

## Forest Insurance Plan

Underwritten by China Life Insurance (Overseas)  
Company Limited



Agency :



Insurance Company :





# Forest Insurance Plan

Underwritten by China Life Insurance (Overseas) Company Limited, Forest Insurance Plan (the “Plan”) provides guaranteed cash value, non-guaranteed dividends and non-guaranteed terminal dividend which facilitate long-term wealth accumulation, together with policy split option, you can split the policy as your needs revolve, helping you to flexibly allocate your assets and pass your legacy onto the offspring at ease.

## Plan Features

### 2-year or 5-year premium payment term with whole life protection

By paying premium<sup>1</sup> for 2 years or 5 years, you can enjoy whole life protection. You may pay your premium in annual, annual and premium prepayment<sup>2</sup> (applicable to 2-year payment) or monthly (applicable to 5-year payment) mode. If you choose the annual and premium prepayment option<sup>2</sup>, you can enjoy a guaranteed interest rate of 5% per annum to boost your returns.

### Multiple potential returns to accelerate wealth building

The Plan is a participating insurance plan that offers you potential capital growth. Its policy value consists of guaranteed cash value, non-guaranteed dividends<sup>3</sup> (if any) and non-guaranteed terminal dividend<sup>4</sup> (if any).

**Guaranteed cash value** grows over the policy years helping you accumulate wealth.

**Non-guaranteed dividends<sup>3</sup>** will be payable starting from the 1<sup>st</sup> policy anniversary and every policy anniversary thereafter, providing you with a stream of potential returns. You may leave the non-guaranteed dividends<sup>3</sup> (if any) in the policy to accumulate interest<sup>5</sup>, interest rate is not guaranteed and is determined by China Life (Overseas) from time to time, or withdraw<sup>6</sup> that to achieve different financial goals.

**Terminal dividend<sup>4</sup>** is a one-off non-guaranteed dividend, which is not perpetually attached to the policy and may be reduced or increased at subsequent declarations. Terminal dividend<sup>4</sup> (if any) is payable from the 3<sup>rd</sup> (applicable to 2-year payment) or 6<sup>th</sup> (applicable to 5-year payment) policy anniversary upon policy surrender or death benefit (if applicable) payment, whichever is earlier. Under the worst-case scenario, non-guaranteed terminal dividend<sup>4</sup> may be zero.

### Split your policy and pass it to your loved ones

You can distribute your wealth in the way you choose by easily applying for the “policy split option”<sup>7</sup> through China Life (Overseas), which allows you to divide your policy into two or more policies as you wish and pass on your wealth to your next generation.

Starting from the 5<sup>th</sup> policy anniversary, you may apply for exercising the “policy split option”<sup>7</sup> through China Life (Overseas) at any time to split the original policy into two or more new policies according to the designated percentages.

Once the policy split is completed, you may also apply for change of insured<sup>8</sup>, to assist you to allocate your legacy and enjoy greater flexibility on wealth allocation.

### Unlimited change of insured and pass on wealth across generations

We understand you wish to provide your loved ones with a secure financial future. This is why the Plan features the “change of insured option”<sup>8</sup>, allowing you to apply for changing the insured<sup>8</sup> through China Life (Overseas) on or after the 1<sup>st</sup> policy anniversary for unlimited times while the insured is alive, giving your wealth more time to grow. Together with the change of policyholder, you can pass the policy down through generations. Change of policyholder and insured is subject to approval of China Life (Overseas).

The new insured must have insurable interest with the policyholder, subject to the below terms and conditions and approval of China Life (Overseas):

- (a) if the new insured’s attained age exceeds first insured’s attained age, the attained age of the new insured shall not exceed the lower of the below: (i) age 65; or (ii) the attained age of the first insured of the policy plus 10 years
- (b) if the new insured’s attained age is equal to or below the first insured’s attained age, the attained age of the new insured shall not exceed age 80.

Change of insured is subject to clauses of incontestability and suicide. Please refer to the “general provisions” and “benefit provisions” for detailed terms and conditions.

## Contingent insured to sustain insurance coverage

You can designate a maximum of 2 contingent insureds<sup>9</sup> through China Life (Overseas) at a time while the insured is alive and the policy is in force. In case the insured passes away, we will arrange the contingent insured who is first in line to be the new insured according to relevant administrative procedures and sequence for allowing the policy to continuously provide protection to you and your family.

