

FutureEnrich Life Insurance Plan

Get Started Today for a Prosperous Tomorrow

FutureEnrich Life Insurance Plan ("FutureEnrich" or "the Plan") is a life insurance plan and is not a bank deposit. It is underwritten by Hang Seng Insurance Company Limited ("Hang Seng Insurance").

We all harbour dreams of a bright future, yet circumstances can change without warning, throwing even the best intentions awry. That is why you need to act today on your plans if you wish to secure the assurance of future returns, and pursue the life you desire.

Always looking to help you plan for a promising future, "Hang Seng Insurance" designed "FutureEnrich" to provide up to 10 years of Guaranteed Monthly Income⁽¹⁾, which grows by 3%⁽²⁾ per annum, plus a lump-sum non-guaranteed Terminal Dividend⁽³⁾ at policy maturity to provide you a stable return and carry you forward toward your goals.

"I want to prepare for a round-the-world journey in 20 years, so I can finally realise my lifelong dreams as a retirement gift to myself."

Ms. Lam, Marketing Manager, age 45

Creating Bountiful Wealth for Tomorrow

Incremental Guaranteed Monthly Income⁽¹⁾ counteracts inflation

After "FutureEnrich" comes into effect, your policy will go through the Payment Period, the Accumulation Period, followed by the Income Period⁽²⁾, during which time you will receive the Guaranteed Monthly Income⁽¹⁾. Starting from the 2nd year after the commencement of the Income Period⁽²⁾, the Guaranteed Monthly Income⁽¹⁾ payable under "FutureEnrich" will increase each year, with each increment equal to 3%⁽²⁾ of the Initial Guaranteed Monthly Income⁽²⁾. The accumulated increment can reach up to 27%⁽⁴⁾, helping you counteract the effects of inflation.

Terminal Dividend⁽³⁾ bolsters your returns

In the event of policy termination, "FutureEnrich" will pay a lump-sum non-guaranteed Terminal Dividend⁽³⁾ to your policy account, bolstering your potential returns.

Your policy will terminate once the Terminal Dividend⁽³⁾ is paid out in full. You may choose to withdraw the total cash value⁽⁵⁾ (including the Terminal Dividend⁽³⁾, accumulated Guaranteed Monthly Income⁽¹⁾ and interest⁽⁶⁾, accumulated Annual Dividends⁽⁶⁾ and Interest⁽⁶⁾) in a lump sum. The total cash value can also be withdrawn in monthly instalments, with the remainder in your account continuing to accumulate interest⁽⁶⁾ (at a non-guaranteed interest rate determined by "Hang Seng Insurance" from time to time), further optimising your returns.

Annual Dividends⁽⁶⁾ enhance your wealth

During the policy term, "FutureEnrich" expects to pay a non-guaranteed Annual Dividend⁽⁶⁾ to your policy each policy anniversary. You may accumulate these dividends⁽⁶⁾ in the policy account to earn interest or withdraw them for a fruitful life.

“My household expenses and childcare needs come first, which is why I need a degree of payment flexibility.”

Mrs. Fok, who is raising a 7-year-old daughter

Financial Flexibility to Aspire for More

Flexible premium payment period to suit your financial plans

You may choose from 3 policy terms with different payment periods according to your needs, allowing you to complement your financial plans with stable returns through the Guaranteed Monthly Income⁽¹⁾, which is distributed over a period of up to 10 years (the Income Period⁽²⁾).

	16-year FutureEnrich	18-year FutureEnrich	20-year FutureEnrich
Policy Term	16 years	18 years	20 years
Payment Period	2 years	3 years	5 years
Accumulation Period	8 years	9 years	10 years
Income Period ⁽²⁾	8 years	9 years	10 years

Flexibility to suit your needs

During the Income Period⁽²⁾, you may withdraw the Guaranteed Monthly Income⁽¹⁾ according to your needs as follows:

- i. Withdraw the Guaranteed Monthly Income⁽¹⁾ in cash for a stable source of income; or
- ii. Accumulate the Guaranteed Monthly Income⁽¹⁾ in your policy account to earn interest until the end of the Income Period⁽²⁾ of the policy.

You may withdraw the Guaranteed Monthly Income⁽¹⁾ to help address your financial needs with flexibility. Alternatively, you may opt for a full surrender of your policy, withdrawing the total cash value⁽⁵⁾⁽⁸⁾ to realise your dreams. Once the total cash value⁽⁷⁾ is withdrawn in full, the policy will be terminated.

Safeguarding the Future for Your Loved Ones

Life protection for extra peace of mind

If the Life Insured passes away while the policy is in force, the Beneficiary(ies) will receive a lump-sum Death Benefit, the amount of which is equal to the higher of:

- 101% of the total premiums paid under the Basic Plan less any Guaranteed Monthly Income⁽¹⁾ paid to the Policyholder (if any); or
- 101% of the Guaranteed Cash Value at the date of passing away of the Life Insured

plus accumulated Annual Dividends⁽⁶⁾ (if any) and interest⁽⁶⁾ (if any), accumulated Guaranteed Monthly Income⁽¹⁾ (if any) and interest⁽⁶⁾ (if any), and the non-guaranteed Terminal Dividend⁽³⁾ (if any), less indebtedness (if any).

The Beneficiary(ies) may receive the Death Benefit in a lump-sum payment, after which the policy will be terminated. Alternatively, if the Life Insured passes away during the Income Period⁽²⁾, the Policyholder may opt to have the beneficiary(ies) continue receiving the remaining Guaranteed Monthly Income⁽¹⁾ until the end of the policy⁽⁹⁾, less indebtedness (if any).

Quick and Easy application

Applying for "FutureEnrich" is simple. Provided that the Life Insured and/or the Policyholder both fulfil the requirements of the Plan (including total premium amount⁽¹⁰⁾ and Insurance Age⁽¹¹⁾), acceptance is guaranteed⁽¹⁰⁾ and medical examinations are not required, making it easy for you to secure the protection you need.

