



# Whole-in-One Prime 3

## 盈傳創富保障計劃 3

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

**Whole-in-One Prime 3 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.

In this product guide, '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](http://www.manulife.com.hk/link/levy-en).

**Whole-in-One Prime 3 is a long-term participating life-insurance product with a savings element, supplemented with an option for advance realization of terminal bonus for designated illnesses, and is provided and underwritten by Manulife. 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.**

# 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 3** 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 growth potential, now and into the future.

Whole-in-One Prime 3 is designed to help you achieve various protection and wealth management goals:



**Wealth accumulation**



**Life protection**



**Liquidity**



**Business continuity**



**Legacy planning**

Policy Reverse Mortgage Programme - Eligible Life Insurance Plan





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.

## Wealth accumulation



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 generation. Whole-in-One Prime 3 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 terminal bonus** – we will pay a terminal bonus (see note 1) if you end your policy and cash it in, or if the life insured passes away. The amount of the terminal bonus is mainly affected by the performance of the underlying investments, including but not limited to bonds, equities and other non-fixed income assets, so the amount will move up and down over time (see note 2).

The policy term of this plan is lifetime, which means that there is no policy maturity; the life protection and benefits the policy provides (including guaranteed cash value and non-guaranteed terminal bonus) will continue until the policy is ended (see point 12 of the 'Important Information' section below).

## Life protection



Secure the future for your loved ones

Whole-in-One Prime 3 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 passes away before the Golden Anniversary (i.e. the later of the life insured's age 65 or the 15th policy anniversary), we will pay a death benefit (see note 3) consisting of:

- 100% of the notional amount;
- any non-guaranteed terminal bonus (see note 1); and
- any realized terminal bonus left with us for interest accumulation (see note 2).

As one gets older, their financial obligations to their family may ease. Upon reaching the policy's Golden Anniversary, its focus will change from life protection to wealth accumulation. If the life insured passes away on or after the Golden Anniversary, we will pay a death benefit (see note 3) which is equal to the highest of:

- the guaranteed cash value; or
- the aggregate sum of the premiums due and paid (see note 4); or
- the designated percentage of notional amount, which will reduce progressively each policy year starting from the Golden Anniversary, until it reaches 60.10% of the notional amount, remaining unchanged thereafter (see note 5).

We will also pay any non-guaranteed terminal bonus (see note 1) and any realized terminal bonus left with us for interest accumulation (see note 2).



## Extra liquidity with realization option and flexible withdrawal options

If you have liquidity needs that require flexible access to capital, you can apply to make withdrawals.

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, without cashing in your policy, by exercising the **realization option** (see notes 2 and 6). You can decide whether to leave the realized terminal bonus with us to earn interest (see note 2) 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.

In case you need to enhance your cash flow, you can partially withdraw your guaranteed cash value and non-guaranteed terminal bonus through a reduction of notional amount, but this will reduce the subsequent policy value and benefits (see notes 4 and 7). By making withdrawals, the future benefits under your policy will be reduced.



## Access standby funds through Body and Mind Advance Benefit

The impact of a critical illness or mental health problem goes far beyond the physical and emotional. The financial implications can be just as challenging, and we understand how important it is to be able to access the financial support you need, just when you need it most.

That is why we offer an **additional one-time option** for you to **realize up to 100% of the terminal bonus** in the event that the life insured is diagnosed with any of the designated illnesses below. The realized terminal bonus can be left with us to earn interest (see note 2) until you want to withdraw it in the future, thereby giving you access to standby financial resources on your recovery journey. (see note 8 and point 15 'Elimination period' under the 'Important Information' section below)

### Designated illnesses covered by Body and Mind Advance Benefit



#### Critical illnesses

- Apallic syndrome
- Cancer
- Coma
- Heart attack (Myocardial infarction)
- Stroke
- Major head trauma
- Paralysis
- Terminal illness
- Total and permanent disability\*



#### Mental illnesses

- Autism
- Bipolar disorder
- Mental incapacity
- Schizophrenia
- Severe dementia

\*The coverage for total and permanent disability will take effect when the life insured reaches the age of 16.

After you have exercised this option, you still have the opportunity to build up your terminal bonus again in the future (see note 1). You can still exercise realization option where applicable.



