



恒生保險  
HANG SENG INSURANCE

# FamilyPower

## Multi-Currency Life Insurance Plan 2

Protect your wealth and those you love  
with flexible inheritance planning



FamilyPower Multi-Currency Life Insurance Plan 2 ("FamilyPower 2" or "the Plan") is a life insurance plan and is not equivalent or similar to any kind of bank deposit. It is underwritten by Hang Seng Insurance Company Limited ("Hang Seng Insurance", "the Company", "we", "us", "our"). This product information does not contain the full terms of the Policy and the full terms can be found in the relevant policy document.

# Protect your wealth and those you love with flexible inheritance planning

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In today's rapidly changing and uncertain world, we are all facing unprecedented challenges. As a parent building wealth and a legacy, you are probably thinking about funding your children's overseas education to help them realizing their dreams. You also need to plan for your own retirement abroad, ensuring comprehensive protection for your family against unforeseen events. To achieve these, you need a flexible and autonomous wealth planning solution. **FamilyPower 2** offers a variety of options including currency switch, policy split, regular withdrawals and more to safeguard you and your loved ones.

Planning your wealth succession is a financial management strategy that requires a lot of thought. **FamilyPower 2** can help you adapt to your changing needs at different stages of your life and ensure your legacy can benefit the next generation no matter where they are in the world.

# Plan Highlights



## 4 flexible options for wealth accumulation

- Currency Switch Option<sup>1</sup> (choose from 8 currencies) to meet your financial goals at different life stages
- Policy Split Option<sup>2</sup> (into 3 Split Policies at most) to allocate assets
- Regular Withdrawal Option<sup>3</sup> to create a stable income flow for changing needs of you and your family
- Policy Value Management Option to lock-in returns and mitigate the impact of fluctuations in the investment market



## 5 bespoke arrangements for seamless legacy planning

- In the unfortunate event of the death of the existing Policyholder, the Policy will be transferred to the Contingent Owner<sup>4</sup>
- The Interim Policyholder<sup>4</sup> will assist in the administration of the Policy when the existing Policyholder passes away and the Contingent Owner<sup>4</sup> being under Insurance Age<sup>5</sup> of 18
- The Contingent Insured<sup>6</sup> shall become the new Life Insured upon the death of the existing Life Insured
- Unlimited times of Change of Life Insured<sup>7</sup> to facilitate legacy planning fulfilment
- Multiple Death Benefit Settlement Options enable the transfer of legacy to the loved ones, personalised to fulfill their needs



## Additional comprehensive protection to safeguard you and family

- An extended Family Mental Care Benefit<sup>8</sup> covers the Life Insured on mental incapacity or Severe Dementia
- Covering both you and your family, the Family Accident Benefit<sup>9</sup> provides extra financial support during the difficult times

# Plan Details

## Flexible currencies and premium payment terms to meet your evolving financial needs for wealth accumulation

**FamilyPower 2** offers an array of Policy Currency<sup>10</sup> options, including USD, RMB, HKD, GBP, CAD, AUD, EUR and NZD and 3 choices of payment terms for your ease of planning, so you can manage your assets for potential growth without worries.

## Currency Switch Option<sup>1</sup> offers 8 currencies for switching

**FamilyPower 2** offers the flexibility to switch between Policy Currencies<sup>10</sup> to meet your financial needs and benefit from long-term wealth growth opportunities.

As you go through different life stages, your needs will change. Starting from the 3<sup>rd</sup> Policy Anniversary or after the Payment Cessation Date (whichever is later), you have the flexibility to convert your Policy Currency<sup>10</sup> to a different available currency, whenever you wish and up to a maximum of 3 times per Policy Year.

## Policy Split Option<sup>2</sup> helps you allocate assets flexibly

Whether you want to rearrange your assets or build your legacy, you can make use of the Policy Split Option<sup>2</sup> for wealth succession planning. Starting from the 3<sup>rd</sup> Policy Anniversary or after the Payment Cessation Date (whichever is later), you can split your Policy into up to 3 policies at any time. You can also exercise the Policy Split Option<sup>2</sup> and Currency Switch Option<sup>1</sup> at the same time to reach your financial targets.

## Regular Withdrawal Option<sup>3</sup> creates a stable income flow for yourself or a loved one

To realise different life goals, you can set up instruction to withdraw cash value from your Policy every month or every year starting from the 5<sup>th</sup> Policy Anniversary or after the Payment Cessation Date (whichever is later) and to designate one Regular Withdrawal Recipient, who can be yourself or your loved one, to receive such withdrawal payments, to enable your children to pursue their dream, fund your new explored interest, or to create your ideal retirement etc.

## Policy Value Management Option with wealth preservation and financial certainty

Starting from the 5<sup>th</sup> Policy Anniversary or after the Payment Cessation Date (whichever is later), the Policyholder has the right to exercise the Policy Value Management Option, to lock-in a portion of the Plan's Guaranteed Cash Value and non-guaranteed Special Dividend (if any) which mitigate the impact of fluctuations in investment market. Policyholder can withdraw Policy Value Management Balance under the Policy anytime, increasing the liquidity and flexibility of capital to fulfil the personal and family needs.

## Special Dividend provides potential non-guaranteed returns

A lump-sum non-guaranteed Special Dividend (if any), may become payable to you, the Beneficiary(ies), Regular Withdrawal Recipient or the Family Mental Care Benefit<sup>8</sup> Recipient, providing extra potential returns.

## Life protection for seamless wealth succession

Helps you plan ahead for wealth succession, to protect and maintain the quality of life for your beloved family. As long as the Policy remains in force, the Policyholder can seamlessly transfer the Policy from one generation to another by **splitting policies in different currencies, designating a Regular Withdrawal Recipient, a Contingent Owner<sup>4</sup>, an Interim Policyholder<sup>4</sup>, a Contingent Insured<sup>6</sup>, and making unlimited times of Change of Life Insured<sup>7</sup>** to ensure a smooth transition:

- to allocate your wealth without any hassle by releasing funds to the Regular Withdrawal Recipient
- the Contingent Owner<sup>4</sup> shall become the new Policyholder upon the death of the existing Policyholder, ensuring your wealth is managed according to your wish
- if the existing Policyholder passes away unfortunately while the Contingent Owner<sup>4</sup> is still under the Insurance Age<sup>5</sup> of 18, the Interim Policyholder<sup>4</sup> shall assist in the administration of the Policy to provide trustworthy policy oversight, until the Contingent Owner<sup>4</sup> takes over the policy ownership
- the Contingent Insured<sup>6</sup> shall become the new Life Insured in the unfortunate event of the death of the existing Life Insured, letting you pass on your legacy seamlessly
- through unlimited times of Change of Life Insured<sup>7</sup>, your policy values will remain unaffected, and the Policy will continue to be effective which can be inherited by future generations, helping you pass on your wealth with ease

## Death Benefit Settlement Option

To align with your legacy planning goal, you may create the ideal settlement option for your loved ones by choosing how you would like us to pay the Death Benefit in one of the following ways:

- i. Lump sum payment
- ii. Monthly instalments payment
- iii. Lump sum payment followed by monthly instalments payment
- iv. Flexible payment option<sup>11</sup> – monthly instalments payment and lump sum payment in designated percentage for Defined Life Event of the Beneficiary

## Guaranteed acceptance<sup>12</sup> up to age 80<sup>^</sup> without any requirement for medical examination

As long as the Life Insured is eligible to apply for **FamilyPower 2**, regardless of the underwriting history, occupation, health and financial status, he/she will enjoy guaranteed acceptance<sup>12</sup> without any requirement for medical examination.

<sup>^</sup> Applicable to policies paid by single premium

## Same premium rate regardless of age and gender

Same premium rate applies regardless of Insurance Age<sup>5</sup> or gender of the Life Insured. Even if Contingent Insured<sup>6</sup> becomes new Life Insured upon the death of existing Life Insured during premium payment term, premiums remain unchanged.

## Additional comprehensive protection to safeguard you and your family

### Family Mental Care Benefit<sup>8</sup>

The designated Family Mental Care Benefit<sup>8</sup> Recipient will be paid a Family Mental Care Benefit<sup>8</sup>, which equals to the Designated Percentage of Family Mental Care Benefit<sup>8</sup> (determined by the Policyholder that such percentage could be 10% to 100%) multiplied by Guaranteed Cash Value plus Special Dividend (if any) and Policy Value Management Balance (if any) as at the date of approval of such claim if the Life Insured is diagnosed as a Mentally Incapacitated Person or diagnosed of Severe Dementia, in accordance with the policy provisions. Any Indebtedness shall be deducted from the Family Mental Care Benefit<sup>8</sup> at the time of payment.

### Family Accident Benefit<sup>9</sup>

In an event due to Accident which causes (i) Accidental Death, (ii) Total Permanent Disablement or (iii) Continuous Hospitalization for 25 Days or above for the Covered Person<sup>13</sup> (Life Insured, Policyholder, Policyholder's Child(ren), Policyholder's Parent(s) and Policyholder's Spouse) before the 5<sup>th</sup> Policy Anniversary, Family Accident Benefit<sup>9</sup> equivalent to applicable percentage of Total Premiums Paid<sup>14</sup> of the Basic Plan up to the Date of Designated Event Due to Accident<sup>15</sup> will be paid.

Designated event due to Accident	Applicable percentage of Total Premiums Paid <sup>14</sup>
Accidental Death	10%
Total Permanent Disablement	10%
Continuous Hospitalization for 25 Days or above	5%

Any Indebtedness shall be deducted from the Family Accident Benefit<sup>9</sup> at the time of payment. This Supplementary Benefit is only payable once per policy and is subject to a maximum amount per life of the Covered Person<sup>13</sup>.

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

# Illustrative Examples

The following examples are for illustrative purposes only. The actual future amounts of benefits and/or returns are not guaranteed and maybe higher or lower than the currently quoted benefits and/or returns.

## Example 1: Multi-purpose for education and medical funds

Daniel aged 35 is a senior manager at an investment bank, married, with 2 twin boys Alex and Isaac (aged 2). He wants to send his boys abroad for university education. He also wants to start planning for retirement and wealth inheritance with his wife, Cathy, so he decides to enroll in **FamilyPower 2** as a tool to plan for his wealth goals.



<b>Policyholder</b>	Daniel	<b>Life Insured</b>	Daniel
<b>Insurance Age<sup>5</sup> of Life Insured</b>	35 years old	<b>Annual Premium</b>	USD 50,000 (Premium Payment Term: 10 years)
<b>Total Premiums Paid<sup>14</sup></b>	USD 500,000		



## Wealth Goal 1: Prepare an education fund to study abroad

At the end of the 15<sup>th</sup> Policy Year, Daniel is 50 years old and his boys are 17. Daniel plans to send his boys to study in Australia next year, so he decides to exercise the Currency Switch Option<sup>1</sup> to convert the Policy Currency<sup>10</sup> from USD to AUD.



