



# Life Insurance Basic – Death

December 2021

Life Operations - For Internal Use Only

# DEATH

## Accidental Death

- Pays only if Insured's death is caused by an **Accident** while the policy is in force

## Typical Contract Wordings (FT Life):-

If, while this Plan is in force, the Insured suffers **Injury** resulting in **any loss** as provided in the Schedule of Benefits within ninety (90) calendar days from the date of **Accident**, we shall, upon receipt and approval of proofs, pay a benefit for the corresponding losses. The amount of the benefit is expressed as a percentage of the sum insured of this Plan as shown in the Policy Specifications or relevant endorsement. The percentage applicable is shown in the following Schedule of Benefits.

### SCHEDULE OF BENEFITS

Benefit Item	Amount of Benefits as % of Sum Insured of this Plan
(1) Death & Dismemberment	
Accidental Death	100%
:	:
:	:

# DEATH

## Typical Contract Wordings (FT Life):-

Accident - an unforeseen and unexpected event of violent, accidental, external, visible and involuntary nature occurring while this Plan is in force and which shall be the direct and sole cause of an Injury independently of any other causes.

Accidental Death - death resulting directly from Injury caused solely by Accident and independent of any other causes and occurs within ninety (90) calendar days of the Accident.

Injury - an abnormal bodily condition of the Insured effected directly and independently of all other causes by Accident of which there is evidence of a visible contusion, bruise or wound on the exterior of the body (except in the case of drowning or internal injury revealed by autopsy) as confirmed by a recognized diagnostic examination by a Medical Practitioner.

# DEATH

## Death of all causes

- Pays only if Insured dies while the policy is in force

## Typical Contract Wordings (FT Life):-

While the basic plan is in force, we will provide the following benefit(s) subject to the provisions of this Policy.

## DEATH BENEFIT

If the Insured dies, we will pay the Beneficiary the Sum Insured of the basic plan plus accumulated annual dividends and interest (if any) and terminal dividend (if any) in accordance with the Dividend Provisions after deduction of any Indebtedness owing under this Policy when we receive satisfactory proof of death of the Insured.

**We, our, us, the Company** - FT Life Insurance Company Limited.

**You, your, Owner** - the owner of this Policy named in the Application or, if the owner of this Policy is changed in accordance with these Policy Provisions, the new owner of this Policy.

**Complementary Policy** - a policy on the Insured which is issued in conjunction with but does not form part of this Policy

## Supplementary Contract/Rider

- The abovenamed plan ("this Plan") forms part of the Policy to which this Plan is attached and is valid only if the name and coverage details of this Plan is stated in the Policy Specifications or added by endorsement. It is issued in consideration of the statements in the Application for this Plan, all medical evidence and written statements submitted and the payment of premium applicable to this Plan shown in the Policy Specifications or relevant endorsement.
- The provisions of the basic plan apply to this Plan unless stated otherwise. In the event of any conflict between the provisions of this Plan and those of the basic plan, the provisions of this Plan (e.g. Supplementary Contract/Rider) shall prevail.

## INCONTESTABILITY

- We shall not contest the validity of this Policy, except for fraud or non-payment of premium, after it has been in force during the Insured's lifetime for two (2) years after (i) the Policy Effective Date; (ii) the effective date of any subsequent addition of plan (if applicable); (iii) the effective date of increase in Sum Insured (if applicable); or (iv) the date of reinstatement (if applicable) under this Policy, whichever is later. This Incontestability provision is only applicable to the part of this Policy providing Death Benefit.
- If we rescind this Policy, our liability will be limited to the aggregate of (i) the refund of the total amount of premiums of the basic plan and the premiums of all riders and Complementary Policies (if any) paid since (a) the Policy Date; or (b) the date of reinstatement (if applicable); or (c) the effective date of increase of Sum Insured (if applicable); or (d) the effective date of any subsequent addition of plan (if applicable), whichever is later; and (ii) less any Indebtedness, any type of dividend withdrawal, any claim which have been paid by us under this Policy and any Complementary Policy (if applicable) from the aforesaid effective date.

## INCORRECT AGE OR SEX

- If the Insured's date of birth or sex or both is **mis-stated** in the Application (whether or not that mis-statement should have previously come to our knowledge) and the premium paid as a result is **insufficient** for any benefit specified in this Policy, any amount of benefit payable under this Policy subject to the maximum limits of that benefit, shall be **prorated** based on the ratio of the actual premium paid to the correct premium which should have been charged.
- **Any excess premium** which may have been paid as a result of such mis-statement of date of birth or sex or both shall be **refunded**.
- If the Insured **would not have been eligible for this Policy** on the date of Application, our liability under this Policy shall be limited to the aggregate of (i) **the refund of the total amount of premiums** of the basic plan and the premiums of all riders and Complementary Policies (if any) paid since (a) the Policy Date or (b) the date of reinstatement (if applicable), whichever is later; and (ii) less any Indebtedness, any type of dividend withdrawal, any claim which have been paid by us under this Policy and any Complementary Policy (if applicable).

## SUICIDE

- If the Insured commits suicide, whilst sane or insane, within one (1) year from the Policy Effective Date (including the Policy Effective Date) or date of reinstatement (if applicable), whichever is later, and whilst this Policy is in force, our liability under this Policy shall be limited to the aggregate of (i) the refund of the total amount of premiums of the basic plan and the premiums of all riders and Complementary Policies (if any) paid since (a) the Policy Date or (b) the date of reinstatement (if applicable), whichever is later; and (ii) less any Indebtedness, any type of dividend withdrawal, any claim which have been paid by us under this Policy and any Complementary Policy (if applicable) since the Policy Date or the date of reinstatement (if applicable), as the case may be.
- If the Insured commits suicide, while sane or insane, within one (1) year from the effective date of any increase in Sum Insured (if applicable) or any subsequent addition of any plan (if applicable) and whilst this Policy is in force, our liability in respect of that increase of Sum Insured or addition of plan will be limited to refunding the aggregate of the corresponding increment of premium paid under this Policy and any Complementary Policy (if applicable) and less any Indebtedness.
- Any amount that may be paid by us under this Suicide provision is regarded as Death Proceeds.



# FT LIFE's Useful Provisions



## FREEDOM FROM RESTRICTION

- Unless specified otherwise, this Policy has no restriction with respect to the Insured's travel, residence or occupation.

## INTEREST

- Unless we otherwise agree in writing, no amount payable by us under this Policy shall carry interest.

## LAW AND JURISDICTION

- This Policy is governed by and shall be construed in accordance with the laws of Hong Kong and all parties to this Policy irrevocably submit to the non-exclusive jurisdiction of the courts of Hong Kong.

## TIME EFFECTIVE

- Unless specified otherwise, 00:00 a.m. Hong Kong time shall be deemed to be the effective time with respect to any times and dates referred to in this Policy.

## LEGAL ACTION

- No action at law or in equity will be brought to recover on this Policy sooner than sixty (60) calendar days after the date on which proof of claim (for benefit(s) under this Policy) satisfactory to the Company is received. No action at law or in equity shall be brought after the expiration of two (2) years from the date on which we receive the written notice of claim from you.

# FT LIFE's Useful Provisions

## PREMIUM

- All premiums up to the Premium End Date are payable to us on or before the due date at such of our offices in Hong Kong as prescribed by us from time to time and in a manner which is acceptable to the Company. The Company will permit the frequency of premium payment to be changed on or before any premium due date by filing with us a written request provided that such change meets the minimum premium requirements and acceptable payment methods as determined by us from time to time.
- No receipt for any premium is valid unless signed by our authorized cashier.

## GRACE PERIOD

- We shall allow a **grace period of thirty-one (31) calendar days** after the premium due date (the “Grace Period”) for payment of each premium (other than the first premium) during which this Policy will remain in force. If any premium is not paid on or before its due date, that premium is in **default**. If that premium remains unpaid at the end of the Grace Period, this Policy terminates as from the last premium due date subject to the **Automatic Non-Forfeiture Provisions**. We shall not be liable to pay any benefit arising from any event occasioned during the Grace Period unless the overdue premium is paid before the end of the Grace Period.

## REINSTATEMENT

If this Policy lapses and terminates due to non-payment of any premium, it may be **reinstated** subject to the following conditions:

1. the request for reinstatement must be made by you in writing and in our prescribed form **within two (2) years** from the due date of the premium in default; and
2. you must provide **satisfactory evidence to us that the Insured is still insurable**; and
3. any **unpaid premium must be paid in full with interest** to be determined by us; and
4. any **Indebtedness** which existed at the time of lapsation of this Policy must be either repaid or the Indebtedness with interest determined by us shall be recalculated in the reinstated Policy; and
5. the application for reinstatement and the terms of reinstatement must be **approved by the Company in writing**.
6. **Unless otherwise agreed in writing by the Company, any claim arising, made or accrued after termination due to non-payment of any premium but before the reinstatement effective date (if applicable) shall not be accepted or allowed at any time.**

This Reinstatement provision shall survive termination of this Policy (due to non-payment of any premium) for two (2) years from the due date of the premium in default.

## NON-FORFEITURE OPTION PROVISIONS

If you stop premium payment after this Policy has acquired (已獲得) a cash value, you may elect one of the following options (“the Non-Forfeiture Options”) by writing to us.

- Option 1 **Cash surrender** - You may surrender this Policy to us for its cash value less any Indebtedness. Once surrendered, this Policy is no longer in force and it is not eligible for reinstatement. We reserve the right to defer paying the cash value for up to six (6) months from the date of your surrender request. If we postpone payment for more than thirty (30) calendar days from the date of your surrender request, we will pay interest at a rate to be determined by us from time to time.
- Option 2 **Paid-up insurance** - You may continue to keep this Policy in force and change your basic plan to a non-dividend paying paid-up insurance plan for a reduced Sum Insured. This paid-up insurance shall be payable under the same conditions and on the same date as the basic plan. The amount of the Sum Insured of the paid-up insurance plan shall be determined according to the cash value of the basic plan less any Indebtedness as of the premium due date of the first unpaid premium and the Insured's then attained age and shall not exceed the Sum Insured of the basic plan.

## NON-FORFEITURE OPTION PROVISIONS (Cont'd)

- Option 3 Extended term insurance - You may continue to keep this Policy in force and change your basic plan to a non-dividend paying term insurance plan if the premium class of this Policy as determined by us is standard. The Sum Insured of the extended term insurance will be the Sum Insured of the basic plan less any Indebtedness. Such extended term insurance will be effective on the premium due date of the first unpaid premium and will be in force for such a term as the cash value, less any Indebtedness, will provide as a net single premium at the Insured's then attained age. At the end of the term of the extended term insurance, this Policy will terminate.
- If the cash value, less any Indebtedness, exceeds the amount required to buy such extended term insurance for a term up to the Plan End Date, the excess will be used to buy a non-dividend paying paid-up pure endowment insurance. Such pure endowment insurance would be payable only if the Insured is living on the Plan End Date.

Any insurance provided under Option 2 or Option 3 does not provide any type of dividend, but may be surrendered to us for a cash payment. The amount of cash payment will be determined by the Company. Once surrendered, this Policy shall no longer be in force.

