

# FlexiFortune Annuity Plan

富足自主年金計劃

This product leaflet is for use by the customers of DBS Bank (Hong Kong) Limited (the 'Bank'). **FlexiFortune Annuity Plan is a long-term participating life insurance plan underwritten by Manulife (International) Limited ('Manulife').** The Bank is acting as a licensed insurance agency of Manulife.

The product is an insurance product and is neither a bank deposit nor a bank saving plan.



# FlexiFortune Annuity Plan

Our life journey sometimes leads to unexpected places, and new responsibilities or opportunities may arise. Whether you're preparing for retirement, planning your child's education or pursuing your dreams, extra financial capabilities are often required. Naturally, we would be much better prepared for all that life has to offer if we are backed by an additional source of income as well as extended protection.

With **FlexiFortune Annuity Plan** ('FlexiFortune'), you will enjoy the financial confidence of knowing that your future goals will be empowered by a regular monthly income for up to 25 years. You will have the flexibility to start the monthly income in the next policy year after your plan is paid up or defer it to another time to suit your needs. The plan also comes with the added protection of a dementia care booster that provides an additional benefit of up to 100% of your guaranteed monthly income in case severe dementia is diagnosed.

**FlexiFortune Annuity Plan is a long-term participating life-insurance product with a savings element, supplemented with a benefit for severe dementia, and is provided and underwritten by Manulife. This product leaflet provides only general information on this product. It does not form part of the policy and does not contain full terms of the policy. Before making a purchase, you should read the policy provisions for the exact terms and conditions that apply to this product. You can ask the Bank for a copy.**

## Feature highlights



**Flexible financial planning**



**A stable income stream to support your goals**



**Flexibility to change the income start year**



**2 annuity options to protect your loved ones**



**Dementia care booster for added peace of mind**



**Easy application process**







## Flexible financial planning

FlexiFortune is designed to complement your goals at any life stage. Whatever dreams you may be pursuing, you can choose from a number of premium payment periods to suit your needs – with a single payment or over a period of 3, 5, or 10 years.



## A stable income stream to support your goals

The plan helps you plan ahead for the future by supplementing your financial goals with a stable income stream for up to 25 years. After your plan is paid up, you can start receiving your **monthly income** from the next policy year. Alternatively, you can choose to leave it with us to earn interest until you want to withdraw it in the future (see note 1).

The monthly income is made up of:

- **Guaranteed monthly income** – This will automatically increase by 3% annually for 9 consecutive years after the income start year, based on the first guaranteed monthly income amount, and remain the same thereafter.
- **Non-guaranteed monthly income** – This is funded by the terminal bonus (see notes 2 and 3). Upon payment of such non-guaranteed monthly income, the terminal bonus will be reduced by such amount accordingly. The amount of the terminal bonus is mainly affected by the performance of the underlying investments, including but not limited to bonds, equities and other non-fixed income assets, so the amount will move up and down over time.



## Flexibility to change the income start year

On your journey toward financial stability, circumstances and priorities sometimes change, the plan provides you with the flexibility to reschedule the start of your monthly income to another year before the income start period (see note 4) as long as it is within the 10 years after your plan is paid up\*. If the income start year is rescheduled, the income period will be adjusted accordingly (see note 4) while not affecting the policy term. Your monthly income will then be re-calculated based on your new income start year.

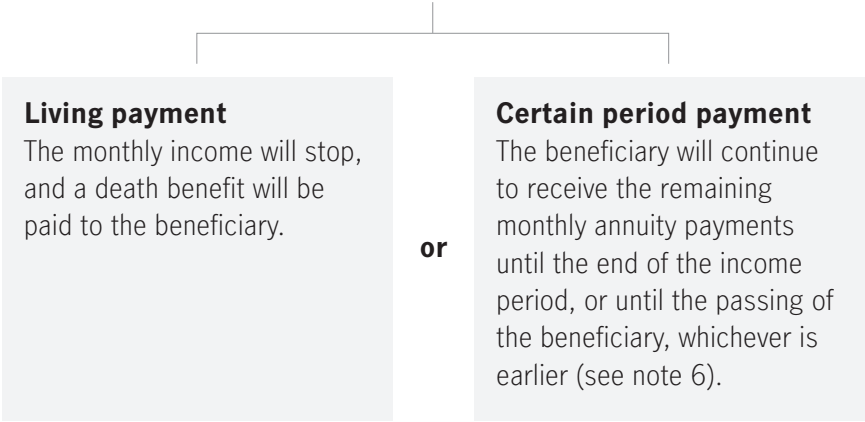
\*Except for single premium policy with the income start year set on the 2nd policy year.



## 2 annuity options to protect your loved ones

If the life insured unfortunately passes away, we'll pay out a death benefit to help relieve the financial burden faced by your loved ones. You have a choice of 2 annuity options – living payment or certain period payment – to help ensure your loved ones will be well taken care of in the way you want (see note 5).

### If the life insured passes away during the income period



Please refer to 'Death benefit' under 'Plan at a glance' section for details of the death benefit.



## Dementia care booster for added peace of mind

The increasing threat of dementia as we grow older means that the need for long-term support for patients and caregivers cannot be neglected. That's why the plan includes a **dementia care booster** that provides an additional benefit equivalent up to 100% of your guaranteed monthly income ('Extra Income'; see notes 7 and 8) if the initial policyowner (i.e. the first policyowner when the policy is issued) or life insured is diagnosed with severe dementia (see note 9), whoever is first diagnosed, thereby significantly increasing your ability to meet the financial challenge of providing dementia care.

During the income period, in the event of a diagnosis of severe dementia, we will pay an Extra Income starting with the next monthly income payout after the diagnosis (see note 7).

If your income period has not started (see note 4), you may move it forward to start receiving the Extra Income together with the monthly income earlier.



## Easy application process

Applying for the plan is easy. The life insured will not have to undergo any medical examination to prove their good health.