Currency Switch Option<sup>1</sup>

End of the **15<sup>th</sup>** Policy Year

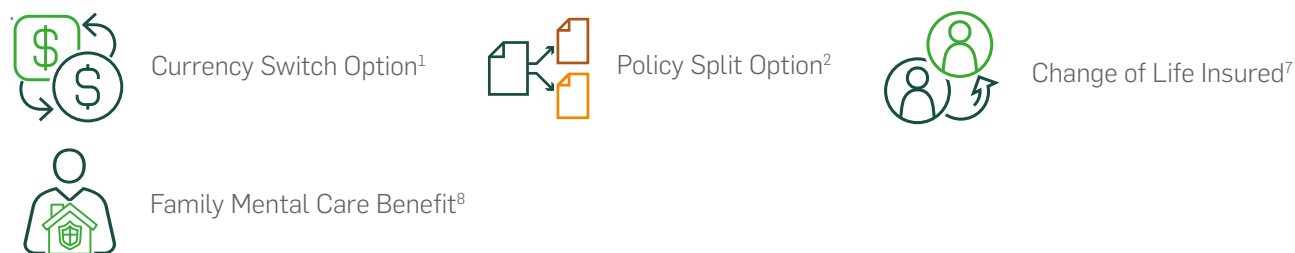
 <b>Policy A</b> <b>Policy Amount<sup>16</sup>: USD 500,000</b> <b>Policy Currency<sup>10</sup>: USD</b>				 <b>Policy A</b> <b>Policy Amount<sup>16</sup>: AUD 665,000</b> <b>Converted Currency: AUD</b>	
<b>Policyholder and Life Insured:</b>	Daniel (aged 50)			<b>Policyholder and Life Insured:</b>	Daniel (aged 50)
Guaranteed Cash Value:	USD 457,800			Guaranteed Cash Value:	AUD 608,874
Non-guaranteed Special Dividend:	USD 263,500			Non-guaranteed Special Dividend:	AUD 350,455
Total Cash Value <sup>17</sup> :	USD 721,300			Total Cash Value <sup>17</sup> :	AUD 959,329
Total Premiums Paid <sup>14</sup> :	USD 500,000			Total Premiums Paid <sup>14</sup> :	AUD 665,000
Total Death Benefit:	USD 768,500			Total Death Benefit:	AUD 1,022,105

## Wealth Goal 2: Prepare capital for kids' career development

After graduation, Alex joins a multi-national financial institution and relocates to the UK, while Isaac wants to set up his own IT business in Australia. For Daniel, he wants to prepare a new retirement life with his wife in Canada and continues to provide capital to his two sons to pursue their dreams.

At the end of the 25<sup>th</sup> Policy Year, Daniel exercises the Policy Split Option<sup>2</sup> to split the existing policy into 3 Split Policies (Policies B1, B2 and B3 in 60/20/20 ratio) and exercises Currency Switch Option<sup>1</sup>. Also, through change of ownership and Change of Life Insured<sup>7</sup>, making Alex and Isaac to be the new Policyholder and new Life Insured of Policies B2 and B3 respectively.

At last, Daniel designates his wife Cathy as Family Mental Care Benefit<sup>8</sup> Recipient of Policy B1 and set the Designated Percentage of Family Mental Care Benefit<sup>8</sup> at 100%.



### End of the 25<sup>th</sup> Policy Year

Policy A will be terminated after the policy split in B1, B2 and B3.



**Original Policy A**  
Policy Amount<sup>16</sup>: AUD 665,000  
Policy Currency<sup>10</sup>: AUD

<b>Policyholder and Life Insured:</b>	<b>Daniel (aged 60)</b>
Guaranteed Cash Value:	AUD 682,463
Non-guaranteed Special Dividend:	AUD 882,807
Total Cash Value <sup>17</sup> :	AUD 1,565,270
Total Premiums Paid <sup>14</sup> :	AUD 665,000
Total Death Benefit:	AUD 1,565,270



60%



**Split Policy B1**  
Policy Amount<sup>16</sup>:  
CAD 375,060  
Converted Currency: CAD

<b>Policyholder and Life Insured:</b>	<b>Daniel (aged 60)</b>
<b>Family Mental Care Benefit<sup>8</sup> Recipient:</b>	<b>Cathy (aged 58)</b>
Guaranteed Cash Value:	CAD 384,909
Non-guaranteed Special Dividend:	CAD 497,903
Total Cash Value <sup>17</sup> :	CAD 882,812
Total Premiums Paid <sup>14</sup> :	CAD 375,060
Total Death Benefit:	CAD 882,812



20%



**Split Policy B2**  
Policy Amount<sup>16</sup>:  
GBP 74,480  
Converted Currency: GBP

<b>New Policyholder and Life Insured:</b>	<b>Alex (aged 27)</b>
Guaranteed Cash Value:	GBP 76,436
Non-guaranteed Special Dividend:	GBP 98,874
Total Cash Value <sup>17</sup> :	GBP 175,310
Total Premiums Paid <sup>14</sup> :	GBP 74,480
Total Death Benefit:	GBP 175,310



20%



**Split Policy B3**  
Policy Amount<sup>16</sup>:  
AUD 133,000  
Policy Currency<sup>10</sup>: AUD

<b>New Policyholder and Life Insured:</b>	<b>Isaac (aged 27)</b>
Guaranteed Cash Value:	AUD 138,513
Non-guaranteed Special Dividend:	AUD 205,258
Total Cash Value <sup>17</sup> :	AUD 343,771
Total Premiums Paid <sup>14</sup> :	AUD 133,000
Total Death Benefit:	AUD 343,771

The policy term of the new Split Policies B2 and B3 will be reset to Insurance Age<sup>5</sup> 99 of Alex and Isaac, so the policies are passed to the next generation.

### Wealth Goal 3: Set up a fund for medical expense at old age



At the end of the 40<sup>th</sup> Policy Year, Daniel is diagnosed with Severe Dementia unfortunately. The Family Mental Care Benefit<sup>8</sup> helps his wife Cathy to obtain emergency cash in time to cope with Daniel's medical and daily expenses. Backed by this financial support, Cathy can focus on taking care of Daniel.



Family Mental Care Benefit<sup>8</sup>

### End of the 40<sup>th</sup> Policy Year



**Policy B1**  
**Policy Amount<sup>16</sup>: CAD 375,060**  
**Policy Currency<sup>10</sup>: CAD**

<b>Policyholder and Life Insured:</b>	<b>Daniel (aged 75)</b>
<b>Family Mental Care Benefit<sup>8</sup> Recipient:</b>	<b>Cathy (aged 73)</b>
Guaranteed Cash Value:	CAD 410,421
Non-guaranteed Special Dividend:	CAD 1,432,530
Total Cash Value <sup>17</sup> :	CAD 1,842,951

With 100% as Designated Percentage of Family Mental Care Benefit<sup>8</sup>, upon payment of the Family Mental Care Benefit<sup>8</sup> (CAD 1,842,951) to Family Mental Care Benefit<sup>8</sup> Recipient Cathy, Policy B1 which includes the Basic Plan and all Supplementary Benefits (if any) will be terminated and the Company will be fully discharged from any further liability.

## Example 2: Pass on legacy to future generation

Richard aged 45 is a successful businessman, has a newborn son Tony. He wishes to provide financial support for the future of his son Tony through a flexible insurance product with life protection and wealth accumulation features, so he decides to enroll in **FamilyPower 2** as a simple legacy planning solution.



<b>Policyholder</b>	Richard	<b>Life Insured</b>	Richard
<b>Insurance Age<sup>5</sup> of Life Insured</b>	45 years old	<b>Single Premium</b>	USD 1,000,000
<b>Total Premiums Paid<sup>14</sup></b>	USD 1,000,000		

At the end of the 15<sup>th</sup> Policy Year, Richard sees Tony is soon turning into an adult, he changes the Life Insured to his only son Tony (aged 15), and also designates Tony as Contingent Owner<sup>4</sup> and his wife Anna (aged 45) as Interim Policyholder<sup>4</sup> to take care of the Policy if he passes away.



Change of Life Insured<sup>7</sup>



Contingent Owner<sup>4</sup>



Interim Policyholder<sup>4</sup>

## End of the 15<sup>th</sup> Policy Year



**Policy Amount<sup>16</sup>: USD 1,000,000**

<b>Policyholder:</b>	<b>Richard (aged 60)</b>
<b>New Life Insured and Contingent Owner<sup>4</sup>:</b>	<b>Tony (aged 15)</b>
<b>Interim Policyholder<sup>4</sup>:</b>	<b>Anna (aged 45)</b>
Guaranteed Cash Value:	USD 1,001,110
Non-guaranteed Special Dividend:	USD 991,000
Total Cash Value <sup>17</sup> :	USD 1,992,110
Total Premiums Paid <sup>14</sup> :	USD 1,000,000
Total Death Benefit:	USD 2,001,000



A year later at the end of the 16<sup>th</sup> Policy Year, Richard has a heart attack and passes away suddenly. As Tony is still under the Insurance Age<sup>5</sup> of 18, he remains as the Contingent Owner<sup>4</sup> of the Policy, his mother Anna as Interim Policyholder<sup>4</sup> becomes the new Policyholder but has the administrative right to update personal information only. The Policy continues to be in force and cash value continues to accumulate.

### End of the 16<sup>th</sup> Policy Year



**Policy Amount<sup>16</sup>: USD 1,000,000**

<b>Policyholder:</b>	<b>Anna (aged 46)</b>
<b>Life Insured and Contingent Owner<sup>4</sup>:</b>	<b>Tony (aged 16)</b>
Guaranteed Cash Value:	USD 1,006,110
Non-guaranteed Special Dividend:	USD 1,099,000
Total Cash Value <sup>17</sup> :	USD 2,105,110
Total Premiums Paid <sup>14</sup> :	USD 1,000,000
Total Death Benefit:	USD 2,109,000



After Tony has become the Insurance Age<sup>5</sup> of 18, he can request to take up the ownership of the Policy by sending us a request. The Policy will be passed to Tony per Richard's wish and the policy term will be reset to Insurance Age<sup>5</sup> 99 of Tony. The Policy continues to be in force and cash value continues to accumulate.

### End of the 18<sup>th</sup> Policy Year



**Policy Amount<sup>16</sup>: USD 1,000,000**

<b>Policyholder and Life Insured:</b>	<b>Tony (aged 18)</b>
Guaranteed Cash Value:	USD 1,016,200
Non-guaranteed Special Dividend:	USD 1,342,000
Total Cash Value <sup>17</sup> :	USD 2,358,200
Total Premiums Paid <sup>14</sup> :	USD 1,000,000
Total Death Benefit:	USD 2,358,200

52 years later at Tony's age 70, he decides to retire. At the end of the 70<sup>th</sup> Policy Year, the Total Cash Value<sup>17</sup> becomes approximately 41 times of the Total Premiums Paid<sup>14</sup>.

### End of the 70<sup>th</sup> Policy Year



**Policy Amount<sup>16</sup>: USD 1,000,000**

<b>Policyholder and Life Insured:</b>	<b>Tony (aged 70)</b>
Guaranteed Cash Value:	USD 1,317,080
Non-guaranteed Special Dividend:	USD 39,728,000
Total Cash Value <sup>17</sup> :	USD 41,045,080
Total Premiums Paid <sup>14</sup> :	USD 1,000,000
Total Death Benefit:	USD 41,045,080

### Example 3: Income stream for family

Paul, aged 40, is a surgeon working in private hospital, he and his wife, have a daughter Alice (aged 8). Apart from preparing an education fund for Alice to study abroad, Paul also wants to provide financial support at daughter's milestones, so he decides to enroll in **FamilyPower 2** as a tool to plan for his wealth goals.



<b>Policyholder</b>	Paul	<b>Life Insured</b>	Paul
<b>Insurance Age<sup>5</sup> of Life Insured</b>	40 years old	<b>Annual Premium</b>	USD 100,000 (Premium Payment Term: 5 years)
<b>Total Premiums Paid<sup>14</sup></b>	USD 500,000		



At the end of the 10<sup>th</sup> Policy Year, Paul designates his daughter, Alice, as Regular Withdrawal Recipient when she moves to the US to start her undergraduate education, as well as to pursue postgraduate education (5 years in total).

