



Dividend Policy

Participating Policies

On top of death benefit and guaranteed cash value, your participating policies earn dividends each year. The dividends distributed by our company are cash dividends. During your policy application, you may select to collect the annual dividends, deposit the annual policy dividends with CLI (Overseas) to accumulate for interest, or use the dividends to offset against future premium. Please note that both the dividends and dividend accumulation interest rate are not guaranteed.

How to determine the dividends of insurance products?

In determining the premium and anticipated dividend scale, we will make suitable long-term assumptions on items such as:

- the expected returns on investment;
- the expected morbidity or mortality rate; and
- the expected operating expenses etc.

We will take into account the above assumptions to determine a stable and fair cash dividend scale.

Why would the dividends and dividend accumulation rate be adjusted?

Our responsibility is to ensure that our Company has maintained an adequate capital fund to cover both the incurred and future expected obligations to you. As such, we may have to adjust the dividends in consideration of those factors that affect our profit level, including the actual investment returns, operating expenses and claims experiences. Therefore, the dividends are not guaranteed.

If actual results turn out to be more favourable than our long-term assumptions and bring about higher profits than expected, we may consider utilizing part of the surplus to increase the dividends. However, if actual conditions deteriorate, the dividends may have to be revised accordingly. We will try our best to maintain the dividends at a stable level and avoid the fluctuations in dividends as a result of the short term investment market fluctuations. We strive to maintain a reasonable and fair dividend distribution to fulfill the reasonable expectations of our policyholders.