Combine Savings with Protection and Free Supplement

Terminal Illness Benefit⁽¹²⁾

If the Life Insured is diagnosed with a Terminal Illness⁽¹²⁾, "FutureEnrich" will pay out a lump-sum emergency cash advancement equal to the Death Benefit of the Basic Plan as Terminal Illness Benefit⁽¹²⁾ to ease financial burdens.

Accidental Death Benefit⁽¹³⁾

Should the Life Insured pass away due to an accident before the age of 80⁽¹¹⁾ or while the policy is in force (which is earlier), in addition to the Death Benefit of the Basic Plan, the Beneficiary(ies) will receive an Accidental Death Benefit⁽¹³⁾ equal to 30% of the total premium paid under the Basic Plan.

Unemployment Benefit⁽¹⁴⁾

If you become unemployed for at least 30 consecutive days before the age of 65⁽¹¹⁾ while the policy is in force, you may apply to defer the payment of your premiums by 365 days from the due date of the first unpaid premium following your unemployment. Throughout this period, the Life Insured can continue to enjoy all the benefits specified in the policy.

“I work hard to keep my family stable and secure. If I can get additional cover on top of my savings plan, I can keep my loved ones protected in the face of life’s uncertainties.”

***Mr. Leung, Financial Planning Manager, age 35
Married with a one-year-old son***

Optional Supplemental Benefits offer enhanced protection

Cancer Benefit⁽¹⁵⁾ (additional premiums and simplified underwriting questions required⁽¹⁶⁾)

As one of the most common critical illnesses in Hong Kong, cancer can bring about significant and unexpected expenses and severely disrupt your financial plans. Under the optional Cancer Benefit⁽¹⁵⁾, if the Life Insured is diagnosed with a covered cancer while the policy is in force, we will pay a lump-sum benefit equal to the total premiums under the Basic Plan to help you pay for treatment and other expenses. The Basic Plan will remain effective and your benefits, including the Guaranteed Monthly Income⁽¹⁾, Death Benefit and more, will continue uninterrupted.

You need to pay the premiums for this benefit for the entire policy term. Once enrolment is successful, the premiums are guaranteed to remain unchanged throughout the payment period, making it easier for you to budget your finances. Please refer to the policy provisions of the Cancer Benefit⁽¹⁵⁾ for cancer definitions, claim conditions and exclusions.

Waiver of Premium Benefit⁽¹⁷⁾ (additional premiums and simplified underwriting questions required⁽¹⁶⁾)

If an accident or illness renders the Life Insured unable to work for 183 days or more before he or she reaches age 65⁽¹¹⁾, “Hang Seng Insurance” will waive all premiums payable⁽¹⁷⁾ (excluding premiums for the Cancer Benefit⁽¹⁵⁾) until the end of the payment period or the termination of this Waiver of Premium Benefit⁽¹⁷⁾ (whichever is earlier), helping to ease your burden during times of need.

Payor’s Benefit⁽¹⁸⁾ (additional premiums and simplified underwriting questions required⁽¹⁶⁾)

If the Payor passes away or is unable to work for 183 days or more due to an accident or illness before he or she reaches age 65⁽¹¹⁾, “Hang Seng Insurance” will waive all premiums payable for the Basic Plan as well as the supplemental benefits (excluding premiums for the Cancer Benefit⁽¹⁵⁾) after the death or during the period of disability, until the Payor reaches age 65⁽¹¹⁾.

FutureEnrich Life Insurance Plan – Summary of the Plan

Plan type	16-year FutureEnrich	18-year FutureEnrich	20-year FutureEnrich
Payment Period	2 years	3 years	5 years
Accumulation Period	8 Years	9 Years	10 Years
Income Period ⁽²⁾	8 Years	9 Years	10 Years
Policy Term	16 years	18 years	20 years
Life Insured's Insurance Age at enrolment ⁽¹¹⁾	15 days – age 68	15 days – age 67	15 days – age 65
Minimum Premium	Annual Premium: HK\$95,976.6/US\$12,022.3 Monthly Premium: HK\$8,398.0/US\$1,052.0	Annual Premium: HK\$28,674.8/US\$3,632.1 Monthly Premium: HK\$2,509.0/US\$317.8	Annual Premium: HK\$19,327.5/US\$2,448.2 Monthly Premium: HK\$1,691.2/US\$214.2
Minimum Initial Guaranteed Monthly Income ⁽¹⁾	HK\$1,900 / US\$238	HK\$750 / US\$95	