## Policy loan for emergency cash

For any pressing financial needs, you can always turn to the policy for emergency cash in the form of a policy loan (see note 3).

## *Business continuity*



Protect the sustainability of your business

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.

For policies owned by a corporation, Whole-in-One Prime 3 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 (see note 9).

## *Legacy planning*



Pass on your wealth to the next generation

To give you the peace of mind of knowing that your legacy will last beyond your lifetime, we offer a range of flexible value-added services to help you build a prosperous future not only for yourself but for your future generations:

- **Death benefit settlement options<sup>@</sup>**

Apart from paying the death benefit to your beneficiary(ies) in a lump sum as set out in the plan, you can customize an alternative death benefit settlement option (see note 10), thereby safeguarding your loved ones' financial future in a way that best reflects your wishes. For example, you may choose to pay the death benefit by instalments, or a mix of both lump sum and instalments, at a start date and payment frequency specified by you. You can also designate the death benefit to be paid in a fixed or at an increasing percentage each year.

- **Successive policyowner<sup>@</sup>** (see note 11)

For added legacy planning flexibility, apart from arranging how the death benefit is to be paid to the beneficiary, you can also nominate a loved one as the successive policyowner. In the event of your passing, the policy will be transferred to the successive policyowner.

**Legacy Choice<sup>@\*</sup>** even allows you to transfer the policy at a designated date or a designated age of the successive policyowner. For example, if the intended successive policyowner is currently under the age of 18, you can first pre-appoint an interim policyowner. Upon your passing, the interim policyowner will be responsible for managing the policy based on the policy administration rights pre-set by you until the designated date or the designated age of the successive policyowner (must be 18 or above), at which point the interim policyowner's administration rights will end and the ownership of the policy will be transferred. You will therefore enjoy the peace of mind of knowing that the value, protection and wealth growth potential of the policy will be passed on to the heir of your choice.

<sup>@</sup>This is an administrative arrangement and is not part of the product features. Such application is subject to our prevailing administrative rules which shall be determined and modified by us from time to time without prior notice. The acceptance of the application is at our sole and absolute discretion.

\*Applicable to policies issued in Hong Kong only.

## Other highlights



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.



Different options for paying your premiums

Whole-in-One Prime 3 starts at a notional amount of US\$250,000. For enhanced planning flexibility, you can choose to pay for the plan with a single payment or over 5 or 10 years to suit your needs.



Flexible premium prepayment option<sup>@</sup>

A premium prepayment option is available for policies with a premium payment term of 5 or 10 years. This option is applicable only during the premium payment period. (see note 12)



Prepare for the unexpected with Incapacity Care Service<sup>@</sup>

The future will always be uncertain. That's exactly why we have to be certain that we are prepared for whatever comes our way. By putting an effective contingency plan in place, we can protect not only our loved ones' financial wellbeing but our own peace of mind.

With **Incapacity Care Service**, you can appoint a family member ('Designated Person') to act on your behalf and execute one of the below policy management instructions as pre-set by you, which will be activated if you ever become mentally and/or physically incapacitated while the policy is in force (see note 13), thus giving your loved ones the assurance of a thoughtful pre-arrangement in difficult times.

### Option 1 – Ownership transfer

Transfer policy ownership to the Designated Person.

### Option 2 – One-off withdrawal from the policy

Withdraw a certain percentage (as designated by you) of the policy value, with the proceeds paid to the Designated Person.

<sup>@</sup>This is an administrative arrangement and is not part of the product features. Such application is subject to our prevailing administrative rules which shall be determined and modified by us from time to time without prior notice. The acceptance of the application is at our sole and absolute discretion.



