

Life Insurance

Universal Life

萬用壽險

This product guide is for use by the customers of DBS Bank (Hong Kong) Limited (the 'Bank'). **Universal Life is a 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.

In this product guide, 'you' and 'your' refer to the policyowner. 'Manulife', 'we', 'us' and 'our' refer to Manulife (International) Limited. Unless otherwise defined herein, capitalized terms used in this product guide shall have the same meanings as those defined in the policy contract.

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.

This product guide 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.

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Helping you grow, preserve and *transfer* *your wealth*

Universal Life is a flexible premium life insurance plan that can help you grow, preserve and transfer your wealth. In addition to life protection, it provides long term savings potential to help you meet your wealth accumulation and wealth transfer needs.

Universal Life is designed for individuals who wish to grow and transfer wealth using life insurance, expecting a high degree of premium payment flexibility and access to policy savings if and when you need it.

Tailored to meet your unique personal requirements, Universal Life offers flexibility and transparency. Universal Life is also designed for small and medium sized business owners as part of a key man protection plan. Universal Life drives wealth accumulation and can be a risk management solution for your business.

Universal Life offers the protection and flexibility that meets various insurance needs as they change over different stages of life.



Protection



Flexibility



Liquidity



Wealth accumulation



Protection

Life Protection

Universal Life can safeguard you and your loved ones against life's potential mishaps with whole-life insurance protection, helping you tackle the future with confidence. You can select either the Level or Increasing Death Benefit Option according to your financial needs.

- **Level Death Benefit Option:** where the death benefit (see note 1) equals the greater of notional amount or Account Value, less the Policy Loan.
- **Increasing Death Benefit Option:** where the death benefit (see note 1) equals the notional amount plus the Account Value, less the Policy Loan.

You may switch from Level Death Benefit Option to Increasing Death Benefit Option any time after the first policy anniversary, without proof of the good health of the life insured (see note 2). Such change will take effect at the beginning of the policy month following the date the request was approved. The notional amount after the change equals the notional amount before the change minus the Account Value.

Rewarding healthy lifestyle

Universal Life offers up to six sets of privileged premium rates (see note 3), to reward the good health of the life insured with preferential premium rates.



Flexibility

Premium payment flexibility

In order to achieve different long-term savings goals, you can add (see note 4), reduce, temporarily suspend and resume the premium payments anytime, as long as the Account Value is sufficient to cover the monthly deductions and any other charges. If there is any Policy Loan or withdrawal (see note 5), additional premiums may be required to maintain the insurance coverage.

Provided the coverage is in effect when the life insured attains age 100, the coverage will continue, with interest credited (see note 6) and no additional premium payments. No additional charges, other than those for any outstanding Policy Loans, will be deducted.



Liquidity

If you require capital in your retirement, or for your children's education or to help grow your business, you may apply to make withdrawals and/or take out Policy Loans. Withdrawals and Policy Loans are allowed until the life insured attains age 121.

Withdrawals

Starting from the second policy year, you can make withdrawals (see note 5) from the policy. Under Level Death Benefit Option, withdrawal will be subject to a pro-rata surrender charge. After the seventh policy year, if the total amount of withdrawal in each policy year is not more than 5% of the Guaranteed Interest Account (as at the previous policy anniversary), the surrender charges will be waived. Withdrawals will not be subject to surrender charges under Increasing Death Benefit Option.

Policy Loan

Policy Loans (see note 7) can also be made any time to provide you with higher financial flexibility. Policy Loans will reduce the policy's death benefit and Net Cash Surrender Value, and Policy Loan can only be taken out up to your policy's Available Loan Value.

Excessive Policy Loans and withdrawals may cause the policy to lapse.



Wealth accumulation

Universal Life is a flexible life insurance vehicle providing life insured with life insurance protection and the opportunity for you to accumulate wealth for the future. In addition, Universal Life offers you life-time guaranteed crediting interest rate and Guaranteed Crediting Interest Rate Lock, so you can enjoy steady return and it can reduce the effect arising from market volatility. Universal Life allows your wealth to grow steadily over time to meet your desired lifestyle.

Guaranteed Crediting Interest Rate

Your policy will earn a life-time guaranteed crediting interest rate of 2.00% per annum.