## Other features



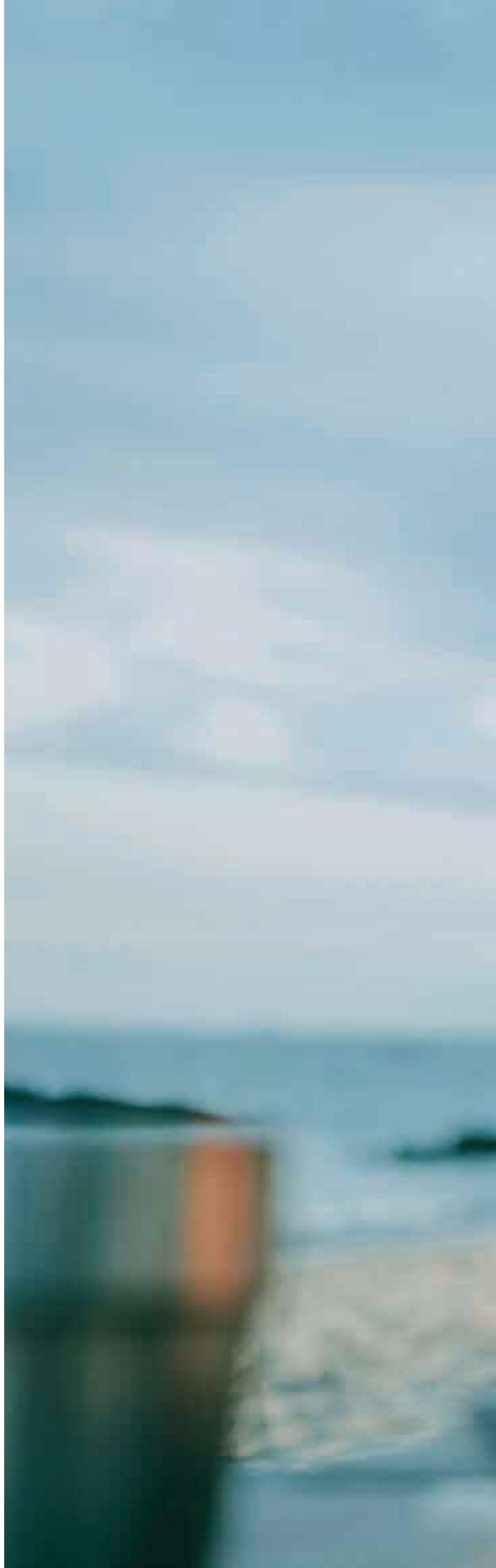
### **Realization option to lock in gains**

The plan gives you the option to realize the potential gains from your terminal bonus (see note 3). On the 15th policy anniversary or every anniversary thereafter until the end of the income period, you'll have the flexibility to lock in up to 50% of your terminal bonus amount by exercising the 'realization option' (see notes 10 and 11). You can decide whether to leave the realized terminal bonus with us to earn interest (see note 10), or withdraw it at any time for extra liquidity. You can exercise your 'realization option' as many times as you wish as long as the aggregate realization percentage is not more than 50% of each policy.



### **Extra benefit to guard against accidental death**

We'll offer an additional Accidental Death Benefit equal to 100% of the total premium paid less the sum of the guaranteed monthly income due and paid if the life insured passes away due to an accident within the first 5 policy years (see note 12).











# Plan at a glance

## FlexiFortune Annuity Plan

<b>Product objective &amp; nature</b>	A long-term participating life-insurance product with a savings element, supplemented with a benefit for severe dementia			
<b>Product type</b>	Basic plan			
<b>Premium structure</b>	Level and premium rate is guaranteed			
<b>Premium payment period*</b>	<b>Single premium</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>
<b>Payment mode</b>		Annual only	Annual / Semi-annually / Quarterly / Monthly	
<b>Issue age*</b>	Age 0-80	Age 0-75	Age 0-70	Age 0-65
<b>Policy term</b>	26 years	28 years	30 years	35 years
<b>Policy currency</b>	United States Dollar (US\$) / Hong Kong Dollar (HK\$)			
<b>Start of income period</b>	From the beginning of the next policy year after all the premium is paid up (can be changed before the start of income period (see note 4) except for single premium policy with the income start year set on the 2nd policy year)			
<b>Income period</b>	Up to 25 years			
<b>Annuity option</b>	Living payment or certain period payment			
<b>Minimum notional amount</b>	US\$1,000 / HK\$8,000			
<b>Basic plan annual premium</b>	Min US\$950 / HK\$7,600 to US\$6,000 / HK\$48,000 (depending on the premium payment period)			
<b>Dementia care booster</b> (see notes 7 and 8)	Covered person	The first of either the initial policyowner or life insured who is diagnosed with severe dementia ('Diagnosed Person') with maximum age of 70 at the policy issue; or maximum age of 65 if the premium payment period is 10 years		
	Start of coverage	After the 5th policy year		
	Benefit amount	Equivalent to 100% of the guaranteed monthly income or up to US\$5,000 / HK\$40,000 per month (whichever is lesser)		
	Benefit period	During the income period, after the diagnosis of severe dementia until the death of the Diagnosed Person or termination of this policy, whichever is earlier		

	For living payment	For certain period payment (see notes 14 and 15)	
		Before the income period	During the income period
<b>Death benefit</b> (see note 13)	<p>We will pay the designated beneficiary(ies) a lump-sum death benefit which is:</p> <p>The higher of:</p> <ul style="list-style-type: none"> <li>• the guaranteed cash value; or</li> <li>• total basic plan premium paid less any guaranteed monthly income due and paid (see note 16);</li> </ul> <p>⊕ any terminal bonus (see notes 2 and 3)</p> <p>⊕ any monthly income and realized terminal bonus that have been left with us for interest accumulation (see notes 1, 2 and 3)</p> <p>⊖ any outstanding debt (see note 17)</p> <p>The policy will be terminated.</p>	<p>We will pay the designated beneficiary(ies):</p> <p>any monthly income and realized terminal bonus that have been left with us for interest accumulation before the life insured's death (see notes 1, 2 and 3)</p> <p>⊕ the ongoing monthly income (see notes 1 and 2) that falls due after the life insured's death until the end of the income period.</p> <p>⊖ any outstanding debt (see note 17)</p>	
<b>Accidental Death Benefit</b> (see note 12)	Additional 100% of the total premium paid less the sum of the guaranteed monthly income due and paid if the life insured passes away within 180 days due to an accident within the first 5 policy years		