## NON-FORFEITURE OPTION PROVISIONS (Cont'd)

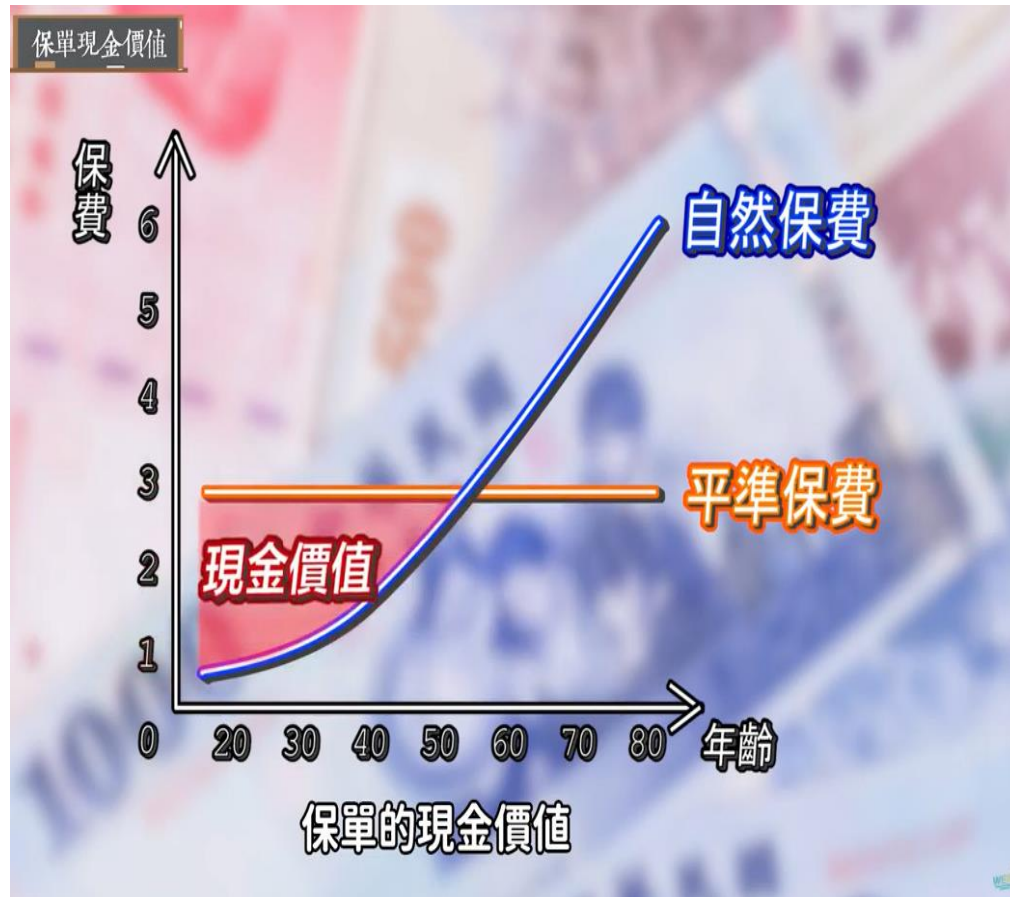
**CASH VALUES:** The cash values of the basic plan of this Policy are guaranteed and shown in the table as appeared in the Policy Specifications. The table assumes that premiums have been paid up to the end of the Policy Year indicated and that there is no Indebtedness. If premiums have not been paid up to the end of the relevant Policy Year, we will determine the cash value with allowance for the time elapsed in such year and for the period premiums have been paid. We will provide information about such cash values at any time upon request. If you surrender this Policy prior to the end of the period for which premiums have been paid, the cash value will be discounted according to the date of surrender at a rate to be determined by us.

## AUTOMATIC NON-FORFEITURE PROVISIONS

If, at the end of the Grace Period, the payment of any premium is in default and we have not been notified of your election of any of the Non-Forfeiture Options prior to the termination of this Policy, this Policy will continue on the terms below provided that the Net Cash Value is equal to or greater than such premium in default.

The Company will make a loan to you for the premium due without your prior consent or approval as an automatic premium loan, and this Policy is the sole security for the automatic premium loan. Such an automatic premium loan will continue to be made at subsequent premium due date(s) for any premium in default provided that the Net Cash Value is equal to or greater than the premium in default. If at any premium due date the Net Cash Value is less than the premium in default, this Policy will continue in force for a period determined by the ratio of the Net Cash Value to the premium in default multiplied by a number of days that is dependent on the frequency of premium payment applicable to this Policy. Thereafter this Policy will lapse.

## NON-FORFEITURE OPTION PROVISIONS (Cont'd)



- **Cash value** is the portion of your policy that earns interest and may be available for you to withdraw or borrow against in case of an emergency. The following types of permanent life insurance policies may include a cash value feature: Whole life insurance.
- The difference between the amount paid out and the amount accrued is the **net amount at risk**. For example, if a policy's death benefit is \$200,000, and its accrued cash value is \$75,000, then the net amount at risk equals \$125,000.
- The net amount at risk is the difference between the death benefit paid out on a life insurance policy and the accrued cash value paid for it by the insured. The net amount at risk is highest in the early stages of a life insurance policy and decreases as the insured increases in age.

## LOAN PROVISIONS

### POLICY LOAN

Subject to the Company's approval, you may obtain a loan from us whenever this Policy has a Net Cash Value. The amount of the loan will be determined by the Company. This Policy is the sole security for any such loan.

We have the right to postpone approving your loan for up to six (6) months from the date of your request unless such loan is used to pay premium on any of your policies with us.

**“Net Cash Value”** means the aggregate of the cash value and accumulated annual dividends and interest (if any) less any Indebtedness.



# FT LIFE's Useful Provisions

## LOAN PROVISIONS

### LOAN INTEREST

Any **policy loan** and **automatic premium loan** on this Policy will bear **interest at a rate determined by the Company** and the Company has the right to change the interest rate from time to time.

Unpaid interest at any Policy Anniversary will be added to the principal of such loan and will bear interest at the same rate.

### INDEBTEDNESS REPAYMENT

The Indebtedness may be repaid in full or in part at any time.

**Any Indebtedness will be deducted from any amount payable under this Policy.**

# FT LIFE's Useful Provisions

## MATURITY BENEFIT

If the Insured is **alive** on the Plan End Date of the basic plan, we will pay **you** the cash value in accordance with the Cash Values provision plus accumulated **annual dividends and interest** (if any) and terminal dividend (if any) in accordance with the **Dividend Provisions** as at the Plan End Date after deduction of any Indebtedness owing under this Policy on such date.

## DIVIDEND PROVISIONS

We will pay the following dividends on the basic plan (but not any rider or **Complementary Policy** attached to this Policy) in accordance with the provisions of this Policy after deduction of any Indebtedness owing under this Policy.

### (A) ANNUAL DIVIDEND

An annual dividend may be payable at the sole discretion of the Company on each Policy Anniversary after this Policy has been in force for a minimum number of Policy Years (to be determined by us) and provided that all premiums due have been paid up to each relevant Policy Anniversary. The amount of annual dividend will be determined by the Company at its sole discretion.

# FT LIFE's Useful Provisions

The annual dividend applicable to the first Policy Anniversary (if any) will be paid only after your full payment of premium for the second Policy Year.

You may apply for one of the following options by writing to us in the **form prescribed** by the Company:

- (i) **Accumulation with interest** – any annual dividend will be left with us and accumulate. The interest rate for annual dividend accumulated is not guaranteed and may be declared by us from time to time at our sole discretion.
- (ii) **Payment in cash** – any annual dividend will be paid to you by us in cash immediately upon the Company's approval of your request.
- (iii) **Reduction of premium** – any annual dividend will be used to reduce any premium due under this Policy. If the annual dividend is insufficient to settle the full amount of premium due, then you must settle in cash in advance the amount of premium due which cannot be settled by the amount of annual dividend payable, otherwise such reduction will not be made and the entire amount of annual dividend will be left with us to accumulate under option (i) above while the total amount of such premium due will be in default. If a reduction of premium is made, any annual dividend in excess will be left with us as option (i) above to reduce any future premium due.

If you have not elected any of the options, option (i) will automatically apply.

# FT LIFE's Useful Provisions

	Participating policy	Non-participating policy
<b>Meaning</b>	A participating policy enables you, as a policyholder, to share the profits of the insurance company. These profits are shared in the form of bonuses or dividends. It is also known as a with-profit policy.	In non-participating policies, the profits are not shared and no dividends are paid to the policyholders. This type of policy is also known as a without-profit or non-par policy.
<b>Non-Guaranteed Payments</b>	The bonuses or dividends are usually paid out annually.	There are no non guaranteed payments in non-participating policies because the profits are not shared.
<b>Guaranteed Payments</b>	The bonus that is paid out under this policy is not guaranteed. It is based on the performance of the insurance company.	In case of a non-participating policy, there is no bonus or dividend paid to the policyholder. However, there are guaranteed benefits on death of the life insured, his/her survival and/or policy maturity.

## TERMINATION PROVISIONS

The coverage of the Insured under the basic plan shall be automatically terminated upon the earliest occurrence of the following circumstances:

1. any premium under this Policy remains in default at the end of the Grace Period unless the Automatic Non-forfeiture Provisions become applicable; or
2. the Net Cash Value is equal to or less than zero while there is Indebtedness; or
3. the death of the Insured; or
4. your request to surrender this Policy is accepted by us; or
5. the basic plan of this Policy matures on the Plan End Date.

Unless otherwise agreed in writing by the Company, any payment or acceptance of any premium subsequent to such termination **shall not create any liability** on our part but we shall refund any such premium received by us without interest.

We shall cease to be liable for any claims arising after the termination of the basic plan.

## TERMINAL DIVIDEND

A terminal dividend may be payable at the sole discretion of the Company in the event that this Policy terminates by your surrender, at its maturity or by the Insured's death, provided that this Policy has been in force for a minimum number of Policy Years to be determined by us. The amount of terminal dividend will be determined by the Company at its sole discretion.

## Does **term life insurance** have a cash value?

- Term life insurance does not have a cash value. It is 'pure' insurance: you pay premiums to the insurance company, and if you die during the policy's term, your beneficiaries get the death benefit.
- If you don't die during the policy term and the policy term expires, or if you cancel the policy, there is no refund or surrender value for term life insurance.
- Alternatively, permanent life insurance, also called **cash value life insurance**, is an entire category of life insurance plans that last as long as you pay the premiums. Permanent life insurance is pricier than term life insurance, but permanent policies have a cash value component that acts like an **investment** or **savings account** over the life of the policy.

# FT LIFE's Useful Provisions

An **endowment policy** is a life insurance contract designed to pay a lump sum after a specific term (on its 'maturity') or on death. Typical maturities are five, ten, fifteen or twenty years up to a certain age limit

Examples:-

- This plan is a life insurance product. It is underwritten by XXXXX Company Limited and the policy term is 5 years with 2-year premium payment period (2 PAY 5).
- XXXXXX is a non-participating insurance plan that provides you with guaranteed cash value and distributes guaranteed cash payments regularly for financial flexibility:

End of Policy Year	% of Sum Assured
5 <sup>th</sup> policy year and every 5 years afterwards	15%



# FT LIFE's Useful Provisions

FT Life's Coupon Plan (e.g. E-FI)

## GUARANTEED CASH COUPON BENEFIT

During the lifetime of the Insured, we shall pay you a guaranteed cash coupon on the 3rd Policy Anniversary and at the end of every three (3) Policy Years thereafter until the Plan End Date of the basic plan. The amount of each guaranteed cash coupon shall be equivalent to 9% of the Sum Insured of the basic plan.

If the Premium Payment Period is fifteen (15) years or eighteen (18) years, we will pay you an additional guaranteed cash coupon equivalent to 9% of the Sum Insured of the basic plan as at the Premium End Date. This additional guaranteed cash coupon is not applicable to policies with Premium Payment Period of nine (9) years.

The amounts payable will be applied in accordance with the Dividend Provisions as set out hereinafter as if they are dividends. The guaranteed cash coupon will cease to be payable if any premium as of any relevant Policy Anniversary is not duly paid or if any of the Non-Forfeiture Options is elected.