Guaranteed Crediting Interest Rate Lock

Your policy will earn interest at crediting interest rate from time to time declared by us provided that the crediting interest rate at any time shall be no less than the Guaranteed Crediting Interest Rate. The Guaranteed Crediting Interest Rate Lock will protect the interest to be earned by your policy, by locking-in such crediting interest rate ('locked-in rate') for such number of policy year(s) ('locked-in period'), as notified to you at the time your policy is issued, provided that crediting interest rate from time to time declared by us subsequent to your policy issuance and enjoyed by your policy for the rest of the locked-in period shall be no less than the locked-in rate. The Guaranteed Crediting Interest Rate Lock may be subject to additional terms and conditions from time to time determined by us.



How your
policy *works*

The strength and
solidity you need to
grow, preserve and
transfer your wealth

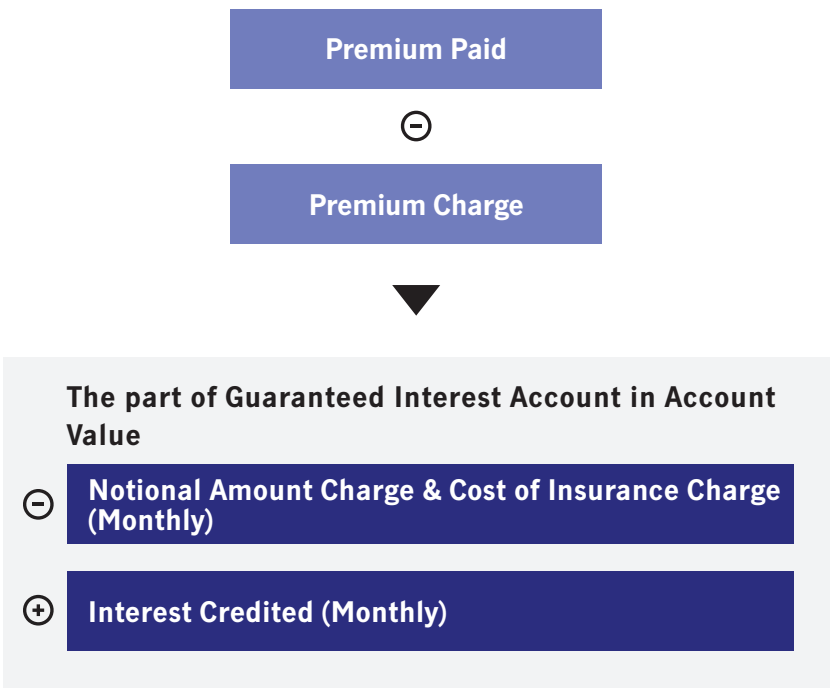


Premium payment

When you pay a premium:

- 1. A Premium Charge will be deducted;
- 2. The balance of the premium will be deposited to your policy's Guaranteed Interest Account. The aggregate of the Guaranteed Interest Account and the Loan Account (if applicable) represents your Account Value;
- 3. Each month the Cost of Insurance Charge and Notional Amount Charge will be deducted from your Guaranteed Interest Account. These two charges are also referred to as the monthly deductions;
- 4. Interest at the current crediting interest rate will then be applied to your Guaranteed Interest Account.

The following diagram describes what happens when you pay a premium:





Policy Loan application

When you apply for Policy Loan:

1. Policy Loan will increase;
2. The loan amount will be transferred from the Guaranteed Interest Account to the Loan Account. The Loan Account will be credited with the Loan Account Crediting Interest Rate (Loan Interest Credited). Policy Loan will be charged with Policy Loan Charging Interest Rate (Loan Interest Charged). The Loan Account Crediting Interest Rate will not be lower than the Policy Loan Charging Interest Rate minus 1.25% per annum. The net cost of a loan will not be greater than 1.25% per annum;
3. Net Cash Surrender Value decreases as the Policy Loan increases;
4. Additional premium payments will be required to maintain the insurance coverage if the Policy Loan exceeds the Account Value.

Illustrative example

In policy year 16, when the Guaranteed Interest Account balance is US\$500,000, Policy Loan amounting to US\$100,000 is taken out.