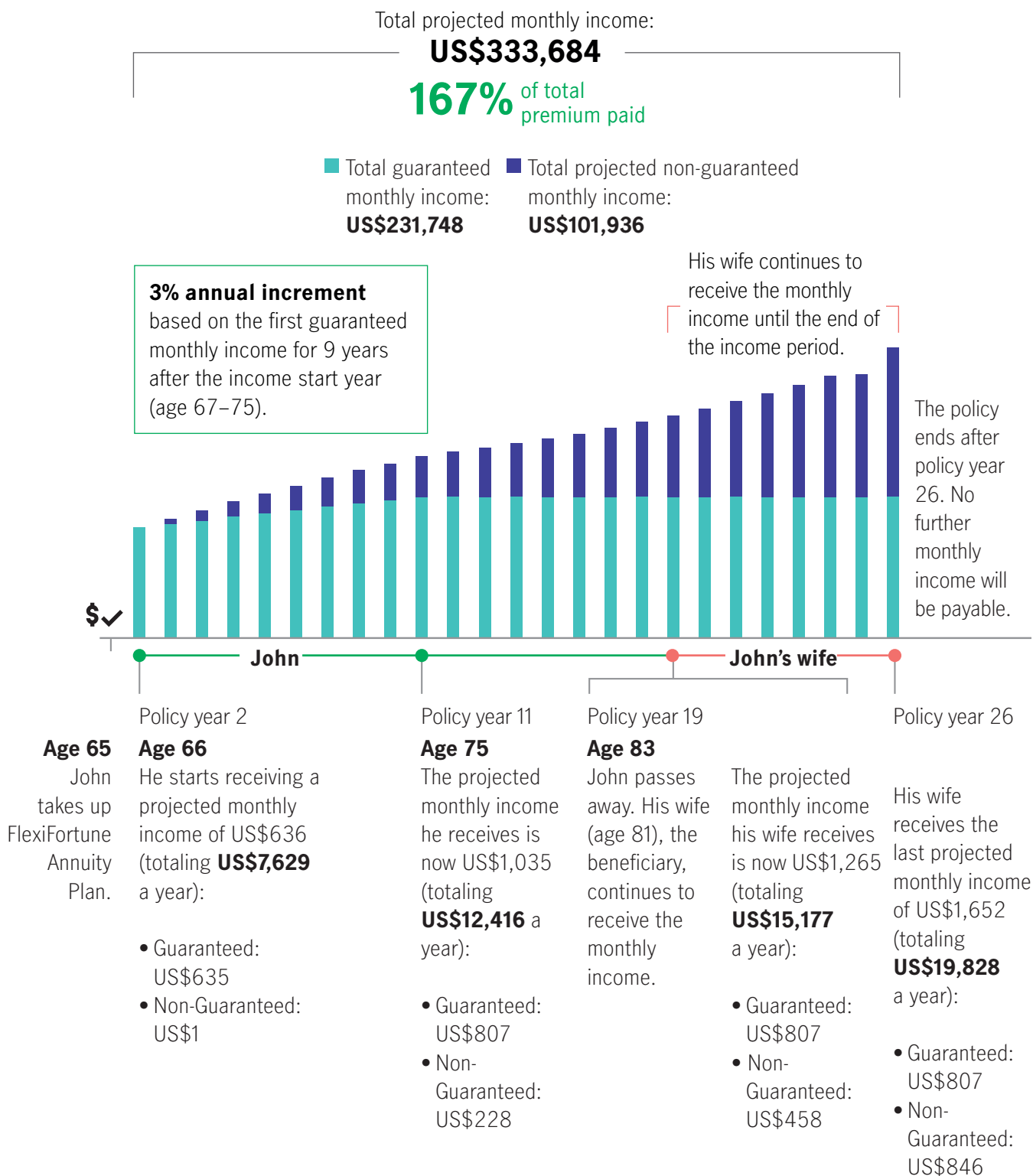
\*For premium payment period other than single premium, you may be required to pay premiums regularly after retirement and in some cases up to age 78. As a result, you are advised to save enough money to cover the premiums in the future.

Remark: Age means age nearest birthday.



## Case 1 Building a retirement income while protecting your loved ones

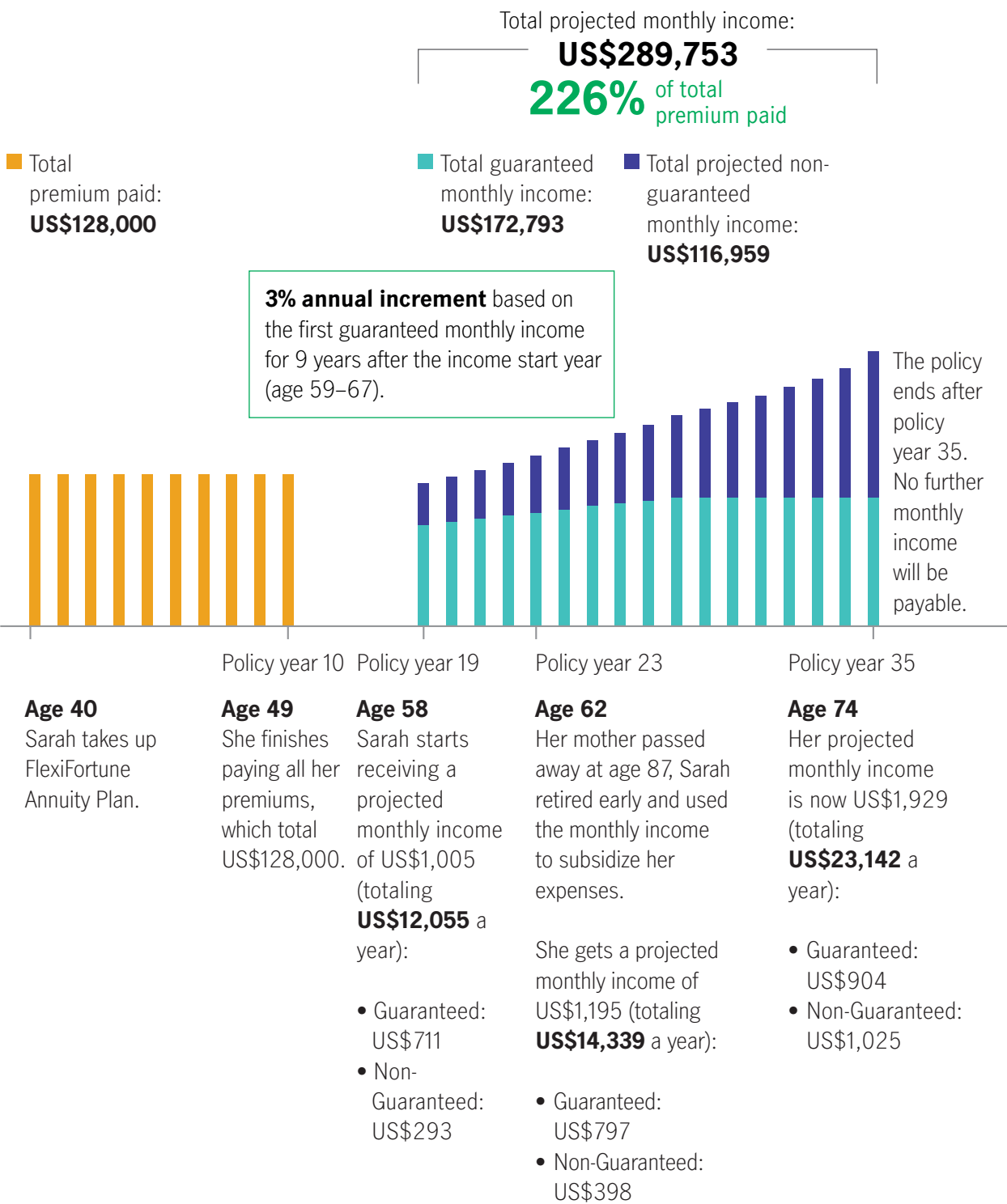
John is 65 years old. In addition to having various assets and savings, he wants a stable monthly income to supplement his post-retirement living expenses. He takes up **FlexiFortune Annuity Plan**, for which he will pay a single premium of US\$200,000. For his annuity option, he selects certain period payment. In the event of his passing, his beneficiary(ies) will receive the monthly payments until the end of the income period, providing peace of mind for both John and his loved ones. (see notes 18 and 19)