The contingent insured must have insurable interest with the policyholder, subject to the below terms and conditions and approval of China Life (Overseas):

- (a) if the contingent insured(s)'s attained age (on an individual basis if more than one contingent insured) exceeds the first insured's attained age, the attained age of contingent insured(s) shall not exceed the lower of the below: (i) age 65; or (ii) the attained age of the first insured of the policy plus 10 years
- (b) if the contingent insured(s)'s attained age (on an individual basis if more than one contingent insured) is equal to or below the first insured's attained age, the attained age of the contingent insured(s) shall not exceed 80.

If the policyholder and the insured passes away at the same time, the applications of the change of policyholder and contingent insured to be the new insured will be submitted simultaneously, the application for contingent insured to be the new insured will be processed first by China Life (Overseas), while the application for the change of policyholder will be handled afterwards. Application for contingent insured is subject to approval of China Life (Overseas).

Contingent insured is subject to clauses of incontestability and suicide. Please refer to the "general provisions" and "benefit provisions" for detailed terms and conditions.

## Life protection provides peace of mind to your loved ones

### Death benefit

In case the insured passes away when the policy is in force and no contingent insured is assigned, we will pay the beneficiary a death benefit which is equal to the higher of below:

1. 101% of the accumulated premium due and paid of the basic plan; or
2. sum of guaranteed cash value and non-guaranteed terminal dividend<sup>4</sup> (if any) of the basic plan at the date of death of the insured, plus non-guaranteed accumulated dividends<sup>3</sup> (if any) with interest<sup>5</sup> (if any), less all indebtedness (if any) of the policy.

Where the insured does not survive the age of 180 days, the death benefit will be all premium paid.

The policy will be terminated after death benefit is paid in full.

### Death benefit settlement option

While the insured is alive, you can choose how the death benefit is to be paid to safeguard your family's financial future. You can choose to settle the benefits in a lump sum or by annual instalments with a fixed amount over a fixed payment term of 10, 20 or 30 years.

For the instalment option, the remaining balance of death benefit will be deposited in the policy to accumulate interest until the end of the payment term. The interest will be calculated on an annual basis and it is non-guaranteed which will be determined by us from time to time. The accumulated interest<sup>5</sup> (if any) will be paid together with the last instalment of death benefit. If the beneficiary dies during the settlement period of the death benefit, we will pay the remaining balance of the death benefit with non-guaranteed interest (if any) in a lump sum payment to the personal representative for the estate of the deceased beneficiary(ies).

If the death benefit at the date of the insured's death is less than USD50,000 (for USD policy) or HKD400,000 (for HKD policy), or the policyholder does not specify any settlement option, we will pay out the benefit amount to the beneficiary in a lump sum.

## Simplified underwriting

To assist you to achieve your goals with ease, application of the Plan is easy and no medical examination<sup>10</sup> is required.

# Enrolment Terms

Issue age	15 days to age 70	
Benefit term	Whole life	
Premium payment term	2 years / 5 years	
Policy currency	USD / HKD	
Premium payment mode <sup>1</sup>	<u>2-year payment</u>	<u>5-year payment</u>
	1. Annual 2. Annual and premium prepayment <sup>2</sup>	1. Monthly 2. Annual
Minimum basic amount <sup>11</sup>	USD10,000 / HKD80,000	

## Case: Long-term wealth accumulation, passing on legacy with ease

Kevin is a teacher who has been working hard for years and accumulated substantial amount of savings. He hopes to obtain steady returns in the long run and grow his wealth through potential gains, while being able to withdraw part of the amount to cover family travel expenses every year. He also plans to pass on wealth to his offspring in the future. Thus, he takes out Forest Insurance Plan.