## What Is Universal Life Insurance?

- Universal life is a form of "permanent" life insurance. It is made to cover you for your entire life and payout a set amount of money upon your death. It also has 'Account Value' that you can access as a loan while you're living.
- Universal Life differs from other types of permanent life insurance. The main difference is that it doesn't have set premiums. You can pay any amount you want within the minimum and maximum premium (payments) stated in the policy. These payments are based on your age, gender, medical history, and the amount of coverage you choose.

### Note:

- **Flexible Premiums**: You can choose to make a whole or partial payment depending on your finances at that time.
- **Flexible savings**: You can choose how your money grows or let the company choose for you.
- **Coverage for life**: Universal Life doesn't expire as long as the monthly payments are made

# FT LIFE's Useful Provisions

Product Name: HPUL1

**PREMIUM:** The premium comprises the Basic Premium and the Top-up Premium.

Subject to our minimum and maximum premium requirements and the other rules and regulation as determined by us from time to time, you may, by filing with us written request(s) in our prescribed form to request to pay Top-up Premium at any time and/or additional Basic Premium in accordance with the Increasing the Sum Insured provision. However, we reserve the right to reject your request (without any explanation to you) and we are not responsible for any loss arising from such rejection.

**INCREASING THE SUM INSURED:** For each increase in the Sum Insured, a new Basic Account Layer will be created and an endorsement in respect of that Basic Account Layer showing, among other things, the Sum Insured, the Layer Date and the Layer Effective Date for that new Basic Account Layer, will be issued and attached to this Policy.

You may request an increase in the Sum Insured at any time by paying additional Basic Premium provided that this Policy has been in force for at least two (2) Policy Years. Your request must be submitted in writing on our prescribed form and we may in our sole discretion decline (without any explanation to you) any request for an increase in the Sum Insured subject to all of the conditions specified as below: XXXXXXXXXX

# FT LIFE's Useful Provisions

**ACCOUNT PROVISIONS:** Each Basic Premium and Top-up Premium after deduction of Policy Charges will be credited to a new Basic Account Layer and a new Top-up Account Layer respectively, and will start accruing interest on the next calendar day immediately after the relevant Layer Effective Date according to the Crediting Interest provision.

**CREDITING INTEREST:** Subject to the Suspension of Determination of Crediting Interest Rate provision, while this Policy is in force, Crediting Interest corresponding to the Basic Account Value and/or the Top-up Account Value will be respectively credited to the corresponding Basic Account Layer and/or the corresponding Top-up Account Layer at the prevailing Crediting Interest rate, calculated on daily accrual basis and credited at the end of each Policy Year or at the end of each particular time interval (such time interval to be determined by us and subject to change at our sole discretion), and on the death of the Insured or the surrender of this Policy, if such dates are before the Policy Anniversary on or immediately following the Insured's 120th birthday.

For the avoidance of doubt, each Account Layer will have its own applicable Crediting Interest rate, which may be subject to change from time to time at the sole discretion of the Company without prior notice. In any circumstances, if you are eligible for any Crediting Interest, the Crediting Interest rate used for calculating such Crediting Interest shall be no less than applicable Minimum Guaranteed Crediting Interest.

## DEFINITIONS

- **Account:** Basic Account or Top-up Account.
- **Account Value (not Cash Value):** with respect to this Policy on the relevant day, the aggregate of (a) Basic Account Value, and (b) Top-up Account Value on that day.
- **Basic Account:** the account consists of all Basic Account Layers (if more than one) of the basic plan of this Policy.
- **Basic Account Layer:** the layer (i.e. sub-account) within Basic Account into which the Basic Premium and the corresponding **Crediting Interest are credited**. Whenever there is a new Basic Premium received and accepted by us, it will be credited into a new Basic Account Layer, and any Crediting Interest corresponding to the new Basic Premium will be credited to the corresponding new Basic Account Layer.
- **Basic Account Value:** with respect to the Basic Account on the relevant day, the amount in the Basic Account on that day.
- **Basic Premium:** the amount specified as such in the Policy Specifications or the amount specified as such in the relevant endorsement (as the case may be).

# FT LIFE's Useful Provisions



- **Crediting Interest:** the interest named as such to be credited by us to the Account, as set out in the Account Provisions.
- **Minimum Guaranteed Crediting Interest:** the interest rate specified as such in the Policy Specifications or relevant confirmation letter.
- **Top-up Account:** the account consists of all the Top-up Account Layers (if more than one) of the basic plan of this Policy.
- **Top-up Account Layer:** the layer (i.e. sub-account) within Top-up Account into which Top-up Premium and the corresponding Crediting Interest are credited. Whenever there is a new Top-up Premium received and accepted by us, it will be credited into a new Top-up Account Layer, and any Crediting Interest corresponding to the new Top-up Premium will be credited to the corresponding new Top-up Account Layer.
- **Top-up Account Value:** with respect to the Top-up Account on the relevant day, the amount in the Top-up Account on that day.
- **Top-up Premium:** the amount specified as such in the Policy Specifications or the amount specified as such in the confirmation letter (as the case may be).

# FT LIFE's Useful Provisions

**POLICY LOAN:** Subject to the Company's approval, after the 1st Policy Anniversary, you may obtain a loan from us whenever this Policy has a Net Account Value. The amount of the loan will be determined by the Company. This Policy is the sole security for any such loan. XXXXXXXX

**REINSTATEMENT PROVISIONS:** If this Policy terminates automatically because the Net Account Value falls to zero (0) or below, you may request us to reinstate it subject to all of the following conditions: XXXXXX

**TERMINATION PROVISIONS:** This Policy will be automatically terminated upon the earliest occurrence of the following circumstances:

1. your request to surrender this Policy is accepted by us; or
2. the death of the Insured; or
3. the Net Account Value falls to zero (0) or below; or
4. the amount of Advanced Death Benefit paid or payable under the Benefit Provisions of this Policy equals to the amount of Death Benefit payable under this Policy.

XXXXXXXXXXXXX

## POLICY CHARGES PROVISIONS

1. **PREMIUM CHARGE:** The Premium Charge as specified in the Policy Specifications or relevant endorsement will be deducted from the Basic Premiums and the Top-up Premiums (if any), as and when received by us and before being credited to the relevant Basic Account Layer and/or the relevant Top-up Account Layer.
2. **INSURANCE CHARGE:** The Insurance Charge is payable whilst this Policy is in force and is determined in accordance with the Policy Specifications or relevant endorsement. The Insurance Charge is deducted on the relevant Layer Dates and then monthly in advance from the Account Value of this Policy. XXXXXXXXXX
3. **ADMINISTRATION FEE:** The Administration Fee is payable whilst this Policy is in force and determined at the rate specified in the Policy Specifications or relevant endorsement. The Administration Fee is deducted on the relevant Layer Dates and then monthly in advance from the Account Value of this Policy. XXXXXXXX
4. **SURRENDER CHARGE:** Subject to the terms under Withdrawal and Surrender Provisions, the Surrender Charge is payable upon any of the following events (each a “Chargeable Event”):
  - a) any or all Account Value are withdrawn; or
  - b) your request to surrender this Policy is accepted by us.



## DEATH BENEFIT

1. As soon as reasonably practicable after we receive satisfactory proof of the death of the Insured, we will pay the **Death Proceeds**, as a Death Benefit, within one (1) calendar month without interest after our approval of the death claim of the Insured.
2. Subject to the above point 1, if the Insured dies while this Policy is in force and **before the Policy Anniversary on or immediately following the Insured's 120th birthday**, the amount of the Death Benefit payable is (a) the Sum Insured less the total withdrawal amount from the Top-up Account (if applicable) within twelve (12) calendar months prior to the date we receive the death claim with proof of death of Insured, less any Indebtedness; or (b) the Account Value as of the date we receive the death claim with proof of death of the Insured less any Indebtedness, whichever is higher.
3. Subject to the above point 1, if the Insured dies while this Policy is in force and **on or after the Policy Anniversary on or immediately following the Insured's 120th birthday**, the amount of the Death Benefit payable is the Account Value as of the date we receive the death claim with proof of death of the Insured less any Indebtedness.

## What Is Investment-linked Insurance?

- Investment-linked insurance policies (ILPs) are policies that have life insurance coverage and investment components.
- Your premiums are used to pay for units in one or more sub-funds of your choice. Some of the units purchased are then sold to pay for insurance and other charges, while the rest remain invested.

ILPs can be classified into two categories:

- **Single-premium ILPs** – You pay a lump sum premium to buy units in a sub-fund. Most single premium ILPs provide lower insurance protection than regular premium ILPs.
- **Regular premium ILPs** – You pay premiums on an on-going basis. Regular premium ILPs may allow you to vary the level of insurance coverage you need.

## Investment-Based vs Insurance-Based

It's important to understand these main differences before proceeding.

**Insurance-Based ILPs:** Traditionally, insurers offer **insurance-based ILPs**. This is because consumers find whole life insurance policies not worth the amount they spend due to a lesser cash value received as compared to their premiums paid. Thus, investment-linked plans were born. These ILPs allow you to control the insurance portion and the investment portion of your policy. Meaning that if you need more insurance coverage, you can simply opt for more insurance coverage and reduce your investment funds. However, the bad thing about these ILPs is that it mixes both insurance and investments together – which is never a good idea. A clear and distinct separation should be made so that you understand where your money is going into. That's why a newer type of ILP currently exists in the market, investment-based ILPs.

**Investment-Based ILPs:** With the clear distinction demanded from consumers, insurers came up with the **investment-based ILP** (or commonly termed as 101-wrapper) so that your investments can be directed to purchasing more unit funds. Although these policies mention a death and TPD benefit, it's not the same as what insurance policies and insurance-based policies offer. Instead of providing you a sum assured (usually more than the premiums you pay), they return **101%, 105%, etc** of your paid premiums. This means the insurance company has little to no need to funnel your premiums into providing you with an assured sum and you get more investment unit funds instead. With more unit funds, you will accumulate more wealth and faster than insurance-based ILPs. This essentially acts as a platform for your investment needs.

## Premium Allocation

**Front-end loading:** Front-end uses most of your premium payments to cover the insurer's expenses, like distribution and administrative fees. You will still have some of your premium to buy units in a fund or sub-fund.

It's only after a few years that all of your premiums will solely be used in buying ILP sub-fund units. But this event takes place only after the insurer has taken its share.

**Back-end loading:** Back-end loading also uses your premium to cover the insurer's fees and expenses. The difference for back-end loading is that the full premiums are used to purchase units at the beginning. Fees and sales charges are deducted monthly through the sale of the units in the fund or sub-funds.

# FT LIFE's Useful Provisions

**INVESTMENT CHOICE ALLOCATION PROVISIONS:** When you apply for this Policy you must provide us with your Investment Choice allocation percentages in our prescribed form so we can use the Initial Account Premium and the Accumulation Account Premium to allocate Units. Your Investment Choice allocation percentages must be the same for the Initial Account and the Accumulation Account. You cannot allocate different Investment Choices or different percentages to the Initial Account and the Accumulation Account. We will use the Initial Account Premium to allocate Units according to your Investment Choice allocation percentages and credit the same to the Initial Account. We will use the Accumulation Account Premium to allocate Units according to your Investment Choice allocation percentages and credit the same to the Accumulation Account.

**ALLOCATION OF UNITS:** Premium allocated to an Investment Choice, proceeds switched into an Investment Choice pursuant to your switching request and the Welcome Bonus, if any, payable to you will be used to allocate Units of the Investment Choices you have chosen. These Units will be allocated to your Policy Account as soon as practicable on a Valuation Date after we have received those premium or those proceeds or determined that Welcome Bonus payable to you. The number of Units allocated shall be the relevant amount of that premium, those proceeds or that Welcome Bonus (after deducting all applicable fees and charges) divided by the Offer Price (賣出價) of the Units allocated as at the Valuation Date and rounded down to 4 decimal places (or such other number of decimal places as we may determine from time to time).