Case 2    Securing the future with passive income streams

Sarah, a 40-year-old banking professional, understands the importance of saving for the future, even with her current high income. She wanted to seek out a reliable savings tool to diversify her investment portfolio and start building a passive income. After consideration, she decided to take up **FlexiFortune Annuity Plan**, for which she will pay an annual premium of US\$12,800 for 10 years. Furthermore, she has chosen to defer the start of her monthly income for 10 years.

Thereafter, Sarah’s mother, aged 83, has been experiencing a decline in her health. Sarah moves forward the income start year by 2 years to subsidize the hiring of a domestic helper to assist her mother with her daily living activities. (see notes 18 and 20)

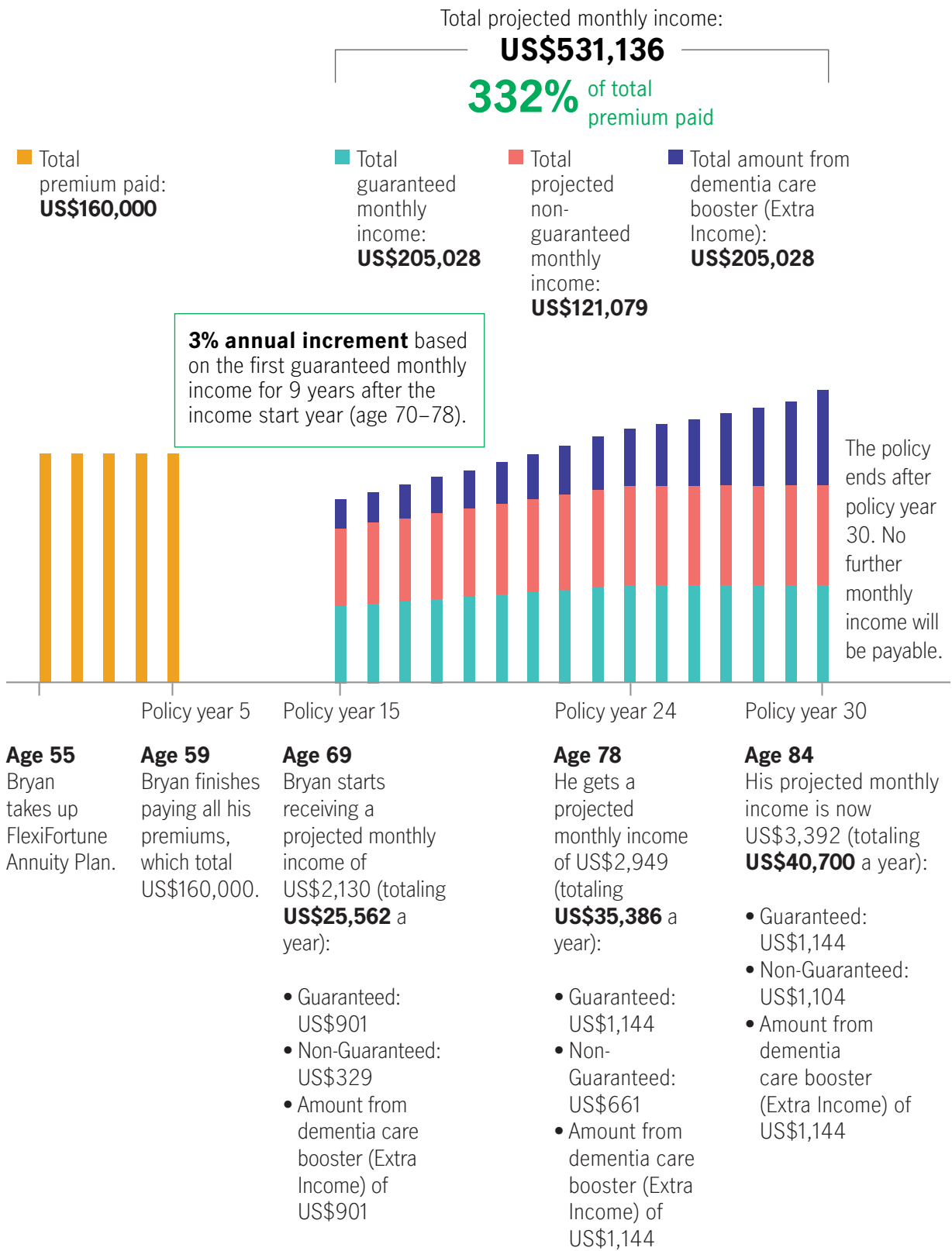




Case 3 Safeguarding retirement with steady income and protection

Bryan is 55 years old, has chosen to build up a retirement income for his family by taking up **FlexiFortune Annuity Plan**. He has named his wife, Kelly, as the life insured. Bryan will pay an annual premium of US\$32,000 for 5 years and has decided to defer the start of his monthly income for 10 years.