Insured and policyholder:	Kevin	Smoking status:	Non-smoking
Insured's gender:	Male	Policy currency:	HKD
Issue age:	Age 45	Premium payment mode <sup>1</sup> :	Annual and premium prepayment <sup>2</sup>
Basic amount <sup>11</sup> :	HKD1,000,000	Premium payment term:	2 years
Annual premium:	HKD500,000	Total premiums paid <sup>2</sup> :	HKD976,190

Non-guaranteed dividends					
Starting from the 1 <sup>st</sup> policy anniversary, non-guaranteed dividends <sup>3</sup> (if any) are received on every policy anniversary					
End of policy year	0	1 - 25	25	55	
Event	Kevin takes out Forest Insurance Plan	Kevin receives the non-guaranteed dividends <sup>3</sup> annually HKD45,000, he leaves half of it (HKD22,500) in the policy to accumulate interest <sup>5</sup> (interest rate is not guaranteed), he withdraws <sup>6</sup> another half (HKD22,500) to subsidize annual family travel expenses	When Kevin reaches the age of 70, the policy value is projected to be HKD1,958,626. Kevin chooses to split his policy <sup>7</sup> equally into two policies, each policy receives non-guaranteed dividends <sup>3</sup> on every policy anniversary		
			Policy 1 (50%)	Policy 2 (50%)	Policy 1 (50%)
			Kevin withdraws <sup>6</sup> the non-guaranteed dividends <sup>3</sup> annually (HKD22,500) to subsidize the living expenses after his retirement	Kevin changes the insured <sup>8</sup> and policyholder to his 35-year-old son, Alan. The new insured, Alan, of the policy will be covered for whole life. Alan has a steady job with high income, he decides to leave the annual non-guaranteed dividends <sup>3</sup> (HKD22,500) in the policy to accumulate interest <sup>5</sup> (interest rate is not guaranteed) and let the policy value grow	The policy value is projected to be HKD2,319,087. Kevin passes away at age 100. As the contingent insured <sup>9</sup> , his son, Alan becomes the new insured <sup>8</sup> and policyholder, and inherits the policy
					When Alan reaches the age of 65, the policy value is projected to be HKD3,471,086. Alan may withdraw <sup>6</sup> the policy value for retirement expenses or pass the legacy to future generations through the change of insured <sup>8</sup> and policyholder
Non-guaranteed total surrender value		HKD1,958,626	HKD979,313	HKD979,313	HKD2,319,087
		equivalent to 201% of total premiums	equivalent to 201% of total premiums*	equivalent to 201% of total premiums*	equivalent to 475% of total premiums*
Guaranteed cash value		1,012,240	506,120	506,120	532,985
Non-guaranteed accumulated dividends <sup>3</sup> and interest <sup>5</sup>		870,566	435,283	435,283	1,204,167
Non-guaranteed terminal dividend <sup>4</sup>		75,820	37,910	37,910	581,935

The figures in the above case are rounded to the nearest whole number and are for illustrative purposes only, actual returns would depend on different situations of individual customers and plan(s) purchased. The above case is based on the following assumptions:

- All premiums exclude levy;
  - total surrender value is equal to the sum of the guaranteed cash value, non-guaranteed accumulated dividends with non-guaranteed interest (if any) and non-guaranteed terminal dividend (if any), less all indebtedness (if any) of the policy;
  - terminal dividend is non-guaranteed and is a one-time dividend. It is not perpetually attached to the policy and the amount of non-guaranteed terminal dividend will be subject to adjustment when it is declared;
  - the current accumulated interest rate of non-guaranteed dividends is 3.45% p.a. at China Life (Overseas). The interest rate is not guaranteed; and
  - there is no other withdrawal, no policy loan, no indebtedness throughout the benefit term, and all due premiums have been fully paid
- \*Total premium of each policy is HKD488,095 after policy split, which is calculated by the policy split percentage of 50%.

Please refer to the proposal document for further details.

**Remark:** The policyholder is subject to the credit risk of China Life (Overseas). If the policyholder discontinues and / or surrenders the insurance plan in the early policy years, the amount of the benefit he / she will get back may be considerably less than the amount of the premiums he / she paid. Past, current, projected and / or potential benefits and / or returns (e.g. bonuses, dividends, interests) presented herein are not guaranteed and are for illustrative purposes only. The actual future amounts of benefits and / or returns may be lower or higher than the currently quoted benefits / or returns.