### End of the 10<sup>th</sup> Policy Year



**Policy Amount<sup>16</sup>: USD 500,000**

<b>Policyholder and Life Insured:</b>	<b>Paul (aged 50)</b>
Guaranteed Cash Value:	USD 456,785
Non-guaranteed Special Dividend:	USD 182,500
Total Cash Value <sup>17</sup> :	USD 639,285
Total Premiums Paid <sup>14</sup> :	USD 500,000
Total Death Benefit:	USD 687,500

**Wealth Goal 1: Build a stable income flow while study abroad**

During the 11<sup>th</sup> to 15<sup>th</sup> Policy Year, Paul exercises the Regular Withdrawal Option<sup>3</sup> to withdraw USD 2,000 each month to create a stable income flow for living expense.

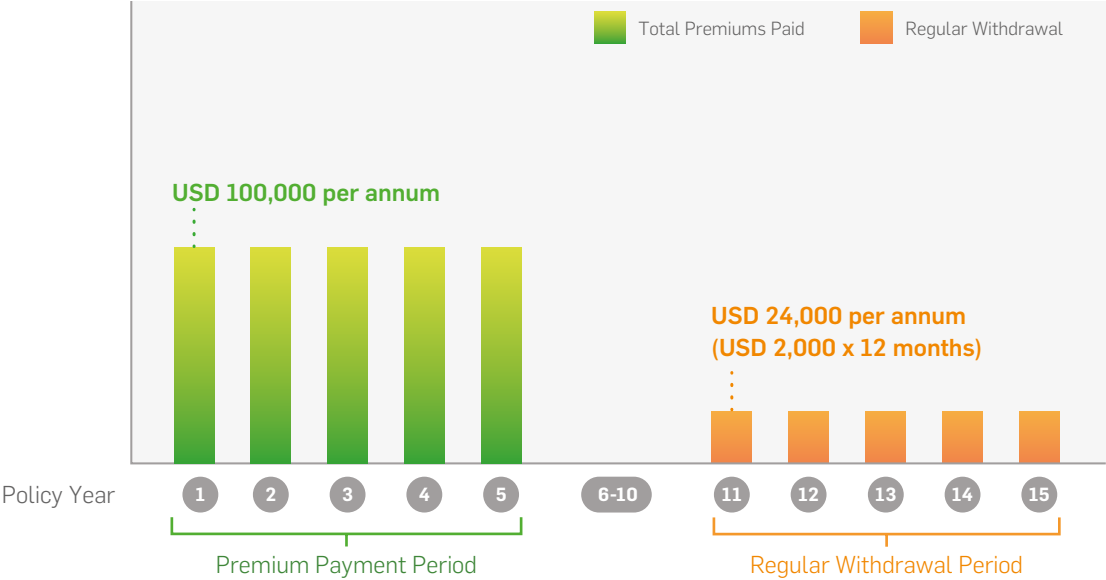


Regular Withdrawal Option<sup>3</sup>

During the 11<sup>th</sup> to 15<sup>th</sup> Policy Year



Regular Withdrawal Recipient:	Alice (from aged 18 – 22)
Regular Withdrawal Option <sup>3</sup> :	USD 2,000 per month for 60 months (Total withdrawal amount = USD 120,000)



At the end of 15<sup>th</sup> Policy Year, the Policy continues to be in force and cash value continues to accumulate. Paul selects the Death Benefit Settlement Option with flexible payment option<sup>11</sup>: setting a monthly instalment period of 25 years plus 30% of the Death Benefit in a lump sum payment when either (i) Alice (the Beneficiary) reaches 35 years old, or (ii) Alice gives birth.

## End of the 15<sup>th</sup> Policy Year



**Policy Amount<sup>16</sup>: USD 417,209**

<b>Policyholder and Life Insured:</b>	<b>Paul (aged 55)</b>
<b>Beneficiary:</b>	<b>Alice (aged 23)</b>
Guaranteed Cash Value:	USD 406,779
Non-guaranteed Special Dividend:	USD 289,126
Total Cash Value <sup>17</sup> :	USD 695,904
Total Premiums Paid <sup>14</sup> after regular withdrawal:	USD 417,209
Total Death Benefit:	USD 710,507



5 years later at the end of the 20<sup>th</sup> Policy Year, Paul passes away and the Policy is terminated. Alice will receive a monthly instalment of Death Benefit of USD 3,024.49 in the next 25 years until Alice's 53 years old, according to the instructions pre-set by Paul under the Death Benefit Settlement Option.

## End of the 20<sup>th</sup> Policy Year



**Policy Amount<sup>16</sup>: USD 417,209**

<b>Beneficiary:</b>	<b>Alice (aged 28)</b>
Guaranteed Cash Value:	USD 423,801
Non-guaranteed Special Dividend:	USD 483,545
Total Cash Value <sup>17</sup> :	USD 907,346
Total Premiums Paid <sup>14</sup> after regular withdrawal:	USD 417,209
Total Death Benefit:	USD 907,346
<b>Monthly instalment of Death Benefit:</b>	<b>USD 907,346 / 25 years / 12 months = USD 3,024.49</b>

Wealth Goal 2: Provide continuous support to the next generation

5 years later at Alice's age 33, she gives birth to a baby girl. According to Paul's arrangement, Alice will receive USD 272,203.8 in a lump sum (30% of the Death Benefit) as financial support at her milestones.

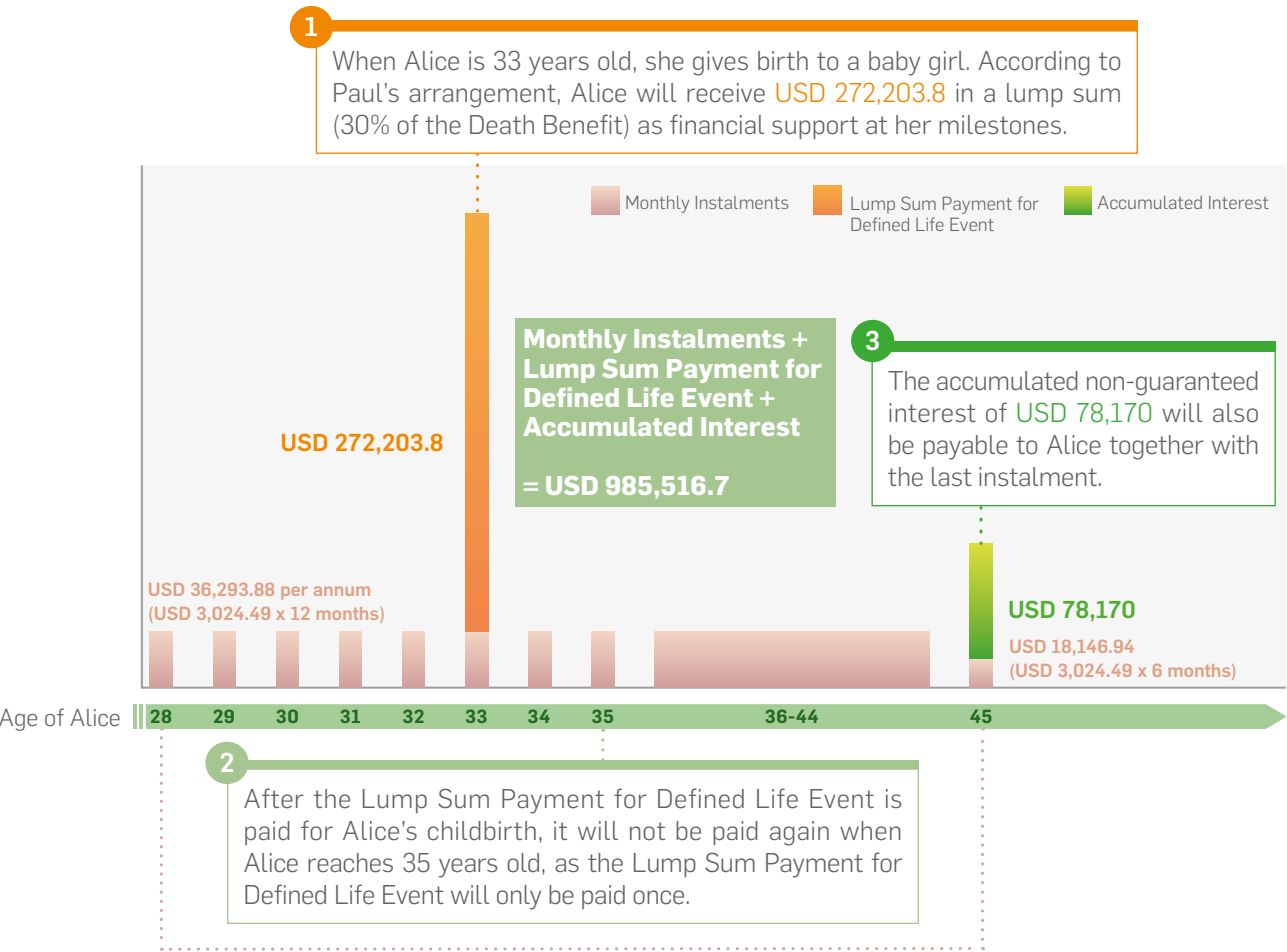


Beneficiary:	Alice (aged 33)
Lump Sum Payment for Defined Life Event:	USD 907,346 x 30% = USD 272,203.8



Alice continues to receive the monthly instalment of Death Benefit after the Lump Sum Payment for Defined Life Event is paid, however, the remaining balance of Death Benefit before the accumulated interest (if any) is not enough to make monthly instalments until Alice reaches 53 years old. Alice will only receive the remaining balance of Death Benefit for another 12 years and 6 months from 33 to 45.5 years old.

With the 5 years of monthly instalments that Alice received before the Lump Sum Payment for Defined Life Event, she will receive monthly instalments for 17 years and 6 months in total.



Monthly instalments of Death Benefit to receive from 28 to 45.5 years old:  
USD 3,024.49 x 210 months (17 years and 6 months) = USD 635,142.9

