

Life Insurance

Lifelong Promise • Lifelong Partner



Enhanced 18-Year Pay Whole Life Insurance Plan

A lifelong protection is an important step toward fulfilling your obligation for your loved ones. With our Enhanced 18-Year Pay Whole Life Insurance Plan (the "Plan"), you can have a lifelong coverage with fixed premium payment term at an affordable premium. The Plan also comes with a savings element to help you accumulate wealth in the meantime.



Plan Features

Lifelong protection

By paying 18 years of affordable premiums, you will enjoy lifelong protection until age 100. Once the application is accepted, your premiums will remain level even as your age increases, giving you more control over your finances.

If the insured passes away while the policy is in force, the beneficiary will receive a death benefit, which is equal to the sum assured, plus accumulated non-guaranteed dividends and interest¹ (if any), less all indebtedness (if any).

Accumulate wealth through dividends

In addition to comprehensive protection, you will receive a non-guaranteed dividend¹ on every policy anniversary while the policy is in force. You can either accumulate the non-guaranteed dividends in the policy to earn interest¹ until policy maturity, or withdraw² that, or use that to pay future premiums.

Flexible access to your wealth

The Plan provides you guaranteed cash value. While the policy is in force, you may take out a policy loan³ to fulfill your cash flow needs.

Additional protection

To bolster your protection, you may take out different riders, including medical, critical illness and accident, etc. depending on your personal needs.

Enrollment Terms

Issue age:	15 days to age 70
Benefit term:	To age 100 of the insured
Premium payment term:	18 years ⁴
Premium payment mode:	Annual, semi-annual, quarterly, monthly ⁵ , annual and premium prepayment ⁶
Policy currency:	HKD or USD
Minimum sum assured:	HKD100,000 or USD12,500

Illustrative Example

Insured's gender: Male **Smoking status:** Non-smoking
Sum assured: HKD500,000 **Premium payment mode:** Annual
Premium payment term: 18 years

The policy at age 65 of the insured:

(Policy currency: HK Dollar)

Issue age	Annual premium	Total premiums paid	Accumulated dividends and interest ¹	Guaranteed cash value	Total surrender value ⁷	Total death benefit ⁸
10	4,345	78,210	233,741	279,200	512,941	733,741
25	7,105	127,890	153,016	237,750	426,766	653,016
35	10,030	180,540	93,057	237,750	366,807	593,057
45	14,615	263,070	54,228	237,750	327,978	554,228

The figures in the above example are rounded to the nearest whole number and are for illustrative purposes only. The actual return of the accumulation interest rate is not guaranteed. The above example is based on the following assumptions:

- all premiums exclude levy; and
- the non-guaranteed dividends are accumulated in the policy; and
- the current accumulation interest rate of the non-guaranteed dividends² is 3.45% p.a. at China Life (Overseas). The interest rate is not guaranteed; and
- there is no withdrawal and no indebtedness throughout the benefit term and all premiums are paid in full when due.

Notes:

1. The dividends and interest are not guaranteed. The actual benefits and/or returns may be lower or higher than estimates. China Life (Overseas) reserves the right to revise these from time to time. The actual amount of dividend is subject to the overall performance of China Life (Overseas)'s participating businesses, including investment returns and claims, etc. The prevailing accumulation interest rates of policy(ies) denominated in HKD and USD are 3.45% p.a. and 3.9% p.a. respectively.
2. You may withdraw the dividends at any time without any charge, however, the policy value and death benefit will be affected in case of withdrawal.
3. The policy loan interest rate is not guaranteed, please contact China Life (Overseas) for further information.
4. In addition to premiums, you have to pay policy fee of HKD200/USD25 (subject to policy currency) per year during the premium payment term.
5. If the required renewal premium is paid by you within the grace period, the policy shall continue to be in force. For details, please refer to the policy provisions issued by China Life (Overseas). If the policy is lapsed or surrendered, the policy cash value received by you may be considerably less than the total amount of the premiums paid.
6. If you choose the annual and premium prepayment option, you can withdraw the unused prepaid premium (including interest, if any) at one time. China Life (Overseas) will charge 2% of the withdrawal amount, at a minimum amount of HKD100/USD12.5. You can withdraw the unused prepaid premium once only. The current interest rate of prepaid premium is 3% p.a. and this interest rate is not guaranteed.
7. The total surrender value includes guaranteed cash value, accumulated non-guaranteed dividends and interest (if any), less all indebtedness (if any).
8. The total death benefit is equal to the sum assured, plus accumulated non-guaranteed dividends and interest (if any), less all indebtedness (if any).

