



## Reach Insurance Plan - Endowment Insurance • Participating Policy

China Life Insurance (Overseas) Company Limited

Appointed Insurance Agency :



Underwritten By :



## Reach Insurance Plan

Underwritten by China Life Insurance (Overseas) Company Limited ("China Life (Overseas)"), Reach Insurance Plan (the "Plan") offers you potential capital growth with guaranteed cash value, non-guaranteed terminal dividend<sup>1</sup> (if any) and the total amount of terminal dividend management account<sup>2</sup> (if any). The Plan allows you to establish your financial pool, you can plan for the future with ease.



## Plan Features

### Multiple potential returns to accelerate wealth building

The Plan is a participating insurance plan that offers you potential capital growth. Its policy value consists of 3 components: guaranteed cash value, non-guaranteed terminal dividend<sup>1</sup> (if any) and total amount of terminal dividend management account<sup>2</sup> (if any).

**Guaranteed cash value** grows over the policy years helping you accumulate wealth.

**Terminal dividend<sup>1</sup>** is a one-off non-guaranteed dividend, which is payable from the 6<sup>th</sup> policy anniversary upon certain events.

**Total amount of terminal dividend management account<sup>2</sup>** is equivalent to locked-in terminal dividend and interest<sup>3</sup> (if any) less withdrawal amount (if any).

### 5 years premium payment term with life protection for 38 years

By paying 5 years' premium, you can enjoy life protection of the insured for 38 years. You can choose annual and premium prepayment mode<sup>4</sup> to prepay the premiums to enhance your return, with a guaranteed interest rate of 4% per annum (applicable to HKD and USD policies) or 2% per annum (only applicable to CNY policy).

### Flexible access to your wealth for matching your needs

To realize your financial goals, you can partially withdraw the guaranteed cash value and non-guaranteed terminal dividend<sup>1</sup> (if any) through reducing the basic amount<sup>5</sup>, the policy value will be reduced accordingly while the total amount of terminal dividend management account<sup>2</sup> (if any) will remain unchanged.

Alternatively, you can apply for policy loan (only applicable to HKD and USD policies) to borrow part of the guaranteed cash value when needed, while keeping the policy in force. Interest on policy loan will be charged at a rate which is not guaranteed and determined by China Life (Overseas) from time to time.

### Terminal dividend management option to help you lock in gains

To facilitate your financial need, you can choose to apply in order to exercise terminal dividend management option<sup>2</sup> within 30 days starting from every policy anniversary (including the date of policy anniversary) to lock in gains from part of your non-guaranteed terminal dividend (if any) starting from the 15<sup>th</sup> policy anniversary and every policy anniversary thereafter so as to respond to market fluctuation. The non-guaranteed terminal dividend which is applied to lock in will be transferred to the terminal dividend management account and will become locked-in terminal dividend. The locked-in terminal dividend will then be guaranteed and will accumulate with interest<sup>3</sup> at a non-guaranteed rate. You may also withdraw it for extra liquidity.

### Life protection provides peace of mind to your loved ones

#### A. Death benefit

In case the insured passes away when the policy is in force, we will pay the beneficiary a death benefit which is equal to the higher of:

- 1) 105% of the accumulated premium due and paid of the Plan; or
- 2) sum of guaranteed cash value and non-guaranteed terminal dividend<sup>1</sup> (if any) of the Plan at the date of death of the insured, plus the total amount of terminal dividend management account<sup>2</sup> (if any), less all indebtedness (if any).

The prepaid premium balance and its interest (if any) will also be returned to the beneficiary without any fee. The policy will be terminated after we pay the death benefit.

## B. Accidental death benefit

While the policy is in force, prior to the policy anniversary that the insured reaches age 66 and within the first 10 policy years from the policy effective date, if the insured suffers an injury caused by an accident, and dies from such injury within 180 days (both dates inclusive) from the date of such occurrence, the Plan will pay the beneficiary an extra accidental death benefit which is equal to the lower of:

- 1) 100% of the accumulated premium due and paid; or
- 2) HKD500,000 (for HKD policy) / USD62,500 (for USD policy) / CNY400,000 (for CNY policy).

The total amount of accidental death benefit payable under all policies underwritten by China Life (Overseas) shall not exceed HKD1,000,000(for HKD policy) / USD125,000 (for USD policy) / CNY800,000 (for CNY policy),or equivalent amount in other currencies for the same insured.

## C. Death benefit and accidental death benefit settlement option

While the insured is alive, you can choose how the death benefit and accidental death benefit (if any) are to be paid, as long as the payment options of both benefits are the same. You can choose to settle the benefits in a lump sum or by instalments with a fixed amount annually over a fixed payment term of 10, 20 or 30 years, helping you to safeguard your family's financial future.