# Plan at a glance

## Whole-in-One Prime 3

<b>Product objective &amp; nature</b>	A long-term participating life insurance product with a savings element, supplemented with an option for advance realization of terminal bonus for designated illnesses		
<b>Product type</b>	Basic plan		
<b>Premium structure</b>	Level and premium rate is guaranteed		
<b>Benefit term</b>	Whole life		
<b>Premium payment period<sup>^</sup></b>	<b>Single premium</b>	<b>5 years</b>	<b>10 years</b>
<b>Payment mode</b>		Annually	Annually
<b>Issue age<sup>^</sup></b>	0-75	0-70	0-70
<b>Policy currency</b>	United States Dollar (US\$)		
<b>Minimum notional amount</b>	US\$250,000		
<b>Risk classifications</b>	<ul style="list-style-type: none"> <li>• Super preferred non smoker</li> <li>• Preferred non smoker</li> <li>• Standard plus non smoker</li> <li>• Standard non smoker</li> <li>• Preferred smoker</li> <li>• Standard smoker</li> </ul>		
<b>Body and Mind Advance Benefit</b>	One-time option to realize up to 100% of the terminal bonus, available one year after the later of the issue date or the policy year date, in the event that the life insured is diagnosed with any of the designated illnesses (see note 8 and point 15 'Elimination period' under the 'Important Information' section below)		

**Death benefit**

(see note 3)

**Before Golden Anniversary<sup>▲</sup>**

We will pay the designated beneficiary(ies) an amount including:

100% of notional amount;

- ⊕ any non-guaranteed terminal bonus (see note 1)
- ⊕ any realized terminal bonus left with us for interest accumulation (see note 2)
- ⊖ any outstanding debt (see note 14)

**On or after Golden Anniversary<sup>▲</sup>**

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

- the guaranteed cash value; or
  - the aggregate sum of the premiums due and paid (see note 4); or
  - the designated percentage of notional amount, which will reduce progressively each policy year starting from the Golden Anniversary, until it reaches 60.10% of the notional amount, remaining unchanged thereafter (see note 5)
- ⊕ any non-guaranteed terminal bonus (see note 1)
  - ⊕ any realized terminal bonus left with us for interest accumulation (see note 2)
  - ⊖ any outstanding debt (see note 14)

<sup>▲</sup> Golden Anniversary refers to the later of the life insured's age 65 or the 15th policy anniversary.

<sup>^</sup> You may be required to pay premiums after retirement and in some cases up to age 80. As a result, you are advised to save enough money to cover the premiums in the future.

Remark: Age means age nearest birthday.

# Notes

1. 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 terminal bonus and the accumulation interest rate of realized terminal bonus' under the 'Important Information' section below.
2. There may be a delay in making payment when you cash in your policy, exercise the realization option or Body and Mind Advance Benefit, 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 us for the prevailing operational rules and the latest amount of the terminal bonus under your policy before exercising the realization option or Body and Mind Advance Benefit. The accumulation interest rate for building up the realized terminal bonus left with us is not guaranteed and we may change it from time to time. Please see point 4 'The main risks affecting the non-guaranteed terminal bonus and the accumulation interest rate of realized terminal bonus' under the 'Important Information' section below.
3. Any policy loan will reduce the policy's death benefit and surrender value. Please see points 9, 10 and 11 under the 'Important Information' section below.
4. If the notional amount has ever been adjusted, the premium due and paid shall correspond to the notional amount as at the time when the death benefit is payable.
5. Table of occurrence of the life insured's death and corresponding designated percentage of notional amount on/after the Golden Anniversary is below:

<b>Occurrence of the life insured's death</b>	<b>Designated percentage of notional amount</b>
Within the 1 <sup>st</sup> policy year from the Golden Anniversary	97.34%
Within the 2 <sup>nd</sup> policy year from the Golden Anniversary	94.68%
Within the 3 <sup>rd</sup> policy year from the Golden Anniversary	92.02%
Within the 4 <sup>th</sup> policy year from the Golden Anniversary	89.36%
Within the 5 <sup>th</sup> policy year from the Golden Anniversary	86.70%
Within the 6 <sup>th</sup> policy year from the Golden Anniversary	84.04%
Within the 7 <sup>th</sup> policy year from the Golden Anniversary	81.38%
Within the 8 <sup>th</sup> policy year from the Golden Anniversary	78.72%
Within the 9 <sup>th</sup> policy year from the Golden Anniversary	76.06%
Within the 10 <sup>th</sup> policy year from the Golden Anniversary	73.40%
Within the 11 <sup>th</sup> policy year from the Golden Anniversary	70.74%
Within the 12 <sup>th</sup> policy year from the Golden Anniversary	68.08%
Within the 13 <sup>th</sup> policy year from the Golden Anniversary	65.42%
Within the 14 <sup>th</sup> policy year from the Golden Anniversary	62.76%
Within the 15 <sup>th</sup> policy year from the Golden Anniversary and thereafter	60.10%