### Notes for all of the above illustrative examples

- No extra administrative charge and market value adjustment is charged and applied for exercising Currency Switch Option<sup>1</sup>, Policy Split Option<sup>2</sup> and Regular Withdrawal Option<sup>3</sup>.
- Policy values are calculated according to the illustrative exchange rate USD:AUD = 1:1.33, AUD:CAD = 1:0.94, AUD:GBP = 1:0.56, HKD:CAD = 1:0.16 . The illustrative exchange rate is for reference only. Policy Amount<sup>16</sup>, Guaranteed Cash Value, Special Dividend (if any), Total Premiums Paid<sup>14</sup> and Policy Value Management Balance (if any) will remain unchanged and will be switched into the Converted Currency using the Currency Switch Exchange Rate<sup>18</sup> as of the effective date of exercising the Currency Switch Option<sup>1</sup>, subject to rounding difference. The Currency Switch Exchange Rate<sup>18</sup> will be determined at our absolute discretion.
- Upon exercising the Currency Switch Option<sup>1</sup>, you are subject to the risk that the projected return might be higher or lower than those before exercising the Currency Switch Option<sup>1</sup>. The projected Death Benefit and Total Cash Value<sup>17</sup>, including but not limited to the Special Dividend (if any), will be adjusted after exercising the Currency Switch Option<sup>1</sup>, which may be significantly different from the figures illustrated to you before exercising the Currency Switch Option<sup>1</sup>. Before exercising the Currency Switch Option<sup>1</sup>, you should consider whether the future projected Death Benefit and Total Cash Value<sup>17</sup> suit your needs, based on the illustration we provide you as applicable. The availability of Policy Currency<sup>10</sup> at the time of applying the Currency Switch Option<sup>1</sup> will be subject to the applicable laws and regulations.
- In respect of any application for exercising the Currency Switch Option<sup>1</sup> or Policy Split Option<sup>2</sup>, the Company shall have the absolute right and discretion to approve or reject the application. For details about the Currency Switch Option<sup>1</sup> or Policy Split Option<sup>2</sup>, please refer to the section "Summary of the Plan" and the policy provisions.
- The Policy is without any assignment: (a) at the time of application of Currency Switch Option<sup>1</sup> or Policy Split Option<sup>2</sup> and (b) prior to the currency switch/policy split.
- In Illustration Example 1, the Policy Date, Issue Date and Policy Year of Policies B1, B2 and B3 will follow the same as Policy A.
- In Illustration Example 3, the Lump Sum Payment for Defined Life Event will be paid to the Beneficiary upon receipt of satisfactory proof by us.
- The above examples are hypothetical and non-guaranteed. They are for illustrative purposes only and will be subject to the actual situation upon the exercise of these options.
- The above examples are independent events and unrelated.
- The above examples assume that:
  - (a) No partial surrender<sup>19</sup> has been made during the policy term;
  - (b) Special Dividend scale and investment returns are assumed to remain unchanged throughout the policy term;
  - (c) All premiums have been paid in full during the premium payment term;
  - (d) There is no outstanding Policy Loan, Indebtedness and without any assignment while the Policies in the respective examples are in force;
  - (e) The Death Benefit payable under Death Benefit Settlement Option with flexible payment option<sup>11</sup> is accumulated at a non-guaranteed interest rate of 1.0% per annum.
- The figures and charts shown above are based on the listed assumptions and are subject to rounding adjustment.
- Past, current, projected and/or potential benefits and/or returns (e.g. Special Dividend) presented are not guaranteed and are for illustrative purpose only. The actual amounts of benefits payable and/or returns may be higher than or lower than the currently quoted benefits and/or returns. They are for illustrative purpose only and do not represent the actual payments and the actual scenario. You should refer to your insurance proposal for illustrated figures and details. Please also refer to the policy provisions for the detailed terms and conditions.

## Summary of the Plan

Premium Payment Term	Single premium	5 years	10 years
Policyholder's Insurance Age <sup>5</sup> upon Application	Age 18 – 80		
Life Insured's Insurance Age <sup>5</sup> upon Application	15 Days – age 80	15 Days – age 75	15 Days – age 70
Policy Currency <sup>10</sup>	USD / RMB / HKD / GBP / CAD / AUD / EUR / NZD		
Policy Term	Up to Insurance Age <sup>5</sup> 99		
Payment Mode	Single premium	i. Annual premium ii. Monthly premium	
Premium Rate	Same premium rate applies regardless of Insurance Age <sup>5</sup> or gender of the Life Insured		
Minimum Premium	USD 125,000 RMB 800,000 HKD 1,000,000 GBP 93,750 CAD 156,250 AUD 166,250 EUR 100,000 NZD 187,500	USD 12,500 RMB 80,000 HKD 100,000 GBP 9,375 CAD 15,625 AUD 16,625 EUR 10,000 NZD 18,750	USD 6,250 RMB 40,000 HKD 50,000 GBP 4,687 CAD 7,812 AUD 8,312 EUR 5,000 NZD 9,375
Guaranteed Cash Value	<p>Guaranteed Cash Value refers to the cash value of your Policy that accumulates over time during the policy term. It is calculated based on the Policy Amount<sup>16</sup> at the relevant time.</p> <p>Upon exercising the Currency Switch Option<sup>1</sup>, Guaranteed Cash Value will be switched into the Converted Currency using the Currency Switch Exchange Rate<sup>18</sup> as of the effective date of exercising the Currency Switch Option<sup>1</sup>.</p> <p>Upon exercising the Policy Split Option<sup>2</sup>, Guaranteed Cash Value will be allocated to the Split Policies according to the ratio of the Policy Amount<sup>16</sup> requested by you in respect of the Split Policies.</p> <p>For details of the above, please refer to the relevant terms and conditions in the policy provisions.</p>		

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**Special Dividend**

Special Dividend is a non-guaranteed amount to be declared by the Company at our absolute discretion.

Special Dividend (if any) may be payable upon the earliest of the following events occurring:

- i. the death of the Life Insured (unless there is Contingent Insured<sup>6</sup> on our record who becomes the new Life Insured pursuant to the policy provisions);
- ii. the surrender<sup>19</sup>, whether in full or in part, of the Policy;
- iii. exercise of Regular Withdrawal Option<sup>3</sup> of the Policy;
- iv. the cancellation, lapse or termination of the Policy;
- v. any payment of Family Mental Care Benefit<sup>8</sup>; and
- vi. reaching the Benefit Cessation Date of the Basic Plan.

And subject to following terms:

Upon the Currency Switch Option<sup>1</sup> has taken effect, Special Dividend (if any) of the Policy will be switched to the Converted Currency using the Currency Switch Exchange Rate<sup>18</sup> as of the effective date of exercising the Currency Switch Option<sup>1</sup>.

Upon the Policy Split Option<sup>2</sup> has taken effect, a portion of the Special Dividend (if any) relevant to the portion of the Guaranteed Cash Value will be allocated to the Split Policies.

Upon the Regular Withdrawal Option<sup>3</sup> has taken effect, a portion of the Special Dividend (if any) attributable to the reduced portion of the Policy Amount<sup>16</sup> will be declared and such amount (if any) will be payable as part of the Regular Withdrawal Option<sup>3</sup> payment.

Upon exercising the Policy Value Management Option, a portion of the Special Dividend (if any) relevant to the portion of the Guaranteed Cash Value to be allocated to the Policy Value Management Balance will be declared and such amount (if any) will be allocated to the Policy Value Management Balance to accumulate with interest.

Upon the partial surrender<sup>19</sup> of the Policy, a portion of the Special Dividend (if any) attributable to the reduced portion of the Policy Amount<sup>16</sup> will be declared and such amount (if any) will be payable as part of the partial surrender<sup>19</sup> payment.

Upon the payment of Family Mental Care Benefit<sup>8</sup>, a portion of the Special Dividend (if any) relevant to the Designated Percentage of Family Mental Care Benefit<sup>8</sup> will be declared and such amount (if any) will be payable as part of the Family Mental Care Benefit<sup>8</sup> payment.

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

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**Currency Switch Option<sup>1</sup>**

Starting from the 3<sup>rd</sup> Policy Anniversary or after the Payment Cessation Date (whichever is later), if your Policy is not under assignment and there is no Indebtedness under the Policy, you may apply to switch the Policy Currency<sup>10</sup> of your Policy to a different available currency up to 3 times per Policy Year and subject to our approval. No administration charge or market value adjustment will be applied.

Upon our approval, we will keep your Policy Amount<sup>16</sup>, Guaranteed Cash Value, Special Dividend (if any), Total Premiums Paid<sup>14</sup> and Policy Value Management Balance (if any) unchanged and switch them into the Converted Currency using the Currency Switch Exchange Rate<sup>18</sup> as of the effective date of exercising the Currency Switch Option<sup>1</sup>, subject to rounding difference. The Currency Switch Exchange Rate<sup>18</sup> will be determined at our absolute discretion. Your application for Currency Switch Option<sup>1</sup> cannot be withdrawn, reverted or changed once submitted.

Please refer to policy provisions for more details of the Currency Switch Option<sup>1</sup>.

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**Policy Split Option<sup>2</sup>**

Starting from the 3<sup>rd</sup> Policy Anniversary or after the Payment Cessation Date (whichever is later), if your Policy is not under assignment and there is no Indebtedness under the Policy, for each Policy Split Option<sup>2</sup> application, you may apply to split your Policy into a maximum of 3 Split Policies under this Plan and subject to our approval. The Policy Amount<sup>16</sup> of Split Policies must not be less than the minimum Policy Amount<sup>16</sup> requirement, and you cannot exercise the Policy Split Option<sup>2</sup> by topping up the Policy Amount<sup>16</sup> during the policy term.

Upon our approval, the original Policy will be terminated. The policy term, Policy Date, Issue Date and Policy Year of the Split Policies shall be the same as the original Policy. All the Total Premiums Paid<sup>14</sup>, Guaranteed Cash Value, Special Dividend (if any) and Policy Value Management Balance (if any) of the Policy, will be allocated to the Split Policies according to the ratio of the Policy Amount<sup>16</sup> requested by you in respect of the Split Policies. Your application for Policy Split Option<sup>2</sup> cannot be withdrawn, reverted or changed once submitted.

With respect to Split Policies, the Policyholder of the Split Policies can further apply Policy Split Option<sup>2</sup> to a maximum of other 3 Split Policies per application, provided that the Policy Amount<sup>16</sup> of any Split Policies is not less than the minimum Policy Amount<sup>16</sup> requirement determined by the Company from time to time.

Please refer to policy provisions for more details of the Policy Split Option<sup>2</sup>.

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**Regular Withdrawal Option<sup>3</sup>**

Starting from the 5<sup>th</sup> Policy Anniversary or after the Payment Cessation Date (whichever is later), if your Policy is not under assignment and there is no Indebtedness under the Policy, you may request to exercise the Regular Withdrawal Option<sup>3</sup> by reducing the Policy Amount<sup>16</sup> in an annual or monthly frequency and subject to our approval.

Upon our approval, the Guaranteed Cash Value and Special Dividend (if any) attributable to the reduced portion of Policy Amount<sup>16</sup> will be payable to the designated Regular Withdrawal Recipient, or the Policyholder if no Regular Withdrawal Recipient has been designated. Only one Regular Withdrawal Recipient can be designated and must be aged 18 or above at the time of designation. If the Regular Withdrawal Recipient is a Hang Seng Bank Limited ("Hang Seng Bank") Family+ account holder, he/she can designate a maximum of 3 bank accounts with designated percentage to receive the regular withdrawal payment, provided that the frequency and currency of regular withdrawal payment must be the same for all bank accounts. For details of designated Regular Withdrawal Recipient requirements, please contact Hang Seng Bank branch staff. The Policy Amount<sup>16</sup> and Total Premiums Paid<sup>14</sup> will be adjusted and reduced proportionally and consequential adjustments will be made in the calculations of Guaranteed Cash Value, Special Dividend (if any) and Death Benefit in accordance with the terms of the Policy and our liability under the Policy shall be proportionally discharged.

Please refer to policy provisions for more details of the Regular Withdrawal Option<sup>3</sup>.