Unfortunately, Kelly is diagnosed with severe dementia after the premium is fully paid. As the policyowner, Bryan decides to move forward the income start year to age 69 in order to start receiving the Extra Income from dementia care booster. With the FlexiFortune Annuity Plan, the 16 years of steady income stream offers the support they need to cope with this challenging situation. (see notes 18 and 21)







# Notes

1. The non-guaranteed monthly income, terminal bonus and the accumulation interest rates of monthly income and realized terminal bonus are not guaranteed and we may change them from time to time.
2. The non-guaranteed monthly income is determined and payable based on the terminal bonus at the beginning of each policy anniversary. Upon payment of such non-guaranteed monthly income, the terminal bonus will be reduced by such amount accordingly. Any remaining amount of terminal bonus will be paid under certain circumstances including but not limited to (i) if you end the policy and cash it in, or (ii) if the life insured unfortunately passes away under the living payment or certain period payment annuity option. For the exact terms and conditions, please refer to policy provisions.
3. The terminal bonus is not guaranteed. We will review and adjust the terminal bonus at least once a month, but we may do so more often. Please see 'The main risks affecting the non-guaranteed terminal bonus, non-guaranteed monthly income and accumulation interest rate of the monthly income and realized terminal bonus' paragraph under the 'Important Information' section.
4. The income start year is allowed to be changed after the 1st policy anniversary and before the start of income period, the income period can be shortened up to 15 policy years if the income start year is deferred. For single premium policy, the income start year cannot be changed as the income start year is set on the 2nd policy year. Once income starts paying out, no change of income start year is allowed.

The request for the change of income start year must be submitted to us at least 6 months before the start of income period. Once submitted, the application for exercising such option cannot be withdrawn or reversed. The request for the change of income start year is free.

5. The policyowner can reselect either one of the annuity options while the life insured is still alive and the policy is still in force.
6. If any beneficiary dies during the period of receiving income, we shall pay to the estate of the deceased beneficiary a final lump-sum death benefit upon receipt of due proof of the death of a deceased beneficiary.
7. The dementia care booster is subject to, including but without limitation to, the following:
  - i. A declaration to acknowledge and agree the key exclusions and elimination period of dementia care booster is required upon application;
  - ii. The coverage of dementia care booster on policyowner will cease if the change of policyowner is made before diagnosed with severe dementia. For avoidance of doubt, if the change of policyowner is made after the initial policyowner is diagnosed with severe dementia, the initial policyowner should be still entitled to dementia care booster. Further to that, dementia care booster is not applicable to the initial policyowner if the change of policyowner is made before he/she is diagnosed with severe dementia.
  - iii. Extra Income will be paid starting from the next monthly income payout after the Diagnosed Person is first diagnosed with severe dementia. It is subject to the maximum total amount of US\$5,000 or HK\$40,000 per month of the same or similar benefits we will pay under all insurance policies covering the same Diagnosed Person and issued by us. For avoidance of doubt, the exchange rate of US\$1 = HK\$8 shall be used for computing the maximum total amount per month of dementia care booster.
  - iv. The dementia care booster can only be claimed once upon the first diagnosis of the Diagnosed Person even if both Initial policyowner and life insured are diagnosed with severe dementia during the policy term.
  - v. The Extra Income is only available for a Diagnosed Person with maximum age of 70 at the policy issue; or maximum age of 65 if the premium payment period is 10 years. Diagnosed Person must be natural person. We will pay the Extra Income only after the start of the income period, until the end of the policy term or the death of the Diagnosed Person. We reserve the right to require the Diagnosed Person to undergo an examination or other reasonable and appropriate tests to confirm the occurrence of the Severe Dementia at the costs of the policyowner.

Please see the policy provisions for the circumstances that we will/will not pay the Extra Income amount of dementia care booster.

8. No dementia care booster will be payable if any health condition, that results in a claim otherwise payable by us in respect of a severe dementia, is
  - i. diagnosed; or
  - ii. treated; or
  - iii. yet to be confirmed but may require further investigations; or
  - iv. for which the existence or onset of any signs or symptoms linked to dementia were present, within or prior to the Elimination Period. The 'Elimination Period' means the 5-year period after the issue date or the effective date of reinstatement (whichever is later) of the basic plan. The Elimination Period will still apply if the severe dementia is directly and solely caused by an accident.
9. Severe dementia means progressive deterioration or loss of cognitive function as evidenced by the clinical evaluation, a Mini Mental State Examination (MMSE) score of less than 10 or Montreal Cognitive Assessment (MoCA) score of less than 5, and/or other accepted clinically acceptable standardized questionnaires or tests arising from severe stage of dementia in the locality of treatment, resulting in significant reduction in mental and social functioning such that the Diagnosed Person requires continuous care and supervision in daily living activities by another person. The diagnosis must be supported by imaging evidence (such as computerized tomography (CT), magnetic resonance imaging (MRI), and positron emission tomography (PET) scan) and clinically confirmed by a geriatrician, neurologist, or psychiatrist.
10. There may be a delay in making payment when you cash in your policy or exercise the realization option, especially during periods when the market is experiencing significant rises and falls in value. The actual amount of the terminal bonus that you can get will only be determined after your request has been processed. Under certain circumstances, for example, if the request is not received by us before our prevailing cut-off time or is not in our prescribed written format, such amount can be lower or higher than the amount of the terminal bonus tentatively indicated to you at the time you submit the request. Please check with Manulife for the prevailing operational rules and the latest amount of the terminal bonus under your policy before exercising the realization option. The accumulation interest rate for building up the realized terminal bonus left with us is not guaranteed and we may change it from time to time. Please see Point 4 'The main risks affecting the non-guaranteed terminal bonus, non-guaranteed monthly income and accumulation interest rate of the monthly income and realized terminal bonus' paragraph in the 'Important Information' section below.
11. You can exercise the realization option within 31 days from the Realization Anniversary (that is, the 15th policy anniversary or every anniversary thereafter) as long as the aggregate realization percentage under the policy does not exceed 50%. To exercise the realization option, you must submit a written application in a prescribed format required by us. Once submitted, the application for exercising such option cannot be withdrawn and no realized terminal bonus will be allowed to be reversed. Exercise of the realization option will reduce any subsequent non-guaranteed benefits including the future terminal bonus and hence the non-guaranteed monthly income.
12. It is subject to the maximum total amount of US\$125,000 or HK\$1,000,000 of the same or similar benefits we will pay under all insurance policies covering the same life insured and issued by us. Please see the policy provisions for the circumstances that we will/will not pay the Accidental Death Benefit. For avoidance of doubt, the exchange rate of US\$1 = HK\$8 shall be used for computing the maximum total amount of Accidental Death Benefit.
13. The description aims to give you some general information on how the amount of the death benefit is worked out on the assumption that the notional amount and premium for the basic plan stay the same, and the guaranteed monthly income are paid when they fall due throughout the whole period when the policy is in force. Please see the proposal and the 'Death Benefit' provision in the policy provisions for details of how the amount of the death benefit is worked out under different situations including, in particular, if the notional amount and the premium for the basic plan are reduced.
14. Under certain circumstances, we will pay the lump-sum death benefit even though the annuity option chosen is Certain Period Payment, for example, if the life insured dies before the income period, no beneficiary survives at the life insured's death (whether before or during the income period), or upon the death of the beneficiary. Please see the policy provisions for more details on these circumstances.

