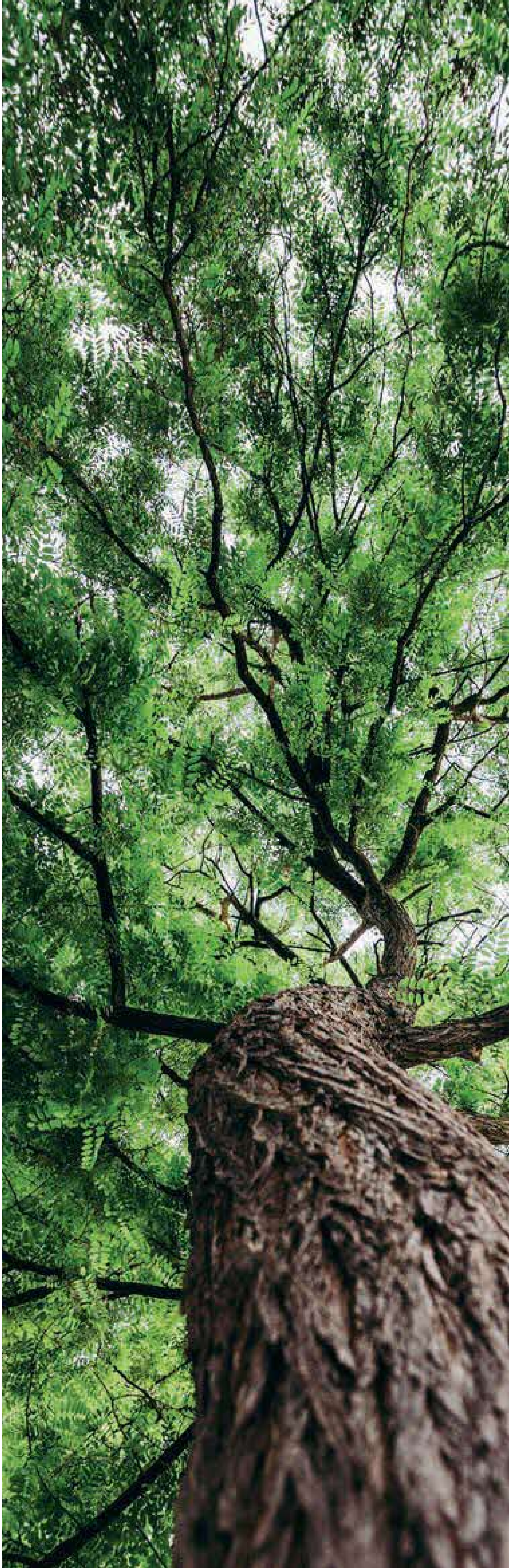
Manulife 宏利

Life Insurance

ManuGrand Saver 2

豐譽傳承保障計劃2



This product leaflet is for use by the customers of DBS Bank (Hong Kong) Limited (the "Bank"). **ManuGrand Saver 2 is a long term participating life insurance plan underwritten by Manulife (International) Limited (incorporated in Bermuda with limited liability) ("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.

manulife.com.hk

ManuGrand Saver 2

(Premium payment period :
5 years / 10 years)

When it comes to saving for the future, most of us would like to have the best of both worlds - the stability of a long-term savings plan and the flexibility to realize gains. Offering you three different ways to accumulate wealth, **ManuGrand Saver 2** brings both certainty and versatility to your financial planning. More importantly, it gives you the flexibility to pass the wealth down the generations. No matter how far ahead you're thinking, you can always move forward with confidence.

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 us for a copy.

Three ways for potential long-term savings

- **Steadily with guaranteed cash value**
  Helps you meet your financial needs.

- **Regularly with annual dividends**
  You may get a non-guaranteed annual dividend on each policy anniversary after the policy is paid-up (see note 1). Once we declare your annual dividend, you can either withdraw it or leave it with us to earn interest (see note 2).

- **In the long term with a terminal bonus**
  We will pay a non-guaranteed terminal bonus if you end your policy and cash it in or if the life insured passes away (see note 3). The amount of the terminal bonus is mainly affected by the performance of 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 (see note 4).

