &\quad 448,970 \quad (\text{Terminal Dividend (non-guaranteed)})^* \\
 &= 1,464,088 \quad (\text{up to } 488\% \text{ of Total Premiums Paid})
 \end{aligned}$$



The above example assumes no Policy Loan, no withdrawal or partial surrender, and all premiums have been paid when due during the benefit term. The above example is for reference only. Please refer to the Insurance Proposal of the Plan for actual premium and more details.

\* Accumulated Dividends and Interest means the aggregate of (1) the total amount of distributed Annual Dividend left with Hong Kong Life (if any); and (2) the total amount of interest accumulated on any distributed Annual Dividend, the annual interest accumulation rate and Terminal Dividend are 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. Hong Kong Life reserves the right to change them from time to time. The Annual Dividend and/or 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.

The above figures may differ slightly from the actual figures due to rounding differences.



## Case Sharing: Case 2

### Grand Fortune Whole Life Protection Plan - 50

#### Balancing savings and protection



#### Mr. Wu (Age 50)

- Doctor
- Married
- Has a daughter
- Standard non-smoker

Mr. Wu's daughter will be soon graduating from university which reduces his family liability. He hopes to set up a solid financial base for him to enjoy his retirement life with his wife and daughter. He has decided to insure for Grand Fortune Whole Life Protection Plan - 50.

Mr. Wu insures for Grand Fortune Whole Life Protection Plan - 50 at age 50.

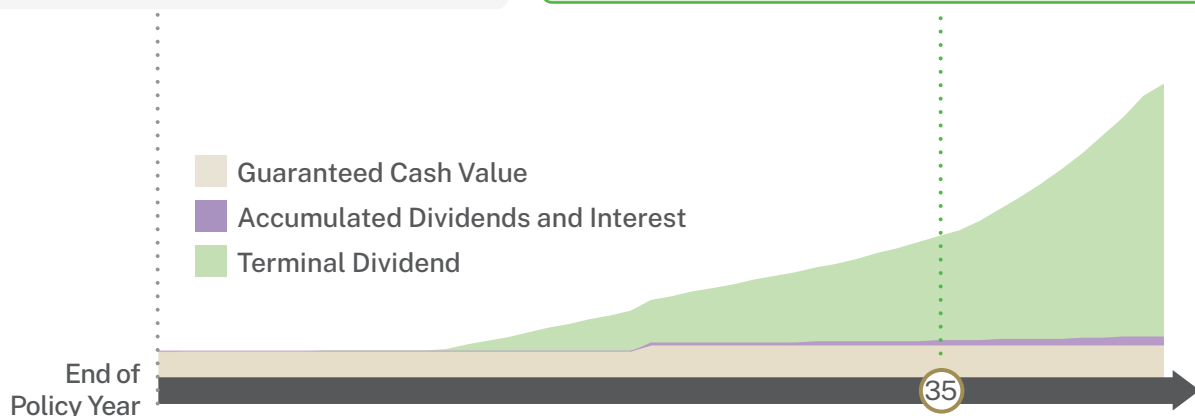
Country of Residence:	Hong Kong S.A.R. (Region A)
Sum Assured:	USD1,000,000
Premium Payment Term:	Single Premium
Single Premium:	USD250,000
Total Premiums Paid:	USD250,000

#### Scenario 1

If Mr. Wu surrenders his Policy at age 85, the projected Total Surrender Value of the Policy of USD852,338 will be paid.

#### Projected Total Surrender Value (USD):

= 250,000	(Guaranteed Cash Value) +
15,118	(Accumulated Dividends and Interest (non-guaranteed))* +
587,220	(Terminal Dividend (non-guaranteed))*
= 852,338	(up to 341% of Total Premiums Paid)