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<b>Policy Value Management Option</b>	<p>Starting from the 5<sup>th</sup> Policy Anniversary or after the Payment Cessation Date (whichever is later), Policyholder may apply to exercise the Policy Value Management Option to lock in a portion of the Guaranteed Cash Value and non-guaranteed Special Dividend (if any) provided that all premiums have been paid when due and there is no Indebtedness under the Policy.</p> <p>The amount Policyholder chooses to lock-in is guaranteed upon exercising this option and will be allocated to the Policy Value Management Balance to accumulate with a non-guaranteed interest rate as determined by the Company from time to time.</p> <p>The exercise of the Policy Value Management Option is subject to the following two minimum amount requirements, and will be determined by the Company from time to time:</p> <ul style="list-style-type: none"> <li>i. the portion of Guaranteed Cash Value and non-guaranteed Special Dividend (if any) to be allocated per request; and</li> <li>ii. the reduced Policy Amount<sup>16</sup> if the option is exercised.</li> </ul> <p>To apply for the exercise of this Policy Value Management Option, Policyholder must submit a written request in a form as prescribed by Hang Seng Insurance. Upon our acceptance of the exercise the Policy Value Management Option, Total Premiums Paid<sup>14</sup>, Policy Amount<sup>16</sup>, Guaranteed Cash Value and Special Dividend (if any) under the Policy will be adjusted and reduced proportionally and the Death Benefit will be adjusted accordingly. The Regular Withdrawal Option<sup>3</sup> instruction (if any) of the Policy will also be suspended. Policy Value Management Option cannot be revised or cancelled once this option is accepted.</p> <p>Please refer to policy provisions for more details of the Policy Value Management Option.</p>
<b>Policy Value Management Balance</b>	<p>Policy Value Management Balance is the amount Policyholder have locked-in from exercising the Policy Value Management Option, which is allocated to the Policy to accumulate with a non-guaranteed interest rate to be determined by us from time to time at our absolute discretion, and less any previously withdrawn amounts. Any Policy Value Management Balance under the Policy can be withdrawn any time while the Policy is in force by submitting a form made available by Hang Seng insurance without any extra charges.</p> <p>Upon the Currency Switch Option<sup>1</sup> has taken effect, the Policy Value Management Balance (if any) will be switched to the Converted Currency using the Currency Switch Exchange Rate<sup>18</sup> as of the effective date of exercising the Currency Switch Option<sup>1</sup>.</p> <p>Upon the Policy Split Option<sup>2</sup> has taken effect, a portion of the Policy Value Management Balance (if any) will be allocated to the Split Policies.</p> <p>The Policy Value Management Balance will be adjusted and reduced proportionally upon the payment of Family Mental Care Benefit<sup>8</sup>.</p>

<b>Maturity Benefit</b>	If the Life Insured is alive and the Policy is in force on the Benefit Cessation Date of the Basic Plan, we will pay the Guaranteed Cash Value plus Special Dividend (if any) and Policy Value Management Balance (if any) less Indebtedness (if any) as of that date in one lump sum amount to the Policyholder.
<b>Death Benefit</b>	<p>If the Life Insured passes away when the Policy is in force, unless there is a Contingent Insured<sup>6</sup> on our record who becomes the new Life Insured pursuant to the policy provisions, we will pay the Death Benefit to the Beneficiary(ies). The Death Benefit will be calculated as follows as at the date of death of the Life Insured:</p> <p>The higher of:</p> <ul style="list-style-type: none"> <li>i. 101% of Total Premiums Paid<sup>14</sup>; or</li> <li>ii. Guaranteed Cash Value;</li> </ul> <p>plus Special Dividend (if any) and Policy Value Management Balance (if any) less Indebtedness (if any).</p>

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**Death Benefit  
Settlement Option**

Upon the Policyholder's written request (unless there is a Contingent Insured<sup>6</sup> on our record), to elect one of the following ways to pay the Death Benefit for designated Beneficiary(ies).

- (i) Lump sum payment (default option)
- (ii) Monthly instalments payment
  - Over the selected payout period of 10/ 15/ 20/ 25 years
- (iii) Lump sum payment followed by monthly instalments payment
  - A designated percentage of Death Benefit chosen by you will be payable in a lump sum upon our approval of the Death Benefit claim and the remaining benefit balance will start to be payable by monthly instalments from the next Monthiversary Date of the Policy over your selected payout period.
- (iv) Flexible payment option<sup>11</sup>
  - By (a) monthly instalments payment and (b) lump sum payment in designated percentage upon the happening of Defined Life Events of the sole Beneficiary below:
    - Attaining designated age
    - Admission to university
    - University graduation
    - Getting married
    - Giving birth to or adopting a child
    - Purchasing residential property in Hong Kong SAR
    - Retirement
    - Opening another physical store / branch office or store relocation in Hong Kong SAR
  - You may select one or more Defined Life Events above and designate between 1% and 100% of Death Benefit in advance. If the Life Insured dies on or after the 3<sup>rd</sup> Policy Anniversary, Death Benefit will be payable by monthly instalments payment over your selected payout period, and when any of your selected Defined Life Events happens after the death of the Life Insured, the sole Beneficiary will receive a lump sum payment in the designated percentage of Death Benefit. Monthly instalments payment will continue over the selected payout period until all the Death Benefit amount is paid out.
  - The Lump Sum Payment for Defined Life Event will only be paid once, and the sole Beneficiary will be required to provide relevant document as proof.
  - This Death Benefit Settlement Option (iv) will be available when you have only appointed one Beneficiary.

Applicable to option (ii), (iii) and (iv): We will hold the remaining balance of any unpaid Death Benefit at a non-guaranteed interest rate determined by us at our sole discretion until the full amount of the Death Benefit has been paid to the Beneficiary(ies). The accumulated interest (if any) will be paid to the Beneficiary(ies) in the last instalment.

Please refer to policy provisions for more details of the Death Benefit Settlement Option.

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<b>Change of Life Insured<sup>7</sup></b>	After the Payment Cessation Date or the 1 <sup>st</sup> Policy Anniversary (whichever is later), while the Policy is in force, Policyholder may apply for a Change of Life Insured <sup>7</sup> without any administrative charge for unlimited times subject to terms specified.
<b>Contingent Owner<sup>4</sup></b>	Policyholder may designate a Contingent Owner <sup>4</sup> subject to terms specified. If the designated Contingent Owner <sup>4</sup> is under the Insurance Age <sup>5</sup> of 18 at the date of designation, 1) you must also designate an Interim Policyholder <sup>4</sup> at the same time, and 2) the Contingent Owner <sup>4</sup> will also become the Beneficiary if no Beneficiary is designated under the Policy, and (3) if the existing Life Insured is not the same person as the Contingent Owner <sup>4</sup> , you must also designate the Contingent Owner <sup>4</sup> as the new Life Insured pursuant to policy provisions.
<b>Interim Policyholder<sup>4</sup></b>	Policyholder may designate an Interim Policyholder <sup>4</sup> subject to terms specified.
<b>Contingent Insured<sup>6</sup></b>	Policyholder may designate a Contingent Insured <sup>6</sup> subject to terms specified.
<b>Supplementary Benefits</b>	<ul style="list-style-type: none"> <li>• Family Mental Care Benefit<sup>8</sup></li> <li>• Family Accident Benefit<sup>9</sup></li> </ul>

## Key Exclusions

### Supplementary Benefit – Family Mental Care Benefit<sup>8</sup>

No benefit will be paid for mental incapacity or Severe Dementia resulting directly or indirectly from, or caused by or contributed by (in whole or in part), any of the following:

- (a) any self-inflicted injury or attempted suicide while sane or insane; or
- (b) intoxication by alcohol or drugs not prescribed by a Registered Doctor; or
- (c) any condition which existed before the Issue Date of the 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 the Policy or effective date of this Supplementary Benefit or effective date of last reinstatement, whichever is the latest.

### Supplementary Benefit – Family Accident Benefit<sup>9</sup>

No benefit will be paid if Accidental Death, Total Permanent Disablement or Hospital Confinement results directly or indirectly from any of the following:

- (a) Intentional self-inflicted Bodily Injury, attempted suicide or suicide, while sane or insane;
- (b) Engaging in hazardous sports (including but not limited to mountaineering necessitating the use of ropes or guides, pot-holing, bungee jumping, skydiving, parachuting, parasailing, hang-gliding, ballooning, skin-diving or other underwater pastimes, winter sports, racing of any kind other than on foot, steeple chasing or polo), aviation or aeronautics other than as a fare paying passenger on a duly licensed commercial aircraft;
- (c) Participation in all forms of league status football sports or other team sports with an equivalent or greater likelihood of such participation resulting in Bodily Injury;
- (d) Engaging or participating in any kind of motor sport, test drive, racing or competition on wheels;
- (e) War or any act of war, declared or undeclared, or active duty in the military, naval or air forces of any country or international authority;
- (f) Atomic explosion, nuclear fission, chemical, biochemical or electromagnetic weapons, radioactive substances;
- (g) Taking or absorbing, accidentally or otherwise, any alcohol, drug, medicine, sedative or poison, except as prescribed by a Registered Doctor;
- (h) Inhalation of toxic gas or fumes, voluntarily or involuntarily;
- (i) Pre-existing medical condition, illness, diseases or any bacterial infection even if contracted by Accident (other than bacterial infection that is the direct result of an Accidental cut or wound or Accidental food poisoning);

- (j) Infection from any Human Immunodeficiency Virus (HIV), Acquired Immunodeficiency Syndrome (AIDS) or any AIDS-related condition;
- (k) Dental treatment, dentures, eye examinations, glasses, hearing aids or the fitting of any thereof, or cosmetic surgery or plastic surgery, except and to the extent that any of such treatment is necessary for cure or alleviation of Bodily Injury to the Covered Person<sup>13</sup>;
- (l) Treatments or tests not consistent with customary medical treatment or diagnosis. Physical examinations, health check-ups or tests not incidental to treatment or diagnosis of a covered Bodily Injury, Sickness, Disease or Illness or any treatments which are not Medically Necessary;
- (m) Covered Person<sup>13</sup> participated in illegal activity, act of terrorism, riot, civil commotion or attempted violation of the law;
- (n) Physical or mental infirmity, of any disease;
- (o) Pregnancy, childbirth (including surgical delivery), miscarriage, abortion, prenatal or postnatal care or complications arising from any of these. Conditions arising from surgical, mechanical or chemical methods of birth control or treatment (surgical or otherwise to cause) or the reversal of birth control or treatment pertaining to infertility;
- (p) Covered Person<sup>13</sup> engaging in the following occupations/industries: disciplinary forces or emergency services (for the avoidance of doubt, disciplinary forces shall include but not be limited to policemen, customs officers, firemen, paramedics, immigration officers/inspectors and correctional service officers/inspectors etc.); active armed services or forces; offshore oil and gas rigs; professional sportspersons; diving and related occupations; ship crews; pilots and aircrew; forestry; logging and saw mills; mining and extraction; fishing/aquaculture; construction workers; railway workers; gondola or scaffolder workers; stunt persons; use of explosives; couriers; two wheeler delivery;
- (q) Under the influence of intoxicating liquor, including having a blood alcohol content over the prescribed legal limit whilst driving; or
- (r) Covered Person's<sup>13</sup> participation in any stunt works, wirework, firework handling, handling of explosives.

The above are only the major exclusions. It does not contain the full terms of the Policy and the full terms can be found in the policy provisions.