# FT LIFE's Useful Provisions

- **Unit:** a notional unit of an Investment Choice, including any fraction thereof; an Investment Choice shall be divided into units or shares of equal value called Units.
- **Investment Choice:** a notional underlying fund made available for you to choose under this Policy.
- **Initial Account Premium:** the amount specified as such in the Policy Specifications.
- **Initial Account:** the account of all Units originally allocated from (a) the Initial Account Premium and (b) the Welcome Bonus.
- **Accumulation Account Premium:** the amount specified as such in the Policy Specifications.
- **Accumulation Account:** the account of all Units originally allocated from the Accumulation Account Premium.
- **Policy Account:** collectively the Initial Account and the Accumulation Account.
- **Bid Price (買入價):** the price at which a Unit will be cancelled, as determined according to these Policy Provisions.
- **Offer Price (賣出價):** price at which a Unit will be allocated, as determined according to these Policy Provisions.

# FT LIFE's Useful Provisions

## INVESTMENT CHOICES PROVISIONS

**POLICY ACCOUNT:** We maintain the Policy Account for your benefit. Units are notionally allocated to the Policy Account and only for the purpose of determining the Account Value. You have no legal or beneficial interest in the Units credited to or debited from your Policy Account, the Investment Choices or the underlying funds of those Investment Choices.

**INVESTMENT CHOICES:** The Company will maintain one or more Investment Choices for this Policy. The premium you pay becomes our asset. You do not own the premium or the Investment Choices you choose nor do you have any rights over these assets. We only use the investment assets you have chosen to determine the value of your Policy Account. Units allocated to your Policy are notional and are solely for the purpose of determining the Account Value. The Company is at all times the sole legal and beneficial owner of the premium and of the Investment Choices it may purchase with that premium. The value of your Policy Account is subject to the fees and charges specified in the principal brochure for this Policy (including, but not limited to, the Cancellation Charge and the underlying fund management charges) and may be lower than the return of the corresponding Investment Choice. XXXXXXXXXXXXX

**VALUATION OF INVESTMENT CHOICES:** Where an Investment Choice invests 100% of its assets into an underlying fund, the Bid Price and Offer Price of a Unit of that Investment Choice on the Valuation Date will be the same as the quoted Bid Price and Offer Price respectively of the Unit or share of that underlying fund on that Valuation Date and in the currency of that underlying fund.

**INVESTMENT AND BORROWING RESTRICTIONS:** The investment and borrowing restrictions of the Investment Choices are set out in the principal brochure for this Policy.

## BENEFIT PROVISIONS

**DEATH BENEFIT:** As soon as reasonably practicable after we have received satisfactory proof of the death of the Insured we will cancel all the Units in the Policy Account and pay the Death Proceeds (without interest) within one month after our approval of the death claim of the Insured. Subject to the Suicide provision, the Death Proceeds shall be an amount equal to one hundred and five percent (105%) of the Account Value. For the avoidance of doubt, any outstanding fees and charges due under the Policy shall first be deducted from the Account Value before the Account Value is multiplied by one hundred and five percent (105%) XXXXXXXX .

- **Account Value (Not Cash Value):** with respect to this Policy on the relevant day, the aggregate of (a) the number of Units of each Investment Choice in the Initial Account on that day multiplied by their respective Bid Prices (買入價) on that day and (b) the number of Units of each Investment Choice in the Accumulation Account on that day multiplied by their respective Bid Prices (買入價) on that day.

**WELCOME BONUS:** After we receive the premium for this Policy we will pay you a **Welcome Bonus**. This is an amount equal to the Accumulation Account Premium multiplied by the Welcome Bonus Percentage and will be used to allocate Units to the Initial Account at the same time as that premium is used to allocate Units to the Policy Account. XXXXXX



**MATURITY BENEFIT:** If the Insured is alive on the Plan End Date of the basic plan, we will cancel all the Units in the Policy Account and, within one month after that date, pay you the **Cancellation Value** less any outstanding fees and charges due under this Policy.

- **Cancellation Value:** the amount equal to the number of Units cancelled multiplied by their respective Bid Prices on the relevant Valuation Date, and then deducting their respective Cancellation Charges pursuant to the Cancellation of Units provisions.
- **Cancellation Charge:** the cancellation charge for cancelled Units which is an amount equal to the corresponding cancellation charge of the relevant underlying fund of that Investment Choice as specified in the offering documents of the underlying fund of that Investment Choice

# FT LIFE's Useful Provisions

## POLICY CHARGES PROVISIONS

**INVESTMENT MANAGEMENT FEE:** The amount of Investment Management Fee is determined at the rate specified in the Policy Specifications for the entire Account Value. The Investment Management Fee payable will be deducted monthly in arrears (後付) from the Cancellation Value of the Units in the Initial Account. XXXXXXXXX

**SURRENDER CHARGE:** If you surrender this Policy the Surrender Charge is payable. The amount of the Surrender Charge will be determined in accordance with the Policy Specifications as a percentage of the Account Value on surrender but after deducting from that Account Value:

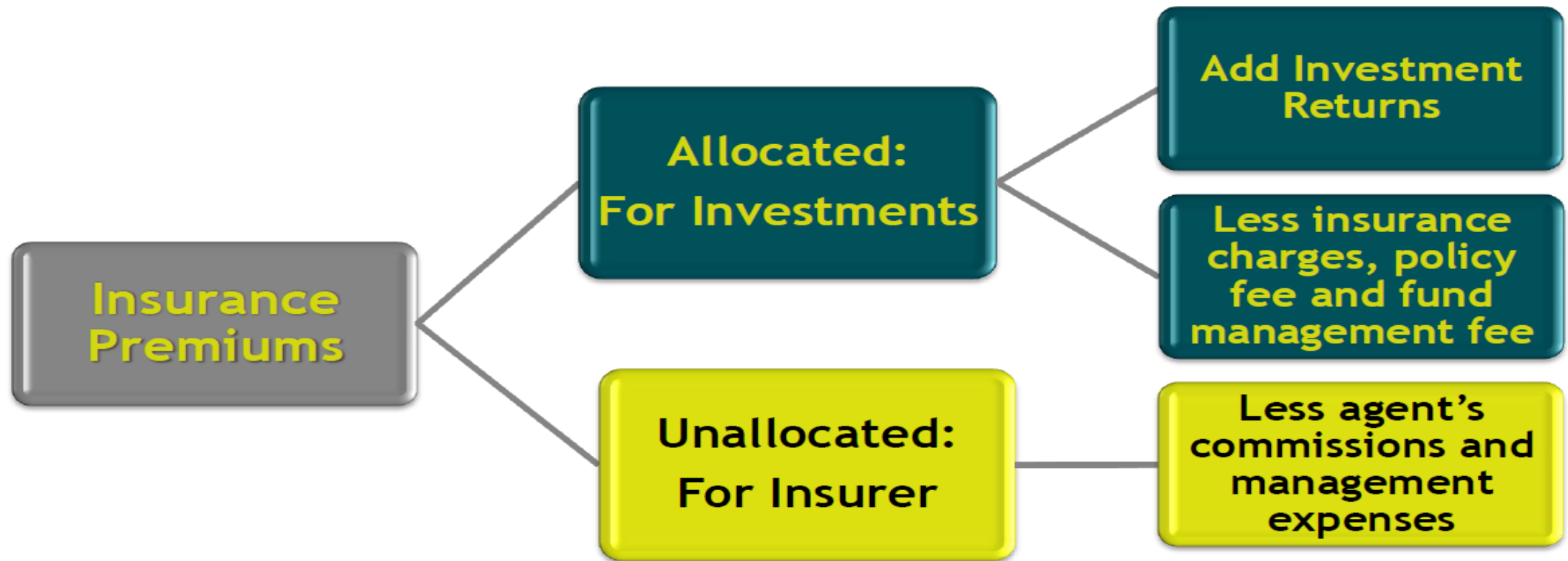
- (i) all outstanding fees and charges due under this Policy; and
- (ii) the Clawback Amount 回收款 (i.e. the amount described as such in the Welcome Bonus provision), if any.

The Surrender Charge will be deducted from the Cancellation Value of the Policy Account. XXXXXXXXXX

**SWITCHING FEE:** You may switch all or some only of your Units in an Investment Choice (the “Switch-out Investment Choice”) into Units of another Investment Choice (the “Switch-in Investment Choice”) by giving us a switching request in our prescribed form and subject to the Minimum Switching Amount and other rules and regulations as determined by us from time to time XXXXXXXX. The Cancellation Value of the Switch-out Investment Choice will, after deducting the Switching Fee (i.e. if any, for switching between Investment Choices as specified in the Policy Specifications.), if any, be used to allocate Units of the Switching Investment Choice.

# Mechanisms and features of Regular Premium Investment-linked Life Insurance




## Summary: Allocated and Unallocated Premium



# Mechanisms and features of Regular Premium Investment-linked Life Insurance

## Summary: Account Value

- Receive value of units if surrender policy
- After deduction of tax (if any) and all applicable charges
- Value of policy depends on two factors:
  - Value of Units
  - Number of units the policy has accumulated to date

- Number of Units  with every premium invested & value of each unit  = Value of policy 
- However, value of policy may depreciate if fund's investments fall in value

# Mechanisms and features of Regular Premium Investment-linked Life Insurance

## Summary: Optional Riders

Riders available either:-

- **Premium-Paying Rider (PPR)** – requires extra regular premium to be paid for the rider with the basic premiums

Or

- **Unit-Deducting Rider (UDR)** – need no extra regular premium but it entails the additional Cost of Insurance (COI) charge for the rider to be deducted from investment account value where

**UDR Contract Wordings (Sample) - COST OF INSURANCE:** The additional Cost of Insurance for this Supplementary Contract/Rider is determined at the beginning of each policy month by multiplying the benefit amount of this Supplementary Contract/Rider as specified in Policy Specifications by the insurance rate applicable, as determined by the Company, this being based on the sex, attained age, class rating and other rating factors of the Insured which is not guaranteed. The above Cost of Insurance will be charged to this Policy by deducting sufficient number of Units at the Bid Price every month XXXXXX.

# Mechanisms and features of Regular Premium Investment-linked Life Insurance

## Summary: Premium Holiday

Options: A premium holiday is an option for policyholders to stop paying the premium. Some insurers would allow you to apply for it especially when your account value can sustain the fees and the insurance.

- Using the account value to cover premiums when due premiums is not paid
- Deduct Cost of Insurance (COI) and other management charges
- Allowed to cover basic sum assured only – riders will lapse unless account value is sufficient to cover both basic sum assured and riders
- The Premium Holiday Charge may be payable monthly, in advance, during this holiday period.

# Mechanisms and features of Regular Premium Investment-linked Life Insurance

Investment-linked insurance have varying labels in different jurisdictions.

- In the **US**, it is known as variable life or variable universal life.
- In the **UK**, it is known as unit-linked, owing to its roots in unit trusts.
- In **Asia**, it is known as investment-linked, or insurance that is “linked” to investments.
- Others call it equity-linked insurance.

## What is variable life insurance 變額保險?

- Variable life is a type of security that offers fixed premiums and a minimum death benefit. Unlike whole life insurance, its account value is invested in a portfolio of securities. As the policyholder, you can choose the mix of investments from those the policy offers.
- In a variable life insurance policy, the bulk of the premium is invested in one or more separate investment accounts, with the opportunity to select from a wide range of investment options—fixed-income, stocks, mutual funds, bonds, and money market funds.
- Because of the available investment options, variable life insurance has the potential of accumulating more cash than traditional whole life insurance. On the flip side, it has the potential to lose more, as well.