## Scenario 2

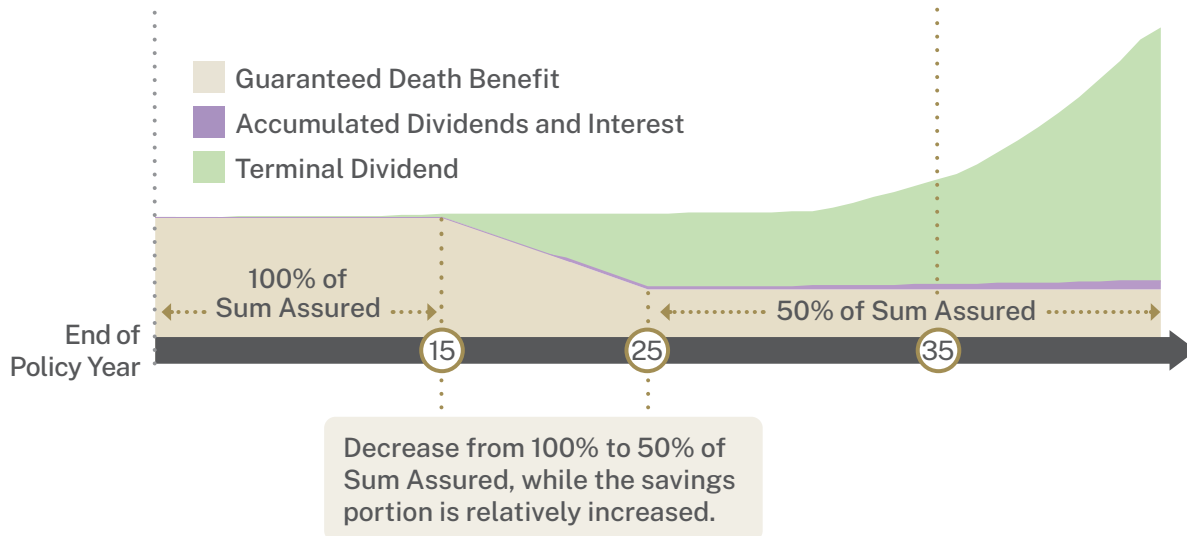
Mr. Wu insures for Grand Fortune Whole Life Protection Plan – 50 at age 50.

Country of Residence: Hong Kong S.A.R. (Region A)  
 Sum Assured: USD1,000,000  
 Premium Payment Term: Single Premium  
 Single Premium: USD250,000  
 Total Premiums Paid: USD250,000

If Mr. Wu passes away at age 85, the projected Total Death Benefit of the Policy of USD1,102,338 will be paid to his Beneficiary.

### Projected Total Death Benefit (USD):

= 500,000	(50% of Sum Assured) +
15,118	(Accumulated Dividends and Interest (non-guaranteed))* +
587,220	(Terminal Dividend (non-guaranteed))*
<hr/>	
= 1,102,338	(up to 441% of Total Premiums Paid)



The above example assumes no Policy Loan, no withdrawal or partial surrender, and all premiums have been paid when due during the benefit term. The above example is for reference only. Please refer to the Insurance Proposal of the Plan for actual premium and more details.

\* Accumulated Dividends and Interest means the aggregate of (1) the total amount of distributed Annual Dividend left with Hong Kong Life (if any); and (2) the total amount of interest accumulated on any distributed Annual Dividend, the annual interest accumulation rate and Terminal Dividend are 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. Hong Kong Life reserves the right to change them from time to time. The Annual Dividend and/or 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.

The above figures may differ slightly from the actual figures due to rounding differences.

## Remarks

1. Annual Dividend, the annual interest accumulation rate and Terminal Dividend are 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. Hong Kong Life reserves the right to change them from time to time. The Annual Dividend and/or 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.
2. Accumulated Dividends and Interest means the aggregate of (1) the total amount of distributed Annual Dividend left with Hong Kong Life (if any); and (2) the total amount of interest accumulated on any distributed Annual Dividend left with Hong Kong Life.
3. If Partial Surrender is exercised in the Policy, the Sum Assured shall be reduced proportionally based on the percentage of Guaranteed Cash Value and Terminal Dividend (if any) being withdrawn for the Partial Surrender. Upon the reduction of Sum Assured, the Total Premiums Paid, Guaranteed Cash Value, Annual Dividend (if any) and Terminal Dividend (if any) of the Plan shall be reduced proportionately. Total Death Benefit shall also be adjusted accordingly. Partial Surrender is 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.
4. Change of Life Insured is only applicable if the Policyowner is a corporate business entity where the policy is set up in relation to a business succession and planning strategy and it is subject to the terms and conditions, and the then underwriting and administrative rules as determined by Hong Kong Life from time to time. A change of Life Insured may trigger consequential adjustments in the Sum Assured, Guaranteed Cash Value, Annual Dividend (if any), Terminal Dividend (if any), and Total Premiums Paid, subject to the then underwriting and administrative rules as determined by Hong Kong Life at its absolute discretion. Death Benefit shall also be adjusted accordingly. The adjusted Sum Assured must meet the minimum and maximum Sum Assured requirements as determined by Hong Kong Life from time to time. The Policy Year will remain unchanged after the change of Life Insured, the Death Benefit by Policy Year will continue to apply (applicable to Grand Fortune Whole Life Protection Plan – 50). At the time Hong Kong Life receive the written request, the proposed New Life Insured's age must not be over 75. Also, evidence of insurability including the insurable interest for the proposed New Life Insured shall be submitted. In addition, the New Life Insured and the Previous Life Insured must be alive on the date of endorsement. All Supplementary Benefit(s) (if any) for the Previous Life Insured will be terminated automatically on the date of endorsement and no unearned premium shall be refunded. The relevant Supplementary Benefit(s) can be applied in respect of the New Life Insured subject to the underwriting rules and requirements 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.
5. Death Benefit Settlement Options are 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.
6. This item is only payable once either for (i) one time of professional consultation service on Policyowner's tax or legacy planning provided by a legal firm or an accounting firm practicing in Hong Kong or (ii) one time of health check-up received by Policyowner from a qualified service provider in Hong Kong. The amount of this allowance is up to HKD5,000 / USD625 (applicable to the Policy with Total Premiums Paid of below USD500,000 while the policy is issued) or HKD8,000 / USD1,000 (applicable to the Policy with Total Premiums Paid of USD500,000 or above while the policy is issued). Tax or Legal Advisory Allowance for Legacy Planning / Health Check-up Allowance is included in the Plan but not part of the coverage. The availability of this item is not guaranteed. The details of this item will be provided along with the policy document. Hong Kong Life reserves the right to cancel or amend the said item at its sole discretion. Hong Kong Life reserves the right of final decision in case of any dispute.