Policy Currency	HK\$ US\$
Features of Premium	<ol style="list-style-type: none"> 1. Monthly or Annual Premium 2. Uni-rate premium for the whole term irrespective of sex, age and smoking habit of the Life Insured as long as the Life Insured and Policyholder meet the Insurance Age⁽¹¹⁾ and other relevant requirements⁽¹⁰⁾ for enrolment. 3. Premium remains unchanged upon issue of the policy.
Guaranteed Monthly Income ⁽¹⁾	Guaranteed monthly payment during the Income Period ⁽²⁾ , with the amount to grow by 3% p.a. (based on the initial Guaranteed Monthly Income ⁽¹⁾) starting from the 2 nd year after the commencement of the Income Period ⁽³⁾ (calculations based on simple interest).
Projected Annual Dividend ⁽⁶⁾	Annually payable but non-guaranteed. Annual Dividend ⁽⁶⁾ can be withdrawn at any time while the policy remains in effect.
Terminal Dividend ⁽³⁾	<p>Payment mode</p> <p>Payable at policy termination, i.e. the following circumstances:</p> <ol style="list-style-type: none"> 1) The death of the Life Insured; or 2) Policy surrender, whether in full or in partial; or 3) Policy cancellation, lapse or termination; or 4) On the Benefit Cessation Date of the Basic Plan. <p>Expected amount payable under Terminal Dividend⁽³⁾ will be updated on each policy anniversary, though the actual amount is determined at policy termination and is non-guaranteed.</p>
Income Withdrawal Options upon the Commencement of Income Period ⁽²⁾ ; or opt to withdraw total cash value ⁽⁷⁾	<p>Withdrawal of Income</p> <ol style="list-style-type: none"> 1. Receive regular Guaranteed Monthly Income⁽¹⁾ until the end of the Income Period⁽²⁾; or 2. Accumulate Guaranteed Monthly Income⁽¹⁾ in full to accumulate interest⁽⁶⁾. You are free to choose to start regular Guaranteed Monthly Income⁽¹⁾ withdrawals at any time while the policy is in force. Guaranteed Monthly Income⁽¹⁾ is payable until the end of the Income Period⁽²⁾. Accumulated Monthly Income⁽¹⁾ and its non-guaranteed interest (if any) are available for withdrawal at any time. <p>Withdrawal of total cash value⁽⁵⁾</p> <p>Withdraw the total cash value⁽⁵⁾ in full and the policy will be terminated immediately.</p>
Death Benefit	<p>Method of Calculation</p> <p>The amount of which is equal to the higher of:</p> <ol style="list-style-type: none"> i. 101% of the total premiums paid under the Basic Plan less any Guaranteed Monthly Income⁽¹⁾ paid to the Policyholder (if any); or ii. 101% of the Guaranteed Cash Value⁽¹⁾ as of the date of passing away of the Life Insured <p>plus accumulated Annual Dividends⁽⁶⁾ (if any) and interest⁽⁶⁾ (if any), accumulated Guaranteed Monthly Income⁽¹⁾ (if any) and interest⁽⁶⁾(if any), and the non-guaranteed Terminal Dividend⁽³⁾ (if any), less indebtedness (if any).</p> <p>Payment mode</p> <ol style="list-style-type: none"> 1. Lump-sum payment; or 2. (Only During the Income Period⁽²⁾) Continue to receive the remaining Guaranteed Monthly Income⁽¹⁾.
Free Supplemental Benefits (No additional premiums required)	<ul style="list-style-type: none"> • Terminal Illness Benefit⁽¹²⁾ • Accidental Death Benefit⁽¹³⁾ • Unemployment Benefit⁽¹⁴⁾
Optional Benefits (Additional premiums required)	<ul style="list-style-type: none"> • Cancer Benefit⁽¹⁵⁾ • Waiver of Premium Benefit⁽¹⁷⁾ • Payor's Benefit⁽¹⁸⁾

Key Exclusions:

- **Supplementary Benefit – Terminal Illness Benefit⁽¹²⁾**

No benefit will be paid for any Terminal Illness resulting directly or indirectly from, or caused or contributed by, any condition which existed before the Issue Date of this Policy or effective date of this Supplementary Benefit or effective date of last reinstatement, whichever is the latest, in respect of the Life Insured and which presented sign or symptom of which the Policyholder or Life Insured was aware of or should reasonably have been aware of as of the Issue Date of this Policy or effective date of this Supplementary Benefit or effective date of last reinstatement, whichever is the latest.

- **Supplementary Benefit – Accidental Death Benefit⁽¹³⁾**

If the Accidental Death results from any of the following, "Hang Seng Insurance" will not pay the Accidental Death Benefit⁽¹³⁾:

- Suicide or trying to commit suicide, while sane or insane;
- Wilful self-inflicted injury;
- Engaging in hazardous sports (including but not limited to mountaineering necessitating the use of ropes or guides, pot-holing, parachuting, scuba-diving or other underwater pastimes, winter sports, steeple chasing, polo or racing of any kind other than on foot), other than those stated in the application;
- Taking or absorbing, accidentally or otherwise, any drug, medicine, sedative or poison, except as prescribed by a Registered Doctor;
- Inhaling any gas or fumes, accidentally or otherwise, except accidentally in the course of duty;
- Insanity or mental infirmity or mental disease;
- Committing or trying to commit a criminal offence;
- War or any act incidental to war. The word "war" includes any war, declared or undeclared, including civil war and guerrilla war, or any other conflict involving any country's armed forces or any force of an international body;
- Service in the armed forces, or any auxiliary civilian force, of any country at war; or service in any force of an international body;
- Entering, operating, or servicing, riding in or on, ascending or descending from any kind of device designed for flight in or beyond the earth's atmosphere except while the Life Insured is a passenger or air crew in an aircraft operated by a commercial passenger airline on a regular scheduled passenger trip over its established passenger route.

- **Supplementary Benefit – Unemployment Benefit⁽¹⁴⁾**

If the Policyholder is unemployed in any of the following circumstances, no Benefit can be claimed:

- Any period of Unemployment that does not qualify for payment of severance benefits under the Employment Ordinance of the Hong Kong SAR;
- Unemployment commences within 2 months following the Issue Date of the Policy or effective date of this Supplementary Benefit or effective date of last reinstatement or ownership change date of the Policy, whichever is the latest;
- Self-employed (except Professional);
- Works for a company or firm in which relative of the Policyholder has a financial interest;
- Unemployment or prospect of Unemployment that the Policyholder knew of or should reasonably have known of on or before the Issue Date of the Policy or effective date of this Supplementary Benefit or effective date of last reinstatement or ownership change date of the Policy, whichever is the latest;
- Unemployment caused by or resulting from misconduct or any action that contributes to or leads to dismissal, resignation, retirement or voluntary redundancy; or
- Unemployment after the end of a fixed term contract, a contract for a specific task or a period of training or apprenticeship.