	Before	After
	Guaranteed Interest Account (a) US\$500,000	Guaranteed Interest Account (a) US\$400,000
		⊕
		Loan Account (b) US\$100,000
Account Value (c) = (a) + (b)	US\$500,000	US\$500,000
Policy Loan (d)	(US\$0)	(US\$100,000)
Surrender Charge and outstanding monthly deductions due (e)	(US\$0)	(US\$0)
Net Cash Surrender Value (f) = (c) - (d) - (e)	US\$500,000	US\$400,000

Upon loan re-payment, the re-paid amount will reduce both the Policy Loan and the Loan Account. The Guaranteed Interest Account will be credited by the amount of the re-payment, less any outstanding loan interests charged.



Early Lapse Protection

If the Net Cash Surrender Value falls to zero or below during the first five policy years, coverage will continue provided that the Early Lapse Protection Cumulative Premium Test (see note 8) is met.



Change of Life Insured

Applicable to policy which is owned by a corporation, Universal Life offers the flexibility to change the life insured when the existing life insured is no longer employed or engaged with such corporation, subject to certain terms and conditions specified by us.

Policyowner may request to change the life insured one year after the Policy Issue Date. Acceptance of the new life insured is at our absolute discretion and will depend upon such insurability of the new life insured and such other terms and conditions as we shall determine in our discretion from time to time. Upon approval of the change request, additional charges and applicable policy change as determined by us in our discretion shall apply for any change of life insured (see note 9). For more details, please refer to the Change of Life Insured Provision.



Plan at a Glance



Product type

Universal Life



Premium payment period

Flexible premium
(see point 3 of 'Important Information')



Benefit period

Lifetime (see point 12 of 'Important Information')



Issue age

Age 20-70 (age nearest birthday)



Policy denomination

United States Dollar (US\$)



Minimum Notional Amount

US\$500,000 (applicable to policies with Initial Notional Amount (see note 10) greater than or equal to US\$500,000)

The above is determined and changed by us from time to time.



Maximum premium

The maximum premium allowed at any point will vary by issue age and notional amount, and is determined by us from time to time.



Payment currency accepted

United States Dollar and Hong Kong Dollar
(see note 11)



Notional amount change

Notional amount decrease: Allowed any time after the first policy year. Notional amount decrease is not allowed if it causes the notional amount to fall below the Minimum Notional Amount. Notional amount decrease affects Death Benefits and pro-rata Surrender Charges will be deducted from Account Value during the Surrender Charge period.

Notional amount increase: Not allowed



Guaranteed Crediting Interest Rate

2.00% per annum



Guaranteed Crediting Interest Rate Lock

The 'locked-in rate' and 'locked-in period' will be notified to you at the time your policy is issued, subject to additional terms and conditions from time to time determined by us.



Current Crediting Interest Rate, the Loan Account Crediting Interest Rate and the Policy Loan Charging Interest Rate

As declared by us from time to time



Risk classifications (see note 3)

Applicable to policies with Initial Notional Amount (see note 10) greater than or equal to US\$500,000

- Super preferred non smoker
- Preferred non smoker
- Standard plus non smoker
- Standard non smoker
- Preferred smoker
- Standard smoker

Applicable to policies with Initial Notional Amount (see note 10) less than US\$500,000

- Standard non smoker
- Standard smoker

Policy Charges

Premium Charge

A 6.0% Premium Charge is deducted from each premium payment whenever a premium payment is made.

Notional Amount Charge

A charge based on notional amount of the policy, and the life insured's issue age, sex, risk classes, residential classes (adjusted for any substandard rating, if applicable), deducted monthly from the Guaranteed Interest Account for the first 15 policy years.

Cost of Insurance (COI) (Guaranteed COI Rate)

- Cost of insurance is a charge supporting the insurance protection element of the policy. It is based on death benefit, account value and cost of insurance rate ('COI rate').
- The COI rate is determined based on the life insured's attained age, sex, risk classes, and residential classes (adjusted for any substandard rating, if applicable).
- The COI rate for each policy year is determined at policy issuance, and will remain unchanged throughout the policy term.
- Deducted monthly from the Guaranteed Interest Account until the life insured attains 100 years of age.