Realization option to lock in potential gains (see notes 4 and 5)

To realize the potential long-term savings gains from your terminal bonus without cashing in your policy, on the 15th policy anniversary or every anniversary thereafter, you can choose to lock in up to 50% of your terminal bonus amount by exercising the 'realization option' (see notes 4 and 5) and add it to your annual dividend accumulations to earn interest (see note 2). You can then withdraw your realized terminal bonus from your annual dividend accumulations at any time to fulfil your changing needs. You can exercise the 'realization option' as many times as you wish as long as the aggregate realization percentage is not more than 50% for each policy.

Flexible withdrawal options to suit your financial needs

In case you need extra cash flow, you may choose to:

- withdraw your realized terminal bonus or non-guaranteed annual dividends which have built up; and/or
- partially withdraw your guaranteed cash value and non-guaranteed terminal bonus through reduction of notional amount, but this will reduce the subsequent policy values and benefits (see notes 6 and 7).

By making withdrawals, the future benefits under your policy will be reduced.

Passing on your wealth to the next generations

You'll also have the option to **change the life insured** to another loved one. For example, you can take up the plan for yourself and subsequently change the life insured to your child, thus passing the wealth onto your future generations. (see note 8 and case 2)

In addition, you can choose to nominate a **contingent life insured**. In case the current life insured passes away unexpectedly, the policy may continue to be in force with the nominated contingent life insured becoming the new life insured. As such, all benefits under the policy will be retained. (see note 9)

Different options for paying your premiums

To help you plan more easily, you can choose to pay for the plan over 5 or 10 years to suit your needs.

Other features

Flexible financial planning

You may take a premium holiday (see note 10) for up to 2 years at any time after the second policy anniversary, during which all premium payments, guaranteed cash value and annual dividend accumulations will be frozen.

Enjoy peace of mind with life protection

If the life insured unfortunately passes away, we will pay a lump-sum equal to any annual dividends you have built up, any terminal bonus and the higher of:

- the guaranteed cash value; or
- the aggregate sum of the premiums due and paid (see note 7)

Added protection for your family

If the life insured passes away due to an accident within the first 5 policy years, we will pay an additional Accidental Death Benefit, equal to 100% of the aggregate sum of the premiums due and paid (see notes 7 and 11), to help relieve the unexpected financial hardship faced by the family.

Easy application process

Applying for the plan is easy. The life insured will not have to go through any medical examination to prove their good health, up to a certain notional amount subject to the prevailing administrative rules.

Plan at a glance

ManuGrand Saver 2

Premium payment period	**5 years**	**10 years**
Issue age	0-70	0-65
Benefit term	Whole life	
Policy currency	United States Dollar (US$)	
Minimum notional amount	US$1,000	
Payment mode	**Minimum premium requirement**	
Annually	US$1,875	US$950
Semi-annually	US$975	US$500
Quarterly	US$500	US$260
Monthly	US$170	US$90
Change of life insured	Available from the first policy anniversary or 1 year after the policy is issued, whichever is later	
Death benefit	We will pay the designated beneficiary(ies) a lump-sum which is equal to: The higher of: • the guaranteed cash value; or • the aggregate sum of the premiums due and paid (see note 7) ⊕ any annual dividends you have built up ⊕ any terminal bonus ⊖ any outstanding debt under the policy including but not limited to any premium in default, any outstanding policy loan amount and interest accrued to date.	
Accidental Death Benefit (see note 11)	Additional 100% of the aggregate sum of the premiums due and paid (see note 7) if the life insured passes away due to an accident within the first 5 policy years, up to USD125,000 less the aggregate amount of the same/similar benefits paid under all of the policies covering the same life insured and issued by us.	
Surrender Value	Any guaranteed cash value plus any annual dividends accumulations, any terminal bonus, less any outstanding debt under the policy including but not limited to any premium in default, any outstanding policy loan amount and interest accrued to date. (For prepayment policy, the balance of premium dump-in after surrender charge (if any) will be paid when the policy is surrendered)	

Case 1 Building a child's future

At age 35, Ben and his wife gave birth to a baby boy. He wanted to give his newborn son the best education possible, so he decided to take up ManuGrand Saver 2 and **pay a premium of US$25,000** a year for 5 years, **totaling US$125,000.** (see notes 12 and 13)

	Age 53	Age 70	Age 90
Projected total surrender value: (vs total premium paid)	**US$240,761* (1.9 times)**	**US$256,452 (2.1 times)**	**US$766,446 (6.1 times)**
Guaranteed cash value:	US$127,976*	US$74,098	US$96,686
Non-guaranteed surrender value:	US$112,785*	US$182,354	US$669,761

Age 35 – Ben takes up ManuGrand Saver 2 policy

Age 40 – He finishes paying all premiums

Age 53, Age 54, Age 55, Age 56 – His son attends an overseas university from age 18 to age 21.