- **Supplementary Benefit – Cancer Benefit⁽¹⁵⁾** (additional premiums required)

- No benefit is payable under this Policy for any Cancer resulting (directly or indirectly) from, or caused or contributed by (in whole or in part) AIDS or Human Immunodeficiency Virus (HIV).
- No benefit is payable under this Policy for any Cancer resulting from (directly or indirectly) from, or caused or contributed by any of the following:
 - a self-inflicted injury or attempted suicide while sane or insane; or
 - any Pre-existing Condition; or
 - intoxication by alcohol or drugs not prescribed by a Registered Doctor; or
 - violation or attempted violation of the law or resistance to arrest or participation in any criminal act; or
 - travel in any aircraft, except as a fare paying passenger in a commercial aircraft; or

- (c) No benefit is payable under this Policy for any Cancer resulting (directly or indirectly) from, or caused or contributed by (in whole or in part) any Congenital Conditions or genetic disorder or developmental conditions, which has manifested or was diagnosed before the Life Insured attains 18 years of Insurance Age.
- (d) No benefit is payable under this Policy for any Cancer of which the signs or symptoms first occurred or diagnosed prior to the Issue Date, or within 90 days of the Issue Date or the effective date of this Supplementary Benefit or the effective date of last reinstatement of the Policy, whichever is the latest, except caused by Accident.
- (e) No benefit is payable under this Policy for any Cancer, if the Life Insured has survived for less than 30 days following the diagnosis of Cancer.
- (f) No benefit is payable under this Policy for Activities or diseases or illnesses excluded for the benefit shown on the Policy Endorsement (if any) forming part of this Policy.

- **Supplementary Benefit – Waiver of Premium Benefit⁽¹⁷⁾** (additional premiums required)

No premium will be waived by "Hang Seng Insurance" if Disability was resulted from any of the following:

- (a) Any pre-existing condition from which the Life Insured was suffering prior to or on the Issue Date of the Policy or effective date of this Supplementary Benefit or the effective date of last reinstatement, whichever is latest (unless we have agreed in a Policy Endorsement to the Policy that such condition will not be excluded)
- (b) Wilful self-inflicted injury;
- (c) Insanity or mental infirmity or mental disease;
- (d) Committing or trying to commit a criminal offence;
- (e) Taking or absorbing any drug, medicine, sedative or poison, except as prescribed by a Registered Doctor;
- (f) Engaging in hazardous sports other than those stated in the application. (including but not limited to mountaineering necessitating the use of ropes or guides, pot-holing, parachuting, scuba-diving or other underwater pastimes, winter sports, steeple chasing, polo or racing of and kind other than on foot), other than those stated in the application;
- (g) Entering, operating, or servicing, riding in or on, ascending or descending from any kind of device designed for flight in or beyond the earth's atmosphere except while the Life Insured is a passenger or air crew in an aircraft operated by a commercial passenger airline on a regular scheduled passenger trip over its established passenger route.

- **Supplementary Benefit – Payor's Benefit⁽¹⁸⁾** (additional premiums required)

No Premium will be waived by "Hang Seng Insurance" if the Payor dies by suicide whether sane or insane within one year after the Issue Date of the Policy or the effective date of this Supplementary Benefit or the effective date of last reinstatement, whichever is the latest, or if Disability was resulted directly or indirectly from any of the following:

- (a) Any pre-existing condition from which the Payor was suffering prior to or on the Issue Date of the Policy or effective date of this Supplementary Benefit or the effective date of last reinstatement, whichever is latest (unless we have agreed in a Policy Endorsement to the Policy that such condition will not be excluded);
- (b) Wilful self-inflicted injury;
- (c) Insanity or mental infirmity or mental disease;
- (d) Committing or trying to commit a criminal offence;
- (e) Taking or absorbing any drug, medicine, sedative or poison, except as prescribed by a Registered Doctor;
- (f) Engaging in hazardous sports other than those stated in the application. ((including but not limited to mountaineering necessitating the use of ropes or guides, pot-holing, parachuting, scuba-diving or other underwater pastimes, winter sports, steeple chasing, polo or racing of any kind other than on foot), other than those stated in the application;
- (g) Entering, operating, or servicing, riding in or on, ascending or descending from any kind of device designed for flight in or beyond the earth's atmosphere except while the Payor is a passenger or air crew in an aircraft operated by a commercial passenger airline on a regular scheduled passenger trip over its established passenger route.

The above are only the major exclusions, for details of the exclusions, please refer to the relevant policy provision.

Note:

- (1) During the Income Period⁽²⁾, the Policyholder will receive Guaranteed Monthly Income on each monthiversary until the end of Income Period⁽²⁾. The Guaranteed Monthly Income payable within the first year of the Income Period⁽²⁾ is called the Initial Guaranteed Monthly Income, and its amount is determined upon enrolment. The Policyholder may elect to withdraw Monthly Income in cash or accumulate it for interest⁽⁶⁾.
- (2) Income Period refers to the period during which Guaranteed Monthly Income⁽¹⁾ is paid. The 3% growth per annum in the period refers to the Initial Guaranteed Monthly Income and calculated in simple interest. If the Plan is "16-Year FutureEnrich", Income Period refers to the period from the 9th Policy Year to the 16th Policy Year when the Plan matures. If the Plan is "18-Year FutureEnrich", Income Period refers the period from the 10th Policy Year to the 18th Policy Year when the Plan matures; if the Plan is "20-Year FutureEnrich", Income Period refers the period from the 11th Policy Year to the 20th Policy Year when the Plan matures.
- (3) The projected value of the Terminal Dividend will be declared on every policy anniversary. However, the actual amount payable is determined only at policy termination and is non-guaranteed; "Hang Seng Insurance" reserves the final rights of decision in this regard. Therefore, the Terminal Dividend is non-guaranteed and its value could be zero.
- (4) Assuming enrolment in "20-Year FutureEnrich".
- (5) Before the Income Period⁽²⁾, total cash value is the Guaranteed Cash Value plus non-guaranteed accumulated Annual Dividend (if any), interest on accumulated Annual Dividends⁽⁶⁾ (if any) and terminal dividend⁽³⁾, less indebtedness (if any). Upon commencement of the Income Period⁽²⁾ or thereafter, total cash value is the Guaranteed Cash Value plus Terminal Dividend⁽³⁾, accumulated Guaranteed Monthly Income⁽¹⁾ (if any), interest on accumulated Monthly Income⁽⁶⁾ (if any), less indebtedness (including policy loans, if any) and any Guaranteed Monthly Income⁽¹⁾ already withdrawn (if any).
- (6) Annual dividends are distributed annually starting from the 1st policy anniversary after the policy becomes effective. Annual dividends and the interest rate used for annual dividends and Guaranteed Monthly Income⁽¹⁾ accumulations are not guaranteed. Please refer to the illustration summary for prevailing interest rate.
- (7) Subject to the terms and conditions as specified by the Company at our discretion from time to time, the Maturity Benefit will be paid to the Policyholder by instalments and over a period of time as determined by the Company, until the unpaid balance of the Maturity Benefit deposited with the Company is exhausted, which according to the interested rate set by the Company and accumulate in the Company.
- (8) If the total cash value⁽⁵⁾ is withdrawn before the commencement of the Income Period⁽²⁾, the amount receivable will be significantly less compared to withdrawal after the commencement of the Income Period⁽²⁾.
- (9) This arrangement is applicable only if the Policyholder elects to receive Guaranteed Monthly Income⁽¹⁾ by regular withdrawals, and a Death Benefit instruction in the form prescribed by the policy terms and conditions has been made during survival of the Life Insured for the beneficiary(ies) to receive the remaining Guaranteed Monthly Income⁽¹⁾. Under this arrangement, if the Life Insured dies upon commencement of the Income Period⁽²⁾ or thereafter, "Hang Seng Insurance" will continue to pay the remaining Guaranteed Monthly Income⁽¹⁾ to the beneficiary(ies) in the manner elected by the Policyholder on each Monthiversary during the Income Period⁽²⁾, until the end of the Income Period⁽²⁾. Any accumulated Guaranteed Monthly Income⁽¹⁾ (if any) and the non-guaranteed accumulated interest⁽⁶⁾ (if any), accumulated annual dividends⁽⁶⁾ (if any) and interest on accumulated annual dividends⁽⁶⁾ (if any), Terminal Dividend⁽³⁾ (if any), and Accidental Death Benefit⁽¹³⁾ retained in the policy by the Life Insured before his/her death, net of Indebtedness (if any), will be paid to the beneficiary(ies) in one lump sum. The beneficiary(ies) may not change the payment method of Death Benefit elected by the Policyholder at any time.
- (10) The maximum Total Premium Amount for guaranteed acceptance (per Life Insured) may differ and is subject to the Insurance Age⁽¹¹⁾ of the Life Insured. Total Premium Amount refers to the total premium amount of the Plan and other selected life insurance plans determined by "Hang Seng Insurance". For details of the underwriting procedure, please contact branch of Hang Seng Bank Limited ("Hang Seng Bank").
- (11) Insurance Age means, at any date, the age of the Life Insured or Policyholder (if applicable) on the most recent birthday prior to the Policy Date plus the number of completed Policy Years. If the Life Insured's or Policyholder's (if applicable) birthday is on the Policy date, it will be calculated based on the age on such Policy Date.
- (12) Terminal Illness means a medical condition that the Life Insured is certified by "Hang Seng Insurance's" appointed Registered Medical Practitioner to be reasonably expected to die within 12 months from the date of certification. Such medical condition and/or its signs or symptoms must first occur or commence more than 90 days following the Issue Date or effective date of last reinstatement of the policy (whichever is later). The Plan will be automatically terminated when (i) the Terminal Illness Benefit is paid; or (ii) the Basic Plan is terminated (whichever is earlier). When the Policyholder receives the Terminal Illness Benefit, the Basic Plan policy will terminate. For the definition of Terminal Illness and exact details of exclusions, please refer to the policy conditions for Supplemental Benefits and the policy provision shall be final.
- (13) The Accidental Death Benefit shall cease automatically (i) after the Accidental Death Benefit has been paid; or (ii) upon commencement of the Income Period⁽²⁾; or (iii) upon termination of the Basic Plan; or (iv) on the Policy Anniversary when the Life Insured reaches the Insurance Age⁽¹¹⁾ of 80 (whichever the earliest). The Basic Plan policy will cease upon the death of the Life Insured. For the definition of Accidental Death Benefit and exact details of exclusions, please refer to the policy conditions for Supplemental Benefits and the policy provision shall be final.
- (14) To be eligible to claim this benefit, the Policyholder should be unemployed for at least 30 consecutive days and be qualified for payment of severance benefits under the Employment Ordinance of the Hong Kong Special Administrative Region. Unemployment Benefit will be automatically terminated when (i) the Life Insured's Insurance Age⁽¹¹⁾ reaches 65, or (ii) the end of the payment term, or (iii) on the date the policy of basic plan lapses, terminates, expires, becomes void, is surrendered or cancelled (whichever is the earliest). Please refer to the policy for the exceptions and full details and conditions.
- (15) While the Policy is still in force, if the Life Insured is diagnosed by a Registered Doctor as suffering from Cancer, we will pay the Cancer Benefit to the Policyholder. Notwithstanding that a Life Insured may suffer from more than one Cancer, this Supplemental Benefit will only be paid once in respect of the Life Insured and upon such payment we will be relieved from all further liability under this Supplemental Benefit.
- (16) Enrolment in Optional Supplementary Benefits including Cancer Benefit⁽¹⁵⁾, Waiver of Premium Benefit⁽¹⁷⁾ and Payor's Benefit⁽¹⁸⁾ requires the answering of simple underwriting questions.
- (17) The Waiver of Premium Benefit is applicable only when the Insurance Age⁽¹¹⁾ of the Life Insured is between 18 and 60 at enrolment. The Life Insured should carry a valid Hong Kong or Macau Identity Card or entry Permit (for Mainland residents) to be eligible for cover under this benefit. The Policyholder should answer relevant underwriting questions. This benefit requires additional premiums and will be automatically terminated when (i) the Life Insured's Insurance Age⁽¹¹⁾ reaches 65, or (ii) the basic plan terminates, or (iii) the payment term ends, or (iv) the premium for this benefit is not paid and the grace period comes to an end (whichever is the earliest). Please refer to the policy for the full details and conditions of this Supplemental Benefit.
- (18) The Payor's Benefit is applicable only when the Insurance Age⁽¹¹⁾ of the Life Insured is 17 or below, and Insurance Age⁽¹¹⁾ of the Payor is between 18 and 60 at enrolment. The Policyholder should answer relevant underwriting questions. This benefit requires additional premiums and will be automatically terminated when (i) the Life Insured's Insurance Age⁽¹¹⁾ reaches 65, or (ii) the basic plan terminates, or (iii) the payment term ends, or (iv) the premium for this benefit is not paid and the grace period comes to an end (whichever is the earliest). The Payor should hold a valid Hong Kong or Macau identity card or entry Permit (for Mainland residents) to be eligible for cover under this benefit. Please refer to the policy for the full details and conditions of this Supplemental Benefit.