# Variable Universal Life Insurance

## What is Variable Universal Life Insurance 變額萬能壽險?

- Variable Universal Life Insurance, also known as Variable Unit-Linked Insurance or VUL, is a permanent life insurance and investment rolled into one product.
- Variable universal life (VUL) insurance, as the name suggests, is a policy that combines variable and universal life insurance (i.e., flexible variable life insurance). This is one of the more popular insurance policies because it gives its policyholders the option to invest, as well as alter the insurance coverage with ease.
- Variable universal life insurance is a permanent life insurance policy that gives policyholders the ability to accumulate account value through subaccounts. These subaccounts grant policyholders exclusive control over where to allocate their funds. People also find VUL policies attractive because they have flexible premiums and an adjustable death benefit.

# Variable Universal Life Insurance

## What is Variable Universal Life Insurance 變額萬能壽險?

- As long as the minimum premium is paid to cover the cost of insurance, the death benefit will remain the same. However, the policyholder may be able to stop paying premiums altogether if the policy has sufficient account value to keep the policy in force, allowing them to save what would have been paid as premiums.
- For policies with healthy account values, policy owners can withdraw or borrow against it. However, these events could reduce the death benefit. Furthermore, loans must be repaid with interest. The policyholder is essentially borrowing their own money and paying the insurer to do so.

# Variable Life Insurance vs Universal Life Insurance

## Variable Life Insurance vs. Variable Universal Life Insurance: An Overview

- For investors that love to watch the market, variable life insurance products are interesting. These products allow for a portion of the premium to be allocated to the insurance company's investment fund.
- However, A variable life policy is quite risky because the account value and death benefits can fluctuate according to the investment portfolio's performance. Therefore, if the underlying investments perform well, the death benefit and account value may increase accordingly. If the investments perform worse than expected, the death benefit and account value may decrease.
- A variable life insurance policy does offer a guaranteed death benefit, which will not fall below a minimum amount even if the invested assets devalue significantly.
- Variable universal life insurance products feature the same investment opportunity plus more. These whole life policies allow for the investment of its account value, as well as flexible premiums and a flexible death benefit.

# FT Life's VUL/investment-linked assurance scheme - Oscar



- Product Name: **Oscar**
- Key Definitions
  - **Initial Account**: the account of all Units allocated from (a) any Regular Premium paid for the Initial Contribution Period and (b) any Bonuses paid under this Policy.
  - **Initial Contribution Period**: the period specified as such in the Policy Specifications during which Regular Premium shall be payable and used for the allocation of Units and such Units will be allocated to the Initial Account
  - **Accumulation Account**: the account of all Units allocated from any Regular Premium which is not paid for the Initial Contribution Period.
  - **Lump Sum Investment Account**: the account of all Units allocated from any Lump Sum Investment Premium.
  - **Policy Account**: collectively, the Initial Account, the Accumulation Account and the Lump Sum Investment Account.

# FT Life's VUL/investment-linked assurance scheme - Oscar



- Product Name: **Oscar**
- Key Definitions
  - **Planned Premium:** the total of Regular Premium, the premiums for all riders (if any) and complementary policies (if any) of this Policy.
  - **Regular Premium:** the premium for Oscar ("the basic plan") which shall be paid by installments, For the avoidance of doubt, only the annual amount of Regular Premium is shown in the Policy Specifications or relevant endorsement
  - **Lump Sum Investment Premium:** the premium payable by you on a one-off basis from time to time pursuant to the Lump Sum Investment Premium provision and which is received by us in excess of the Planned Premium.

# FT Life's VUL/investment-linked assurance scheme - Oscar



- Product Name: **Oscar**
- Key Definitions
  - **Account Value**: with respect to this Policy on the relevant day, the value of a specified account, which is equal to the number of Units of each Investment Choice in that account on that day multiplied by their respective Bid Prices on that day
  - **Total Account Value**: the aggregate of (a) the Account Value of the Initial Account, (b) the Account Value of the Accumulation Account and (c) the Account Value of the Lump Sum Investment Account.
  - **Premium Holiday**: the period during which this Policy remains in force when payment of Planned Premium is suspended in accordance with the Premium Holiday provisions.

# FT Life's VUL/investment-linked assurance scheme - Oscar



- Product Name: **Oscar**
- Useful Provisions: **PREMIUM PROVISIONS**
  - **PREMIUMS**: All Planned Premiums shall be payable to us on or before their premium due date. By filing with us a written request in our prescribed form, you may request to reduce the amount of Regular Premium or suspend your payment of Planned Premium after the expiry of the Initial Contribution Period, which will be effective from the premium due date immediately following the date your request is approved by us. You may resume payment of the Planned Premium suspended in any Policy Year.
  - You can change the frequency of payment of Planned Premiums on any premium due date by filing with us a written request provided that such request is received and approved by us at least 14 Working Days before such change takes effect.
  - The payment of Regular Premium and Lump Sum Investment Premium and any change to the amount thereof are subject to the minimum premium requirements and other rules and regulations as determined by us from time to time.
  - **LUMP SUM INVESTMENT PREMIUM**: You may request to pay Lump Sum Investment Premium at any time. However, we reserve the right to decline acceptance of any such payment.

# FT Life's VUL/investment-linked assurance scheme - Oscar



- Product Name: **Oscar**
- Useful Provisions: **PREMIUM PROVISIONS**

- **GRACE PERIOD:** After payment of the first Planned Premium and in respect of each Planned Premium, we allow a grace period starting on the due date for that Planned Premium and ending 31 days thereafter (both days inclusive) during which period this Policy will remain in force.

If any Planned Premium is not paid on or before the expiry of the grace period, it is in default ("in default" or "default"), and this Policy will, subject to the Premium Holiday provision, terminate with effect from the last premium due date.

If the Premium Holiday provision applies to any Planned Premium, no grace period will be allowed under this Grace Period provision for payment of that Planned Premium.



# FT Life's VUL/investment-linked assurance scheme - Oscar



- Product Name: **Oscar**
- Useful Provisions: **PREMIUM PROVISIONS**
- **PREMIUM HOLIDAY:** These Premium Holiday provisions are applicable only if:
  - (a) you suspend payment of any Planned Premium due after the expiry of the Initial Contribution Period by filing with us a written request in our prescribed form prior to the expiry of the grace period under the Grace Period provision, or
  - (b) failing any such written notice from you, any Planned Premium due after the expiry of the Initial Contribution Period is in default (in either case, the relevant Planned Premium is referred to as the “**Relevant Planned Premium**”).

If at the end of the grace period under the Grace Period provision, the Total Account Value is sufficient for payment of applicable Policy Charges, Premium Holiday will commence on the due date for the Relevant Planned Premium and this Policy will remain in force notwithstanding payment of Planned Premium is suspended. Otherwise, this Policy will terminate with effect from the due date of the Relevant Planned Premium.

During Premium Holiday, if on a Policy Monthly Anniversary (the “**Relevant Policy Monthly Anniversary**”) the Total Account Value is insufficient for the payment of applicable Policy Charges, then this Policy will remain in force only if you resume payment of Planned Premium from the Relevant Policy Monthly Anniversary. Such payment shall be made within 31 days from the Relevant Policy Monthly Anniversary (inclusive of the Relevant Policy Monthly Anniversary). Otherwise, this Policy will terminate after the 31st day from the Relevant Policy Monthly Anniversary.

For the purposes of the preceding paragraph, the Total Account Value may become insufficient for payment of applicable Policy Charges due to cancellation of Units for payment of premium for riders (if any) and complementary policies (if any) during Premium Holiday, as provided in the Monthly Deductions provisions.

# FT Life's VUL/investment-linked assurance scheme - Oscar



- Product Name: **Oscar**
- Useful Provisions: **POLICY CHARGES PROVISIONS**

- (1) PREMIUM CHARGE
- (2) INSURANCE CHARGE
- (3) POLICY FEE
- (4) ADMINISTRATION FEE
- (5) INVESTMENT MANAGEMENT FEE
- (6) SURRENDER CHARGE

**MONTHLY DEDUCTIONS:** We will cancel the appropriate number of Units in your Policy Account on the Policy Date and/or every Policy Monthly Anniversary and apply the Cancellation Value to pay the Insurance Charge, Policy Fee, Administration Fee and Investment Management Fee in accordance with the Policy Charges Provisions.

Notwithstanding any other provision of this Policy, if for any reason the Insurance Charge or Policy Fee payable cannot be deducted from the Policy Account through this monthly deduction mechanism, any premium subsequently received by us or any Bonuses to be credited to the Policy Account will be used to settle that outstanding Insurance Charge or Policy Fee immediately after being used to allocate Units to the Policy Account.

# FT Life's VUL/investment-linked assurance scheme - Oscar



- Product Name: **Oscar**
- Useful Provisions: **POLICY CHARGES PROVISIONS (Cont'd)**

When the Policy is in force during Premium Holiday, we will cancel the appropriate number of Units in the Accumulation Account and the Lump Sum Investment Account on (i) the date on which we confirm the commencement of Premium Holiday, and (ii) thereafter the due date for payment of premium for each rider (if any) and each complementary policy (if any), and apply the Cancellation Value to pay the premiums for all riders (if any) and all complementary policies (if any).

The deductions for any premiums for all riders (if any) and all complementary policies (if any) will continue until the Account Value of the Accumulation Account and the Lump Sum Investment Account is less than the premiums for all riders (if any) and all complementary policies (if any).

Thereafter all riders (if any) and all complementary policies (if any) will terminate unless you resume payment of Planned Premium from the due date for payment of premium for each rider and each complementary policy.

Such payment shall be made within 31 days from the due date for payment of premium for each rider and each complementary policy.

In making deductions for the premium as aforesaid, we reserve our right to deduct any premiums for all riders (if any) and all complementary policies (if any) against the Accumulation Account and the Lump Sum Investment Account in a manner we may consider appropriate.

# FT Life's VUL/investment-linked assurance scheme - Oscar



- Product Name: **Oscar**
- Useful Provisions: **TERMINATION PROVISIONS**

This Policy will **terminate** upon the occurrence of the **earliest** of:

- (1) any **Planned Premium payable for the Initial Contribution Period is in default**; or
- (2) on the **death of the Insured**; or
- (3) on our approval of your request to **surrender** this Policy; or
- (4) on **the Plan End Date of the basic plan**; or
- (5) the **Total Account Value falls to zero** after the Premium End Date of the basic plan; or
- (6) this Policy is **terminated under the Premium Holiday provisions**.

If the Policy is terminated under any circumstances stated above except for (2), the Cancellation Value less the Surrender Charge (if applicable) will be paid. The Policy will remain in force even if the Total Account Value drops to zero on or before the Premium End Date of the basic plan provided that payment of Planned Premium has never been suspended. However, if payment of any Planned Premium has ever been suspended, we reserve the right to terminate this Policy when the Total Account Value drops to zero on or before the Premium End Date of the basic plan.

After the Premium End Date of the basic plan, notwithstanding anything herein, **we reserve the right to terminate this Policy when the Total Account Value falls below the Minimum Holding Requirement** as may be determined by us from time to time. Once terminated, this Policy will no longer be in force.