To fund his education, Ben decides to withdraw **US$37,500** from the policy annually during these 4 years, totaling **US$150,000** (1.2 times of total premium paid), through reduction of notional amount (see note 6).

The projected total surrender value then becomes **US$119,652** (Guaranteed cash value: US$55,680 and non-guaranteed surrender value: US$63,973) after all withdrawals at age 56.

Age 70 – His son, now age 35, has a very good career.

Ben does not need to withdraw cash from the policy to give him extra financial support so he chooses to let the policy value continue to accumulate.

Age 90 – Ben can withdraw **US$766,446** in full or in part for his retirement if he wants, or choose to change the life insured to his son and let the policy value continue to accumulate.

* Value before withdrawal.

Case 2 Passing the wealth through generations

James has a loving family with a 5-year-old son, and has worked very hard to build the dream home he has always wanted. He understands that sometimes it is not easy for the next generation to fulfill their dreams without initial financial support from their parents. That's why he decided to take up ManuGrand Saver 2 when he was 40 and **pay a premium of US$10,000** a year for 10 years, **totaling US$100,000**. If he does not need to withdraw any or all of the money from the policy when his son grows up, he can choose to pass it down to future generations. (see notes 13 and 14)

	Policy year 0	Policy year 10	Policy year 30	Policy year 35	Policy year 70	Policy year 100
Projected total surrender value: (vs total premium paid)			**US$325,021^ (3.3 times)**	**US$315,288 (3.2 times)**	**US$1,968,899 (19.7 times)**	**US$11,401,867 (114.0 times)**
Guaranteed cash value:			US$122,289^	US$131,192	US$218,482	US$339,185
Non-guaranteed surrender value:			US$202,733^	US$184,097	US$1,750,417	US$11,062,682

1st generation (James)

Age 40

James takes up ManuGrand Saver 2 policy

Age 50

He finishes paying all premiums

Age 70

James locks in the terminal bonus and withdraws **US$79,756** (40% of the policy's projected terminal bonus at that time), to invest in his son Jack's new start-up business.

After exercising the realization option and withdrawal, the projected total surrender value becomes **US$245,265** (Guaranteed cash value: US$122,289 and non-guaranteed surrender value: US$122,976). The notional amount is not affected.

Age 75

2nd generation (James's son Jack)

Age 40

James (Age 75) chooses to change the life insured and policyowner (see note 15) to Jack (Age 40), thus passing on the policy's projected total surrender value of **US$315,288**.

Jack has a very successful business now. He does not need to withdraw any cash from the policy, so he lets the policy value accumulate.

Age 75

3rd generation (James's grandson Jason)

Age 40

Jack (Age 75) chooses to change the life insured and policyowner (see note 15) to his son, Jason (Age 40), passing on the policy with a projected total surrender value of **US$1,968,899**.

Jason does not need to withdraw any cash from the policy, so he lets the policy value continue to accumulate.

Age 70

The policy now has a projected total surrender value of **US$11,401,867.**

Jason can in turn pass on the policy to the next generation.

^ Value before exercising the realization option.

Notes

1. Taking an example of a policy with 5-year premium payment period, if all premiums have been paid when due, the policy will be paid-up on the 5th policy anniversary and the first annual dividends, if any, will be given on the 6th policy anniversary.

2. Annual dividends and the accumulation interest rate of annual dividends (in other words, interest rate for building up annual dividends left with us) are not guaranteed and we may change them from time to time.

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 Point 4 'The main risks affecting the non-guaranteed annual dividends, non-guaranteed terminal bonus and accumulation interest rate of the annual dividends' under the 'Important Information' section below.

4. There may be a delay in making payment when you cash in your policy or exercising 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 terminal bonus under your policy before exercising the realization option.

5. You can exercise the realization option within 31 days from the Realization Anniversary (that is, the 15th policy anniversary or every policy anniversary thereafter) as long as the aggregate realization percentage shall not exceed 50%. To exercise the realization option, you must submit a written application in a prescribed written 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 future terminal bonus.

6. Any reduction in notional amount will reduce your future benefits including the guaranteed cash value, annual dividend accumulations, terminal bonus, death benefit and Accidental Death Benefit. The notional amount after the reduction must meet the minimum notional amount requirement which we set from time to time without giving you notice.