6. 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 under the policy does not exceed 50%. To exercise the realization option, you must submit a written application in a prescribed format required by us. Once submitted, the application for exercising such option cannot be withdrawn and no realized terminal bonus will be allowed to be reversed. Exercising the realization option will reduce any future terminal bonus.
7. Any reduction in notional amount will reduce your future benefits including the guaranteed cash value, terminal bonus, death benefit and Body and Mind Advance 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.
8. The Body and Mind Advance Benefit can be exercised 1 year after the later of the issue date or the policy year date. Exercising the Body and Mind Advance Benefit may significantly reduce any future terminal bonus (if any). For the avoidance of doubt, the realized percentage of the terminal bonus under Body and Mind Advance Benefit will not count into the aggregate realization percentage under the realization option. Please see the 'Body and Mind Advance Benefit Provision' for the definition of the designated illnesses, and the terms and conditions for the Body and Mind Advance Benefit.
9. Policyowner may request to change the life insured two years after the issue date. When applying for a change of life insured:
  - i. the policy shall be in force without any indebtedness; and
  - ii. the date of birth of the new life insured must not be later than the issue date and must fulfil the prevailing issue age requirements as determined by the Company from time to time.Upon the change of life insured, the policy year date of this policy shall remain unchanged. Nonetheless, the notional amount and 'Table of Cash Values' on page 3 of the policy provisions shall be adjusted based on the new life insured's age, sex, country of residence, residency code, risk classification and any extra premiums due to underwriting on the effective date of the change, subject to the Company's prevailing policies and procedures, underwriting requirements and regulatory requirements, including but not limited to the maximum and minimum notional amounts and issue age. Hence, the terminal bonus, guaranteed cash value, and subsequent premium due (if any) shall be adjusted accordingly. There could be a case that the notional amount may vary significantly and/or additional premiums and levies thereof (if applicable) may be required. For the avoidance of doubt, the policyowner cannot request to increase the notional amount at anytime. The policyowner may opt to reduce the notional amount by making a partial withdrawal, but such reduction will reduce the subsequent policy value and/or benefits. The time period indicated under the 'Suicide' provisions and 'Incontestability' provisions shall restart from the effective date of change. Acceptance of the new life insured is at the Company's sole and absolute discretion and will depend upon the insurability of such life insured, including but not limited to the Company's prevailing policies and procedures, underwriting requirements and regulatory requirements. This service is provided for corporate policyowners. It will be terminated once the policy ownership is changed to a person other than a corporation. For details, please refer to the 'Change of Life Insured Provision' in the policy provisions.
10. Please see the relevant leaflet for more details on your rights and the restrictions applicable to the death benefit settlement options.
11. Please see the relevant leaflet for more details on your rights and restrictions applicable to the successive policyowner.
12. Within 31 days from the policy anniversary, you can apply to prepay a lump sum amount into a premium dump-in account as payment for all premiums and levies (if applicable) in respect of the remaining premium payment period, and to earn interest. Upon approval of the application for the exercise of this option, the premium dump-in interest rate for the prepaid amount and the rate of the refund charge will be determined and guaranteed. For the avoidance of doubt, premium prepayment above or below the total amount of the premiums and levies (if applicable) in respect of the remaining premium payment period is not allowed. For more information, please contact the licensed staff of the Bank.

13. Please see the relevant leaflet for details that applicable to Incapacity Care Service on
  - i. the covered mentally / physically incapacitated conditions;
  - ii. the mechanism on the one-off withdrawal; and
  - iii. your rights and restrictions of setting up this service.
14. Outstanding debt refers to indebtedness to us against the policy, and it includes but is 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, terminal bonus.

Your policy will have a 'notional amount', which is an amount we use to work out the premium and other policy values and benefits of the plan. This notional amount does not represent the total 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. 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.