# FT Life's VUL/investment-linked assurance scheme - Oscar



- Product Name: **Oscar**
- Useful Provisions: **BENEFIT PROVISIONS**

**DEATH BENEFIT:** If the Insured dies, we will cancel all the Units in the Policy Account as soon as reasonably practicable after we have received the death claim with proof of death of the Insured. However, we will approve the death claim only if we have been provided with satisfactory proof of death. We will pay the Death Proceeds to the Beneficiary within one month (without interest) after our receipt of the satisfactory proof of the death claim.

Subject to the Suicide provision, the amount of Death Proceeds payable shall be equal to the higher of:

(1) one hundred and five percent (105%) of the Total Account Value; or

(2) the aggregate amount of Regular Premium and Lump Sum Investment Premium (if any) paid less the aggregate amount of withdrawals from the Policy Account.

All our obligations and liabilities under this Policy shall be completely discharged upon payment of the Death Proceeds.

Any death benefit payable under a rider (if any) or complementary policy (if any) will be payable in accordance with the terms of that rider or complementary policy but less any unpaid balance of premiums for that rider or complementary policy for the full Policy Year in which the Insured dies whether or not then due.

# FT Life's VUL/investment-linked assurance scheme - Oscar



- Product Name: **Oscar**
- Useful Provisions: **BENEFIT PROVISIONS**

**FREE ACCIDENTAL DEATH BENEFIT:** If, within the first two Policy Years and while this Policy is in force:

- (1) the Insured dies directly and solely from Injury, independent of all other causes, and
- (2) the date of death falls within 180 days from the date of Accident,

and provided further that we have been provided with satisfactory proof of Accidental death, we will pay to the Beneficiary the Free Accidental Death Benefit equivalent to the annual Regular Premium as at the date of death multiplied by the Premium Payment Period within one month (without interest) after our receipt of the satisfactory proof of the Accidental death claim.

The total amount of Free Accidental Death Benefit payable under all the policies on the Insured in our Company shall not exceed HKD400,000 (for a Policy denominated in HKD) or USD50,000 (for a Policy denominated in USD).

Notwithstanding anything herein, the Free Accidental Death Benefit shall not cover any accidental death directly or indirectly, wholly or partly, voluntarily or involuntarily caused by or which result from any one of the following occurrences:

- (1) XXXXXXXXXXXX

# FT Life's VUL/investment-linked assurance scheme - Oscar



- Product Name: **Oscar**
- Useful Provisions: **BENEFIT PROVISIONS**
  - **WELCOME BONUS** (the “Welcome Bonus”): We will pay you a Welcome Bonus after we receive each payment of the Regular Premium payable for the first Policy Year duly made in accordance with the Policy Specifications and the provisions of this Policy. The amount of Welcome Bonus will be calculated in accordance with the Policy Specifications and will be used to allocate Units to the Initial Account at the same time as that Regular Premium is used to allocate Units to the Initial Account.
  - **LOYALTY BONUS** (the “Loyalty Bonus”): We will pay you a Loyalty Bonus if this Policy is in force at the end of each of the tenth and twentieth Policy Year. The Loyalty Bonus will be calculated in accordance with the Policy Specifications. The Loyalty Bonus will be credited, within one month after the end of each of the tenth and twentieth Policy Year, and will be used to allocate Units to the Initial Account.
  - **MATURITY BENEFIT**: If the Insured is alive on the Plan End Date of the basic plan, we will cancel all the Units in the Policy Account and pay you the Cancellation Value within one month (without interest) after that date.

# The Takeaway

- **Term Life Insurance:** is a low-cost type of life insurance. It only lasts for a set term, typically 10 or more years. They have no cash value to invest, but term life insurance typically has a decent death benefit. Therefore, if your goal is to protect your beneficiaries over the next several years at a low cost, term life insurance might be the best option for you.
- **Whole Life Insurance:** is another form of permanent life insurance. When referring to a whole life policy, it is often implied that the coverage will last the insured's entire life, have a cash value and pay set premiums each month. Whole life is a good option for consistent premium payments and life insurance that will cover them throughout their entire life.
- **Participating whole life insurance:** is a type of permanent life insurance that provides a death benefit, cash value growth, and the opportunity to earn dividends.
- **Endowment plan:** is a life insurance policy which provides you with a combination of both i.e.: an insurance cover, as well as an savings plan. It helps you in saving regularly over a specific period of time, so that you are able to get a lump sum amount on policy maturity, if the policyholder survives the policy term. The policyholder gets his/her sum assured on a fixed date in future as per the policy terms and conditions. However, in case of sudden death of the policyholder, the insurance company will pay the sum assured (plus the bonus, if any) to the beneficiary of the policy.



# The Takeaway

- **Universal Life Insurance:** Universal life insurance or adjustable life insurance lasts a person's entire life. However, it has more flexibility than whole life insurance. The account value of a universal life insurance policy earns interest, and policyholders can choose to have the account value cover the cost of the premium payments if needed. This can allow policyholders to reduce the cost of their premium payments when money is tight or eliminate the out-of-pocket cost altogether.
- **Investment-linked insurance policies (ILPs):** are policies that have life insurance coverage and investment components. Your premiums are used to pay for units in one or more sub-funds of your choice. Some of the units purchased are then sold to pay for insurance and other charges, while the rest remain invested. Insurance charges are paid for by the investment portion of the ILP. Such charges rise with age and there is a risk that your units may not be enough to pay for them. Investment-linked insurance policies (ILPs) are policies that have life insurance coverage and investment components.
- **Variable Life Insurance:** is a permanent life insurance product with separate investment accounts, and often offers flexibility regarding premium remittance and account value accumulation. It has an account value policy that acts as a savings account that policyholders can invest in stocks, bonds and mutual funds. This flexibility might help a policy grow more quickly, but it has the risk of decreasing account value over time. Variable life insurance might be useful for someone who does not need VUL's adjustable premiums but wants the ability to invest their account value as they see fit.

# The Takeaway

- **Variable Universal Life Insurance:** also known as Variable Unit-Linked Insurance or VUL, is a permanent life insurance and investment rolled into one product. Variable universal life insurance has similar characteristics to variable life insurance and universal life insurance. Policyholders can change their monthly premium payments and make changes to how their account value is invested, but this flexibility comes at a cost.

# Insurance Authority's Standard Illustration



## Standard Illustration of Participating Policies

### X Y Z LIFE ASSURANCE COMPANY LIMITED

**IMPORTANT:**  
THIS IS A SUMMARY ILLUSTRATION OF THE PROJECTED SURRENDER VALUES AND DEATH BENEFITS OF YOUR POLICY. IT IS INTENDED TO SHOW THE PROPORTION OF ANY NON-GUARANTEED ELEMENTS AND THE IMPACT OF CHANGE OF SUCH ELEMENTS UNDER SPECIFIED SCENARIOS. IN NO WAY SHOULD IT AFFECT THE TERMS AND CONDITIONS STATED IN THE POLICY DOCUMENT.

#### Proposal Summary for ABC product

1. Name of Life Insured:	Age :	Sex :	Smoker / Non Smoker
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#### 2. Benefit Summary

Policy Currency:

Benefit Description	[Initial] Sum Assured / Protection Amount <sup>1</sup>	[Initial] [M/Q/SA/A] Premium <sup>2</sup>	Premium Payment Term <sup>3</sup>	Benefit Term
Basic Plan Supplementary Benefits e.g. Accidental Death Benefit Double Indemnity Hospital Income				

Total [Initial] [M/Q/SA/A] Premium:

=====

### 3. Basic Plan – Illustration Summary

End of Policy Year	Total Premiums Paid	SURRENDER VALUE			DEATH BENEFIT		
		Guaranteed	Non-Guaranteed		Guaranteed	Non-Guaranteed	
			Accumulated Dividends and Interest	Terminal Dividend		Accumulated Dividends and Interest	Terminal Dividend
1	9,999,999	9,999,999	9,999,999	9,999,999	9,999,999	9,999,999	9,999,999
2							
3							
4							
5							
10							
15							
20							
25							
30							
At age 65 (5-year interval)							
At Age 100							

# Insurance Authority's Standard Illustration

## X Y Z LIFE ASSURANCE COMPANY LIMITED

The table below illustrates the impact on Surrender Values under Pessimistic and Optimistic Scenarios. The projected benefits under the two scenarios are calculated assuming the investment returns are lower and higher than the company's current assumed investment return respectively; while other factors, such as claims experience, expense factors and persistency factors, affecting these values are assumed to remain unchanged. The two scenarios do not represent lower and upper bounds for the actual investment return; the actual amount of non-guaranteed benefits payable may be higher or lower than those illustrated. They only illustrate, for reference purposes, the projected variation of return of the company based on the investment policies and objectives adopted for this policy.

### 4. Basic Plan – Surrender Values – Illustration Under Different Investment Return

End of Policy Year	Total Premiums Paid	SURRENDER VALUE						
		Guaranteed	Pessimistic Scenario			Optimistic Scenario		
			Non-Guaranteed		Total	Non-Guaranteed		Total
			Accumulated Dividends and Interest	Terminal Dividend		Accumulated Dividends and Interest	Terminal Dividend	
1	9,999,999	9,999,999	9,999,999	9,999,999	9,999,999	9,999,999	9,999,999	9,999,999
2								
3								
4								
5								
10								
15								
20								
25								
30								
At age 65 (5-year interval)								
At age 100								

Explanation on above illustration:

Please refer to the Explanation Notes Section.

## X Y Z LIFE ASSURANCE COMPANY LIMITED

The table below illustrates the impact on Death Benefits under Pessimistic and Optimistic Scenarios. The projected benefits under the two scenarios are calculated assuming the investment returns are lower and higher than the company's current assumed investment return respectively; while other factors, such as claims experience, expense factors and persistency factors, affecting these values are assumed to remain unchanged. The two scenarios do not represent lower and upper bounds for the actual investment return; the actual amount of non-guaranteed benefits payable may be higher or lower than those illustrated. They only illustrate, for reference purposes, the projected variation of return of the company based on the investment policies and objectives adopted for this policy.

### 5. Basic Plan – Death Benefits – Illustration Under Different Investment Return

End of Policy Year	Total Premiums Paid	DEATH BENEFIT						
		Guaranteed	Pessimistic Scenario			Optimistic Scenario		
			Non-Guaranteed		Total	Non-Guaranteed		Total
			Accumulated Dividends and Interest	Terminal Dividend		Accumulated Dividends and Interest	Terminal Dividend	
1	9,999,999	9,999,999	9,999,999	9,999,999	9,999,999	9,999,999	9,999,999	9,999,999
2								
3								
4								
5								
10								
15								
20								
25								
30								
At age 65 (5-year interval)								
At age 100								

Explanation on above illustration:

Please refer to the Explanation Notes Section.

