

# Life Insurance

## Whole-in-One Prime 2

### 盈傳創富保障計劃 2

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

**Whole-in-One Prime 2 is a long term participating life insurance plan underwritten by Manulife (International) Limited (incorporated in Bermuda with limited liability) ('Manulife').**

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. '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](http://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 us for a copy.**

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# Secure your tomorrow, and that of *your loved ones*

Financial success is not only about how much but how long. And one of the best ways to ensure the longevity of your wealth is to grow it steadily. Properly managed, what you've worked hard for will work hard for you in return, and extend into an enduring legacy for generations to come.

**Whole-in-One Prime 2** is designed for individuals looking to build on the foundation of their assets for the longer term. It is a participating insurance plan that provides lifetime protection and potential return.

With this Plan, you can maintain your wealth and tap into its potential return, now and into the future.

Whole-in-One Prime 2 is designed to help you achieve various protection and wealth management goals:



### **Legacy planning**

Secure your wealth and pave the way for a smooth transfer in form of life protection to your loved ones.



### **Wealth accumulation**

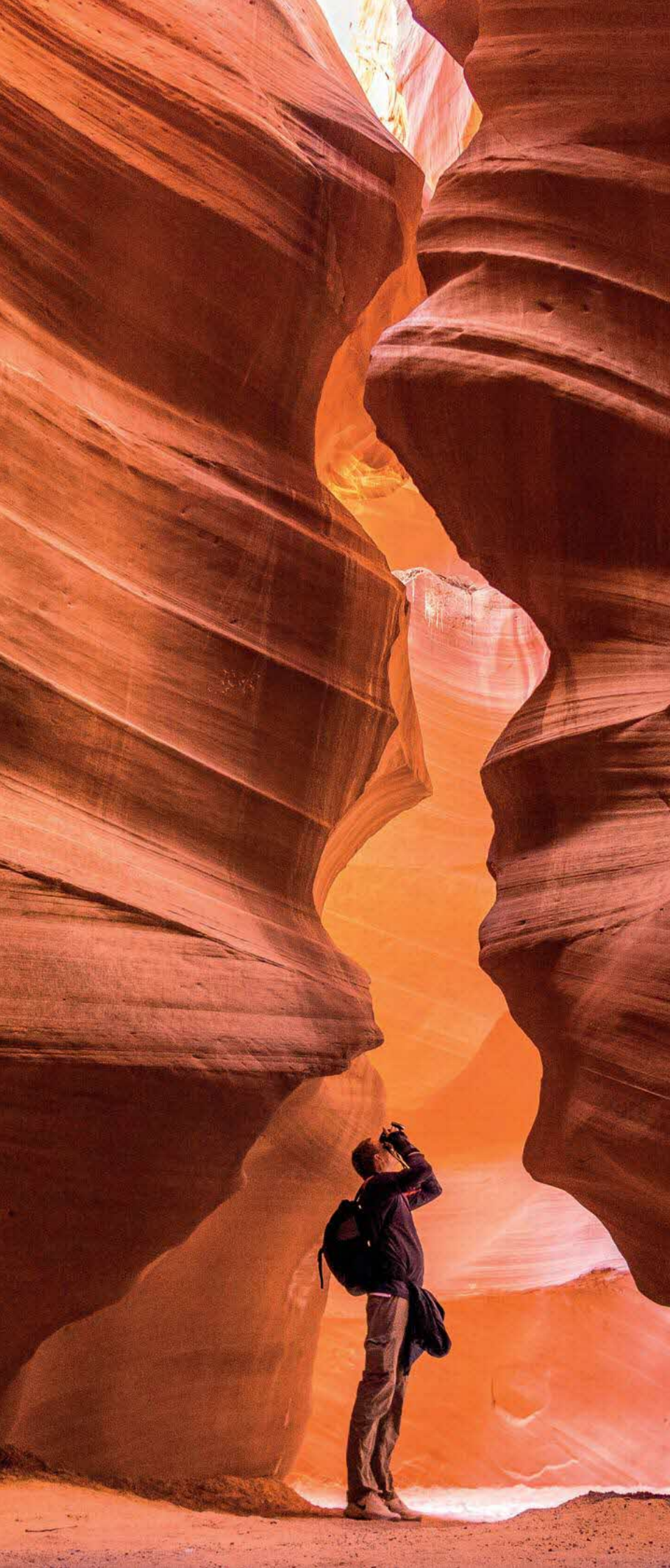
The Plan's guaranteed cash value, non-guaranteed annual dividends (see note 1) and non-guaranteed terminal bonus (see notes 2 and 3) help build up potential return over time.