For the instalment option, the remaining balance of death benefit and accidental death benefit (if any) will be deposited in the policy to accumulate interest until the end of the payment term. The interest will be calculated on an annual basis and it is non-guaranteed which will be determined by China Life (Overseas) from time to time. The accumulated interest (if any) will be paid together with the last instalment of death benefit and accidental death benefit (if any). If the beneficiary dies during the settlement period of the death benefit and accidental death benefit (if any), China Life (Overseas) will pay the remaining balance of the death benefit and accidental death benefit (if any) with interest (if any) in a lump sum payment to the estate of the deceased beneficiary.

If the death benefit at the date of the insured's death is less than HKD400,000 (for HKD policy) / USD50,000 (for USD policy) / CNY320,000 (for CNY policy), or the policyholder does not specify any settlement option, China Life (Overseas) will pay out the benefit amount to the beneficiary in a lump sum.

## Simplified underwriting

To enable you to achieve your goals with ease, application of the Plan is easy. Simplified underwriting procedures are available.

## Enrollment Terms

Issue age	15 days after birth to age 75
Benefit term	38 years
Premium payment term <sup>6</sup>	5 years
Premium payment mode	1. Annual <sup>6</sup> 2. Annual and premium prepayment <sup>4</sup>
Policy currency	HKD ,USD or CNY
Minimum basic amount <sup>5</sup>	HKD 80,000/ USD 10,000/ CNY 64,000
Maximum basic amount <sup>5</sup>	HKD 100,000,000 /USD 12,500,000 / CNY 80,000,000

## Illustrative Example

Insured's gender:	Male	Smoking status:	Non-smoking
Issue age:	Age 35	Basic amount <sup>5</sup> :	USD500,000
Premium payment mode:	Annual and premium prepayment <sup>4</sup>	Annual premium:	USD100,000
Premium payment term:	5 years	Total prepaid premiums <sup>4</sup> :	USD 462,990

(Policy currency: USD)

End of policy year	Total premiums paid (including prepaid premium balance <sup>4</sup> )	Guaranteed cash value	Non-guaranteed terminal dividend <sup>1</sup>	Total surrender value <sup>7</sup> (with prepaid premium balance after surrender charge <sup>4</sup> )	Total death benefit (with prepaid premium balance <sup>4</sup> )
1	462,990	31,215	0	397,399	482,509
2	462,990	128,250	0	408,201	498,609
3	462,990	225,500	0	415,769	511,154
4	462,990	323,000	0	420,000	520,000
5	462,990	420,500	0	420,500	525,000
6	462,990	452,000	13,800	465,800	525,000
10	462,990	500,000	164,675	664,675	664,675
20	462,990	500,000	759,590	1,259,590	1,259,590
30	462,990	500,000	1,619,185	2,119,185	2,119,185
38	462,990	500,000	2,875,100	3,375,100	3,375,100

The figures in the above example are rounded to the nearest whole number and are for illustrative purposes only. The above example is based on the following assumptions:

- all premiums exclude levy; and
- the surrender value is equal to the sum of the guaranteed cash value, terminal dividend (if any) and total amount of terminal dividend management account (if any), less all indebtedness (if any). Prepaid premium balance (if any) will be also payable after the deduction of 3% of the withdrawal amount (minimum amount of HKD200/USD25/CNY160); and
- terminal dividend is non-guaranteed and is a one-time dividend. It is not perpetually attached to the policy and the amount of terminal dividend will be subject to adjustment when it is declared; and
- terminal dividend is projected based on the estimate of China Life (Overseas); and
- there is no policy loan or indebtedness or withdrawal or exercising terminal dividend management option throughout the benefit term and that all premiums are paid in full when due.

Please refer to the proposal documents for further details.

### Notes:

<sup>1</sup> Terminal dividend is a one-off dividend and is non-guaranteed. Amount of terminal dividend shown in proposal illustration is just an indicative figure. Declared terminal dividend is not perpetually attached to the policy. It may be reduced or increased at subsequent declarations. Its actual amount will only be determined when it becomes payable. The actual amount may be lower or higher than the projected figure. Under some circumstances, actual amount of terminal dividend may be zero. The amount of the terminal dividend is affected by various factors including but not limited to the performance of the underlying investments, so the amount is relatively volatile and will move up and down over time. China Life (Overseas) reserves the right to revise the terminal dividend from time to time. Past record is not necessarily indicative of future result.

Starting from the 6<sup>th</sup> policy anniversary, the terminal dividend shall be paid upon the occurrence of the earliest of the following conditions:

- when the death benefit is paid (only applicable if the sum of guaranteed cash value and the terminal dividend of the Plan on the date of death of the insured is higher than 105% of the accumulated premium due and paid of the Plan);
- when the policy is surrendered; or
- when the policy reaches the policy maturity date.