Important Information:

This product brochure is for reference only. It does not form a contract between China Life (Overseas) and anyone or any entity else. The detailed terms, conditions and exclusions of the Plan are subject to the relevant policy contract. You are reminded to review the policy contract and all relevant product materials and to seek independent professional advice if necessary. For a copy of the policy provisions, please contact China Life (Overseas) for enquiry.

1. The Plan is underwritten by China Life Insurance (Overseas) Company Limited ("China Life (Overseas)", the "Company" or "us/we/our"). China Life (Overseas) is responsible for the features, underwriting and benefit payments under the Plan. You should fully understand all of the risks involved in this Plan and consider whether this Plan is affordable and suitable to you before making your application.
2. China Life (Overseas) shall make the final decisions on the underwriting and claims. We shall rely on your submitted information to assess whether to accept or decline your application, and shall refund any premium and premium levy (if any) paid without interest for declined cases.
3. Exclusions and limitations - The information stated in this product brochure is for reference only. Please refer to the "general provisions" and "benefit provisions" for the detailed terms and conditions of exclusions and limitations such as incontestability, suicide and fraud, etc.
4. Non-payment of premium / automatic premium loan - You should pay premium(s) on time according to the selected premium payment term. If the due premium(s) remains unpaid upon the expiry of the grace period, an automatic premium loan will be taken out against the policy to settle the unpaid premium automatically. All premium loans are interest-bearing and calculated at a rate (as stated on China Life (Overseas)'s website www.chinalife.com.hk) to be declared by us from time to time. Interest accrued shall become a part of the indebtedness. When the loan balance is equal to or exceeds the guaranteed cash value of the basic plan of the policy, the policy will be lapsed and you will lose the related benefits and suffer a financial loss. Under these circumstances, the surrender value of the policy will be deducted to repay the outstanding loan balance (including interest), and the remaining value will be refunded to you.
5. Dividend philosophy - Policyholders of participating insurance plans can enjoy the potential surplus arising from the long term operation of the participating fund via a form of non-guaranteed dividend in addition to the guaranteed benefits. Your premiums will usually be allocated into a relevant participating fund and will be invested in a variety of asset classes according to our investment strategy. We will manage the relevant participating fund in a prudent manner and aim to ensure a fair distribution of surplus and risks between policyholders and shareholders, and among different groups of policyholders.

As dividends are mainly affected by the overall performance of the participating business, in order to alleviate the volatility of achieved gains and losses and the future uncertainties, in particular, future investment returns, we may take moderate smoothing measures to achieve relatively more stable dividends and strive to meet policyholders' reasonable expectation. We will maintain a fair distribution method or sharing ratio, and appropriate grouping to ensure policyholders are treated fairly, and to ensure policyholders' benefit expectation and rights are protected.

The current dividend projection is not guaranteed. We will review and declare the dividend at least once a year. When determining the dividend, we will consider the overall performance of all relevant policies on factors including but not limited to past experience as well as future prospect of investment returns, claims and surrenders:

Investment return – including the interest income, dividend income, investment outlook and changes in the asset values.

Claims – including the costs of providing death benefit as well as other benefits under the product(s).

Surrenders – including policy termination, partial surrenders and the corresponding experience and impact.

If there are any changes in the actual dividends against the illustration or to the projected future dividends, such changes will be reflected in the policy anniversary statement.

The declaration of actual dividends is recommended by the Appointed Actuary and is subject to the approval of the Board (including one or more Independent Non-Executive Director(s)).

For products that are associated with an element of non-guaranteed accumulation interest rate, the Company will consider past investment experience as well as future expected return and other related factors when determining this non-guaranteed interest rate. If there are changes from market, expectation or policyholder behavior, the Company may apply reasonable adjustments to the non-guaranteed interest rate.
6. Investment strategy - Our investment philosophy aims at containing volatility and providing long term stable return. Meanwhile, in order to control and diversify risks, maintain adequate liquidity, and achieve higher potential returns for policyholders under an acceptable risk appetite, we will invest in a wide range of asset classes with consideration of the status of assets and liabilities. The target asset mix may also differ between different participating products. We will actively manage the investment portfolio and adjust the asset mix in response to the external market conditions.