Surrender Charge

Surrender Charge will be applied over the first 15 policy years ('Surrender Charge Period') upon policy surrender and policy termination, or on a pro-rata basis for notional amount decreases (including those triggered by withdrawals or Death Benefit Option change). The pro-rata Surrender Charge is calculated based on:

$$\frac{\text{notional amount reduced}}{\text{notional amount before reduction}} \times \text{Surrender Charge immediately before the notional amount decrease effective}$$

Glossary

Cash Surrender Value

Equals the Account Value less the Surrender Charge and outstanding monthly deductions due.

Net Cash Surrender Value

Equals Cash Surrender Value less any Policy Loan.

Available Loan Value

It is 90% of the Cash Surrender Value less Policy Loan.

Guaranteed Interest Account

It is the account where:

- premiums net of Premium Charge are deposited;
- loan repayments are deposited;
- interest is credited to it;
- monthly deductions and other deductions if and when applicable are deducted from it;
- amounts for loans are deducted from it;
- amounts withdrawn are deducted from it.

Loan Account

It is the part of Account Value that equals to the Policy Loan transferred from the Guaranteed Interest Account.

The balance of Loan Account equals

- amounts transferred to it for loans or borrowed Loan Interest Charged; plus
- interest credited to it; less
- amounts transferred from it as a result of loan repayment.

Policy Loan

Equals the total loan amount and Loan Interest Charged due less any loan repayment.

Account Value

Equals the amount in Guaranteed Interest Account plus the amount in the Loan Account.

Notes

- 1 If the life insured dies during a Grace Period (see point 12.2 of 'Important Information'), the Account Value used in the calculation of the Death Benefit will be the Account Value as of the date of the death of the life insured, and the amount we pay upon death of the life insured will be reduced by any outstanding Monthly Deductions due.
- 2 Death Benefit Option change will cause the notional amount to decrease and trigger a pro-rata Surrender Charge (please see section 5, Policy Charge in this product guide). We will not allow a change in Death Benefit Option if it causes the notional amount to fall below the Minimum Notional Amount. Changing to the Increasing Death Benefit Option will increase the Cost of Insurance. Switching from the Increasing Death Benefit Option to the Level Death Benefit Option is not allowed.
- 3 Only two risk classifications (namely "standard non smoker" and "standard smoker") are available to the policies with Initial Notional Amount less than US\$500,000.
- 4 Any premium payment, in addition to the planned premium illustrated in the proposal, is subject to our approval. The maximum premium allowed at any point will vary by issue age and notional amount, and is determined by Manulife from time to time.
- 5 For Level Death Benefit Option, withdrawals may reduce the notional amount by the amount withdrawn, therefore may subject to pro-rata Surrender Charges (please see section 5, Policy Charges of this product guide) during the Surrender Charge Period. Withdrawals under the Increasing Death Benefit Option will not decrease the notional amount and therefore will not be subject to Surrender Charges. A withdrawal reduces both the Account Value and the death benefit of your policy. All withdrawals are subject to the minimum and maximum requirements set out by us regarding the withdrawal amounts, Net Cash Surrender Value and notional amount.
- 6 The interest credited is based on the prevailing crediting interest rate declared by us from time to time.
- 7 Interest will be charged at Policy Loan Charging Interest Rate as determined by us from time to time, and the current Policy Loan Charging Interest Rate is stated in the proposal. Please see point 11 of 'Important Information' in this product guide.
- 8 The Early Lapse Protection Cumulative Premium Test is met when the cumulative premiums paid less any withdrawals and any Policy Loan are at least equal to the sum of the monthly Early Lapse Protection Premium due, which the Early Lapse Protection Premium is determined by us and will be changed in Death Benefit Option or change in notional amount. However, this coverage will not be applicable if the Policy Loan is greater than zero and exceeds the Account Value.
- 9 Upon approval of the change of life insured, the time periods indicated under Suicide provision and Validity provision shall restart from the effective date of change. The Early Lapse Protection will also terminate on the effective date of the change of life insured.
- 10 Initial Notional Amount refers to the notional amount at policy issuance.
- 11 If the premium is paid to us in Hong Kong Dollar, it will be exchanged to United States Dollar with our prevailing exchange rate.

Important Information

This plan is a universal life plan.