# Insurance Authority’s Standard Illustration



## Standard Illustration for Non-Participating Policies

X Y Z LIFE ASSURANCE COMPANY LIMITED

Proposal Summary for ABC product

1. Name of Life Insured:	Age :	Sex :	Smoker / Non Smoker
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### 2. Benefit Summary

Policy Currency:

Benefit Description	[Initial] Sum Assured / Protection Amount <sup>1</sup>	[Initial] [M/Q/SA/A] Premium <sup>2</sup>	Premium Payment Term <sup>3</sup>	Benefit Term
Basic Plan				
Supplementary Benefits e.g. Accidental Death Benefit Double Indemnity Hospital Income				

Total [Initial] [M/Q/SA/A] Premium:

=====

### 3. Basic Plan – Illustration Summary

End of Policy Year	Total Premiums Paid	Guaranteed Surrender Value	Guaranteed Death Benefit
1	9,999,999	9,999,999	9,999,999
2			
3			
4			
5			
10			
15			
20			
25			
30			
At age 65 (5-year interval)			
At Age 100			

# Insurance Authority's Standard Illustration



## Standard Illustration for Universal Life (Non-Linked) Policies

### X Y Z LIFE ASSURANCE COMPANY LIMITED

**IMPORTANT:**  
**THIS IS A SUMMARY ILLUSTRATION OF THE PROJECTED SURRENDER VALUES AND DEATH BENEFITS OF YOUR POLICY. IN NO WAY SHOULD IT AFFECT THE TERMS AND CONDITIONS STATED IN THE POLICY DOCUMENT.**

**THE ASSUMED CREDITING INTEREST RATES USED ARE FOR ILLUSTRATIVE PURPOSES ONLY. UNLESS OTHERWISE STATED, THEY ARE NEITHER GUARANTEED NOR BASED ON PAST PERFORMANCE. THE ACTUAL CREDITING INTEREST RATES MAY BE DIFFERENT!**

#### Proposal Summary for ABC product

1. Name of Life Insured:	Age :	Sex :	Smoker / Non Smoker
--------------------------	-------	-------	---------------------

#### 2. Benefit Summary

Policy Currency:

Benefit Description	[Initial] Sum Assured / Protection Amount <sup>1</sup>	[Initial] [M/Q/SA/A] Premium <sup>2</sup>	Premium Payment Term <sup>3</sup>	Benefit Term
Basic Plan				
Supplementary Benefits e.g. Accidental Death Benefit Double Indemnity Hospital Income				

Total [Initial] [M/Q/SA/A] Premium:

=====

### 3a. Basic Plan – Illustration Summary

The table below illustrates projected Account Values, Surrender Values and Death Benefits under Guaranteed Basis / Conservative Basis and Current Assumed Basis. Figures under Guaranteed Basis are calculated based on minimum guaranteed crediting interest rate, maximum scale of fees and charges and exclude non-guaranteed bonus (if any). / [Figures under Conservative Basis are not guaranteed and are calculated based on minimum guaranteed crediting interest rate / crediting interest rate of 0% p.a., maximum fees and charges / current fees and charges (which may be subject to changes), and exclude non-guaranteed bonus (if any).] Figures under Current Assumed Basis are calculated using current forecast crediting interest rate, current fees and charges (which may be subject to changes), and include non-guaranteed bonus (if any), and are not guaranteed. The actual amount payable may be lower or higher than those illustrated. Under certain circumstances, the non-guaranteed bonus may be zero (if applicable). The current assumed crediting interest rate illustrated by the company shall in no way be interpreted as a projection or estimation of the future returns. The future crediting interest rate may be lower or higher. Details of the maximum and current scale of fees and charges are presented in Summary of Fees and Charges.

End of Policy Year	Total Premiums Paid	Guaranteed Basis / Conservative Basis			Current Assumed Basis		
		[Description of Minimum Guaranteed Crediting Interest Rate / 0% p.a.]			[Description of Current Assumed Crediting Interest Rate]		
		Maximum / Current fees and charges are applied			Current fees and charges are applied		
		Account Value	Surrender Value	Death Benefit	Account Value	Surrender Value	Death Benefit
1	9,999,999	9,999,999	9,999,999	9,999,999	9,999,999	9,999,999	9,999,999
2							
3							
4							
5							
10							
15							
20							
25							
30							
At age 65							
(5-year interval)							
At Age 100							

Explanation on above illustration:  
Please refer to the Explanation Notes Section.

### 3b. Basic Plan – Illustration Summary (Optional subject to paragraph 3 of Appendix III)

The table below illustrates the impact on Account Values, Surrender Values and Death Benefits under Pessimistic and Optimistic Scenarios. All figures illustrated are not guaranteed and are calculated based on pessimistic and optimistic views of future crediting interest rates, current scale of fees and charges and include non-guaranteed bonus (if any). The two scenarios do not represent lower and upper bounds for the actual crediting interest rate. They only illustrate, for reference purposes, the projected variation of Account Values, Surrender Values and Death Benefits of this policy based on the investment policies and objectives adopted by the company. The actual amount payable may change from time to time with the values being lower or higher than those illustrated. Under certain circumstances, the non-guaranteed bonus may be zero (if applicable). The crediting interest rates illustrated by the company shall in no way be interpreted as a projection or estimation of the future returns. The future crediting interest rate may be lower or higher. Details of the current scale of fees and charges are presented in Summary of Fees and Charges.

End of Policy Year	Total Premiums Paid	Pessimistic Scenario			Optimistic Scenario		
		Crediting Interest Rate: X% p.a.			Crediting Interest Rate: Y% p.a.		
		Current fees and charges are applied			Current fees and charges are applied		
		Account Value	Surrender Value	Death Benefit	Account Value	Surrender Value	Death Benefit
1	9,999,999	9,999,999	9,999,999	9,999,999	9,999,999	9,999,999	9,999,999
2							
3							
4							
5							
10							
15							
20							
25							
30							
At age 65							
(5-year interval)							
At Age 100							

Explanation on above illustration:  
Please refer to the Explanation Notes Section.



# Insurance Authority's Standard Illustration



## Summary of Fees and Charges

The scales of fees and charges used in the basic plan illustration in Section 3 are set out below. The current scale of fees and charges, unless otherwise specified, is not guaranteed and is subject to the company's sole discretion to change with prior written notice to policy holders [x] months before effective (note: the [x] cannot be less than 1).

1) Premium Charge  
[y]% of each premium paid will be deducted upfront.

2) Surrender Charge  
You will be subject to a surrender charge if policy termination occurs before [N]th policy year (or policy maturity if applicable) based on the following table.

Policy year	Surrender charge rate on [Account Value] / Surrender charge amount
1	
2	
3	
etc.	

### 3) Cost of Insurance

Amount of cost of insurance depends on Insured's attained age, sex, smoking habit, sum assured and cost of insurance rates in the following table. The cost of insurance rates is applied to [sum at risk, which is the higher of sum assured less account value and zero]. The company retains the right to increase the cost of insurance rates up to the maximum rates as specified (if maximum rate is applicable) / The company retains the right to increase the cost of insurance rates above the current rates without limit (if maximum rate is not applicable).

Policy year	Attained age	Cost of insurance rate (Current rates)	Cost of insurance rate (Maximum rates)
1			(Mark "N.A." if not applicable)
2			
3			
...			
10			
15			
etc.			
(end of policy year)	(age at maturity)		

4) Policy Administration Fee  
The policy administration fee will be charged from your policy account according to a percentage of your [account value] varied with policy year based on the following table. The company retains the right to increase the policy

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administration fee up to the maximum rates as specified (if maximum rate is applicable) / The company retains the right to increase the policy administration fee above the current rates without limit (if maximum rate is not applicable).

Policy year	% of [Account Value] (Current rates)	% of [Account Value] (Maximum rates)
1		(Mark "N.A." if not applicable)
2		
3		
etc.		

5) All other current and maximum (if available) fees and charges (e.g. policy fee, etc.) should also be included and disclosed as appropriate.

# Insurance Authority's Standard Illustration

## Standard Illustration for ILAS Policies

### XYZ LIFE ASSURANCE COMPANY LIMITED

**IMPORTANT:**  
THIS IS A SUMMARY ILLUSTRATION OF THE SURRENDER VALUES AND DEATH BENEFITS OF [NAME OF PRODUCT]. IT IS INTENDED TO SHOW THE IMPACT OF FEES AND CHARGES ON SURRENDER VALUES AND DEATH BENEFITS BASED ON THE ASSUMPTIONS STATED BELOW AND IN NO WAY AFFECTS THE TERMS OF CONDITIONS STATED IN THE POLICY DOCUMENT.

**THE ASSUMED RATES OF RETURN USED BELOW ARE FOR ILLUSTRATIVE PURPOSES. THEY ARE NEITHER GUARANTEED NOR BASED ON PAST PERFORMANCE. THE ACTUAL RATES OF RETURN MAY BE DIFFERENT!**

#### Proposal Summary for ABC product

1. Name of Life Insured:	Age :	Sex :	Smoker / Non Smoker
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#### 2. Benefit Summary

Policy Currency:

Benefit Description	[Initial] Sum Assured <sup>1</sup>	[Initial] [M/Q/SA/A] Premium <sup>2</sup>	Premium Payment Term <sup>3</sup>	Benefit Term
Basic Plan				

Total [Initial] [M/Q/SA/A] Premium:

=====

*First Option: with assumed net rate of return of 0%, 3%, 6% and 9% p.a.*

#### 3a. Basic Plan – Illustration Summary of Surrender Values

Projected Surrender Values					
End of Policy Year	Total Premiums Paid	Assuming Net Rate of Return of 0% p.a.*	Assuming Net Rate of Return of [3%] p.a.*	Assuming Net Rate of Return of [6%] p.a.*	Assuming Net Rate of Return of [9%] p.a.*
1	9,999,999	9,999,999	9,999,999	9,999,999	9,999,999
2					
3					
4					
5					
10					
15					
....					
At age 90					
At age 95					
At age 100					

#### 3b. Basic Plan – Illustration Summary of Death Benefits

Projected Death Benefits					
End of Policy Year	Total Premiums Paid	Assuming Net Rate of Return of 0% p.a.*	Assuming Net Rate of Return of [3%] p.a.*	Assuming Net Rate of Return of [6%] p.a.*	Assuming Net Rate of Return of [9%] p.a.*
1	9,999,999	9,999,999	9,999,999	9,999,999	9,999,999
2					
3					
4					
5					
10					
15					
....					
At age 90					
At age 95					
At age 100					

*Second Option: with assumed net rate of return of 0%, 3% and 6% p.a.*

#### 3. Basic Plan – Illustration Summary

Projected Surrender Values and Death Benefits							
End of Policy Year	Total Premiums Paid	Assuming Net Rate of Return of 0% p.a.*		Assuming Net Rate of Return of [3%] p.a.*		Assuming Net Rate of Return of [6%] p.a.*	
		Surrender Value	Death Benefit	Surrender Value	Death Benefit	Surrender Value	Death Benefit
1	9,999,999	9,999,999	9,999,999	9,999,999	9,999,999	9,999,999	9,999,999
2							
3							
4							
5							
10							
15							
...							
At age 90							
At age 95							
At age 100							



## What Is an Annuity 年金?

- An annuity is a contract between you and an insurance company that requires the insurer to make payments to you, either **immediately** or **in the future**. You buy an annuity by making either a **single payment** or **a series of payments**. Similarly, your payout may come either as one lump-sum payment or as a series of payments over time.
- There are three basic types of annuities, fixed, variable and indexed. Here is how they work:
  - **Fixed annuity.** The insurance company promises you **a minimum rate of interest and a fixed amount of periodic payments**.
  - **Variable annuity.** The insurance company allows you to **direct your annuity payments to different investment options, usually mutual funds**. Your payout will vary depending on how much you put in, the rate of return on your investments, and expenses.
  - **Indexed annuity.** This annuity **combines features of securities and insurance products**. The insurance company credits you with a return that is **based on a stock market index, such as the Standard & Poor's 500 Index**.

## What Is an Annuity 年金?

- These annuities are important for retirement plans, pensions, structured settlements, life insurance, and in many other contexts.
- A life annuity is regularly (e.g., continuously, annually, monthly, etc.) spaced series of payments, which are usually based on the survival of the policyholder.
- If an annuity contract has a death-benefit provision, the owner can designate a beneficiary to inherit the remaining annuity payments after death.