### **Terminal bonus philosophy**

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

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

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

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

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



Declared terminal bonus does not form a permanent addition to the policy. It may be reduced or increased at subsequent declarations. Its actual amount will only be determined when it becomes payable or when you lock in the terminal bonus. The amount of the terminal bonus is 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.

<b>Asset class</b>	<b>Expected asset mix</b>
Bonds, other fixed income assets and/or reinsurance assets	50%-65%
Growth 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. Reinsurance assets are allocated to reinsurer(s) with highly rated financial strength ratings. Growth 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, other fixed income assets and/or reinsurance 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 growth assets where those assets can be invested in other currencies not matching the policy currency. This is to benefit from diversifying our investment (in other words, spreading the risk).

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

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

### **Fulfillment ratio**

You may browse the following website on fulfillment ratio to understand our dividend and bonus history. This is only for reference purposes.

Dividend/bonus history or past performance is not a guide for future performance of the participating products.

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

# Other product disclosures

## 1. Nature of the product

The product is a long-term participating life-insurance plan with a savings element. Part of the premium pays for the insurance and related costs. The savings element is reflected in the surrender value (also known as 'cash value' in policy provisions), which includes guaranteed cash value, non-guaranteed terminal bonus and any accumulated realized 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 (if applicable). 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 (not applicable to single premium policy)

You should pay the premium (or premiums) on time for the whole of the premium payment period. If you do not pay a premium of the basic plan 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 accumulated realized terminal bonus, 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 accumulated realized terminal bonus 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 policy values.

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

The terminal bonus is not guaranteed. Factors that may significantly affect the terminal bonus include, but are not limited to, the following:

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

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

## **5. Credit risk**

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

## **6. Currency risk**

This plan is in United States Dollar (US\$). 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 surrender value we project.

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

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

## **10. Policy loan**

You can take a policy loan of up to the loan value less any amount you owe us, where the loan value is 90% (we will decide this figure and may change it from time to time without giving you notice) of the sum of guaranteed cash value and any accumulated realized terminal bonus. 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 accumulated realized terminal bonus, 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 policy values. Any policy loan will reduce the policy's death benefit and surrender value. For details, please see the 'policy loan', 'automatic premium loan' and 'loan conditions' provisions in the policy provisions.

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

We will provide an automatic premium loan after the grace period 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 sum of guaranteed cash value and accumulated realized terminal bonus less any amount you owe is not enough to pay the premium you have missed, 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 policy values. 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 surrender value. For details, please see the 'policy loan', 'automatic premium loan' and 'loan conditions' provisions in the policy provisions.

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

The policy will end if:

- i. you fail to pay the premium within 31 days after the due date and your policy does not meet the requirements of an automatic premium loan (not applicable to single premium policy);
  - ii. the life insured dies;
  - iii. when the outstanding debt equals or exceeds guaranteed cash value plus accumulated realized terminal bonus; or
  - iv. we approve your written request to cash in or end this policy;
- whichever happens first.

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

### **13. Suicide**

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

### **14. Claims procedure**

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

### **15. Elimination period**

'Elimination Period' means the 90-day period after the issue date, the policy year date, the effective date of reinstatement or the effective date of the change of life insured (whichever is later) of the basic plan. The Elimination Period will still apply if the designated illness is directly and solely caused by an accident.

No Body and Mind Advance Benefit will be entitled if any health condition in respect of designated illness is:

- i. diagnosed;
- ii. treated;
- iii. yet to be confirmed but may require further investigations; or
- iv. for which the existence or onset of any signs or symptoms linked to any illness or disease were present, within or prior to the Elimination Period.

## **16. Exclusions and limitations**

No Body and Mind Advance Benefit will be entitled if:

- i. Designated illness is caused directly or indirectly by Acquired Immune Deficiency Syndrome (AIDS), AIDS Related Complex (ARC), or infection by Human Immunodeficiency Virus (HIV);
- ii. Designated illness arises as a result of suicide, attempted suicide or intentionally self-inflicted injury, whether the life insured is sane or insane;
- iii. Any physical, psychiatric and neurodevelopmental conditions for which no benefit is payable under the 'Elimination Period of Body and Mind Advance Benefit' provision;
- iv. Designated illness is caused directly or indirectly by the taking of drugs (except under the direction of a registered medical practitioner), poison or alcohol;
- v. Designated illness is caused directly or indirectly by war or any act of war, declared or undeclared, riots, insurrection or civil commotion; or
- vi. Designated illness is resulted from participation in any criminal event.

