

# Life Insurance Proceeds Settlement Option to pass on your legacy on your terms

We offer you the utmost flexibility to ensure your wealth is distributed according to your wishes. In the unfortunate event of the Insured’s passing away, the Life Insurance Proceeds can be paid out to the Beneficiary(ies) in lump sum or by installments which you can further customize to best reflect your preferences. Additionally, you can choose to pass on your legacy in the form of a New Policy through the Policy Continuation Option.

Settlement options with payment which starts immediately:	
1	Lump sum payment
2	Full payment by annual / monthly installments over a period of 10, 20 or 30 years
3	Partial payment by annual / monthly installments over a period of 10, 20 or 30 years
4	Full payment by annual / monthly increasing installments
5	Partial payment by annual / monthly increasing installments

Settlement options with deferred payment:	
6	Lump sum payment at a Designated Date
7	Full payment by annual / monthly installments over a period of 10, 20 or 30 years starting from a Designated Date
8	Partial payment by annual / monthly installments over a period of 10, 20 or 30 years starting from a Designated Date
9	Full payment by annual / monthly increasing installments starting from a Designated Date
10	Partial payment by annual / monthly increasing installments starting from a Designated Date



## Can I have more than one Beneficiary for my Policy?

You can designate multiple Beneficiaries for your Policy. If there are multiple Beneficiaries, you can further request to exercise different Life Insurance Proceeds Settlement Option for each Beneficiary.

## What will happen to the unpaid balance of Life Insurance Proceeds?

The unpaid balance of the Life Insurance Proceeds will be remained with us to accumulate interest after 30 days from the date when we have received all relevant proof of the death claim at the interest rate determined by us from time to time. The accumulated interest (if any) will be paid to Beneficiary(ies) in the last installment of payment or in a single lump sum payment (as the case may be).

## You also have the option to pass on your legacy to your loved ones through the Policy Continuation Option

You can designate a Beneficiary(ies) as the New Policy Owner and New Policy Insured. In the unfortunate event of the Insured's passing, the designated Beneficiary(ies) will become the Owner and Insured of a New Policy, provided that there is no eligible Successor Insured on our record (if applicable). The relevant Policy values will be allocated to the New Policy according to the applicable percentage designated for each of the Beneficiaries.

### How does it work?^

#### Policy owner and Insured



Mr. Chan (Age 40)

#### Policy Beneficiaries



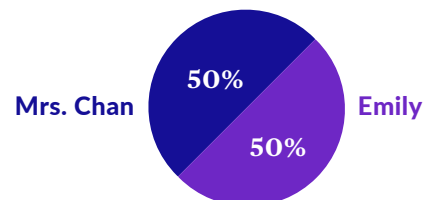
Mrs. Chan  
(Mr. Chan's wife, Age 35)



Emily  
(Mr. Chan's daughter, Age 8)

Understanding the importance of planning ahead, Mr. Chan opts for the **Policy Continuation Option under Life Insurance Proceeds Settlement Option** during his lifetime.

He designates Mrs. Chan and Emily as the Beneficiaries, with 50% of the Policy value allocated to each of the New Policies.



Unfortunately, Mr. Chan passes away at Age 60.

The Original Policy will be terminated. New Policy A and New Policy B will be formed, and Mrs. Chan and Emily will respectively become the New Policy Owner and New Policy Insured under the two New Policies:

	New Policy A	New Policy B
New Policy Owner and New Policy Insured	Mrs. Chan	Emily
Policy value at the New Policy Effective Date	50% of the Original Policy	50% of the Original Policy

**\*Note:** Each of the cases above is purely fictional and is for illustrative purposes only. Any relation to or reference to any actual person, party or event is purely coincidental. The nature of the cases herein (if any) should not be interpreted as any comment on, or confirmation or extension of, insurance coverage for any past, present or future case. Furthermore, these cases should not be relied upon to predict the outcome of any actual case as all cases are evaluated on their own individual merits and subject to the actual terms and conditions of the relevant Policy. It is important to note that each actual case is unique. Figures provided in these cases are hypothetical and are for illustrative purpose only. Unless otherwise specified, the percentages (if applicable) have been rounded to the nearest whole number.

## Contact Us

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## Product fact sheet

A request to exercise the Life Insurance Proceeds Settlement Option is only applicable to designated plans. Any application for exercising the Life Insurance Proceeds Settlement Option shall follow our administrative arrangement. The acceptance of such application is subject to the terms and conditions which shall be determined by us at our sole discretion from time to time.

The following are the administrative rules and terms and conditions applicable to the Life Insurance Proceeds Settlement Option. Once your request is approved by us, the following shall attach to and form part of your Policy. In the event of any conflict between this document and the provision of the Basic Plan, the provision of the Basic Plan shall prevail.