7. If the notional amount has ever been reduced, each premium due and paid shall correspond to the notional amount as at the time when the death benefit is payable.

8. Starting from the first policy anniversary or 1 year after the policy is issued, whichever is later, you have an option to change the life insured to another person with whom you have insurable interest, without affecting your policy value, provided that:
   i) the actual age of the new life insured is 60 or below; or
   the actual age of the new life insured is not greater than that of the current life insured and is not greater than 75; and
   ii) such application must be completed during the lifetime of both current life insured and new life insured.

   Acceptance of such application is subject to our approval at our absolute discretion as well as our prevailing administrative rules and guidelines which we may determine from time to time at our absolute discretion.

9. This contingent life insured service is an administrative arrangement and is not part of the product features. The contingent life insured shall be appointed during the lifetime of the life insured and while the policy is in force. In order to change the life insured to contingent life insured after the death of the life insured, an application with relevant documents shall be submitted to us within the prescribed period. Such application is subject to our prevailing administrative rules which may be determined and modified by us from time to time and the acceptance of the application is at our sole and absolute discretion. Please see the relevant leaflet for more details and the terms and conditions applicable to the contingent life insured option.

10. For details of premium holiday, please see the policy provisions and Point 13 'Risk from taking a premium holiday' under the 'Important Information' section below.

11. The payable amount of Accidental Death Benefit is subject to the maximum total amount of US$125,000 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.

12. Figures in this case are based on the assumptions that Ben is a non-smoker, in good health and currently lives in Hong Kong. We also assume that (i) no premium holiday has been exercised; (ii) no realization option has been exercised on the terminal bonus; (iii) withdrawals are made from any annual dividend that have built up first, and then the remaining amount proportionally from guaranteed cash value and terminal bonus through reduction of the notional amount (see notes 6 and 7) and (iv) all premiums are paid in full when due.

13. The amount of non-guaranteed annual dividends and terminal bonus in the case are only estimates based on the current dividend scale and bonus projection. The non-guaranteed annual dividends are left with us at an interest rate of 3.50% a year for a policy in United States dollars (we may change the interest rate from time to time). The annual dividends, terminal bonus and accumulation interest rate of the annual dividends left with us (see notes 2 and 3 above) are not guaranteed and are for illustrative and example purposes only. The actual annual dividend/terminal bonus amounts we will pay and accumulation interest rate may be lower or higher than those illustrated in the case. Under certain circumstances, the non-guaranteed benefits may be **zero**. This case is only a reference. All dollar amounts mentioned in the case are rounded to the nearest whole number. For your own illustrations, please contact the licensed staff of the Bank.

14. Figures in this case are based on the assumptions that James is a non-smoker, in good health and currently lives in Hong Kong. We assume that (i) no premium holiday has been exercised; (ii) realization option has been exercised on the terminal bonus at the end of policy year 30, (iii) the realized terminal bonus is withdrawn from the policy at the end of policy year 30 and (iv) all premiums are paid in full when due.

15. The original policyowner will lose all rights and interests under the policy including entitlement to all benefits of the policy upon exercising the option of change of life insured without retaining as a policyowner.

Important Information

This plan is a participating plan. A participating plan provides you with non-guaranteed benefits, namely, annual dividends and terminal bonus (collectively referred to as 'dividends/bonus' thereafter, unless otherwise indicated).

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.

Dividend / Bonus philosophy

Our participating plan aims to offer a competitive long-term return to policyowners and at the same time make a reasonable profit for shareholders. We also aim to make sure we share profits between policyowners and shareholders in a fair way. In principle, all experience gains and losses, measured against the best estimate assumptions, are passed on to the policyowners. 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 policyowners. 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 dividends/bonus from significant rises and falls, we use a smoothing process when we set the actual dividends/bonus. When the performance is better than expected, we do not immediately use the full amount we have made to increase dividends/bonus. And, when the performance is worse than expected, we do not pass back the full amount of losses immediately to reduce dividends/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 dividend/bonus year to year.