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

### **Important notes for Policy Reverse Mortgage Programme ('PRMP')**

Please note that Whole-in-One Prime 3 is an eligible life insurance plan under PRMP, but it does not necessarily mean that your PRMP application will be approved. The eligibility of this product under the PRMP is based on the features of the product. Therefore, you and your life insurance policy are still required to meet all the eligibility requirements under PRMP before you apply for the policy reverse mortgage loan.

The general information provided on PRMP is for reference only, and you should not make any decisions based on such information alone. Manulife shall not be responsible for the policyowner's suitability and eligibility to apply for policy reverse mortgage. You should always seek for advice from professional bodies if you have any doubts. Please note that the information provided is subject to change including the eligibility criteria for PRMP. We do not take any responsibility to inform you about any changes and how they may affect you. The PRMP is operated by HKMC Insurance Limited, a wholly-owned subsidiary of The Hong Kong Mortgage Corporation Limited. For further information, please refer to The Hong Kong Mortgage Corporation Limited website: [www.hkmc.com.hk](http://www.hkmc.com.hk).



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

(A subsidiary of Manulife Financial Corporation)

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Live more, Bank less

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

1. The Bank, being registered with the Insurance Authority as a licensed insurance agency, is appointed as an insurance agency of 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; however, any dispute over the contractual terms of the product should be resolved directly between Manulife and the customer.
4. You are reminded to refer to the product leaflet for details of product risks.
5. You are reminded to carefully review the relevant product materials provided to you and be advised to seek independent professional advice when considered necessary.



## Policy Reverse Mortgage Programme

To help you achieve a carefree retirement

**ManuPremier Protector, ManuElite Protector and Whole-in-One Prime 3** are the eligible life insurance plans under the Policy Reverse Mortgage Programme, providing you with a stream of steady cashflow to support your carefree retirement.

### What is a policy reverse mortgage?

The Policy Reverse Mortgage Programme (PRMP) is operated by HKMC Insurance Limited (HKMCI), a wholly-owned subsidiary of The Hong Kong Mortgage Corporation Limited (HKMC), for people who are aged 55 or above to apply for policy reverse mortgage loans.

Policy reverse mortgage is a loan arrangement. It enables you to use your life insurance policy as collateral to borrow from a lender. You can opt to receive monthly payouts either over a fixed period of 5, 10, 15 or 20 years or throughout your entire life until the maturity of your life insurance policy. You may also apply for lump-sum payouts to suit personal needs.

In general, you do not need to repay your policy reverse mortgage loan during your lifetime, unless your policy reverse mortgage loan is terminated under specific circumstances.

There is no limit on the number of policy reverse mortgage loans to be taken out by a borrower, but each loan can only have one life insurance policy as collateral. The aggregate amount of death benefits of all your life insurance policies assigned or to be assigned as collateral under the programme is capped at HK\$15 million. For any application with the aggregate amount of death benefits exceeding such capped amount, such application will be considered on a case-by-case basis.

In most cases, your policy reverse mortgage loan will become due and payable when you pass away. The lender will enforce your life insurance policy within a specified timeframe to repay in full the outstanding loan amount. The amount recoverable from your life insurance policy to be used for repayment of your policy reverse mortgage loan will be the death benefits of your life insurance policy.

If the amount of the death benefits exceeds the outstanding loan amount under the policy reverse mortgage loan, the lender will pass the surplus to you (or your personal representative) after repaying the outstanding loan amount in full. If there is any shortfall, it will be borne by the HKMCI under an insurance arrangement between the lender and the HKMCI.

**ManuPremier Protector, ManuElite Protector and Whole-in-One Prime 3 are the eligible life insurance plans under the PRMP.**



# Am I eligible for a policy reverse mortgage loan?

You must:

- ✓ be aged 55 or above and a holder of a valid Hong Kong identity card; and
- ✓ not be an undischarged bankrupt or otherwise subject to bankruptcy petition or individual voluntary arrangement (except if the indebtedness under the relevant individual voluntary arrangement is to be repaid in full at closing by way of lump-sum payout).