15. Please see the policy provisions for details on the proceeds and monthly income that we will pay after the life insured's death.
16. For the avoidance of doubt, the guaranteed monthly income due and paid excludes any Extra Income paid under dementia care booster.
17. Any indebtedness will be deducted from any payment made by us. Indebtedness means indebtedness to us against the policy, and it includes but not limited to any premium in default, the outstanding policy loan amount and interest accrued to date.
18. The amount of non-guaranteed monthly income in the case is only an estimate based on the current bonus projection and is for illustrative and example purposes only. The non-guaranteed monthly income is not guaranteed, the actual non-guaranteed monthly income amounts we will pay may be lower or higher than those illustrated in the case. This case is only a reference. All dollar amounts mentioned in the case are rounded to the nearest whole number. For projections based on your own circumstances, please contact the licensed staff of the Bank.
19. Figures in the case are based on the assumptions that:
  - i. John is 65 years of age, a non-smoker, in good health and currently living in Hong Kong.
  - ii. The guaranteed and non-guaranteed monthly incomes are paid out as soon as they are payable under the policy.
  - iii. No realization of terminal bonus throughout the policy term.
  - iv. No policy loan is taken out throughout the policy term.
  - v. No change on annuity option is taken throughout the policy term.
20. Figures in the case are based on the assumptions that:
  - i. Sarah is 40 years of age, a non-smoker, in good health and currently living in Hong Kong.
  - ii. All premiums are paid annually in full when due. The guaranteed and non-guaranteed monthly incomes are paid out as soon as they are payable under the policy.
  - iii. No realization of terminal bonus throughout the policy term.
  - iv. No policy loan is taken out throughout the policy term..
  - v. No change on annuity option is taken throughout the policy term.
21. Figures in the case are based on the assumptions that:
  - i. Bryan is 55 years of age, a non-smoker, in good health and currently living in Hong Kong.
  - ii. All premiums are paid annually in full when due. The guaranteed and non-guaranteed monthly incomes are paid out as soon as they are payable under the policy.
  - iii. No realization of terminal bonus throughout the policy term.
  - iv. No policy loan is taken out throughout the policy term.
  - v. No change on annuity option is taken throughout the policy term.
  - vi. Bryan and Kelly do not hold any other policy in Manulife which offers dementia care booster or any similar benefits.
  - vii. Kelly is diagnosed with severe dementia after elimination period.



# Important Information

This plan is a participating plan. A participating plan provides you with non-guaranteed benefits, namely, non-guaranteed monthly income and terminal bonus.

Your policy will have a 'notional amount', which is an amount we use to work out the premium and other policy values and benefits of the plan. This notional amount does not represent the amount of death benefit we will pay. Any change in this notional amount will lead to a corresponding change in the premiums and other policy values and benefits of the plan.

## **Terminal bonus philosophy**

Our participating plan aims to offer a competitive long-term return to policyholders and at the same time make a reasonable profit for shareholders. We also aim to make sure we share profits between policyholders and shareholders in a fair way. In principle, all experience gains and losses, measured against the best estimate assumptions, are passed on to the policyholders. These gains and losses include claims, investment return and persistency (the likelihood of policies staying in force), and so on. However, expense gains and losses measured against the best estimate assumptions, are not passed on to the policyholders. Shareholders will be responsible for any gains or losses when actual expenses are different from what was originally expected. Expenses refer to both expenses directly related to the policy (such as commission, the expenses for underwriting (reviewing and approving insurance applications), issuing the policy and collecting premiums) as well as indirect expenses allocated to the product group (such as general overhead costs).

To protect terminal bonus from significant rises and falls, we use a smoothing process when we set the terminal bonus. When the performance is better than expected, we do not immediately use the full amount we have made to increase terminal bonus. And, when the performance is worse than expected, we do not pass back the full amount of losses immediately to reduce terminal bonus. Instead, the gains or losses are passed back to the policies over a number of years to make sure we provide a more stable terminal bonus year to year.

An exception to the above smoothing mechanism is the volatility in the market value of equity and non-fixed income investments. Such experience gain/loss will be passed back to policyholders via adjustment in terminal bonus in a timely manner instead of smoothing out over time.

We share the gains and losses from the participating accounts among different classes and generations of policyholders, depending on the contribution from each class. When we manage terminal bonus, we aim to pass back these gains and losses within a reasonable time, while making sure we treat policyholders fairly. When considering the fairness between different groups of policyholders, we will consider, for example, the following:

- Products (including supplementary benefits) that you bought
- Premium payment periods or policy terms or the currency of the plan
- When the policy was issued

Declared terminal bonus does not form a permanent addition to the policy. It may be reduced or increased at subsequent declarations. Its actual amount will only be determined when it becomes payable or when you lock in the terminal bonus. The amount of the terminal bonus is largely affected by the performance of the underlying investments, so the amount is relatively volatile and will move up and down over time. Review and adjustment of projected terminal bonus is performed at least monthly and may be performed more frequently than monthly at any time upon Manulife's decision.

Written declaration by our Chairman of the Board, an Independent Non-Executive Director and the Appointed Actuary is in place to confirm the mechanism manages fairness between different parties. You may browse the following website to learn more about your participating policy.

[www.manulife.com.hk/link/par-en](http://www.manulife.com.hk/link/par-en)

### Investment policy, objective and strategy

Our investment policy aims to achieve targeted long-term investment results based on the set amount of risk we are willing to take ('risk tolerances'). It also aims to control and spread out risk, maintain enough assets that we can convert into cash easily ('liquidity') and manage assets based on our liabilities.

The long-term asset mix is expected to be within the ranges as listed below. There may be situations that the actual mix will move outside of these ranges if investment performance deviates from expected.