An exception to the above smoothing mechanism is the volatility in the market value of certain underlying investments, including but not limited to bonds, equities and other non-fixed income assets. Such experience gain/loss will be passed back to policyowners 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 policyowners, depending on the contribution from each class. When we manage dividends/bonus, we aim to pass back these gains and losses within a reasonable time, while making sure we treat policyowners fairly. When considering the fairness between different groups of policyowners, 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

Annual dividends may be declared to your policy on your policy anniversary. Once we declare your annual dividend, the amount will not be changed and you can either withdraw it or leave it with us to earn non-guaranteed interest. However, annual dividends that may be declared in the future are still not guaranteed. Review and adjustment of annual dividends is performed at least annually.

Unlike declared annual dividends, 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 mainly 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

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 and past performance is not a guide for future performance of the participating products.
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, which includes guaranteed cash value, non-guaranteed annual dividend and non-guaranteed terminal bonus. 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.

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 cash 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
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 annual dividend accumulations, 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 annual dividend accumulations that has built up in the policy, the policy will end and the life insured will not be covered. In this case, we may only pay you the terminal bonus, if any, and you may suffer a significant loss of principal.

4. The main risks affecting the non-guaranteed annual dividends, non-guaranteed terminal bonus and accumulation interest rate of the annual dividends
The annual dividends and terminal bonus are not guaranteed. Factors that may significantly affect the annual dividends and terminal bonus include, but are not limited to, the following.

Claims – our experience on insurance claims such as paying death benefit.

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 is mainly affected by the performance of the underlying 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 underlying 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 underlying 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.

Persistency – 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.

You can leave your non-guaranteed annual dividends 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 annual dividends 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 in US dollars. 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 (whether in full or part), this may be considerably less than the total premiums you have paid. You should refer to the proposal for the illustrations of the cash value we project.

9. Liquidity and withdrawal risk
You can make withdrawals from realized terminal bonus or non-guaranteed annual dividends 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 cash value, death benefit, Accidental 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 cash 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 annual dividend accumulations. 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 is equal or more than the sum of guaranteed cash value and any annual dividend accumulations, the policy will end and we may only pay you the terminal bonus, if any, and you may suffer a significant loss of principal. Any policy loan will reduce the policy's death benefit and cash value. For details, please see the 'policy loan', 'automatic premium loan' and 'loan conditions' provisions in the policy provision.

11. Automatic premium loan
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 annual dividend accumulations less any amount you owe is less than a monthly premium, the policy will end and we may only pay you the terminal bonus, if any, and you may suffer a significant loss of principal. 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 and cash value. For details, please see the 'policy loan', 'automatic premium loan' and 'loan conditions' provisions in the policy provision.

12. Condition for ending the policy
This 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. the life insured dies and we have paid the death benefit and the accidental death benefit (if applicable);
iii. you cash in the policy and we have paid the guaranteed cash value, plus any accumulated annual dividend and any terminal bonus;
iv. when the outstanding debt equals or exceeds the guaranteed cash value plus accumulated annual dividend; or
v. we approve your written request to end this policy;
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. Risk from taking a premium holiday
We will charge you a handling fee if you choose to take a premium holiday, during which you may suspend your premium payment for up to two years in total. The first time you ask to do this, it is free. The handling fee is then HK$200 each time you apply but we can change this from time to time without giving you notice. You will also have to repay the indebtedness. During the premium holiday, we will not pay any dividend or interest to your policy, and we will not accept any policy changes that would result in a change in policy values, including but not limited to withdrawal or policy loan. Please note that the terminal bonus value is not guaranteed and may subject to change even during the premium holiday. The premium holiday will end immediately if we pay the death benefit and we will deduct those premiums you did not pay during the premium holiday from the value of your policy. In other words, we will deduct them from the benefit that we will pay. You can ask to end the premium holiday by sending us a notice and resume your premium payments when we have approved it. We will then reset your policy year date and the schedule of your premium.

14. 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 amount paid to the Company less any amount paid by us under the policy. For detailed terms and conditions including reinstatement, please refer to the policy provisions.

15. Claims procedure
Please visit www.manulife.com.hk/claims-procedure-en for details of claims procedure.

16. Exclusions and limitations
We will not pay the Accidental Death Benefit if the 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 a hazard incidental to 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. Travelling 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; or
viii. Riot and civil commotion while the life insured was carrying out certain types of work.
(Please see the policy provision for the list of work.)

In this product leaflet, 'you' and 'your' refer to the policyowner. 'Manulife', 'we', 'us' and 'our' refer to Manulife (International) Limited (incorporated in Bermuda with limited liability).

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.

To view our Privacy Policy, you can go to our website at 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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