Your policy will have a 'notional amount', which is an amount we use to work out policy charges 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 policy charges and other policy values and benefits of the plan.

Crediting interest rate philosophy

Our universal life 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, policyholders receive a share of the investment returns, net of investment expense, investment income tax, and allowance for profits attributable to our shareholders. If actual experience turns out to be different from best estimate assumptions such as claim and policy persistency, a surplus (i.e. experience gain) or a deficit (i.e. experience loss) is created. These actual experience gains/losses will be absorbed by shareholders, in other words, by the profits attributed to our shareholders. However we will review experience regularly and change the future expectation on those assumptions.

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

We share the gains and losses from the universal life policies among different plans, classes and generations of policyholders, depending on the contribution from each class. When we manage crediting interest rate, 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 different factors like when the policy was issued.

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.

The crediting interest rate is not guaranteed. We review and decide on the crediting interest rate at least every quarter.

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.

Our current long-term target asset mix of the product is as follows.

Asset class	Target asset mix
Bonds and other fixed income assets	80% – 90%
Non-fixed income assets	10% – 20%

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

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

You may browse the following website to learn more about your universal life policy.
www.manulife.com.hk/link/ul-en

Historical crediting interest rates

You may browse the following website to understand our historical crediting interest rates for reference purposes. Historical crediting interest rates or past performance is not a guide for future performance of the universal life products. Please be reminded that the historical crediting interest rates shown on the website are before any relevant policy charges are applied (e.g. cost of insurance, notional amount charge, etc).
www.manulife.com.hk/link/ul-rate-en

Other product disclosures

1. Nature of the product

Universal Life (‘the product’) is a long-term life insurance plan with a savings element. Part of the premiums pays for the insurance and related costs. The savings element is reflected in the cash surrender value and may not be guaranteed. The product is aimed at customers who look for a long term life protection and have ability to fulfill the premium requirement. The product will be subject to a surrender charge for surrender in the first 15 policy years. You are advised to prepare enough financial resource for future premium, if applicable.

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 surrender value that you will receive may be considerably less than the total premium you have paid.

3. Premium term, flexible premium risk and result of not paying the premium

The product is a flexible premium adjustable life insurance contract covering one life insured. Since there is no set premium, enough premium must be paid in order to continue coverage. Reduced or discontinued premiums in future years are only possible if the premiums paid and interest credited are sufficient to cover the monthly deductions and any other charges. These factors, as well as any outstanding Policy Loans or withdrawals, could necessitate additional premiums to maintain the insurance coverage. Also, the product has no set policy term. If the Net Cash Surrender Value (see Glossary) is less than or equal to zero, and if the Early Lapse Protection is not in effect (see point 11 and 12 below), the policy will end after the Grace Period (see point 12.2 below), which in this case we will not pay any amount to you and the life insured will not be covered. In other words, you may be requested to pay extra premium in the future to sustain the policy.

4. The main risks affecting the crediting interest rate

Crediting interest rate can vary at our discretion. It is not guaranteed and may increase or decrease. The crediting interest rate is guaranteed to be no less than 2.00% per annum. The current crediting interest rate declared by us shall in no way be interpreted as a projection or estimation of the future rate. The future declared rate may be higher or lower.

Factors that may significantly affect the crediting interest rate include, but are not limited to, the following.

Investment return – includes interest income, dividend income, outlook of 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.

Size and timing of the money inflow or outflow – includes unscheduled premium payment, persistency of premium payment and voluntary withdrawal or surrender of policies which may impact investment performance.

5. Fees and Charges

You should refer to the ‘Policy Charges’ section of this product guide and the policy provisions for the detail fees and charges.

6. 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.

7. Currency risk

This plan is in US dollars (USD). 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.

8. 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.

9. Risk from cashing in (surrender) early

If you cash in the policy, the amount we will pay is the Net Cash Surrender Value worked out at the time you cash in the policy. Net Cash Surrender Value equals to Account Value less Surrender Charge, any outstanding Monthly Deductions due and Policy Loan, and Surrender Charge is applicable for cashing in the policy (surrender) in the first 15 policy years. 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 Net Cash Surrender Value we project.