Asset class	Expected asset mix
Bonds and other fixed income assets	50% – 65%
Non-fixed income assets	35% – 50%

The bonds and other fixed income assets include mainly government and corporate bonds, and are mainly invested in the United States and Asia. Non-fixed income assets may include, for example, public and private equities and real estate and so on, and are mainly invested in the United States, Europe and Asia. Derivatives may be used mainly for hedging purposes.

For bonds and other fixed income assets, if the currency of the asset is not in the same currency as the policies, we use currency hedges. These are a way of counteracting the effect of any fluctuations in the currency. However, we give more flexibility to non-fixed income assets where those assets can be invested in other currencies not matching the policy currency. This is to benefit from diversifying our investment (in other words, spreading the risk).

Actual investments would depend on market opportunities at the time of buying them. As a result, they may differ from the expected asset mix.

The investment strategy may change depending on the market conditions and economic outlook. If there are any significant changes in the investment strategy, we would tell you about the changes, with reasons and the effect on the policies.

#### Fulfillment ratio

You may browse the following website on fulfillment ratio to understand our dividend and bonus history. This is only for reference purposes. Dividend / bonus history or past performance is not a guide for future performance of the participating products.

[www.manulife.com.hk/link/div-en](http://www.manulife.com.hk/link/div-en)

# Other product disclosures

## 1. Nature of the product

The product is a long-term participating life-insurance plan with a savings element. Part of the premium pays for the insurance and related costs. The savings element is reflected in the surrender value and may not be guaranteed. The product is aimed at customers who can pay the premiums for the whole of the premium payment period. As a result, you are advised to save enough money to cover the premiums in the future. You should be prepared to hold this product for the long term to achieve the savings target. However, under certain circumstances the surrender value could still be less than the total premiums you have paid, even though you hold the policy over a long period.

## 2. Cooling-off period

If you are not happy with your policy, you have a right to cancel it within the cooling-off period and get a refund of any premiums and any levy paid. To do this, you must give us, within the cooling-off period, your written notice signed by you at Individual Financial Products, Manulife (International) Limited, 22/F, Tower A, Manulife Financial Centre, 223-231 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong. In other words, your written notice to cancel your policy must reach us directly at the relevant address within a period of 21 calendar days immediately following the day we deliver to you or your nominated representative the policy or a notice telling you about the availability of the policy and the expiry date of the cooling-off period, whichever is the earlier. After the expiration of the cooling-off period, if you cancel the policy before the end of the term, the projected total surrender value that you will receive may be considerably less than the total premium you have paid.

## 3. Premium term and result of not paying the premium (not applicable to single premium policy)

You should pay the premium (or premiums) on time for the whole of the premium payment period. If you do not pay a premium on time, you have 31 days from the due date to pay it, during which the policy will continue in force. If we do not receive the premium after the 31-day period ends and as long as there is enough guaranteed cash value and realized terminal bonus that has built up, the 'automatic premium loan' (see point 11 below) will apply and the policy will continue in force. If there is not enough guaranteed cash value and realized terminal bonus that has built up in the policy, the policy will end and the life insured will not be covered. In this case, we will not pay any amount to you.

## 4. The main risks affecting the non-guaranteed terminal bonus, non-guaranteed monthly income and accumulation interest rate of the monthly income and realized terminal bonus

Non-guaranteed monthly income is distributed from the terminal bonus. The terminal bonus and hence the non-guaranteed monthly income are not guaranteed. Factors that may significantly affect the terminal bonus include, but are not limited to, the following:

**Claims** – our experience on insurance claims such as paying death benefit and benefits under dementia care booster.

**Investment return** – includes both interest income, dividend income, the outlook for interest rates and any changes in the market value of the assets backing the product. Investment returns could be affected by a number of market risks, including but not limited to credit spread and default risk, and the rise and fall in share and property prices.

Please be aware that the amount of the terminal bonus can be largely affected by the performance of the equity investments, so the amount is relatively volatile and will move up and down over time. If there is a significant fall in the market value of the equity investments, your terminal bonus will also be reduced significantly from your previous terminal bonus available; and even if there is a mild rise in the market value of the equity investments during a policy year, your actual terminal bonus can still be lower than what was shown for that policy year, since the growth in the market value was lower than what we assumed when we gave you the illustration for your terminal bonus.



**Persistence** – includes other policyowners voluntarily ending their insurance policies (premiums not being paid, cashing in all or part of the policy) and the corresponding effects on investments, and the length of time paying monthly income.

You can leave your monthly income and realized terminal bonus with us to earn interest. The rate of interest that we can pay is based on the investment performance, market conditions and the expected length of time you leave your monthly income and realized terminal bonus with us. This rate is also not guaranteed and may change from time to time due to changes in the investment environment.

## **5. Credit risk**

Any premiums you paid would become part of our assets and so you will be exposed to our credit risk. Our financial strength may affect our ability to meet the ongoing obligations under the insurance policy.

## **6. Currency risk**

This plan is available in foreign currency. You should consider the potential currency risks. The foreign-currency exchange rate may fall as well as rise. Any change in the exchange rate will have a direct effect on the amount of premium you need to pay and the value of your benefits in your local currency. The risk of changes in the exchange rate may cause a financial loss to you. This potential loss from the currency conversion may wipe out the value of your benefits under the policy or even be more than the value of benefits under your policy.

## **7. Inflation risk**

The cost of living in the future is likely to be higher than it is today due to inflation. As a result, your current planned benefits may not be enough to meet your future needs.

## **8. Risk from cashing in (surrender) early**

If you cash in the policy, the amount we will pay is the surrender value worked out at the time you cash in the policy, less any amount you owe us. Depending on when you cash in your policy, this may be considerably less than the total premiums you have paid. You should refer to the proposal for the illustrations of the surrender value we project.

## **9. Liquidity and withdrawal risk**

You can make withdrawals from monthly incomes or realized terminal bonus which have built up, take a policy loan or even cash in the policy to get the surrender value. You may make partial withdrawals from the guaranteed cash value and terminal bonus but it would reduce the notional amount and the subsequent surrender value, death benefit and other policy values and benefits. However, the notional amount after the reduction cannot be smaller than the minimum notional amount which we will set from time to time without giving you notice. Taking a policy loan will reduce your surrender value and death benefit.