<sup>2</sup> The minimum percentage for each locked-in terminal dividend under the terminal dividend management option is 10% and the aggregate percentage limit for locked-in terminal dividend is 50%. The option will only be exercised provided that the application fulfills the application requirement and is confirmed by China Life (Overseas). There is no limitation on the number of exercising this option and the aggregate percentage limit for locked-in terminal dividend is subject to change by China Life (Overseas) from time to time. But this option can only be exercised once every policy year. China Life (Overseas) will only process this option once for each written request. Should this option be exercised again afterwards, written request must be resubmitted. No application will be accepted if there is any indebtedness (if any) during application. The amount of locked-in terminal dividend is guaranteed after exercising this option successfully. Once the application is approved by China Life (Overseas), the terminal dividend which is applied to lock in will be transferred to the terminal dividend management account as soon as practicable and will become locked-in terminal dividend, which will accumulate with interest at a non-guaranteed rate. China Life (Overseas) reserves the right to revise the rate from time to time.



There may be a delay when exercising terminal dividend management option at the time of market volatility. The actual amount of the locked-in terminal dividend will only be determined after the application has been processed successfully by China Life (Overseas). Upon the completion of transferring the terminal dividend to the terminal dividend management account by China Life (Overseas) as per application, the terminal dividend (if any) of the relevant policy year will be reduced accordingly. The terminal dividend (if any) of subsequent policy years will be reduced accordingly with adjustment percentage subject to sole discretion of China Life (Overseas). Locked-in terminal dividend will not be allowed to be reset or reversed to terminal dividend. For details, please refer to the policy provisions.

- <sup>3</sup> The interest is not guaranteed. The actual benefits and/or returns may be lower or higher than estimates. China Life (Overseas) reserves the right to revise the interest from time to time.
- <sup>4</sup> If you choose the annual and premium prepayment option, you can withdraw the unused prepaid premium (including interest, if any) at one time. China Life (Overseas) will charge 3% of the withdrawal amount, at a minimum amount of HKD200/USD25/CNY160. You can withdraw the unused prepaid premium once only. The interest rate of prepaid premium is 4% p.a. (applicable to HKD and USD policies) or 2% p.a. (only applicable to CNY policy) and this interest rate is guaranteed.
- <sup>5</sup> "Basic amount" means the amount shown on the policy information page or endorsement as the "basic amount". The "basic amount" is used to calculate the premium and relevant values of the policy, but is not applicable to the calculation of the death benefit. If the basic amount has been amended while the policy is in force, the said premium and relevant values of the policy will be adjusted accordingly.
- <sup>6</sup> If the required renewal premium is paid by you within the grace period, the policy shall continue to be in force. For details, please refer to the policy provisions issued by China Life (Overseas). If the policy is lapsed or surrendered early, the policy cash value received by you may be considerably less than the total amount of the premiums paid.
- <sup>7</sup> Total surrender value includes guaranteed cash value, terminal dividend (if any) and total amount of terminal dividend management account (if any), less all indebtedness (if any).

### Important Information:

This product brochure is for reference only. It does not form a contract between China Life (Overseas) and anyone or any entity else. The detailed terms, conditions and exclusions of the Plan are subject to the relevant policy contract. You are reminded to review the policy contract and all relevant product materials and to seek independent professional advice if necessary. For a copy of the policy provisions, please contact China Life (Overseas) for enquiry.