10. Liquidity and withdrawal risk

You can make withdrawals, take a Policy Loan, pledge the policy as collateral or even surrender the policy to access the Net Cash Surrender Value. However, you are reminded that fees and charges would be involved.

Withdrawals may be taken any time after the first policy year, and a withdrawal will lower the death benefit and the Account Value of the policy. Coverage will terminate if the Net Cash Surrender Value is less than or equal to zero, and if the Early Lapse Protection is not in effect. From the eighth (8th) policy year onwards, the total amount of withdrawal in each policy year in excess of 5% of the Guaranteed Interest Account as of the previous policy anniversary is subject to a pro-rata Surrender Charge only when the Level Death Benefit Option is selected and during the Surrender Charge period. The Surrender Charge will be deducted from the Account Value. As a result, the amount you get in case of surrender would be considerably less than the premium you paid.

11. Policy loan

Policy Loan will reduce the policy's death benefit and Net Cash Surrender Value. Interest will be charged at the Policy Loan Charging Interest Rate as determined by Manulife from time to time. The Early Lapse Protection will not prevent the Policy from going into default if the Policy Loan exceeds the Account Value. Excessive loans may cause the policy to lapse and there will be no amount payable. You may request an inforce illustration to understand the status of your policy. For details, please see the loans provisions in the policy provision.

12. Condition for ending the policy

12.1. This policy terminates on the earliest of the following events:

- (i) the end of the Grace Period for which we have not received the Default Payment, or the amount to meet the Cumulative Premium Test during the Early Lapse Protection Period, if applicable;
- (ii) the date we approve your written request for surrender;
- (iii) the death of the life insured.

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

12.2. Grace Period

12.2.1 Default

The policy will go into default if at the beginning of any Policy Month:

- (i) the Policy Loan is greater than or equal to the Account Value after we take the Monthly Deduction that is due for that month; or
- (ii) during the Early Lapse Protection Period, the Policy Loan is less than the Account Value after we take the Monthly Deduction that is due for that month, and the Cumulative Premium Test has not been met; or
- (iii) after the Early Lapse Protection Period, the Policy Loan is less than the Account Value after we take the Monthly Deduction that is due for that month, and the Net Cash Surrender Value is less than or equal to zero after we take the Monthly Deduction that is due for that month.

12.2.2. Grace Period Duration

We will allow 61 days from the date the policy goes into default for you to pay the amount that is required to bring the policy out of default. At least 30 days prior to the end of the Grace Period, we will send notice to your last known address, specifying the amount you must pay to bring the policy out of default.

12.2.3. Default Payment

The amount required to bring the policy out of default, referred to as the Default Payment, is equal to (a) plus (b) plus (c) where:

- (a) is the amount necessary to bring the Net Cash Surrender Value to zero, if it is less than zero at the date of default;
- (b) is the sum of all Monthly Deductions due up to and at the next Anniversary, including any outstanding due and unpaid Monthly Deductions as of the date of default;
- (c) is the applicable Premium Charge.

12.2.4. Early Lapse Protection

If the policy is in the Early Lapse Protection Period (the first five policy years), and the Cumulative Premium Test has been met, the policy will not be in default. If the policy is in the Early Lapse Protection Period, and the Cumulative Premium Test has not been met, then the policy will go into default. The Grace Period Duration and Default Payment provisions described above will apply. In lieu of the Default Payment, you may pay the shortfall needed to meet the Cumulative Premium Test to get the policy out of default.

The shortfall will be equal to the amount necessary to satisfy the Cumulative Premium Test as of the date of default, plus the Early Lapse Protection Premium due up to and at next Policy Anniversary.

13. Suicide

If the life insured commits suicide, whether sane or insane, within two years of the issue date of the policy or effective date of reinstatement, our only liability shall be limited to a refund of the premium paid since the issue date of the policy less any outstanding loans and withdrawals. For detailed terms and conditions, please refer to the policy provisions.

14. Claims procedure

For claims procedure, please refer to the 'Claims' section in the Policy Provisions and visit www.manulife.com.hk/claims-procedure-en for details.

15. Exclusions and limitations

What we have said are an outline of the product features and risks. You should see the policy provision for the exact terms and conditions and pay particular attention to those terms where we will not pay the policy benefits.