### **Business continuity**

By providing life insurance for your most valuable employees, the Plan serves as a reserve of emergency funds and a risk management solution for protecting the future of your business.





How your  
policy *works*

With careful  
planning, you will  
have peace of  
mind knowing that  
your loved ones  
are well taken  
care of with the  
legacy that you've  
left for them.



Preserve and grow what you have earned

Success brings with it both an opportunity and a responsibility to make the most of your holdings for the benefit of the next generations. Whole-in-One Prime 2 helps you get the most out of your wealth with potential long-term returns with:

**Guaranteed cash value**

Enhances your wealth and creates a rewarding legacy for future generations.

**Non-guaranteed annual dividends** (see note 1)

You can keep them in your policy to earn non-guaranteed interest, with the flexibility to withdraw them anytime.

**Non-guaranteed terminal bonus**

We will pay a terminal bonus if you end your policy and cash it in, or if the life insured passes away (see notes 2, 3 and 4). 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 'Dividend/Bonus Philosophy' of 'Important Information' section below).

The policy term of this Plan is lifetime, which means that there is no policy maturity; the life protection and benefits the policy provided (including guaranteed cash value, non-guaranteed annual dividends and non-guaranteed terminal bonus) will continue until the policy is ended (see point 10 of 'Important Information' section below).



Realization option to lock in potential gains

Starting from the 15th policy anniversary and on every policy anniversary thereafter, you can choose to lock in up to 50% of your terminal bonus balance, without cashing in your policy, by exercising the realization option (see notes 4 and 5). You can decide whether to leave the realized terminal bonus with us as part of annual dividend accumulations to earn interest (see note 1) or withdraw it 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.



Policy loan for emergency cash

Nonetheless, you can always turn to the policy for emergency cash by way of a policy loan in case of any need (see note 6).



## Secure the future for your loved ones

Whole-in-One Prime 2 offers life protection for the entire lifetime of the life insured. You can designate your beneficiary(ies) so that the continued financial security of your loved ones can be anchored in a ready source of funds.

If the life insured under the policy passes away before the Golden Anniversary (i.e. the later of the life insured's age 70 or the 20th policy anniversary), we will pay an amount of death benefit (see note 6) which is equal to the higher of:

- 100% of the notional amount (see the 'Important Information' section below) less the aggregate sum of realized terminal bonus (if any) (see notes 2 and 3); or
- any non-guaranteed terminal bonus (see notes 2 and 3) plus the higher of:
  - a) guaranteed cash value; or
  - b) 70% of the notional amount

We will also pay any non-guaranteed annual dividends and interests that have built up under the policy (see note 1). Any outstanding debts will be deducted from any benefits payable under the policy (see note 8).

As one gets older, their financial obligations to their families may be eased. Upon the policy reaching its Golden Anniversary, its focus will be moved from life protection to wealth accumulation. If the life insured passes away, we will pay an amount of death benefit (see note 6) which is equal to the higher of:

- guaranteed cash value; or
- 70% of the notional amount

We will also pay any non-guaranteed annual dividends and interests which have built up under the policy (see note 1) and any non-guaranteed terminal bonus (see note 2). Any outstanding debts will be deducted from any benefits payable under the policy (see note 8).



## Convenience of one-time premium payment

Whole-in-One Prime 2 starts at a notional amount of US\$1,000,000. All you have to do is make a single premium payment to enjoy life protection against unforeseen circumstances. No future premium payments will be required.



## Rewards for a healthy lifestyle

The Plan offers up to six sets of premium rates (i.e. risk classifications), to reward the good health of the life insured with preferential premium rates.