- The Plan is a participating insurance plan. The return of a participating policy is subject to the investment strategy and policy of China Life (Overseas). Terminal dividend of the participating policy is one-off and not guaranteed.
- China Life (Overseas) shall make the final decisions on the underwriting. We shall rely on your submitted information to assess whether to accept or decline your application, and shall refund any premium and premium levy (if any) paid without interest for declined cases.
- Exclusions and limitations – applicable to "accidental death benefit"  
The Plan shall not cover any claims if the insured is involved in any of the following activities or the consequences directly or indirectly caused by wholly or partly any of the following events occur in respect of the insured:
  - (a) congenital illnesses or intrinsic illnesses existed before applying for the Plan;
  - (b) engage or in any way involved in any acts or activities that violate any laws or regulations of Hong Kong or the laws of the place where the insured stays;
  - (c) war, act of hostility (whether war declared or not), civil war, revolution, rebellion, civil commotion, riot, strike, activities of terrorism or any military actions;
  - (d) the insured is serving in the military services, including but not limited to where the insured is engaging in or taking part in military service during the time of war, act of hostility (whether war declared or not), any military actions or repression of rebellion;
  - (e) contamination resulting from nuclear weapons, ionizing radiation, nuclear fuel or waste produced from the combustion of nuclear fuel (the said nuclear combustion shall include any self-sustaining process of nuclear fission);
  - (f) directly or indirectly caused by the insured engaging in aviation, except as a passenger on an aircraft of a commercial airline on a scheduled route;
  - (g) self-inflicted injuries or suicide (whether sane or not) by or attempted by the insured (whether felony or not) or deliberate exposure to exceptional danger (except in an attempt to save human life);
  - (h) childbirth, pregnancy, miscarriage or abortion, even if it is accelerated or induced by an accident;
  - (i) treatment operated on the insured and induced by disease, infected disease or incident that is not caused by an accident;
  - (j) taking of poison or inhaling poisonous gas or poisonous mist (whether voluntary or not); except accidental inhaling by the insured in a fire;
  - (k) the insured as a professional athlete participating in sports or earning income or remuneration through the sports;
  - (l) participating in hunting, mountaineering, motor racing, horse racing, ice-skiing, skiing, scuba-diving, parachuting, hang-gliding, boxing or any other competitions or performances;
  - (m) while the insured is on duty as a professional driver and is entering, driving, operating, servicing, riding in or departing from any land vehicle or conveyance outside the territorial limits of Hong Kong and Macau;
  - (n) the insured is assaulted or murdered during rebellion, civil commotion, strikes or when making an arrest while the insured:
    - (i) is employed as a full-time or part-time police officer/cadet officer, or an officer or a member of the Correctional Services Department; or
    - (ii) is on duty with the above mentioned occupation;
  - (o) the insured is assaulted or murdered during rebellion, civil commotion or strikes while the insured:
    - (i) is employed as a fireman; or
    - (ii) is on duty as a fireman and is engaging in firefighting or activities for protecting people and property in a fire; or
  - (p) disappearance of the insured, except including but not limited to the situation when the ship which the insured is taking or the aircraft which the insured is taking as passenger has totally disappeared.

The information stated in this product brochure is for reference only. Please refer to the "general provisions" and "benefit provisions" for the detailed terms and conditions of exclusions and limitations such as incontestability, suicide and fraud, etc.

- Dividend philosophy

Policyholders of participating insurance plans can enjoy the potential surplus arising from the long term operation of the participating fund via a form of non-guaranteed dividend in addition to the guaranteed benefits. Your premiums will usually be allocated into a relevant participating fund and will be invested in a variety of asset classes according to China Life (Overseas)'s investment strategy. China Life (Overseas) will manage the relevant participating fund in a prudent manner and aim to ensure a fair distribution of surplus and risks between policyholders and shareholders, and among different groups of policyholders.

As dividends are mainly affected by the overall performance of the participating business, in order to alleviate the volatility of achieved gains and losses and the future uncertainties, in particular, future investment returns, China Life (Overseas) may take moderate smoothing measures to achieve relatively more stable dividends and strive to meet policyholders' reasonable expectation. China Life (Overseas) will maintain a fair distribution method or sharing ratio, and appropriate grouping to ensure policyholders are treated fairly, and to ensure policyholders' benefit expectation and rights are protected.

The current dividend projection is not guaranteed. China Life (Overseas) will review and declare the dividend at least once a year. When determining the dividend, China Life (Overseas) will consider the overall performance of all relevant policies on factors including but not limited to past experience as well as future prospect of investment returns, claims and surrenders:

- Investment return – including the interest income, dividend income, investment outlook and changes to asset values.
- Claims – including the costs of providing death benefit as well as other benefits under the product(s).
- Surrenders – including policy termination, partial surrenders and the corresponding experience and impact.

If there are any changes in the actual dividends against the illustration or to the projected future dividends, such changes will be reflected in the policy anniversary statement.

The declaration of actual dividends is recommended by the Appointed Actuary and is subject to the approval of the Board (including one or more Independent Non-Executive Director(s)).

For products that are associated with an element of non-guaranteed accumulation interest rate, China Life (Overseas) will consider past investment experience as well as future expected return and other related factors when determining this non-guaranteed interest rate. If there are changes from market, expectation or policyholder behavior, China Life (Overseas) may apply reasonable adjustments to the non-guaranteed interest rate.

- Investment strategy

China Life (Overseas)'s investment philosophy aims at containing volatility and providing long term stable return. Meanwhile, in order to control and diversify risks, maintain adequate liquidity, and achieve higher potential returns for policyholders under an acceptable risk appetite, China Life (Overseas) will invest in a wide range of asset classes with consideration of the status of assets and liabilities. The target asset mix may also differ between different participating products. China Life (Overseas) will actively manage the investment portfolio and adjust the asset mix in response to the external market conditions.