Currently, our investments include bonds and other fixed income assets, such as government and corporate bonds and other fixed income instruments, to support the guaranteed liability payment. To enhance the potential performance of the investment portfolio, the Company will invest in equity-type assets and other investment instruments such as private funds, mutual funds and direct/indirect investment in properties or commercial institutions. Subject to our investment policy, we may also utilize derivatives to manage risks and enhance returns, or use security lending to improve returns. The investment portfolio will be diversified across different geographic regions and /or industries.

China Life (Overseas)'s current investment strategy on this participating plan is as follows:

Asset type	Target asset mix (%)
Bonds and other fixed income instruments	50% to 90%
Equity-type investment and other investments	10% to 50%

Please refer to China Life (Overseas)'s website www.chinalife.com.hk/products/dividend-philosophy-and-investment-strategy for dividend history, dividend philosophy, investment strategy, as well as the fulfillment ratio of China Life (Overseas).

7. Cooling-off right - You have the right to cancel the policy within the cooling-off period and obtain a refund of any premiums and premium levy (if any) paid provided that no claim has been made under it. You must submit a written notice signed by you to China Life (Overseas) at 22/F, CLI Building, 313 Hennessy Road, Wan Chai, Hong Kong within 21 calendar days after the delivery of the policy or Notice of policy Issuance (telling you about the availability of the policy and the expiry date of the cooling-off period) to you or your representative, whichever is earlier.

What are the key product risks?

Credit risk:

The Plan is a life insurance policy issued by China Life (Overseas). Any premium paid will become part of our assets and our financial strength will affect our ability to meet our contractual obligations to you under the policy. Therefore, you are subject to our credit risk.

Early surrender risk:

The savings component of the Plan is subject to risks and possible losses. Should you surrender the policy early, you may receive an amount considerably less than the total amount of premiums paid.

Exchange rate and currency risks:

Any policy with foreign currencies involves risks, such as potential changes in political or economic conditions that may substantially affect the price or liquidity of a currency. The fluctuations in exchange rates may also cause financial losses to you during currency conversions. You should take exchange rate risk into consideration when deciding the policy currency.

The policy currency of the Plan offers HKD and USD. Currency exchange rate can go up and down. If the policy currency is USD but calculated in HKD, the calculation is subject to the exchange rate. There is a risk that you could lose a substantial portion of total value of the policy or benefit if the policy currency depreciates substantially against your local currency.

Inflation risk:

The cost of living in the future may be higher than expected due to the effects of inflation. Therefore, your current projected benefits and/or returns may be insufficient to meet your future needs even if China Life (Overseas) fulfills all of our contractual terms and obligations.

Liquidity and withdrawal risk:

You are obliged to hold the policy and pay the premium(s) for the designated period of time. If you terminate the policy prior to the policy maturity date, you may suffer a financial loss. In case you make partial withdrawals from the policy, your policy value, death benefit and other policy benefits will be affected, and you may need to pay the relevant handling fee or charges (if any).

Non-guaranteed benefit:

The Plan consists of non-guaranteed benefits and/or returns. The actual amounts of benefits and/or returns in the future may be different from the benefits and/or returns which project on the product materials. The product materials are for illustrative purposes only.

Policy termination:

The policy will be terminated if (a) the Company has paid the death benefit in full; or (b) the due premium has not been paid within 31 days after the premium due date, and the policy has no remaining guaranteed cash value; or (c) the indebtedness of the policy is equal to or exceeds the guaranteed cash value of the policy.

Effective from 1 January 2018, all policyholders are required to pay a levy on each premium payment made for both new and in-force policies to the Insurance Authority (the "IA"). For premium levy details, please visit our website at www.chinalife.com.hk or contact our customer service hotline at 399 95519 or visit IA's website at www.ia.org.hk.

This product brochure is for distribution in Hong Kong only and shall not be construed as any provision of or offer to sell or solicitation to buy any insurance product outside Hong Kong. China Life (Overseas) does not provide or offer to sell any insurance product outside Hong Kong. The above information is for reference only. The detailed terms, conditions and exclusions of the Plan are subject to the terms and conditions of the policy contract of the Plan. For a copy of the policy provisions, please contact China Life (Overseas) for enquiry.

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