## Notes

1. In respect of any application for exercising the Currency Switch Option, the Company shall have the absolute right and discretion to: (i) determine whether to accept any application for exercising the Currency Switch Option; and (ii) impose any requirements and conditions for any such acceptance; and subject to applicable laws and regulations, the currency will not be available for selection if it is demonetized by the issuance country or region at the time of the Currency Switch Option is applied. A written notice with the revised Policy Schedule and illustration showing the Converted Currency as the Policy Currency<sup>10</sup> will be issued to the Policyholder upon the Company's determination that any Currency Switch Option has taken effect.
2. In respect of any application for exercising the Policy Split Option, the Company shall have the absolute right and discretion to: (i) determine whether to accept any application for exercising the Policy Split Option; and (ii) impose any requirements and conditions for any such acceptance. You may apply for change of ownership, Currency Switch Option<sup>1</sup> or Change of Life Insured<sup>7</sup> of Split Policies when applying for Policy Split Option, subject to the terms in policy provisions. All Supplementary Benefit(s) attached to the Basic Plan, if still in-force, will be transferred to the Split Policies. Exercising the Policy Split Option may affect the coverage under the Supplementary Benefit(s) and please refer to the provisions of the Supplementary Benefit(s). A written notice will be issued to the existing Policyholder and the Policyholders of the Split Policies, revised Policy Schedules, policy provision, the Supplementary Benefit provisions (if any), any Policy Endorsements and illustration of Split Policies will also be issued to the Policyholders of the Split Policies. Any existing selected Death Benefit Settlement Option, any existing designation of Beneficiary(ies), Contingent Owner<sup>4</sup>, Interim Policyholder<sup>4</sup>, Contingent Insured<sup>6</sup>, Regular Withdrawal Recipient and Family Mental Care Benefit<sup>8</sup> Recipient, and Designated Percentage of Family Mental Care Benefit<sup>9</sup> of the Policy will not be carried over to the Split Policies automatically.
3. Any Regular Withdrawal Option request is subject to the following two requirements: (i) a minimum amount of reduction of Policy Amount<sup>16</sup> per transaction; and (ii) a minimum amount of the Policy Amount<sup>16</sup> after such transaction, both the minimum amount requirements are determined by the Company from time to time at our absolute discretion. You may designate or change the Regular Withdrawal Recipient by giving us a written request in our specified form prescribed by us. The exercise of the Regular Withdrawal Option and the designation or change of the Regular Withdrawal Recipient can only be made while the Policyholder, Regular Withdrawal Recipient and the Life Insured are alive. A written notice with the revised Policy Schedule will be issued to the Policyholder upon the Regular Withdrawal Option has taken effect. Upon receiving the request to exercise the Currency Switch Option<sup>1</sup>, Policy Split Option<sup>2</sup>, Policy Value Management Option, or partial surrender<sup>19</sup>, or upon the change of ownership of the Policy, exercise of the Regular Withdrawal Option instruction of the Policy will be suspended and the existing designation of Regular Withdrawal Recipient on our record will be automatically revoked. You have to submit to us a new written request for exercising the Regular Withdrawal Option after transfer of ownership, Currency Switch Option<sup>1</sup>, Policy Split Option<sup>2</sup>, Policy Value Management Option or partial surrender<sup>19</sup> has taken effect.
4. Our acceptance of any designation of Contingent Owner and Interim Policyholder (if applicable) will be at our absolute discretion and shall be subject to any prevailing rules and terms and conditions as we shall determine from time to time. Once

accepted and recorded, the designation of Contingent Owner and Interim Policyholder (if applicable) will take effect as of the date you sign the request, subject to any payment we have made or action we have taken before recording the designation. A written notice will be issued to the Policyholder upon designation of Contingent Owner and Interim Policyholder (if applicable) of the Policy has taken effect.

Where the Policyholder dies while the Policy is in force and the Life Insured is still alive or there is a designated Contingent Insured<sup>6</sup> on our record, and if there is also a designated Contingent Owner and a designated Interim Policyholder (if applicable) on our record, we shall determine the new Policyholder according to the following:

- i. If the Contingent Owner is at the Insurance Age<sup>5</sup> of 18 or above as at the date of death of the Policyholder, the Contingent Owner shall become the new Policyholder.
- ii. If the Contingent Owner is under the Insurance Age<sup>5</sup> of 18 as at the date of death of the Policyholder and after the Payment Cessation Date or the 1<sup>st</sup> Policy Anniversary (whichever is later), the Interim Policyholder will become the new Policyholder but shall only have the administrative right to update personal information of Interim Policyholder and Contingent Owner. The Interim Policyholder is not entitled to exercise any options or rights under the Policy. The Interim Policyholder will cease to be the Policyholder when the Contingent Owner reaches the Insurance Age<sup>5</sup> of 18 and becomes the new Policyholder.
- iii. After the Interim Policyholder becomes the new Policyholder and before the Contingent Owner becomes the new Policyholder, in the event that (1) the Interim Policyholder dies; or (2) the Interim Policyholder goes bankrupt; or (3) we determine the Interim Policyholder is otherwise no longer able to take the policy ownership at our sole discretion, the Contingent Owner shall become the new Policyholder.
- iv. If the Contingent Owner is under the Insurance Age<sup>5</sup> of 18 as at the date of death of the Policyholder and the Policy is not fully paid, the ownership of the Policy shall vest in the Policyholder's estate.

Once the Contingent Owner becomes the Policyholder, the Contingent Owner shall assume all the obligations and be entitled to exercise all the rights belonging to the Policyholder under the Policy. A written notice with the Policy Schedule will be issued to the new Policyholder upon change of ownership of the Policy has taken effect. A transfer of ownership will automatically revoke any existing Death Benefit Settlement Option, any existing designation of Beneficiary(ies), Contingent Owner, Interim Policyholder, Regular Withdrawal Recipient, Family Mental Care Benefit<sup>8</sup> Recipient, and Designated Percentage of Family Mental Care Benefit<sup>9</sup>. The Regular Withdrawal Option<sup>3</sup> instruction will also be suspended. Change of ownership may affect the coverage under the Supplementary Benefit(s) and please refer to the provisions of the Supplementary Benefit(s).

5. Insurance Age means, at any date, the age of the Life Insured or the Policyholder (where applicable) on the last birthday prior to (or on the birthday the same day as) the Policy Date or the relevant Policy Anniversary.
6. Our acceptance of any designation of Contingent Insured will be entirely at our absolute discretion and shall be subject to (i) satisfactory proof of the insurability of the Contingent Insured; (ii) the Contingent Insured meeting the prevailing age requirement; (iii) the Policyholder and Contingent Owner<sup>4</sup> (if any) having adequate insurable interest\* in the Contingent Insured; (iv) a Contingent

Insured below the Insurance Age<sup>5</sup> of 18 can only be designated if you designate a Contingent Owner<sup>4</sup> at the same time or there is an existing Contingent Owner<sup>4</sup> on our record; and (v) any other requirements as determined by us from time to time. Once accepted and recorded, the Company will issue a written notice to record the designation of Contingent Insured. The designation of Contingent Insured will take effect as of the date stated in the written notice.

While the Policy is in force, if the Life Insured dies after the 1<sup>st</sup> Policy Anniversary and there is a designated Contingent Insured on our record, you may exercise the Contingent Insured Option by submitting to us a written request in a form as prescribed by us within 180 Days from the date of death of the Life Insured. The Contingent Insured shall become the new Life Insured subject to (i) proof of death of the latest Life Insured as in the Company's record; (ii) satisfactory proof of the insurability of the Contingent Insured; (iii) the Policyholder having adequate insurable interest\* in the Contingent Insured; (iv) payment of all overdue premiums with interest (if any) since the due date of the first unpaid premium; and (v) any other requirements as determined by us from time to time. We reserve the right not to effect the Change of Life Insured<sup>7</sup> at our absolute discretion. The Company will issue a Policy Endorsement and a revised Policy Schedule to effect the Change of Life Insured<sup>7</sup>. If there is a Contingent Insured on our record, premium is payable after the Life Insured dies.

\* General acceptance relationships with adequate insurable interest include spouse, children with Insurance Age<sup>5</sup> below 18 and their parents / legal guardian, grandchildren with Insurance Age<sup>5</sup> below 18 and their grandparents (subject to relevant documents and proof to establish the insurable interest).

7. Our acceptance of any Change of Life Insured request will be entirely at our absolute discretion and shall be subject to (i) satisfactory proof at the insurability of the new Life Insured; (ii) the new Life Insured meeting the prevailing age requirement; (iii) the Policyholder having adequate insurable interest\* in the new Life Insured; and (iv) any other requirements as determined by us from time to time. The Company will issue a Policy Endorsement and a revised Policy Schedule to effect the Change of Life Insured. Upon Change of Life Insured, Total Premiums Paid<sup>14</sup>, Policy Date, Payment Cessation Date, Policy Currency<sup>10</sup>, Policy Amount<sup>16</sup>, Guaranteed Cash Value, Special Dividend (if any), Death Benefit, Policy Value Management Balance (if any) and Indebtedness (if any) remain the same. Change of Life Insured may affect the coverage under the Supplementary Benefit(s) and please refer to the provisions of the Supplementary Benefit(s). Any Contingent Insured<sup>6</sup>, Family Mental Care Benefit<sup>8</sup> Recipient and Designated Percentage of Family Mental Care Benefit<sup>8</sup> on our record will be automatically revoked upon Change of Life Insured.

\* General acceptance relationships with adequate insurable interest include spouse, children with Insurance Age<sup>5</sup> below 18 and their parents / legal guardian, grandchildren with Insurance Age<sup>5</sup> below 18 and their grandparents (subject to relevant documents and proof to establish the insurable interest).

8. If the Life Insured is diagnosed as a Mentally Incapacitated Person or diagnosed of Severe Dementia while the Policy is in force, we will pay the Family Mental Care Benefit which equals to Designated Percentage of Family Mental Care Benefit multiplies by (a) Guaranteed Cash Value, plus (b) Special Dividend (if

any), plus (c) Policy Value Management Balance (if any) as at the date of claim approval of this Supplementary Benefit. Any Indebtedness shall be deducted from the Family Mental Care Benefit at the time of payment. The Family Mental Care Benefit is only payable once while the Policy is in force. Only when a Family Mental Care Benefit Recipient is designated in the Policy by the Policyholder, such Family Mental Care Benefit Recipient will be entitled to this Supplementary Benefit. Family Mental Care Benefit Recipient must be aged 18 or above at the time of designation. While the Policy is in force, the Policyholder may designate or change the Designated Percentage of Family Mental Care Benefit and/or Family Mental Care Benefit Recipient by giving a written request in a form specified by the Company. The Designated Percentage of Family Mental Care Benefit shall be a whole number percentage between 10% to 100%, subject to our requirements as determined by us from time to time.

A change of Designated Percentage of Family Mental Care Benefit and/or Family Mental Care Benefit Recipient shall be effective only if accepted and recorded by the Company. The Family Mental Care Benefit is paid only if the Family Mental Care Benefit Recipient has been designated. In case (i) there is a guardian or committee appointed under the Mental Health Ordinance (Cap.136 Laws of Hong Kong SAR) (or if there is a guardian or committee appointed under similar laws in another jurisdiction) or an enduring power of attorney registered under the Enduring Powers of Attorney Ordinance (Cap. 501 Laws of Hong Kong SAR) covering the Policy; and/or (ii) the Policyholder is not the Life Insured; and/or (iii) the Policy has been assigned, this Supplementary Benefit will only be paid to the designated Family Mental Care Benefit Recipient with the consent of the guardian or committee or attorney (as applicable in (i)); and/or the Policyholder (as applicable in (ii)); and/or the assignee (as applicable in (iii)), as the case may be. In case there is a dispute or in the Company's reasonable belief, there is a dispute between the Family Mental Care Benefit Recipient and any other person, including but not limited to the Policyholder, Life Insured's guardian or committee, attorney, Beneficiary(ies) or assignee, the Company reserves the right to withhold payment until such dispute is resolved. If the Designated Percentage of Family Mental Care Benefit is 100%, upon payment of the Family Mental Care Benefit, the Policy which includes the Basic Plan and all Supplementary Benefits (if any) will be terminated and the Company will be fully discharged from all further liability. If the Designated Percentage of Family Mental Care Benefit is less than 100%, upon payment of the Family Mental Care Benefit, Total Premiums Paid<sup>14</sup>, Policy Amount<sup>16</sup>, Guaranteed Cash Value, Special Dividend (if any), Policy Value Management Balance (if any) and subsequent premium (if any) under the Policy will be adjusted and reduced proportionally and the Death Benefit will be adjusted accordingly. A revised Policy Schedule will be issued to the Policyholder.

9. While the Policy is in force and before the 5<sup>th</sup> Policy Anniversary, Family Accident Benefit equals to the applicable percentage of Total Premiums Paid<sup>14</sup> of the Basic Plan up to the Date of Designated Event Due to Accident<sup>15</sup> (less any Indebtedness) will be paid as a result of the Covered Person<sup>13</sup> suffering from the following designated event due to Accident:
  - (i) Accidental Death;
  - (ii) Total Permanent Disablement; or
  - (iii) Continuous Hospitalization for 25 Days or above.