Currently, China Life (Overseas)'s investments include bonds and other fixed income assets, such as government and corporate bonds and other fixed income instruments, to support the guaranteed liability payment. To enhance the potential performance of the investment portfolio, China Life (Overseas) will invest in equity-type assets and other investment instruments such as private funds, mutual funds and direct/indirect investment in properties or commercial institutions. Subject to China Life (Overseas)'s investment policy, China Life (Overseas) may also utilise derivatives to manage risks and enhance returns, or use security lending to improve returns. The investment portfolio will be diversified across different geographic regions and /or industries.

China Life (Overseas)'s current investment strategy on this participating plan is as follows:

Asset type	Target asset mix (%)
Bonds and other fixed income instruments	30% to 90%
Equity-type investment and other investments	10% to 70%

Please refer to China Life (Overseas)'s website [www.chinalife.com.hk/products/dividend-philosophy-and-investment-strategy](http://www.chinalife.com.hk/products/dividend-philosophy-and-investment-strategy) for dividend history, dividend philosophy, investment strategy, as well as the fulfillment ratio of China Life (Overseas).

- Non-payment of premium / automatic premium loan

You should pay premium(s) on time according to the selected premium payment term. If the due premium(s) remains unpaid upon the expiry of the grace period, an automatic premium loan will be taken out against the policy to settle the unpaid premium automatically. All premium loans are interest-bearing and calculated at a rate (as stated on China Life (Overseas)'s website [www.chinalife.com.hk](http://www.chinalife.com.hk)) to be declared by us from time to time. Interest accrued shall become a part of the indebtedness. When the loan balance is equal to or exceeds the guaranteed cash value of the basic plan of the policy, the policy will be lapsed and you will lose the related benefits and suffer a financial loss. Under these circumstances, the surrender value of the policy will be deducted to repay the outstanding loan balance (including interest), and the remaining value will be refunded to you.

- Misstatement of age, sex or smoker/non-smoker status

Where the correct age, sex or smoker / non-smoker status of the insured does not suit the underwriting requirements of China Life (Overseas), our liability shall be limited to the refund of the surrender value, plus the total amount of terminal dividend management account (if any) to the policyholder.

- Payout arrangement at maturity

The Plan's maturity benefit will be payable after the policy maturity date and receipt of all necessary documents by China Life (Overseas). The actual processing time required will depend on the payment collection method to be selected by the customer. For details about the collection of maturity benefit, please refer to the website of China Life (Overseas) at [www.chinalife.com.hk](http://www.chinalife.com.hk) or call our customer service hotline at (852) 3999 5519.

- Premium holiday is not applicable to the Plan.

## Important policy terms

**Suicide:** If the Insured commits suicide within one year from the Policy Effective Date of the Policy or within one year from the latest date of reinstatement of the Policy (whichever occurs later), irrespective of whether the Insured was sane or insane at the time of committing suicide, the liability of China Life (Overseas) shall be limited to the refund of the Premium(s) paid for the Basic Plan without interest thereon and subject to the deduction of any claim paid (if applicable), any benefit paid under the Benefit Provisions (if applicable) and any Indebtedness (if applicable).

**Incontestability:** Save for where there is fraud or non-payment of Premium(s) falling due, during the lifetime of the Insured, and after two years have passed since the Policy Effective Date or since the latest date of reinstatement of the Policy (whichever occurs later), China Life (Overseas) will not contest the validity of the Policy. This Incontestability Clause is only applicable to the death benefit under the Policy.

## Disclosure of Important Information to Life Insurance Customers

### Part 1: Definitions and Interpretation

In the disclosures stated below:

- The "Bank" means Bank of Communications (Hong Kong) Limited
- "China Life (Overseas)" means China Life Insurance (Overseas) Company Limited
- The "Plan" means the insurance plan in the product brochure.
- "Insurance Application" means the insurance application with the application number
- "I/Applicant" means the applicant listed in the Insurance Application
- "Insured" means the insured person listed in the Insurance Application

### Part 2: Disclosure of important information to Applicant

#### 2.1 Relationship between the Bank and China Life (Overseas)

- The Bank is an appointed insurance agent of China Life (Overseas). The Bank is responsible for the distribution and selling of the Plan which is underwritten by China Life (Overseas) and assist you to conduct the Insurance Application procedures for the Plan. The Plan is underwritten by China Life (Overseas). China Life (Overseas) is authorized and regulated by the Insurance Authority. The Plan is a product of China Life (Overseas) but not the Bank. China Life (Overseas) is solely responsible for all features, policy approval, coverage and claims under the Plan. All benefits, rights and claims related to the policy of the Plan, the policyholder or beneficiary should enquire or recourse China Life (Overseas).
- In respect of an eligible dispute (as defined in the Terms of Reference for the Financial Dispute Resolution Centre in relation to the Financial Dispute Resolution Scheme) arising between the Bank and the customer out of the selling process or processing of the related transaction, the Bank is required to enter into a Financial Dispute Resolution Scheme process with the customer; however any dispute over the contractual terms of the product should be resolved between directly the China Life (Overseas) and the customer.