## HKMC Annuity Limited (HKMCA) 香港年金有限公司 ( 香港年金公司 ) - KEY FEATURES OF THE PLAN

<b>Product Name</b>	<b>HKMC Annuity Plan</b>
<b>Insurer</b>	HKMC Annuity Limited
<b>Eligibility Criteria</b>	You can apply for the Plan if you (i) hold a valid Hong Kong Permanent Identity Card; and (ii) are 60 years old or above.
<b>Policy Currency</b>	Hong Kong Dollar (HK\$)
<b>Benefit Term</b>	Whole of Life
<b>Income Period</b>	Whole of Life
<b>Premium Term</b>	Single Premium
<b>Minimum Premium</b>	HK\$50,000
<b>Maximum Premium</b>	HK\$3,000,000 (lifetime aggregate amount per insured for annuity products underwritten by HKMC Annuity Limited)

	HKMC Annuity Limited (HKMCA) 香港年金有限公司 ( 香港年金公司 ) - KEY FEATURES OF THE PLAN
<b>Guaranteed Period</b>	The period commencing from the premium start date of the policy during which guaranteed monthly annuity payments will be paid subject to the policy terms <b>until the cumulative guaranteed monthly annuity payments paid reaches <u>105% of the premium paid</u>.</b>
<b>Guaranteed Cash Value</b>	The cash amount offered to you when the policy is surrendered on the relevant date. The guaranteed cash value of the Plan will be reduced to zero after the Guaranteed Period ends.
<b>Surrender Value</b>	<p>You may surrender the policy within the Guaranteed Period up to the surrender value equivalent to the guaranteed cash value of your policy as at the time of the surrender.</p> <p>There is <b><u>no surrender value</u></b> after the Guaranteed Period.</p>

	HKMC Annuity Limited (HKMCA) 香港年金有限公司 ( 香港年金公司 ) - KEY FEATURES OF THE PLAN
Partial Surrender	<p>While the policy is in force and during the Guaranteed Period, you may withdraw money from the policy by way of partial surrender of the guaranteed cash value of the policy.</p> <p>(Subject to the minimum surrender amount and the minimum guaranteed cash value of the policy after partial surrender. The prevailing minimum surrender amount and minimum guaranteed cash value of the policy after partial surrender are as follow:</p> <ul style="list-style-type: none"> <li>• Minimum surrender amount: HK\$10,000</li> <li>• Minimum guaranteed cash value of the policy after partial surrender: HK\$50,000)</li> </ul>
Death Benefit	<p>In the unfortunate event that the insured <b>passes away</b> within the Guaranteed Period, designated beneficiary(ies) may choose to receive the death benefit in either one of the following ways:</p> <ul style="list-style-type: none"> <li>• <u>Monthly Death Benefit Payment</u> - continue to receive the remaining unpaid guaranteed monthly annuity payments until the end of the Guaranteed Period; or</li> <li>• <u>Lump Sum Death Benefit Payment</u> - receive a lump sum death benefit equivalent to the <u>higher of</u>: <ul style="list-style-type: none"> <li>○ the guaranteed cash value of your policy as at the date on which the death claim application is received by HKMC Annuity Limited; and</li> <li>○ 100% of the premium paid less the cumulative guaranteed monthly annuity payments paid as at the date on which the death claim application is received by HKMC Annuity Limited.</li> </ul> </li> </ul> <p>There is no death benefit after the Guaranteed Period.</p>

# FT LIFE's DEATH CLAIM GUIDELINES

## Guidelines

Assessment Considerations	Appropriate Actions to be taken
Check all valid benefits at the company (Per Life)	Other policies exist?
Check the policy status	Is the policy in force at the time of loss?
Verify the loss	Official proof of death?
Check the coverage	<ul style="list-style-type: none"> <li>What is the sum insured?</li> <li>Any rider benefits?</li> <li>Any loan amounts?</li> <li>Any additional accidental benefit payable to claimant/beneficiary using Ageas Credit Card as the payment method?</li> </ul>
Determine liability	According to the terms and conditions of the Policy Provision
Determine the sum payable	Refer to Death Claim Payment Worksheet and if policy loan amount is available
Determine to whom payable	Who is entitled to the death proceeds?
Loss incurred within 2 year of policy duration	<p>Based on the cause of death, launch investigation to rule out materials non-disclosure or death due to suicide attempt. The following may require:</p> <ol style="list-style-type: none"> <li>1. Verified copy of post mortem / coroner's report, and/or;</li> <li>2. Verified copy of police report / certified proof of death Issued by the local police / traffic accident report / oral statement, and/or;</li> <li>3. Doctor's statement, and/or;</li> <li>4. Copy of Patient's Medical Record Booklet for Emergency / Outpatient Consultation and hospitalization records, and/or;</li> <li>5. Conduct investigation by the appointed investigator</li> </ol>

# FT LIFE's DEATH CLAIM GUIDELINES

## Guidelines

Assessment Considerations	Appropriate Actions to be taken
Loss incurred in Mainland	Depend upon the cause of death, the following may require: 1. if the insured is a mainlander, certified true copy of residency cancellation proof (戶籍取消證明) by authorized mainland internal staff 2. certified true copy of Notarial Certificate (公證書) that issued by authorized mainland internal staff for all kind of citizenship of the insured
Loss incurred outside HK and the insured is a HKID card holder	Depend upon the cause of death, the following may require: 1. surrender of HKID card notification issued by Immigration Department of the HKSAR Government, 2. medical certificate of death & permit to export / import a human corpse issued by local government staff at the place of death
Loss due to accident incurred outside HK	In consultation with Claims Consultant to see if engaging professional investigation if necessary
World <u>check screening</u> of all parties involved	Based on the world check result, provide AML/TF risk assessment report before proceeding payment
Claims Payment Advancement (see Bulletin CL-1009, 4 May 2018)	The death claim payment <b>can be advanced</b> to the beneficiaries if the following conditions are met: <ul style="list-style-type: none"><li>• The event of death taken place in Hong Kong;</li><li>• The cause of death is either accidental or natural death;</li><li>• The only outstanding document is Death Certificate; and</li><li>• The payment amount per policy is the lesser of HKD 500,000 (or its equivalent) or 90% of the sum insured</li></ul>

# FT LIFE's DEATH CLAIM GUIDELINES

## Guidelines

Assessment Considerations	Appropriate Actions to be taken
<b>Fast Track</b> for Death Claim (see Bulletin CL-1009, 4 May 2018)	<p>For death claim for policies of duration 5 years or more for traditional life policies or for policies providing <b>101% or 105% death benefit</b> where the investigation effort to be minimum, applicable to <b>USD1000,000 or less</b>, the claims decision will be provided within one working day after the receipt of necessary claim documents and the cheque payment will be ready within 4 working days. Documents required for claim payment:</p> <ul style="list-style-type: none"><li>▪ Death Claim Form Part 1</li><li>▪ Proof of death</li><li>▪ ID of Insured and beneficiaries</li><li>▪ Relationship Proof</li><li>▪ Policy Contract (Declaration if lost)</li></ul>
<b>Waiver of Letter of Administration</b> (see Bulletin CL-1009, 4 May 2018)	<p>To streamline the claim process, when claims proceeds is <b>HKD50,000 or less</b>, the <b>"Letters of Administration"</b> will be waived where No Beneficiary designated, OR Beneficiary(ies) die before the insured's death, OR Policyowner is deceased.</p> <p>Request must be made by the following people:</p> <ul style="list-style-type: none"><li>▪ <b>Surviving spouse of the policyowner if married;</b></li><li>▪ <b>If no surviving spouse, then natural parents of the policyowner;</b></li><li>▪ <b>If no surviving parents, then the children of the policyowner,</b></li><li>▪ <b>If no surviving children, then the siblings of the policyowner.</b></li></ul> <p>Required documents:</p> <ul style="list-style-type: none"><li>▪ Completion of the 'Application for waiving the Letters of Administration' Form'</li><li>▪ Identification document &amp; relationship proof of the applicant</li></ul>



# FT LIFE's DEATH CLAIM GUIDELINES

## Guidelines

Assessment Considerations	Appropriate Actions to be taken
Handling of cases if the insured is a Taiwanese and beneficiary is 'own estate'	<p>In consultation with legal and Claim consultation for any additional document. The following may require depend on the circumstances</p> <p>1/ Certified true copy of the</p> <ul style="list-style-type: none"><li>i) Household Registration Transcript (住戶證明) issued by the Household Registration Office where the insured's household registration was registered immediately before the death of the insured; the said transcript indicates the insured's date of death and with family members' details</li><li>ii) Cancellation of household proof of insured notarized by the Taiwan Notary Public (公證)</li><li>iii) Agreement or consent letter executed by all claimants / heirs as to how the insurance policy proceeds are to be distributed notarized by the Taiwan Notary Public</li></ul> <p>2/ Original declaration executed by all heirs (繼承者) which notarized by the Taiwan Notary Public (公證) containing:</p> <ul style="list-style-type: none"><li>i) A representation that the signatory heirs are the only rightful heirs of the insured</li><li>ii) None of the signatory heirs has been disqualified from the inheritance or have waived their inheritance</li><li>iii) An indemnification clause (保障條款) that takes effect upon a violation of the representations above</li></ul>

# FT LIFE's DEATH CLAIM GUIDELINES

## Document Required

### Basic Requirement for Death case incurred in HK, Mainland China and other overseas area

1	Death Claim Form (to be completed by the claimant / beneficiary) * additional – if the beneficiary is i) a non-HK tax payer, need to complete Self-Certification Form, and/or ii) a US tax payer, need to complete W8 / W9 Form
2	Certified true copy of Death Certificate of insured by authorized local government staff at the place of death * alternatively – if require advanced payment, need i) verified and certified Certificate of Order Authorizing Burial / Cremation of Body (Form 11) issued by Coroner's Court of HKSAR or issued by the authorized local government staff at the place of death and; ii) Newspaper clippings
3	Verified and certified identity document copy of insured & claimant / beneficiary
4	Copy of relationship proof of claimant / beneficiary and insured * additional – if the beneficiary is a minor, then require verified and certified legal guardianship paper
5	Original Policy / Lost Policy Declaration

# FT LIFE's DEATH CLAIM GUIDELINES



## Procedure Summary

- **Step 1:** Check the data capture at eBao
- **Step 2:** Check the document for completeness and if loan amount is available
- **Step 3:** Complete claim assessment
- **Step 4:** Decision on claim assessment
  - o Step 4A: Acceptance of claim liability. Continuous to step 5
  - o Step 4B: Pending for further information for claim assessment. Forward to step 11
  - o Step 4C: Decline. Forward to step 12
- **Step 5:** Prepare the death benefit calculation and if policy loan amount is available
- **Step 6:** Verify the benefit amount with eBao output. Seek confirmation from Actuarial if the calculation is not match with eBao output. Actuarial will then provide the death benefit amount with breakdown
- **Step 7:** Update the death benefit amount into eBao
- **Step 8:** Check if approval from reinsurer is required. If so, send email to respective reinsurer to obtain approval
- **Step 9:** On the same day, seek verification and confirmation with another assessor who can proceed death claim to confirm benefit amount, reinsurer's approval is correct. The assessor should sign off the calculation worksheet to confirm the checking. The worksheet will be uploaded in eBao for record.
- **Step 10:** Proceed approval according to Claims Authority Table by "Submit to Approval" at eBao

<End of the process>

- **Step 11:** Create and update SLQ for notification of pending. Restart from step 1 on receiving reply from agent / client
- **Step 12:** **Decline of a claim**
  - o Step 12A: Create and update SLQ for notification of decline. **Hold case for 3 days**, if no appeal from agent / client received then decline case at eBao and issue decline letter; or
  - o Step 12B: Phone call to agent to inform of the claim decision. If no appeal received during the call, decline case at eBao. Issue and send out manual decline letter if standard system letter not applicable.

<End of the process>



富通保險有限公司  
( 於百慕達註冊成立之有限公司 )  
新世界集團成員