### ***When can you make the request and how to apply***

- During the Insured's lifetime while the Policy is in force and the Policy has not been assigned and subject to the consent of any irrevocable Beneficiary(ies), you may submit a request to us to exercise the Life Insurance Proceeds Settlement Option. If there is more than one Beneficiaries, you may request to exercise different Life Insurance Proceeds Settlement Option for each Beneficiary.
- The Life Insurance Proceeds Settlement Option is subject to the following conditions:
  - (i) The Beneficiary(ies), at all times, does not have the right to change this Life Insurance Proceeds Settlement Option selected by the Owner;
  - (ii) If the Life Insurance Proceeds payable is less than the minimum Life Insurance Proceeds per Policy determined by us from time to time, the Life Insurance Proceeds will be paid to Beneficiary(ies) in lump sum;
  - (iii) Any payment or installments will be made to the Beneficiary(ies) through our designated payment method (including, without limitation, by cheque, by bank draft or through telegraphic transfer or any other methods which we deem fit and appropriate). We reserve the right to change such method without giving prior notice. If the Designated Date and/or the date for making such payment or installment is not a Business Day, we reserve the right to make any payment or installments on the next Business Day.
  - (iv) If the Policy has been assigned (including but not limited to collateral assignment, absolute assignment), the Owner has been changed, or the Beneficiary(ies) has been changed, the Life Insurance Proceeds Settlement Option will be revoked and we will pay the Life Insurance Proceeds in a lump sum payment. After the Policy assignment has been cancelled or the Owner has been changed, the Owner or the new Owner can apply for the Life Insurance Proceeds Settlement Option again;
  - (v) We reserve the right to request the Beneficiary(ies) to provide the proof of survival to us;
  - (vi) Once the full amount of the Life Insurance Proceeds and accrued interest (if any) are paid, we have no further liability under the Policy; and
  - (vii) Any other terms and conditions determined by us from time to time must be satisfied.
- The Life Insurance Proceeds Settlement Option will become applicable on the date we have accepted and recorded your request.

### ***How the Designated Date(s) determines the timing of Life Insurance Proceeds Payment(s)***

- If the Insured dies within 1 year before the Designated Date, we will process the existing Life Insurance Proceeds Settlement Option as if there is no Designated Date.
- If the Insured is still alive on or after the Designated Date, the Designated Date on our records will be revoked. You may submit a new request to us to specify a new Designated Date for the relevant Life Insurance Proceeds Settlement Option. If the Insured dies before we approve your new request, we will process the existing Life Insurance Proceeds Settlement Option as if there is no Designated Date.

### ***What will happen to the unpaid balance of the Life Insurance Proceeds***

- The unpaid balance of the Life Insurance Proceeds will be left with us to accumulate interest after 30 days from the date when we have received all the relevant proof of claim in accordance with the Basic Plan provision at the interest rate determined by us from time to time. The accumulated interest (if any) will be paid to Beneficiary(ies) in the last installment of payment or single lump sum payment (as the case may be).

### ***What if there is no Beneficiary designated for your Policy***

- If no Beneficiary is designated when the Life Insurance Proceeds are payable, the Life Insurance Proceeds will be paid in a lump sum payment to the Owner if the Owner is alive, or paid to the Owner's estate if the Owner is not alive when the Life Insurance Proceeds become payable.

### ***What will happen if a Beneficiary passes away after the Life Insurance Proceeds become payable but before the last installment of payment or single lump sum payment***

- If a Beneficiary, after the Life Insurance Proceeds become payable, dies before the last installment of payment or single lump sum payment selected by the Owner, the remaining balance of the Life Insurance Proceeds together with accrued interest (if any) for the deceased Beneficiary will be paid to the estate of the deceased Beneficiary in a lump sum upon receipt of the proof of death of the Beneficiary. If there is more than 1 Beneficiary designated, any surviving Beneficiary(ies) will continue to receive his / her respective portion of Life Insurance Proceeds according to the Life Insurance Proceeds Settlement Option(s) as requested by the Owner.

The following remarks are applicable to the Policy Continuation Option:

**What are the requirements of exercising the Policy Continuation Option**

- Upon the date of death of the Insured and there is no eligible Successor Insured on record (if applicable), this Policy ("Original Policy") will be terminated and a new policy of the Basic Plan ("New Policy") will be formed. The designated Beneficiary of the Original Policy will become the insured of the New Policy ("New Policy Insured") and the owner of the New Policy ("New Policy Owner"), provided that the following requirements must all be met:
  - (i) The designated Beneficiary under the Original Policy must consent to be the New Policy Insured and New Policy Owner in writing;
  - (ii) If the designated Beneficiary under the Original Policy is a minor, the legal guardian of such Beneficiary must consent to be the New Policy Owner in writing;
  - (iii) At the time when we receive your request, the attained Age of the designated Beneficiary who will become the New Policy Insured must meet the applicable Age requirement as determined by us from time to time;
  - (iv) The New Policy Insured is alive on the New Policy Effective Date;
  - (v) Satisfactory evidence of insurability of the New Policy Insured must be provided upon our request and to our satisfaction; and
  - (vi) Any other prevailing rules determined by us in our sole discretion from time to time have been complied with.
- If one of the following events occurs, we will pay the specified portion of Life Insurance Proceeds to the designated Beneficiary in a lump sum:
  - (i) The designated Beneficiary is unable or has not consented to take up the ownership of the New Policy;
  - (ii) The designated Beneficiary is unable to satisfy any prevailing rules determined by us in our sole discretion from time to time to become the New Policy Insured and New Policy Owner;
  - (iii) If the designated Beneficiary is a minor and the legal guardian of such Beneficiary is unable or has not consented to take up the ownership of the New Policy;
  - (iv) If the designated Beneficiary is a minor and the legal guardian of such Beneficiary is unable to satisfy any prevailing rules determined by us in our sole discretion from time to time to become the New Policy Owner; or
  - (v) The notional amount of the New Policy is less than the minimum amount requirement as determined by us from time to time.

**What will be the impact of exercising the Policy Continuation Option**

- Notional Amount (if applicable), Total Basic Premiums Paid (if applicable), Premium amount of the Basic Plan (if applicable), any indebtedness (if applicable), guaranteed cash value of the Basic Plan (if applicable), notional value of accumulated Reversionary Bonus credited to your Policy (if applicable), notional value of Terminal Bonus (if applicable) as well as any balance of Settlement Deposit Account (if applicable) of the Original Policy will be allocated to the New Policy proportionally, according to the percentage designated by the Owner to the corresponding Beneficiary.
- Cooling-off period as stated as follows is applicable to the New Policy:

If you have designated a Beneficiary as the New Policy Owner of a New Policy upon the death of the Insured, within a period of 21 calendar days immediately following either the day of delivery of the New Policy or a notice informing New Policy Owner or the nominated representative about the availability of the New Policy and the expiry date of the cooling-off period, whichever is earlier, the New Policy Owner may cancel the New Policy. If the last day of the 21-calendar day period is not a working day, the cooling-off period will include the next working day. In cancelling the New Policy, the New Policy Owner has to submit a signed notice and return the New Policy document (if any) to us. Upon cancellation of the New Policy, we will pay the specified portion of the Life Insurance Proceeds to the New Policy Owner in a single lump sum as if the Policy Continuation Option has not been exercised. If there is any premium payment for the New Policy, we will refund the total amount of premium(s) of the New Policy paid to us without any interest, less any amount paid to the New Policy Owner by us under the New Policy, in the original currency paid by the New Policy Owner subject to any fluctuation of exchange rate upon cancellation, provided that the amount refunded will not exceed the total amount the New Policy Owner paid in the original currency under the New Policy.
- The policy date and policy year of the New Policy are the same as the Policy Date and the Policy Year of the Original Policy respectively. The maturity date (if applicable) of the New Policy will be adjusted based on the personal particulars of the New Insured.
- The relevant periods under incontestability clause and suicide clause under the Basic Plan provision will be recounted from the New Policy Effective Date under the New Policy.
- No riders will be attached to the New Policy as at the New Policy Effective Date. The New Policy Owner may apply to attach rider(s) (if applicable) to the New Policy provided that any applicable underwriting requirements specified by us are met, if applicable.
- There will be no Standby Regular Withdrawal Instruction (if applicable) and Life Insurance Proceeds Settlement Option (if applicable) under the New Policy as at the New Policy Effective Date. The New Policy Owner may place a new arrangement by submitting a new request, if applicable.
- If one of the following circumstances occurs, the Premium Waiver Benefit (if applicable) will also apply to the New Policy according to the percentage designated by the Owner to the corresponding Beneficiary:
  - (i) the Premium Waiver Benefit of Easy Shield Waiver of Premium Benefit has been claimed under the Original Policy; or
  - (ii) the conditions for claiming the Premium Waiver Benefit under the relevant provision have been met on or before the date of death of the Insured of the Original Policy.

## Notes:

- “Policy” refers to the designated plan which is issued by us to you.
- “You” or “your” refers to the Owner of the Policy.
- “Designated Date” refers to a date or date(s) specified by the Owner for each Beneficiary when Life Insurance Proceeds Settlement Option is applied. Payment of the Life Insurance Proceeds shall be made on this date or date(s).
- “Business Day” refers to each business day on which banks in Hong Kong are open for normal banking business or such other day the Company thinks fit and considers necessary to maintain normal business.
- “New Policy Effective Date” refers to the date of death of the Insured and formation of a New Policy when the Policy Continuation Option is exercised.
- “Premium Waiver Benefit” refers to premium waiver benefit as described under Easy Shield Waiver of Premium Benefit rider provision.
- Unless otherwise specified, please refer to the provision of the Policy for the definitions of capitalized terms. All other terms and conditions of the Policy remain unchanged.

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