#### 2.2 Risk disclosures

Key risks associated with the Plan include but not limited to,

- Credit risk
  - Application of the Plan and all benefits payable under the Plan are subject to the credit risk of China Life (Overseas). All premiums you paid under the Plan shall become part of the assets of China Life (Overseas). You do not have any property rights or ownership rights to these assets, nor do you have any rights related to these assets. Your recourse is against China Life (Overseas) only.
- Liquidity and withdrawal risk
  - The Plan is a product under the type of non-linked long term insurance category. Long term insurance policy will have a certain determined benefit term, starting from the policy effective date until the policy maturity. The benefit term could be few years, over ten years or a lifelong period of the insured. Some of the long term insurance policies contain policy value under the policy (including but not limited to endowment insurance, whole life insurance or annuity, etc.), if you need to surrender your policy in the early stage of the policy or before the policy maturity date, the recoverable amount may be considerably less than the total premium you have paid. Application of the Plan may pose a liquidity risk to your financial condition. You need to bear the liquidity risk associated with the Plan.
- Exchange rate and currency risk (applicable to the plan with policy currency denominated in CNY or to those policies with policy currency denominated in foreign currency as selected.)
  - Application of plan with policy currency denominated in CNY or the policy with policy currency denominated in foreign currency is subject to exchange rate and currency risk. Exchange rate of CNY against Hong Kong dollar ("HKD") and exchange rate of any foreign currency against HKD may fall as well as rise.
  - If you choose to pay the premium(s) in HKD, you must pay the premium(s) based on a market-based currency exchange rate of HKD to CNY (applicable to the policy currency denominated in CNY) or a market-based currency exchange rate of HKD to the selected foreign currency (applicable to the policy currency denominated in foreign currency) which is solely determined by China Life (Overseas) from time to time. Any fluctuations in the exchange rate of HKD to CNY, as well as in the exchange rate of HKD to the foreign currency will have a direct impact on the amount of premium paid in HKD. If the CNY or the selected foreign currency appreciates after the policy is issued due to exchange rate fluctuation, the premium payable later will be higher than the initial premium when calculated in HKD.
  - All benefits payable (including refund of premium etc.) will be settled in CNY or in foreign currency as selected. For the policy with policy currency denominated in CNY, if you choose to receive any benefits under the Plan in HKD, the amount payable will be the HKD equivalent of the CNY based on a market-based currency exchange rate of HKD to CNY, as solely determined by China Life (Overseas) from time to time. For the Policy with Policy currency denominated in foreign currency, if you choose to receive any benefits under the Plan in HKD, the amount payable will be the HKD equivalent of the selected foreign currency based on a market-based currency exchange rate of HKD to such foreign currency, as solely determined by China Life (Overseas) from time to time. Any fluctuations in the exchange rate of HKD to CNY, as well as in the exchange rate of HKD to the foreign currency will have a direct impact on the value of your benefit(s) as calculated in HKD and if the CNY or the selected foreign currency depreciates substantially against the HKD upon a benefit(s) becoming payable, you will lose a substantial portion of the benefit(s) in HKD terms.
  - If the premium(s) and / or benefit(s) under the Plan with policy currency denominated in CNY cannot be paid in CNY or in HKD, the policy with policy currency denominated in foreign currency cannot be paid in selected foreign currency or in HKD either of a change



in regulation(s) or for such other reasons as China Life (Overseas) may, in its absolute discretion, solely determine, China Life (Overseas) shall, based on such terms as it deems just and proper, at its sole discretion determine the currency, the currency exchange rate and the manner of calculating the premium(s) receivable, the benefit(s) payable and the premium refundable under the Plan.

- CNY is currently not freely convertible. Conversion of CNY or provision of CNY services through banks in Hong Kong is subject to relevant CNY policies, other restriction and applicable regulatory requirements. No prior notice will be given for any changes on such requirements which may be made from time to time.

• Market and interest rate risk (applicable to the Plan with guaranteed return and / or non-guaranteed return)

- Market and interest rate risk in relation to the guaranteed return of the life insurance policy (e.g. cash value) is borne by China Life (Overseas). Market fluctuation and change in interest rate will not affect the guaranteed return part of the policy. Non-guaranteed return part (e.g. policy dividends) is subject to market and interest rate risk. Actual amount of the non-guaranteed return paid by China Life (Overseas) and the determination of the interest rate for policy dividend accumulation made by China Life (Overseas) may be varied due to market and interest rate risk. You need to bear the market and interest rate risk associated with non-guaranteed return of the Plan.