Product risks

Credit risk

The benefits of this Plan are subject to the credit risk of "Hang Seng Insurance". Policy benefits include Death Benefit, surrender benefit and maturity benefit (if applicable) etc. The premium that you pay will become parts of "Hang Seng Insurance's" assets, and the life insurance plans of "Hang Seng Insurance" involve policy benefits such as Death Benefit, surrender benefit and maturity benefit payable to the Policyholders or beneficiaries by "Hang Seng Insurance". You should bear the credit risk associated with "Hang Seng Insurance" [i.e. the risk that "Hang Seng Insurance" may not be able to deliver its obligations bound by the policies (including the payment of policy benefits) due to financial difficulties].

Risk affecting non-guaranteed benefit determination

The scales for calculating the Annual Dividends and Terminal Dividend⁽³⁾ are not guaranteed and are determined by the "Hang Seng Insurance" from time to time. Whether Annual Dividends and Terminal Dividend are payable and the size of these dividends to be paid depend on the performance of relevant participating policies with regard to investment returns on the assets supporting the policies under this Plan, as well as other factors including but not limited to claims, persistency experience, expenses, and the long term future performance outlook (both economic and non-economic factors).

The key risk factors are further described below:

- **Investment risk factors** – The investment performance of the assets supporting the policies is subject to various market risk factors including but not limited to:
 - **Interest rate risks** – The risk that the interest earnings and the values of assets will be affected by the change of interest rate level and its outlook, and lead to investment loss.
 - **Equity risk** – The risk that the prices and volatilities of equity type investments and alternative investments will change and lead to investment loss.
 - **Credit risk** – The risk of investment losses due to the default or change in credit quality of issuers of debt securities or counterparties.
 - **Currency risk** – The risk that the values of investments that are in other currencies different from the policy currency will be affected by the change of exchange rates.
- **Claims factor** – The actual experience of mortality and morbidity is uncertain which may lead to a higher than expected claim or living benefit payment and result in worse performance.
- **Persistency factor** – The actual experience of policy surrender (full or partial) and policy lapse is uncertain, and therefore it has impacts on both the current performance and future return of the portfolio of the policies.
- **Expense factor** – The actual amount of expenses incurred and apportioned to the group of policies may be higher than expected and impact the overall performance of the product. The expenses may include direct expenses which are specifically related to the group of policies, such as commission, underwriting, policy acquisition and maintenance expenses. It may also include indirect expenses such as general overhead costs which will be allocated to the group of policies.

The interests earned on the accumulated annual dividends and accumulated Guaranteed Monthly Income are determined based on an interest rate which is not guaranteed and may be adjusted by "Hang Seng Insurance" at its discretion from time to time. Please refer to section "Notes on Participating Policy" for the detail.

Risk from the delay of or missing the payment of premiums due

You should pay the premium for the entire premium payment term when due. Any delay or missing of the payment of premiums due may lead to policy lapse, and the amount (if any) you get back may be significantly less than your premiums paid.

Risks from surrender

If you surrender the policy after the expiry of the cooling-off period, the surrender proceeds to be received may be significantly less than the total premium paid. Please refer to the illustration summary of this Plan for the projected surrender values. All details regarding policy surrender should be referred to the relevant policy provisions.

Risks from Partial Surrender (only applicable before Income Period)

The policy can be partially surrendered before commencement of the Income Period and if the Policyholder has made any partial withdrawals, the Net Cash Value of the policy will be decreased accordingly. This will reduce the Guaranteed Monthly Income amount, the Death Benefit amount and the cash value upon surrender.

Liquidity risk

This policy is designed to be held for a long term period. Should you have liquidity needs for any unexpected events, you may apply for policy loan or surrender the policy in full or in part subject to the respective policy terms, however this may cause the policy to lapse or to be terminated earlier than the original policy term, and the amount (if any) you get back may be significantly less than the premiums paid. You may also apply for withdrawal of any amounts that are left within the policy to accumulate but the amount available for withdrawal is not guaranteed and the amount of Death Benefit and Cash Value will reduce accordingly subsequent to the withdrawal.

Inflation risk

Cost of living is likely to be higher in the future than it is today due to inflation, therefore you may receive less from the policy in real term in the future even if "Hang Seng Insurance" meets all of its contractual obligations.