## Plan at a glance



### Product type

Participating life insurance plan



### Policy term

Lifetime (see point 10 of 'Important Information' section below)



### Premium payment period

Single premium



### Issue age

Age 0-70  
(age nearest birthday)



### Minimum notional amount

US\$1,000,000



### Policy currency

United States Dollar (US\$)



### Risk classifications

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



### Payment currency accepted

United States Dollar (US\$) and Hong Kong Dollar (HK\$)  
(see note 7)



### Death Benefit (see note 6)

#### Before Golden Anniversary\*

We will pay the designated beneficiary(ies) an amount which is equal to the higher of:

- 100% of notional amount less the aggregate sum of realized terminal bonus (if any) (see notes 2 and 3); or
- any non-guaranteed terminal bonus (see notes 2 and 3) plus the higher of:
  - a) guaranteed cash value; or
  - b) 70% of the notional amount

⊕ any non-guaranteed annual dividends and interests which have built up under the policy (see note 1)

⊖ any outstanding debts (see note 8)

#### On or after Golden Anniversary\*

We will pay the designated beneficiary(ies) an amount which is equal to the higher of:

- guaranteed cash value; or
- 70% of the notional amount

⊕ any non-guaranteed annual dividends and interests which have built up under the policy (see note 1)

⊕ any non-guaranteed terminal bonus (see notes 2 and 3)

⊖ any outstanding debts (see note 8)

\*Golden Anniversary refers to the later of the life insured's age 70 or the 20th policy anniversary.

# Notes

1. Annual dividends and the accumulation interest rates of annual dividends (in other words, interest rates for building up dividends left with us) are not guaranteed and we may change them from time to time.
2. 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 annual dividends, non-guaranteed terminal bonus and non-guaranteed accumulation interest rate of annual dividends' paragraph under the 'Important Information' section below.
3. We will not pay the terminal bonus if the death of the life insured occurs before the Golden Anniversary and if at the time of the death of life insured, 'Value 1' is higher than 'Value 2' (as reflected in the death benefit calculation stated above).
  - 'Value 1' is equal to 100% of notional amount less the aggregate sum of realized terminal bonus (if any).
  - 'Value 2' is equal to any non-guaranteed terminal bonus plus the higher of:
    - a) guaranteed cash value; or
    - b) 70% of the notional amount
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 rule and latest amount of terminal bonus under your policy before exercising the realization option.
5. You can exercise the realization option within 30 days starting 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 subsequent future terminal bonus.
6. Any policy loan will reduce the policy's death benefit and cash value. Please see points 8 and 9 under the 'Important Information' section below.
7. If the premium is paid to us in Hong Kong Dollar, it will be exchanged to United States Dollar at our prevailing exchange rate. Please see point 5 under the 'Important Information' section below.
8. Outstanding debt refers to indebtedness to us against the policy, and it includes but not limited to any premium in default, any outstanding policy loan amount and interest accrued to date.



# 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. Any change in this notional amount will lead to a corresponding change in the premiums and other policy values and benefits of the Plan. The notional amount does not represent the amount of death benefit we will pay. Please refer to 'Plan at a glance' for details on the calculation of death benefit, in particular the death benefit payable on or after the Golden Anniversary.

## Dividend/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 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 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 dividends/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 policy
- 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](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 Hong Kong, 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 Hong Kong, 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.

### **Dividend and bonus history**

You may browse the following website 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 cash value, which includes guaranteed cash value, non-guaranteed annual dividend and non-guaranteed terminal bonus. 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. The main risks affecting the non-guaranteed annual dividends, non-guaranteed terminal bonus and non-guaranteed accumulation interest rate of 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 non-guaranteed annual dividends with us. This rate is also not guaranteed and may change from time to time due to changes in the investment environment.

### **4. 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.

### **5. 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.

## **6. 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.

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

If you cash in the policy, the amount we will pay is the cash 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 cash value we project.

## **8. Liquidity and withdrawal risk**

You can make withdrawals from realized terminal bonus and/or non-guaranteed annual dividends which have built up, take a policy loan or even cash in the policy to get the cash 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 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.

## **9. 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 equals or is more than the sum of guaranteed cash value and any annual dividend accumulations, the policy will end. In this case, 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' and 'Loan Conditions' in the policy provision.

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

The policy will end if:

- i. the life insured dies and we have paid the death benefit;
  - ii. you cash in the policy;
  - iii. when the outstanding debt equals or exceeds guaranteed cash value and any annual dividend accumulations; or
  - iv. 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 guide, attention to 'Individual Financial Products'.

## **11. 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 provision.

## **12. Claims procedure**

Please visit [www.manulife.com.hk/claims-procedure-en](http://www.manulife.com.hk/claims-procedure-en) for details of claims procedure.

## **13. 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](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.

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

## **Manulife (International) Limited (incorporated in Bermuda with limited liability)**

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