• Inflation risk

- The cost of living in the future may be higher than expected due to the effects of inflation. Therefore, your current planned benefits and / or returns may be insufficient to meet your future needs even if China Life (Overseas) has fulfilled its contractual terms and obligations.

• Early surrender risk

- The savings component of the Plan is subject to risks and possible losses. Should you surrender the policy early, you may receive an amount considerably less than the total amount of premiums paid.

• Non-guaranteed benefit

- The Plan consists of non-guaranteed benefits and / or returns. The actual amounts of benefits and / or returns in the future may be different from the benefits and / or returns which project on the product materials. The product materials are for illustrative purposes only.

• Policy termination

- The policy will be terminated if (a) the policy is lapsed or surrendered; or (b) China Life (Overseas) has paid the policy maturity benefit; or (c) China Life (Overseas) has paid the death benefit in full; or (d) the due premium has not been paid within 31 days after the premium due date, and the policy has no remaining guaranteed cash value; or (e) the indebtedness of the policy is equal to or exceeds the guaranteed cash value of the policy.

### 2.3 The circumstances and consequences of late payments or non-payments of premiums

• Insurance product with savings element [with savings but without investment element] (applicable to non-participating policy) or Insurance product with investment element (Investment decisions and risks borne by China Life (Overseas)) (applicable to participating policy)

- Should there is any late payment or non-payment of premiums, the policy will be subject to automatic premium loan (if applicable) or termination of the policy. During automatic premium loan, China Life (Overseas) shall automatically advance the premium due as a loan. The policy shall automatically be terminated if at any time sums loaned and accrued interest equal or exceed the accumulated cash value under the policy. If the policy is terminated automatically, the policy will become valueless and the insured of the policy will lose his / her insurance protection under the policy.

• Insurance product with investment element (Investment decisions and risks borne by China Life (Overseas)) (applicable to universal life insurance plan)

- Should there is any late payment or non-payment of premiums, the policy will exercise premium holiday. During premium holiday, all relevant charges will be continuously deducted from the policy account. When the account value is equal to or less than zero, the policy shall automatically be terminated. If the policy is terminated automatically, the policy will become valueless and the insured of the policy will lose his / her insurance protection under the policy.

### 2.4 The description of non-guaranteed items (applicable to the plan with non-guaranteed benefits only)

• Insurance product with investment element (Investment decisions and risks borne by China Life (Overseas)) (applicable to participating policy)

- For traditional participating insurance plans, any illustrated values of non-guaranteed items that are applicable to this plan (including but not limited to accumulated interest rates, dividends and bonuses) are not guaranteed and are for illustrative purposes only. It is determined by China Life (Overseas) from time to time at its absolute discretion based on a series of factors including the overall performance of all relevant policies on factors including but not limited to past experience as well as future prospect of investment returns, claims and surrenders. It is neither an estimate nor guarantee of the policy performance in the future. The non-guaranteed items are subject to change during the term of the policy. The actual amounts of the non-guaranteed items may be lower than or higher than those illustrated. The actual amounts of benefits and / or returns may be lower than or higher than the currently illustrated benefits and / or returns. If you choose to withdraw the non-guaranteed items (including but not limited to the accumulated dividends and bonuses) of the policy, the accumulated benefit and / or non-guaranteed returns will be reduced accordingly or lower than the illustrated values.

• Insurance product with investment element (investment decisions and risks borne by China Life (Overseas)) (applicable to universal life insurance plan)

- Any illustrated values of non-guaranteed items that are applicable to the Plan (including but not limited to bonuses, crediting rates and interest) are not guaranteed and are for illustrative purposes only. It is determined by China Life (Overseas) from time to time at its absolute discretion based on a series of factors including the overall performance of all relevant policies on factors including but not limited to past experience as well as future prospect of investment returns, claims and surrenders. It is neither an estimate nor guarantee of the policy performance in the future. The non-guaranteed items are subject to change during the term of the policy. The actual amounts of the non-guaranteed items may be lower than or higher than those illustrated. The actual amounts of benefits and / or returns may be lower than or higher than the currently illustrated benefits and / or returns. If you choose to withdraw the non-guaranteed items (including but not limited to the accumulated dividends and bonuses) of the policy, the accumulated benefit and / or non-guaranteed returns will be reduced accordingly or lower than the illustrated values.