## Important Notes for Policy Reverse Mortgage Programme ("PRMP")

Please note that the Plan is an eligible life insurance plan under PRMP, but it does not necessarily mean that your PRMP application will be approved. The eligibility of the Plan under the PRMP is based on the features of the product. Therefore, you and your life insurance policy are still required to meet all the eligibility requirements under PRMP before you apply for the policy reverse mortgage loan.

The general information provided on PRMP is for your reference only, and you should not make any decisions based on such information alone. You should always seek for advice from professional bodies if you have any doubts. Please note that the information provided is subject to change including the eligibility criteria for PRMP. Hong Kong Life does not take any responsibility to inform you about any changes and how they may affect you. The Policy Reverse Mortgage Programme is operated by HKMC Insurance Limited, a wholly-owned subsidiary of The Hong Kong Mortgage Corporation Limited. For further information, please refer to The Hong Kong Mortgage Corporation Limited website: [www.hkmc.com.hk](http://www.hkmc.com.hk).

## Important Statements

### A. Basic Plan

#### *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

If you partially surrender or terminate the Policy in early years, 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 the 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 dividends (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 dividends (if any) and annual interest accumulation rate are not guaranteed and may be changed over time. The actual dividends 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.

(Only applicable to corporate customers)

Upon the change of Life Insured, if the New Life Insured commits suicide, while sane or insane, within one (1) year from the date of endorsement or date of any reinstatement, whichever is later, the liability of Hong Kong Life shall be limited to (i)(a) a refund of the Total Premiums Paid for the Plan (without interest) or (i)(b) the Guaranteed Cash Value and Terminal Dividend (if any), whichever is greater, plus (ii) Accumulated Dividends and Interest (if any), less (iii) Indebtedness (if any).

### **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 the date of any reinstatement, whichever is later. Premiums paid will not be refunded should the Policy be voided by Hong Kong Life.

(Only applicable to corporate customers)

Upon the change of the Life Insured, Hong Kong Life shall not contest the validity of the Policy after the change has been in force during the lifetime of the New Life Insured for two (2) years from the date of endorsement or date of any reinstatement, whichever is later, except for (i) fraud or (ii) misstatement of Age and/or sex as specified in the "Misstatement of Age and/or Sex" clause of the General Provisions of the Policy. 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 is fully surrendered; or
- iii. if and when the Indebtedness of the Policy equals to or exceeds the Guaranteed Cash Value.

## ***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. 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, the projected Total Surrender Value (if applicable) may be less than the Total Premiums Paid.

## **11. Dividends**

Hong Kong Life determines the amount of divisible surplus that will be distributed in the form of dividends. Dividends 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 dividends is not guaranteed and may be changed over time. The actual dividends payable may be higher or lower than the expected amount at the time when the policies were issued. The withdrawal of dividends will decrease the Total Surrender Value and Total Death Benefit of the Policy.

## **12. Partial Surrender**

In case of Partial Surrender, the Guaranteed Cash Value and Terminal Dividend of the Policy will be decreased accordingly. This will also decrease the Sum Assured, Total Surrender Value, Total Death Benefit, Annual Dividend and other benefits (if applicable) 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.

## **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.

## 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 Annual Dividend and Terminal Dividend) and rate of interest (referred to as “interest accumulation rate”) on 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 or partial surrender 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 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 50% of the fund's assets will be invested in bonds mainly issued in US and Hong Kong, 0% to 40% 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 dividends 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.

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