



Policy Reserve Mortgage Achieve a carefree retirement

堅守承諾 • 終身相伴 Lifelong Promise • Lifelong Partner

“Promise Family Protector” is the eligible life insurance plan 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 HKD15 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.

“Promise Family Protector” is the eligible life insurance plan under the PRMP.



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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 estate¹.

¹ Please refer to the Important Notice of the PRMP on the website of the HKMC 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.

Source: The above information is extracted from the Policy Reverse Mortgage Information Pack (January 2024) of the HKMC, and is for reference only. Please refer to the website of the HKMC www.hkmc.com.hk for further information.

Please refer to the website of the HKMC 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 China Life Insurance (Overseas) Company Limited ("China Life (Overseas)") 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 hkmcretire3@hkmc.com.hk.

HKMC website: www.hkmc.com.hk

Need more details? Get in touch

Please contact your consultant or call our Customer Service Hotline at 399 95519 for more details on Promise Family Protector.

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). China Life (Overseas) cannot provide you with any advice on the PRMP. You should seek independent advice from relevant experts before making any decision regarding the theme mentioned in the above information. China Life (Overseas) 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.

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