In general, your life insurance must:

- ✓ be taken out by you as both the policyholder and the insured
- ✓ be issued by an authorized insurer in Hong Kong
- ✓ be denominated in Hong Kong Dollars or United States Dollars
- ✓ not be associated with any investment features (such as Investment-Linked Assurance Schemes regulated by the Securities and Futures Commission of Hong Kong)
- ✓ have the premium fully paid up
- ✓ be assignable and not contain any restriction on change of beneficiary

Furthermore, it is necessary that the beneficiary of your life insurance policy be yourself or your estate<sup>1</sup>.

<sup>1</sup> Please refer to the Important Notice of the PRMP on the website of the HKMC [www.hkmc.com.hk](http://www.hkmc.com.hk) for further information.





# Key features and benefits of the PRMP



## Flexible payment term

You can choose to receive monthly payouts either over a fixed period of 5, 10, 15 or 20 years or throughout your entire life (until the maturity of your life insurance policy).



## Lump-sum payout

You may apply for lump-sum payouts at the time of policy reverse mortgage loan application and/or any time during the selected payment term to suit your personal needs.

If you withdraw a larger lump-sum payout amount, there will be a correspondingly lower monthly payout amount. If you withdraw the maximum amount of lump-sum payout, you will not receive any monthly payouts thereafter.



## Two options of mortgage plans

To meet your financial needs, you can choose either a floating-rate or fixed-rate mortgage plan.



## No repayment during your lifetime

In general, you do not need to repay the outstanding loan amount during your lifetime, unless your policy reverse mortgage loan is terminated under specific circumstances.



## No penalty for early full repayment

You may fully repay the outstanding loan amount and redeem your life insurance policy at any time without penalty. However, you may not repay only a part of the outstanding loan amount.



## Six-month cooling-off period

If you terminate your policy reverse mortgage loan for whatever reason, provided that you notify the lender within the first six months and repay in full the outstanding loan amount on the proposed repayment date, you will be given a full refund and waiver of the relevant mortgage insurance premiums. However, you still need to bear any accrued interest and financed fees in the outstanding loan amount.

**Please refer to the website of the HKMC [www.hkmc.com.hk](http://www.hkmc.com.hk) for further information of the PRMP, including costs (interest expense, mortgage insurance premium, handling fee, and other fees and expense), example of monthly payout amounts, general application flow, etc.**

**Notes:**

The above information is for reference only and not to be used as a basis of decision making. Your decision should be based on your actual situation or needs. This flyer does not constitute any contract or any part thereof between Manulife (International) Limited (Incorporated in Bermuda with limited liability) and any person or entities.

The PRMP is operated by the HKMCI. The customer and the customer's life insurance policy must meet all the eligibility requirements set out by the HKMCI before applying for a policy reverse mortgage loan under the PRMP. All mortgages under the PRMP are subject to relevant terms and conditions. For enquiries, please call the HKMC Retire 3 Hotline at 2536 0833 or send an email to [hkmcetire3@hkmc.com.hk](mailto:hkmcetire3@hkmc.com.hk).

HKMC website: [www.hkmc.com.hk](http://www.hkmc.com.hk)

**Need more details? Get in touch**

Please contact your Manulife insurance advisor or call our Customer Service Hotline at (852) 2510 3383 for more details on ManuPremier Protector, ManuElite Protector and Whole-in-One Prime 3.

The information listed above does not constitute professional advice, recommendation, offer or persuasion to any person to make any decision (either investment or other decision). Manulife cannot provide you with any advice on the PRMP and shall not be responsible for your suitability and eligibility to apply for policy reverse mortgage. You should seek independent advice from relevant experts before making any decision regarding the theme mentioned in the above information. Manulife makes no representation as to the accuracy of the above information and shall not be held liable for any use or interpretation of the above information by a third party.

This flyer is for reference only. You should not purchase any product without first understanding the nature and risks of the products or solely on the basis of this flyer. The flyer should be read in conjunction with the relevant product leaflets. For the exact terms and conditions, and risk disclosures of the relevant products, please refer to the relevant product leaflets and provisions. You can ask Manulife for a copy.

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