Designated event due to Accident	Applicable percentage of Total Premiums Paid <sup>14</sup>	Maximum amount of benefit per Covered Person <sup>13</sup>
Accidental Death	10%	USD 2,000,000 / RMB 12,800,000 / HKD 16,000,000 / GBP 1,500,000 / CAD 2,500,000 / AUD 2,666,667 / EUR 1,600,000 / NZD 3,000,000
Total Permanent Disablement	10%	
Continuous Hospitalization for 25 Days or above	5%	USD 50,000 / RMB 320,000 / HKD 400,000 / GBP 37,500 / CAD 62,500 / AUD 66,667 / EUR 40,000 / NZD 75,000

Family Accident Benefit will be automatically terminated (i) when this Supplementary Benefit is paid out, (ii) on the date the Policy of Basic Plan lapses, terminates, expires, becomes void, is surrendered<sup>19</sup> or cancelled, or (iii) on the Benefit Cessation Date of this Supplementary Benefit (whichever is the earliest). Family Accident Benefit is only payable once even the Covered Person<sup>13</sup> suffers from more than one designated event due to Accident listed in the table above, or more than one Covered Person<sup>13</sup> suffer from the designated event due to Accident listed in the table above. For the avoidance of doubt, the benefit under Accidental Death, Total Permanent Disablement and Continuous Hospitalization for 25 Days or above per Covered Person<sup>13</sup> across all policies of the designated products issued by the Company is subject to the maximum amount set out in table above respectively.

In the event of Accidental Death of the Life Insured, this Supplementary Benefit will be payable to the surviving Beneficiary(ies) only if Death Benefit is payable in accordance with the provision and it is payable in lump sum in addition to any Death Benefit due under the Policy. In the event of designated events due to Accident of Covered Person<sup>13</sup> (other than Accidental Death of the Life Insured), we will pay this Supplementary Benefit in lump sum to the Policyholder or the Policyholder's estate. For the avoidance of doubt, we will not pay this Supplementary Benefit in the event of Accidental Death of the Life Insured while there is a Contingent Insured<sup>6</sup> on our record who becomes the new Life Insured. And we will not pay this Supplementary Benefit in the event of Accidental Death of the Policyholder while there is a Contingent Owner<sup>4</sup> or Interim Policyholder<sup>4</sup> on our record who becomes the new Policyholder.

- If you enroll the Plan in foreign currency, all premium payable and policy benefits of the Plan will be recorded in the corresponding foreign currency. Since the two-way exchange of foreign currency and Hong Kong dollar bears the risk of exchange rate fluctuation, you should consider exchange rate risk before making the decision to enroll in the Plan. If you pay the premium or receive policy benefits in Hong Kong dollars, Hang Seng Insurance will convert the relevant amount from Hong Kong dollars to the corresponding foreign currency or from the corresponding foreign currency to Hong Kong dollars at the market-based prevailing exchange rate on the date your premium is processed or your policy benefits are settled. The exchange rate applicable at the

relevant time is determined by the Company and would be varied from time to time. The foreign currency exchange rate can go up or down. If you pay the premium in Hong Kong dollars, when the corresponding foreign currency appreciates against the Hong Kong dollars, the annual premium payable in Hong Kong dollars at the subsequent Policy Years would be higher than initial annual premium. If you settle the policy benefits in Hong Kong dollars and the corresponding foreign currency depreciates against the Hong Kong dollars when your policy benefits are settled in Hong Kong dollars, you could lose a substantial portion of your policy benefit value in Hong Kong dollars.

- If there is remaining balance of Death Benefit after the Lump Sum Payment for Defined Life Event of the Beneficiary, we will continue to pay the Death Benefit by monthly instalments over selected payout period, until all amounts of the Death Benefit have been paid out. We will not pay the Lump Sum Payment for Defined Life Event in the case where the age of Beneficiary is already over the age designated by the Policyholder on the date of death of the Life Insured. If the Life Insured dies before the 3<sup>rd</sup> Policy Anniversary and the Death Benefit Settlement Option (iv) is selected, this selected Death Benefit Settlement Option (iv) will be revoked automatically and the Death Benefit will be payable in a lump sum. The Death Benefit Settlement Option (iv) will be available when you have only appointed one Beneficiary. We shall have the absolute discretion not to offer the Death Benefit Settlement Option. In case you exercise the Policy Split Option<sup>2</sup>, the selected Death Benefit Settlement Option will be revoked and lump sum payment will be the default settlement option for the Split Policies.
- Guaranteed acceptance is subject to the maximum total premium amount (per Life Insured), which the limit is the same for all Insurance Age<sup>5</sup> of the Life Insured. Total premium amount refers to the total premium amount of the Plan and other life insurance plans determined by the Company. For details of the underwriting requirements, please contact Hang Seng Bank branch staff. The Plan is subject to the relevant requirements on nationality and/or addresses of the Policyholder and/or Life Insured as determined by us from time to time. The Company reserves the right to accept or decline any applications for the Plan based on the information provided by the Life Insured and/or Policyholder during enrollment.
- Covered Person means the Life Insured, the Policyholder, and where applicable, the Policyholder's Child(ren), Policyholder's Parent(s) and Policyholder's Spouse, who are covered under Family Accident Benefit<sup>9</sup>, and at Insurance Age<sup>5</sup> 84 or below on the Date of Designated Event Due to Accident<sup>15</sup>. However, in the event (i) the Policyholder is not an individual, or (ii) the Interim Policyholder<sup>4</sup> becomes the new Policyholder pursuant to policy provision, the Policyholder, the Policyholder's Child(ren), the Policyholder's Parent(s) and the Policyholder's Spouse (where applicable) will not be a Covered Person covered under Family Accident Benefit<sup>9</sup>.
- Total Premiums Paid is the total amount of premiums due and paid for the Basic Plan.
- Date of Designated Event Due to Accident means the date of Accidental Death of the Covered Person<sup>13</sup>, the date on which the Covered Person<sup>13</sup> is certified by a Registered Doctor as Total Permanent Disablement or the 25<sup>th</sup> Day of continuous Hospital Confinement of the Covered Person<sup>13</sup> (where applicable).
- Policy Amount is an amount used to determine the premiums payable under the Policy, your Guaranteed Cash Value and Special Dividend (if any) to be received under the Basic Plan of the Policy. It does not represent the amount of Death Benefit payable or cash value of your Policy.

17. Total Cash Value equals to the Guaranteed Cash Value less Indebtedness (if any) plus Special Dividend (if any) and Policy Value Management Balance (if any).
18. Currency Switch Exchange Rate means a market-based prevailing exchange rate for exercising the Currency Switch Option<sup>1</sup> as determined by us from time to time.
19. If the Policyholder surrenders the Policy after the cooling-off period and when the Policy is in force, the surrender proceeds to be received may be less than the total premium and levy paid. Please refer to the illustration summary of the Plan for details. If Policyholder surrenders the Policy within the policy term, the surrender proceeds payable to the Policyholder will be an amount equal to the Net Cash Value<sup>20</sup> (if any) plus Special Dividend (if any) and Policy Value Management Balance (if any) as at the date the surrender request is processed. Upon partial surrender, the Policy Amount<sup>16</sup> and Total Premiums Paid<sup>14</sup> for the Basic Plan under the Policy will be adjusted and reduced proportionally and consequential adjustments will be made in the calculations of Guaranteed Cash Value, Special Dividend (if any) and Death Benefit.
20. Net Cash Value means at any time, an amount equal to Guaranteed Cash Value less Indebtedness (if any).

## Product Risks

### Credit risk

The benefits of this Plan are subject to the credit risk of Hang Seng Insurance. 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<sup>19</sup> benefit, maturity benefit, Family Mental Care Benefit<sup>8</sup> and Family Accident Benefit<sup>9</sup> payable to the Policyholders or Beneficiaries or Family Mental Care Benefit<sup>8</sup> Recipient 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 scale for calculating Special Dividend at policy termination are not guaranteed and are determined by Hang Seng Insurance from time to time. Whether Special Dividend is payable and amount to be paid depend on how well 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. It is worth noting that private equity investments may involve higher level of volatility risk and liquidity risk than public equity investments.
  - **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<sup>10</sup> will be affected by the change of exchange rates.
- **Exposure to exchange rate movement and hedging factor** – Currency hedging may be used to manage currency exposure, taking into account hedging cost and market factors that may drive currency exchange rate fluctuation. Where the currency exposure is not fully hedged, movements in exchange rates will impact the return of the respective policies and overall performance of the product.
- **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<sup>19</sup> (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.

#### **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.

#### **Risk from surrender<sup>19</sup>**

If you surrender<sup>19</sup> the Policy after the expiry of the cooling-off period, the surrender<sup>19</sup> proceeds to be received may be significantly less than the Total Premiums Paid<sup>14</sup>. Please refer to the illustration summary of this Plan for the projected surrender<sup>19</sup> values. All details regarding policy surrender<sup>19</sup> should be referred to the relevant policy provisions.

#### **Risk from partial surrender<sup>19</sup>**

The Policy can be partially surrendered<sup>19</sup> at any time after the cooling-off period. If the Policyholder has made any withdrawals through partial surrender<sup>19</sup>, the Total Premiums Paid<sup>14</sup> and Policy Amount<sup>16</sup> of the Policy will be decreased accordingly. This will reduce the Guaranteed Cash Value, Special Dividend (if any) and Death Benefit accordingly.

#### **Liquidity risk**

The Policy is designed to be held for a long-term period. Should you have liquidity needs for any unexpected events, you may apply for Regular Withdrawal Option<sup>3</sup>, Policy Loan or surrender<sup>19</sup> 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.

#### **Inflation risk**

Your current planned benefit may not be sufficient to meet your future needs since the cost of living may become higher in the future than it is today due to inflation, therefore you may receive less from the Plan in real term in the future even if Hang Seng Insurance meets all of its contractual terms and obligations.

#### **Policy Currency<sup>10</sup> risk**

By choosing the Plan 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.

If you enroll **FamilyPower 2** in a Policy Currency<sup>10</sup> other than Hong Kong Dollar, you may elect to pay premiums and receive policy benefits in Policy Currency<sup>10</sup> or Hong Kong Dollar. However, Hang Seng Insurance has the final discretion in determining which currency applies.

Renminbi is currently not freely convertible and conversion of Renminbi may be subject to certain policy, regulatory requirements and/or restrictions (which are subject to changes from time to time without notice). The actual conversion arrangement will depend on the policy, regulatory requirements and/or restrictions prevailing at the relevant time. As Renminbi is currently not freely convertible and is subject to exchange controls by the Chinese government, Renminbi currency conversion is subject to availability and Hang Seng Insurance may not have sufficient Renminbi at the relevant time.

You have considered the aforesaid exchange rate risk factors, conversion arrangement and the potential loss associated before applying for the Plan.

#### **Risk from Currency Switch Option<sup>1</sup>**

Upon exercising the Currency Switch Option<sup>1</sup>, you are subject to the risk that the projected return might be higher or lower than those before exercising the Currency Switch Option<sup>1</sup>. The projected Death Benefit and Total Cash Value<sup>17</sup> including but not limited to the Special Dividend (if any), will be adjusted after exercising the Currency Switch Option<sup>1</sup>, which may be significantly different from the figures illustrated to you before exercising the Currency Switch Option<sup>1</sup>.

Before exercising the Currency Switch Option<sup>1</sup>, you should consider whether the future projected Death Benefit and Total Cash Value<sup>17</sup> suit your needs, based on the illustration we provide you as applicable.