## **10. Policy loan**

You can take a policy loan of up to the loan value less any amount you owe us, where the loan value is 90% (we will decide this figure and may change it from time to time without giving you notice) of the sum of guaranteed cash value and any realized terminal bonus that has built up. The interest we charge on the policy loan is compounded every year (in other words, interest will generate further interest on it) at the rate we set and we may change the rate from time to time. If at any time the amount you owe us equals or is more than the sum of guaranteed cash value and any realized terminal bonus that has built up, the policy will end and we will not pay any amount to you. Any policy loan will reduce the policy's death benefit, surrender value and other benefits payable under the policy. For details, please see the 'policy loan', 'automatic premium loan' and 'loan conditions' provisions in the policy provisions.

### **11. Automatic premium loan (not applicable to single premium policy)**

We will provide an automatic premium loan to keep the policy in force if you fail to pay the premium on time (see point 3 above), as long as there is enough loan value in the policy. If the loan value less any amount you owe is not enough to pay the premium you have missed, we can change how often you pay premiums. If the sum of guaranteed cash value and any realized terminal bonus that has built up less any amount you owe is less than a monthly premium, the policy will end and we will not pay any amount to you. The interest we charge on the automatic premium loan is compounded every year (in other words, interest will generate further interest on it) at the rate we set and we may change the rate from time to time. The automatic premium loan will reduce the policy's death benefit, surrender value and other benefits payable under the policy. For details, please see the 'policy loan', 'automatic premium loan' and 'loan conditions' provisions in the policy provisions.

### **12. Condition for ending the policy**

The policy will end if:

- i. you fail to pay the premium within 31 days after the due date and your policy does not meet the requirements of an automatic premium loan;
  - ii. if the annuity option is living payment, the life insured dies and we have paid the death benefit;
  - iii. if the annuity option is certain period payment, the last payment under the certain period payment of the annuity option becomes due and payable;
  - iv. we approve your written request to cash in and end the policy and we have paid the guaranteed cash value, plus any accumulated monthly income and realized terminal bonus, any non-guaranteed interest and any terminal bonus;
  - v. the annuity income period ends (maturity); or
  - vi. the amount you owe us is equal to or more than the sum of guaranteed cash value and any realized terminal bonus that has built up;
- whichever happens first.

The written request mentioned above should be signed by you and sent to our address as stated at the end of this product leaflet, attention to 'Individual Financial Products'.

### **13. Suicide**

If the life insured commits suicide, whether sane or insane, within one year from the date of issue of the policy, our liability will be limited to a refund of the premium paid less any amount paid by us under the policy. For detailed terms and conditions including reinstatement, please refer to the policy provisions.

### **14. Claims procedure**

For claims procedure, please refer to the 'Notice and Proof of Claims' and 'Notice and Proof of Claims of Dementia Care Booster' sections in the policy provisions and visit [www.manulife.com.hk/claims-procedure-en](http://www.manulife.com.hk/claims-procedure-en) for details.

## 15. Exclusions and limitations

We will not pay the Accidental Death Benefit if bodily injury causing the life insured's death is resulted directly or indirectly from any of the following.

- i. Any deliberately, self-inflicted injury or suicide, whether sane or insane.
- ii. Any drug, poison, alcohol, gas or fumes, voluntarily or otherwise taken, administered, absorbed or inhaled, other than as a result of an accident arising from an unavoidable danger of the life insured's job.
- iii. War or any act related to war, or serving in the armed forces of any country at war or serving in a civilian force auxiliary.
- iv. Travel or flight in any aircraft, except as a passenger on an aircraft operated by a regular airline.
- v. Taking part in driving or riding in any kind of race or underwater activities which take place at sea-depth greater than 130 feet, taking part in a sport in a professional capacity or where the life insured would earn income from, or other dangerous activities such as mountaineering, pot holing, parachuting or bungee-jumping.
- vi. Carrying out or attempting to carry out a criminal offence, or resisting or avoiding arrest.
- vii. Childbirth, pregnancy, miscarriage or abortion, whether or not this event may have been accelerated or caused by an accident.
- viii. Riot and civil commotion while the life insured was carrying out certain types of work.  
(Please see the policy provisions for the list of work.)

We will not pay any benefits under dementia care booster if the Severe Dementia resulted from any of the following.

- i. Directly or indirectly by acquired immune deficiency syndrome (AIDS), AIDS related complex (ARC), or infection by human immunodeficiency virus (HIV).
- ii. Suicide, attempted suicide or deliberately self-inflicted injury, whether sane or insane.
- iii. Any health conditions for which no benefit is payable under the section 'Elimination Period of dementia care booster' in the policy provisions.
- iv. Directly or indirectly by taking of drugs (unless taken as prescribed by a registered medical practitioner), poison or alcohol.
- v. Directly or indirectly by war or any act of war, declared or undeclared, riots, insurrection or civil commotion.
- vi. Taking part in any criminal event.
- vii. Dementia caused by any reversible neurocognitive disorder.

What we have said above is an outline of the circumstances under which we will not pay the policy benefits. You should see the policy provisions for the exact terms and conditions and pay particular attention to those terms where we will not pay the policy benefits and restriction on policy assignment.



In this product leaflet, 'you' and 'your' refer to the policyowner. 'Manulife', 'we', 'us' and 'our' refer to Manulife (International) Limited.

You should not buy this product unless you fully understand the product features and risks. For more information, please contact the licensed staff of the Bank or call our customer service hotline on (852) 2510 3383. If you have any doubts, please get professional advice from independent advisors.

From January 1, 2018, the Insurance Authority starts collecting levy on insurance premiums from policyowners. For details of the levy and its collection arrangement, please visit our website at [www.manulife.com.hk/link/levy-en](http://www.manulife.com.hk/link/levy-en).

To view our Privacy Policy, you can go to our website at [www.manulife.com.hk](http://www.manulife.com.hk). You may also ask us not to use your personal information for direct marketing purposes by writing to us at the address below. We will not charge you a fee for this.

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Live more, Bank less

### **Important Notes from the Bank:**

1. DBS Bank (Hong Kong) Limited (the 'Bank'), being registered with the Insurance Authority as a licensed insurance agency, is appointed as an insurance agency of Manulife (International) Limited ('Manulife') for the distribution of life insurance products in the Hong Kong Special Administrative Region.
2. The Bank distributes the product for Manulife and the product is a product of Manulife but not the Bank.
3. 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 will enter into a Financial Dispute Resolution Scheme process with the customer.
4. You are reminded to refer to the product leaflet for details of product risks.
5. You are reminded to carefully review the relevant product materials provided to you and be advised to seek independent professional advice when considered necessary.