## 2.5 The information contained in the product brochure and policy provision of insurance plan

- The policy provisions and product brochure of the Plan are issued by China Life (Overseas). China Life (Overseas) accepts full responsibility for the information contained in the policy provisions and product brochure.
- The product brochure and any product materials of the Plan are intended to be distributed in the Hong Kong Special Administrative Region (HKSAR) only and shall not be construed as any provision of or offer to sell or solicitation to buy or provision of any insurance product outside HKSAR. All selling and application procedures of the Plan must be conducted and completed in the HKSAR.
- The law governing the policy of the Plan is the laws of Hong Kong Special Administrative Region.

## 2.6 Fees and charges

- The Plan is an insurance product. Part of the premiums will pay for the insurance and related costs.
- The costs of insurance and the related costs of the policy are included in the premium paid under the Plan despite the product brochure and / or the illustration documents of the Plan have no schedule / section of fees and charges or no additional charge apart from the premium. This does not mean that you do not have to bear any fees and charges, nor does it mean that the Plan does not have any fees and charges. If the product brochure contains the schedule / section of fees and charges (such as universal life insurance plan), you should read it thoroughly to ensure you understand each fee and charge item before making the Insurance Application.

## 2.7 No coverage under Deposit Protection Scheme

- The Plan is not the savings deposit or time deposit of the Bank. The Plan and all premiums paid under the Plan are not protected under the Deposit Protection Scheme in Hong Kong Special Administrative Region.

## 2.8 Underwriting and claims decisions are made by China Life (Overseas)

- China Life (Overseas) shall make final decisions on the underwriting and claims. We shall rely on your submitted information to assess whether to accept or decline your application, and shall refund any premium and premium levy (if any) paid without interest for declined cases.

## 2.9 Policy loan

- If the life insurance policy contains cash value, policyholder can apply for policy loan from China Life (Overseas). Interest charge will be imposed under the policy loans. The applicable interest rate is determined by China Life (Overseas) and it is subject to change from time to time. Policy loan together with its accumulated interest will form part of indebtedness. When the amount of indebtedness is equal to or larger than cash value of the policy, the policy will be terminated automatically. The policy will become valueless and the insured of the policy will lose his / her insurance protection.

## 2.10 Commission disclosure

- China Life (Overseas) will provide commission and sales bonus to the Bank subject to the sales of the Plan. The bonuses, incentives or remuneration packages which are provided by the Bank to their sales staffs have considered the staff's overall performance including various areas, and are not only determined by their sales performance or contribution on revenue to the Bank.

## 2.11 Tax reporting and financial crime

- China Life (Overseas) has certain obligations to Hong Kong and foreign legal or regulatory bodies and government or tax authorities regarding you and your policy, and China Life (Overseas) may from time to time request information from you in response to these obligations. You are recommended to seek your own independent professional advice regarding your tax liabilities.

## Part 3: Disclosure of cooling-off right

### 3.1 Cooling-off right

- You have the right to cancel the policy by written notice within the cooling-off period and obtain a refund of any premiums and premium levy (if any) paid provided that no claim has been made under it. You must submit a written notice signed by you to China Life (Overseas) at 22/F, CLI Building, 313 Hennessy Road, Wan Chai, Hong Kong within 21 calendar days after the delivery of the policy or Notice of Policy Issuance (notification about the availability of the policy and the expiry date of cooling-off period) to you or your representative, whichever is earlier.

### 3.2 Cooling-off right (applicable to single premium insurance plan only)

- You have the right to cancel the policy by written notice within the cooling-off period and obtain a refund of any premiums and premium levy (if any) paid (less any market value adjustment) provided that no claim has been made under it. You must submit a written notice signed by you to China Life (Overseas) at 22/F, CLI Building, 313 Hennessy Road, Wan Chai, Hong Kong within 21 calendar days after the delivery of the policy or Notice of Policy Issuance (notification about the availability of the policy and the expiry date of cooling-off period) to you or your representative, whichever is earlier.

Effective from 1 January 2018, all policyholders are required to pay a levy on each premium payment made for both new and in-force policies to the Insurance Authority (the "IA"). For premium levy details, please visit the website of China Life (Overseas) at [www.chinalife.com.hk](http://www.chinalife.com.hk) or or contact our customer service hotline at 3999 5519 or visit IA's website at [www.ia.org.hk](http://www.ia.org.hk)

The office address of China Life (Overseas): 22/F., CLI Building, 313 Hennessy Road, Wan Chai, Hong Kong.

Customer Service Hotline: (852) 3999 5519  
Website: [www.chinalife.com.hk](http://www.chinalife.com.hk)  
E-mail: [info@chinalife.com.hk](mailto:info@chinalife.com.hk)

China Life Insurance (Overseas) Company Limited (incorporated in the People's Republic of China with limited liability)

Appointed Insurance Agency :



Underwritten By :