Policy currency risk

By choosing the plans denominated in currencies other than local currency, you are subject to exchange rate risks. Exchange rate fluctuates from time to time. Upon the currency conversion, you may suffer a loss of your benefit values and the subsequent premium payments (if any) may be higher than your initial premium payment as a result of the exchange rate fluctuations. You have considered the aforesaid exchange rate risk factors, conversion arrangement and the potential loss associated before applying for the Plan

Important notes**Cooling-off Period**

The Plan is an insurance plan with a savings element and not any kind of bank deposit. Part of the premium pays for the insurance and related costs. If you are not satisfied with your policy, you have a right to cancel it within the cooling-off period and obtain a refund of any premiums and levy paid. A written notice signed by you should be received by "Hang Seng Insurance" Office at 18/F, Tower 1, HSBC Centre, 1 Sham Mong Road, Kowloon, Hong Kong within the cooling-off period (that is, 21 days after the delivery of the policy or issue of a notice (informing you/your representative about the availability of the policy and expiry date of the cooling-off period), whichever is earlier). After the expiration of the cooling-off period, if you cancel the policy before the end of the term, the projected total cash value upon surrender may be less than the total premium and levy you have paid.

Grace Period

The Plan offers a Grace Period of 30 days for payment of any premium when due. If a premium is not paid by the end of the Grace Period and the Net Cash Value calculated as at the date immediately preceding the premium due date is greater than zero, the terms of Automatic Premium Loan will immediately take effect to pay the relevant unpaid premium. If the Net Cash Value is insufficient to cover the amount of the relevant unpaid premium, the policy will be immediately lapsed.

Policy loan

You may apply for a policy loan before commencement of Income Period. Loan interest will be applied and you will be advised of the rate of interest from time to time. Any policy loan and accrued loan interest may reduce the Cash Value, Death Benefit and Guaranteed Monthly Income of the policy. When, at any time, the loan with accrued interest exceeds the Net Cash Value before Indebtedness, "Hang Seng Insurance" have the right to lapse the Policy. Policy loan may cause the policy to lapse or be terminated, please refer to the policy provision on its terms and conditions.

Policy termination

"Hang Seng Insurance" has the right to terminate your policy under any of the following circumstances,

- If you cannot make the premium payment by the end of a 30-day Grace Period and the Net Cash Value calculated as at the date immediately preceding the premium due date is equal to or less than zero, unless if the Automatic Premium Loan is sufficient to cover the amount of the relevant unpaid premium;

- The policy loan with accrued interest exceeds the Net Cash Value before Indebtedness;
- If “Hang Seng Insurance” reasonably consider that by continuing the policy or the relationship with you, “Hang Seng Insurance” may break any laws, or “Hang Seng Insurance” or a member of the HSBC Group, may be exposed to action censure from any authority.

For details of the above, please refer to the relevant terms and conditions in the policy provision.

Philosophy in Deciding the Dividends, Investment Policy and Strategy

For details of the philosophy in deciding the dividends, investment policy and strategy, please refer to section Notes on Participating Policy. For the most updated information on dividends, investment policy and strategy, and the historical fulfillment ratios of this Plan, please refer to the Company website: https://bank.hangseng.com/1/2/insurance/par_dividend

Commission Disclosure

“Hang Seng Insurance” would provide “Hang Seng Bank” the relevant commission and performance bonus in accordance to the selling of this Plan. The existing sales staff remuneration policy employed by “Hang Seng Bank” would take into account various aspects of the staff performance but not solely on the sales amount.

Dispute Resolution

- “Hang Seng Bank” is an insurance agent authorised by Hang Seng Insurance Company Limited and the product is a product of Hang Seng Insurance Company Limited but not “Hang Seng Bank”; and
- In respect of an eligible dispute (as defined in the Terms of Reference for the Financial Dispute Resolution Centre in relation to the Financial Dispute Resolution Scheme) arising between “Hang Seng Bank” and you out of the selling process or processing of the related insurance product transaction, “Hang Seng Bank” will enter into a Financial Dispute Resolution Scheme process with you; however any dispute over the contractual terms of the insurance products should be resolved between Hang Seng Insurance Company Limited and you directly.

This Plan is underwritten by Hang Seng Insurance Company Limited which is authorised and regulated by the Insurance Authority of the HKSAR. “Hang Seng Bank” is an insurance agent authorised by Hang Seng Insurance Company Limited.

Customer Enquiry 2198 7838 hangseng.com

Tax Reporting and Financial Crime

“Hang Seng Insurance” and other members of the HSBC Group have certain obligations to Hong Kong and foreign legal or regulatory bodies and government or tax authorities, and are bound by HSBC Group’s requirements, regarding you and your policy and “Hang Seng Insurance” may from time to time request consent and information from you in relation to these obligations and requirements.

There are consequences, which will be set out in your policy terms, if you fail to provide to “Hang Seng Insurance” consent or information that is requested from you or if you present a financial crime risk to a member of the HSBC Group. Such consequences include that “Hang Seng Insurance” may:

- take such actions as are necessary to enable it or a member of the HSBC Group to meet these obligations and requirements;
- be unable to provide new, or continue to provide all of the services to you;
- be required to withhold payments or benefits that would otherwise be due to you or your policy and permanently pay those over to tax authorities; and
- terminate your policy.

The amount you get back from the policy in the event of benefits or payments withholding and/or policy termination by “Hang Seng Insurance” as mentioned above plus the total amount that you have received from the policy (if any) before policy termination may be less than the total amount of the premium(s) you have paid. “Hang Seng Insurance” recommends that you seek your own independent professional advice on your tax liabilities.