The availability of Policy Currency<sup>10</sup> at the time of applying the Currency Switch Option<sup>1</sup> will be subject to the applicable laws and regulations. You shall not purchase the Policy solely for the Currency Switch Option<sup>1</sup>. If in doubt, you should contact Hang Seng Bank branch staff in understanding any possible impact for an informed decision.

#### **Other risk**

If the Policyholder has made any partial surrender<sup>19</sup>, exercise the Regular Withdrawal Option<sup>3</sup>, exercise the Policy Value Management Option or upon payment of the Family Mental Care Benefit<sup>8</sup>, it will reduce the future Death Benefit and cash value of the Policy.

#### **Policy termination**

Hang Seng Insurance has the right to terminate your Policy under any of the following circumstances:

- If you cannot make payment for all premiums due by the end of a 30-day Grace Period (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 Guaranteed Cash Value;
- If Hang Seng Insurance reasonably considers 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 authorities.

Hang Seng Insurance also has the right to terminate your Policy according to any supplementary benefits terms. For details of the above, please refer to the relevant terms and conditions in the policy provisions.

## Important Notes

### Cooling-off period

**FamilyPower 2** is a life insurance plan with saving elements and is not equivalent or similar to 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 (that is, 21 calendar days\* immediately following either the day of delivery of the Policy or the cooling-off notice to you/your nominated representative (whichever is earlier)) and obtain a refund of any premiums and levy paid (less any market value adjustment for investment-linked or non-linked single pay payment/single premium policy. The basis of calculation of market value adjustment includes single premium interest rate, New Money Crediting Interest Rate, Guaranteed Crediting Interest Rate Lock and General Crediting Interest Rate (if applicable)). A written form designated by us, notwithstanding whether the cooling-off reason will be provided or not, must be signed by you and returned by mail to Hang Seng Insurance at 18/F, Tower 1, HSBC Centre, 1 Sham Mong Road, Kowloon, Hong Kong or returned to any Hang Seng Bank branches (except MTR station outlets)\* within the cooling-off period.

Note:

\* If the last day of the period does not fall on a working day, the period will include the next working day.

† Only applicable to personal customer

### Grace Period

The Plan offers a Grace Period of 30 Days for payment of any premium when due. Any premiums remaining outstanding by the end of the Grace Period may lead to termination of your Policy. For details, please refer to the relevant terms and conditions in the policy provisions.

### Suicide

If the Life Insured dies by suicide, whether sane or insane, within one year of the latest of the Issue Date, or the effective date of the last reinstatement pursuant to policy provisions, or the effective date of the last Change of Life Insured<sup>7</sup> pursuant to policy provisions, our liability will be limited to a refund of the premiums paid to us by the Policyholder under the Policy, less any Indebtedness and any amount paid by us pursuant to policy provisions. Please refer to the policy provisions of the Basic Plan for detailed terms and conditions.

### Claim procedures of life insurance

If you need to make a claim, you can request a claim form through any one of the methods below:

1. download from Form Centre in Hang Seng Bank website:  
<https://www.hangseng.com/en-hk/personal/forms/>; or
2. request from any Hang Seng Bank branch; or
3. through the Claims Service Hotline (852) 2288 6992.

Please complete and submit the claim form to Hang Seng Insurance at Life Claims Department, 18/F, Tower 1, HSBC Centre, 1 Sham Mong Road, Kowloon, Hong Kong by mail or any Hang Seng Bank branch within the specified period together with requested proof. Hang Seng Insurance Claims Service Team will process the claim (additional information may be required from the claimant), and settle the claim payment.

Please remember that it is important to lodge your claim within the specified time frame. If you do not do so, we may not be able to consider your claim.

## Policy Loan

You may apply for a Policy Loan in respect of **FamilyPower 2** while the Policy is in force. Loan interest will be applied and charged by Hang Seng Insurance and you will be advised of the rate of interest from time to time. Any Policy Loan and accrued loan interest may reduce Cash Value, Death Benefit and other benefits payable of the Policy. When, at any time, the Policy Loan with accrued interest exceeds the Guaranteed Cash Value, Hang Seng Insurance has the right to lapse the Policy. Policy Loan may cause the Policy to lapse or be terminated. For details, please refer to the policy provisions.

### 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 subsequent updates on dividends, investment policy and strategy, and the historical fulfillment ratios of this Plan, please refer to Hang Seng Bank website: <https://www.hangseng.com/en-hk/personal/insurance-mpf/other/policy-dividend/>.

### Commission disclosure

Hang Seng Insurance would provide Hang Seng Bank with 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 will take into account various aspects of the staff performance but not solely on the sales amount.

### Dispute resolution

- Hang Seng Bank is an insurance agency authorised by Hang Seng Insurance, and the product is a product of Hang Seng Insurance 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 and you directly.

FamilyPower Multi-Currency Life Insurance Plan 2 is underwritten by Hang Seng Insurance, which is authorised and regulated by the Insurance Authority to carry on long-term insurance business in the Hong Kong Special Administrative Region. The Plan is only intended for sale through Hang Seng Bank in the HKSAR.

**Customer Enquiry 2198 7838**

**[hangseng.com](https://www.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, and 2) guaranteed cash values. The non-guaranteed benefits include policy dividends, which may be paid or varied at the discretion of Hang Seng Insurance. The dividend of this Plan, if any, is in form of:

Special Dividend which is a one-off entitlement declared at maturity or upon the death of the Life Insured (unless there is a Contingent Insured<sup>6</sup> on the Company's record who becomes the new Life Insured pursuant to policy provisions) or termination of the Policy (e.g. surrender<sup>19</sup> etc., except if it is due to exercise of the Policy Split Option<sup>2</sup>). The amount of Special 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.

Special Dividend may also be partially declared upon exercise of the Regular Withdrawal Option<sup>3</sup>, partial surrender<sup>19</sup> or any payment of Family Mental Care Benefit<sup>8</sup>. The amount of Special 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 Special Dividend payments, and, conversely, the worse the performance, the lower the Special Dividend payments.

## Dividend philosophy

Special Dividend allows Policyholders to participate in the financial performance of the life insurance operations. Whether Special Dividend is payable and the size of the dividend which Hang Seng Insurance distributes or pays depend on the performance of relevant participating policies with regard to investment returns on the assets and currency hedging instruments (if any) 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 Special Dividend 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 regularly reviews the level of Special Dividend payable to Policyholders. Both the past actual performance and management's expectations of the long-term future performance will be assessed against the expected level. If variances arise, Hang Seng Insurance may consider sharing such variances with Policyholders through the adjustment of Special Dividend scale. If the performance over the long-term is better than expected, then the amount paid would increase. If performance is below expectation, then amount paid would decrease.

When considering the adjustment of Special Dividend scale, Hang Seng Insurance strives to maintain a more stable payout to the Policyholders by smoothing. This means that the Special Dividend level will only be changed if the actual performance is significantly different from the expected level over a certain period of time or if management's long-term future performance expectations change substantially.

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 your competitive long-term returns through the non-guaranteed dividends; and
- iii. Abide by a pre-defined set of risk appetite.

## Participating policy

The assets supporting the participating policies 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. It may also include securitized credit, infrastructure debt and a small portion of high-yield fixed income assets to enhance yield. Growth assets, including but not limited to equities, properties, hedge funds, private equities, Real Estate Investment Trusts (REITs) and commodities which are managed on prudent basis and may be utilized in order to enhance investment performance in the long run. Subject to our investment strategy, financial 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 global geographical markets (mainly US, Europe, Asia including HK) and industries. Both fixed income assets and growth assets may be invested in various currencies, majority with USD, for diversification. If the currency of the assets is different from the Policy Currency<sup>10</sup> of the underlying policies, currency hedging may be used to manage the currency risk. The actual policy return may be subject to the movement in exchange rates especially when the currency exposure is not fully hedged.

## Strategic asset allocation

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

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

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. Part of the growth assets investment is allocated to private equity. Due to the illiquid nature of private equity, there may be divergence in actual asset allocation and actions may be taken to rebalance from time to time. Currency hedging will be exercised by us if the Policy Currency<sup>10</sup> is denominated in the currency that is different from the underlying assets as a way of counteracting the fluctuation effect under currency mismatch. 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 Policyholders should there be any material changes.

## Accumulation interest rate

Policyholders can choose to exercise the Policy Value Management Option to lock-in a portion of Guaranteed Cash Value and non-guaranteed Special Dividend (if any) to the Policy Value Management Balance to accumulate with interests.

Policyholders can submit a written request to Hang Seng Insurance to change the default Death Benefit Settlement Option. If monthly instalments are selected, the remaining balance of any unpaid Death Benefit will be held at a non-guaranteed interest rate until the full amount of the Death Benefit has been paid to the Beneficiary(ies). The accumulated interest rate (if any) will be paid to the Beneficiary(ies) in the last instalment.

The accumulation interest rates are not guaranteed and will be determined by Hang Seng Insurance at its discretion from time to time. Hang Seng Insurance reviews the accumulation interest rates regularly with reference to the portfolio yields of fixed income assets, prevailing market conditions, the outlook on fixed income asset yields, the cost associated with the provision of the accumulation service, the cost associated with currency hedging (if applicable), and the likelihood of policyholders leaving their payment for accumulation.

The policy in determining the dividends and accumulation interest rates may be reviewed and adjusted by Hang Seng Insurance from time to time. For any subsequent updates, please visit <https://www.hangseng.com/en-hk/personal/insurance-mpf/other/policy-dividend/>.

You may also visit the above website to understand the historical fulfillment 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.

## Investment glossary

To help you understand our investment strategy, a few asset classes are elaborated below:

- **Securitized Credit:** It is a portfolio of securities backed by pool of various types of contractual debt such as residential mortgages, commercial mortgages. The securities invested are generally with credit rating of investment grade.
- **Infrastructure Debt:** It is a fixed income debt investment that used to support infrastructure project and/or assets.
- **Private Equity:** It is a well diversified portfolio of equity investment into a private company that does not offer stock to the general public.
- **Real Estate Investment Trusts (REITs):** It is a well diversified portfolio of equity investment of a company that owns and operates income-producing real estate.
- **Commodities:** It is a basket of real asset that demonstrate various economic value, such as crude oil, corn, and gold.

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 summary and refer to the policy provisions for the detailed terms and conditions and charges of this Plan.

Please refer to the relevant policy provisions for exact terms, conditions and exclusions of this Plan, and the policy provisions will be considered final. For details of this Plan and the policy terms, please contact any Hang Seng Bank branch. Specimen copy of the policy provisions will be provided upon request.

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#### **FamilyPower Multi-Currency Life Insurance Plan 2**

**Hang Seng Insurance Company Limited is a wholly-owned subsidiary of Hang Seng Bank Limited.**

**28/F, Hang Seng 113, 113 Argyle Street, Mongkok, Hong Kong.**

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Hang Seng Insurance is authorised and regulated by the Insurance Authority of the HKSAR to carry on long-term insurance business in the Hong Kong Special Administrative Region.

Hang Seng Bank is an insurance agency of Hang Seng Insurance. FamilyPower Multi-Currency Life Insurance Plan 2 is underwritten by Hang Seng Insurance and it is only intended for sale through Hang Seng Bank in the Hong Kong Special Administrative Region. 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 and you directly.

Hang Seng Insurance accepts full responsibility for the accuracy of the information contained in the product brochure and confirms, having made all reasonable enquiries that to the best of its knowledge and belief there are no other facts the omission of which would make any statement misleading. The information shown therein is intended as a general summary. Please refer to your insurance policy for the full terms and conditions.

**November 2025**

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