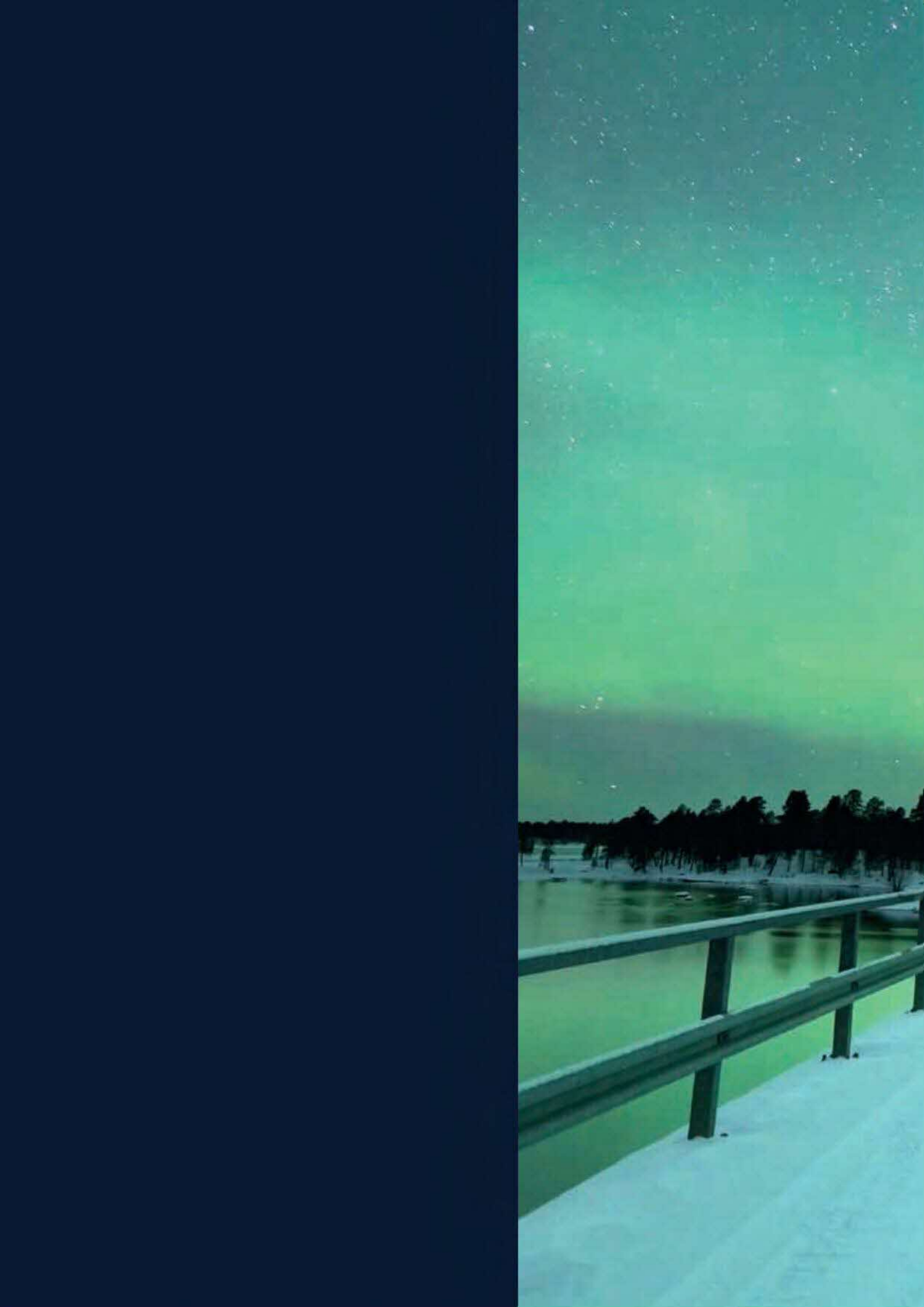
To view our Privacy Policy, you can go to our website at www.manulife.com.hk. You may also ask us not to use your personal information for direct marketing purposes by writing to us at the address below. We will not charge you a fee for this.

This product guide is only for distribution in the Hong Kong Special Administrative Region.

Manulife (International) Limited

(A subsidiary of Manulife Financial Corporation)

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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 guide 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.