Notes on Participating policy

"Hang Seng Insurance" issues participating policies, which are life insurance contracts providing both guaranteed and non-guaranteed benefits. The guaranteed benefits may include the following: 1) guaranteed death benefits, 2) guaranteed cash values, 3) guaranteed annuity payments and 4) guaranteed maturity values. The non-guaranteed benefits include policy dividends, which may be paid or varied at the discretion of "Hang Seng Insurance". The policy dividends, if any, are in form of:

- 1) **Annual dividend** which is declared by the "Hang Seng Insurance" on an annual basis. Once declared, the amount of annual dividend for the year becomes vested and will be credited to your policy
- 2) **Terminal dividend** which is a one-off entitlement declared at maturity or upon early termination of the policy (e.g. death, surrender etc.) before maturity. The amount of terminal dividend may change from time to time based on the performance over the entire period before such declaration as well as the prevailing market condition and the actual amount will not be determined until it is payable.

The key feature of participating policies over other forms of insurance policies is that in addition to the guaranteed benefits receivable, policyholders will also benefit from additional dividend payments if the performance of relevant participating policies is better than that required to support the underlying guarantees. The better the performance, the greater the annual and/or terminal dividends payments, and, conversely, the worse the performance, the lower the annual and/or terminal dividends payments.

Dividend Philosophy

Annual and terminal dividends allow policyholders to participate in the financial performance of the life insurance operations. Whether annual and terminal dividends are payable and the size of these dividends which "Hang Seng Insurance" distributes or pays depend on the performance of relevant participating policies with regard to investment returns on the assets supporting the policies, as well as other factors including but not limited to claims, persistency, expenses, and the long term future performance outlook (both economic and non-economic factors). Performance of policies managed similarly are pooled together when deciding the amount of annual and terminal dividends to be paid. Please refer to section Product risks - risk affecting non-guaranteed benefit determination on the product brochure for the detail of key risk factors.

"Hang Seng Insurance" conducts regular review on the level of annual and terminal dividends payable to policyholders. Both actual performance in the past and management's outlook of long-term future performance will be assessed against expected (assumptions underlying the prevailing dividend scale of us), if there are variances arisen, they will then be considered sharing with policyholders through the adjustment of annual and/or terminal dividends scales. If the performance over the long term is better than expected, then the annual and/or terminal dividends amount paid would increase. If performance is worse than expected, then annual and/or terminal dividends amount paid would decrease.

When considering the adjustment of annual and terminal dividends scales, "Hang Seng Insurance" operates a smoothing philosophy, so the level of annual and/or terminal dividends will only be changed if the actual performance is significantly different from expected over a certain period of time or if management's expectation of long-term future performance changes.

In order to achieve broad fairness between policyholders of participating products, "Hang Seng Insurance" will carefully consider the experiences of different groups of policies so that each group of policies will receive a fair return reflecting mostly its own performance. "Hang Seng Insurance" has also established a dedicated committee to review the fairness of treatment to policyholders and to provide independent advice on the management of the participating policies and the determination of dividend level.

Investment Strategy

"Hang Seng Insurance" operates an investment strategy with key objectives as follows:

- i. Ensure that we can meet the guaranteed benefits that we have committed to you;
- ii. Deliver to you competitive long-term returns through the non-guaranteed policy dividends; and
- iii. Abide by a pre-defined set of risk appetite.

The assets supporting the participating policies assets are carefully managed and monitored according to a predefined set of risk appetite. The asset portfolio predominantly consists of fixed income assets issued by government and corporate entities with good credit quality and long term prospects. Growth assets, including equity, property, hedge fund, private equity and etc. are managed on prudent basis and utilized in order to enhance investment performance in the long run. Subject to our investment strategy, derivatives may be used for hedging or efficient portfolio management.

The asset portfolio is well diversified in different types of assets, and is invested in different geographical markets (mainly Asia, US and Europe) and industries. Investment for fixed income assets are mainly in HKD and USD to match the currency of the underlying policies while growth assets are invested in various currencies for diversification.

The current long-term target strategy is to allocate assets attributed to this product as follows:

Target Asset Allocation

Asset Type	Allocation %
Fixed Income	60%-100%
Growth Assets	0%-40%

There could be slight deviation from the above range due to market fluctuation.

Actual allocations will take into consideration past investment performance of the assets supporting the policies, prevailing market conditions and future outlook, and the guaranteed and non-guaranteed benefits of the policies. As the performance of the growth assets investment plays an important role in determining the level of non-guaranteed benefits, under normal circumstances and free from any investment and operational constraints, it is expected that the allocation to growth assets will fall within the higher end of the range as specified, in order to optimize the chance of achieving the illustrated level of non-guaranteed benefits. The management and investment strategy of the asset portfolio may be subject to change depending on the market conditions and economic outlook, and we would inform policy owners should there be any material changes.

Accumulation interest rate

Policyholders can choose to accept their policy dividends, and annuity payments either in cash or to leave them with "Hang Seng Insurance" to accumulate with interests (if applicable). The rates of interests are not guaranteed and will be determined by "Hang Seng Insurance" from time to time. The review on such accumulation interest rates will be conducted regularly with reference to the portfolio bond yields, prevailing market conditions, outlook on bond yields, and the likelihood of policyholders leaving their payment for accumulation.

The policy in determining the policy dividends and accumulation interest rates may be reviewed and adjusted by "Hang Seng Insurance" from time to time. For more updated information, please visit our website https://bank.hangseng.com/1/2/insurance/par_dividend.

You may also visit the above website to understand the historical fulfilment ratio of dividend distribution for reference purposes. However, the past performance or current performance of "Hang Seng Insurance's" business may not be a guide for future performances.

This product brochure is issued by "Hang Seng Insurance" containing only a consolidated and summary description of this Plan and is for reference only. You should read this product brochure in conjunction with the respective product factsheet(s), Notes on Participating Policy and illustration and refer to the policy provisions for the detailed terms and conditions and charges of this Plan.

Please refer to the relevant policy for exact terms, conditions and exclusions of this Plan, and the policy will be considered final. For details of this Plan and the policy terms, please contact any "Hang Seng Bank" branch. "Hang Seng Insurance" will provide a specimen copy of the policy provision upon request.

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