Notes:

1. 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 early, the policy cash value received by you may be considerably less than the total amount of the premiums paid.
2. If you choose the annual and premium prepayment option, the interest rate of prepaid premium is 5% p.a. and this interest rate is guaranteed. If you withdraw the unused prepaid premium (including interest, if any) at one time or upon surrender of the policy, China Life (Overseas) will charge 3% of the withdrawal amount, at a minimum amount of HKD200 (applicable to HKD policy) or USD25 (applicable to USD policy). You can withdraw the unused prepaid premium once only.
3. Dividends (if any) will be payable while the policy is in force, all due premiums are paid and the insured still survives. 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 dividends is subject to the overall performance of China Life (Overseas)'s participating businesses, including investment returns and claims, etc. You may refer to relevant notice document(s) issued by China Life (Overseas) for reference of non-guaranteed dividends and interest.
4. Terminal dividend is a one-off dividend and is non-guaranteed. Amount of non-guaranteed terminal dividend shown in proposal illustration is just an indicative figure. Declared terminal dividend is not perpetually attached to the policy. It may be reduced or increased at subsequent declarations. Its actual amount will only be determined when it becomes payable. The actual amount may be lower or higher than the projected figure. Under the worst-case scenario, actual amount of non-guaranteed terminal dividend may be zero. The amount of non-guaranteed terminal dividend is affected by various factors including but not limited to the performance of the underlying investments, so the amount is relatively volatile and will move up and down over time. China Life (Overseas) reserves the right to revise the non-guaranteed terminal dividend from time to time. Past record is not necessarily indicative of future result. For details, please refer to clause 12 and 13 under "Important Information", and "Non-guaranteed benefit" risk. Starting from the 3<sup>rd</sup> (applicable to 2-year payment) or 6<sup>th</sup> (applicable to 5-year payment) policy anniversary, non-guaranteed terminal dividend shall be paid upon the occurrence of the earlier of the following conditions:
  - (i) when the death benefit is paid (only applicable if the sum of guaranteed cash value and the non-guaranteed terminal dividend (if any) of the Plan at the date of death of the insured is higher than 101% of the accumulated premium due and paid of the Plan); or
  - (ii) when the policy is surrenderedYou may refer to relevant notice document(s) issued by China Life (Overseas) for reference of non-guaranteed terminal dividend.
5. The interest is not guaranteed. The actual benefits and / or returns may be lower or higher than estimates. China Life (Overseas) reserves the right to revise the interest rate from time to time. You may refer to relevant notice document(s) issued by China Life (Overseas) for reference of non-guaranteed interest and interest rate.
6. You may withdraw the non-guaranteed dividends at any time without any charge, however, the accumulated dividends and interest, policy value and death benefit will be affected in case of withdrawal of non-guaranteed dividends.
7. While the policy is in force, policyholder can apply for exercising policy split option through China Life (Overseas) from the 5<sup>th</sup> policy anniversary or premium expiry date of the basic plan (whichever occurs later), the policy will be split into two or more new policies ("split policy(ies)") according to the percentages ("split percentage(s)") designated by the policyholder. There is no limitation on the number of split policies for exercising the policy split option. For the policy year in which the policy split option is exercised under the policy, the policyholder cannot apply policy split option for the split policy(ies) in the same policy year. Application for exercising the policy split option is subject to the followings:
  - a) the basic amount of each split policy must not be less than the minimum basic amount of the basic plan determined by the Company at the time;
  - b) the sum of split percentage of all split policies equals to 100%;
  - c) there is no premium due and unpaid or indebtedness (if applicable) under the policy;
  - d) there is no claim pending for approval under the policy; and
  - e) no change, cancellation, withdrawal or termination by the policyholder will be allowed once the application is submitted to the Company for exercising the policy split option.Upon the Company's approval of the application for exercising the policy split option, the following will apply:
  - (i) the policy split option will be effective provided that the application is approved by the Company with remarks duly signed by the Company's authorized signatory(ies) or endorsements. The effective date of policy split option will be the date of the Company's approval for such application (according to the Company's records);



- (ii) the policy will be terminated immediately and the split policies will take effect immediately when the policy split option is effective;
  - (iii) the policy year, policy date, policy effective date and the latest date of reinstatement (if any) of each split policy will be the same as the policy year, policy date, policy effective date and the latest date of reinstatement (if any) of the policy as of the policy split option effective date;
  - (iv) the policyholder, insured and beneficiary(ies) (with the respective designated percentage) of the split policies will be the same as the policyholder, insured and beneficiary(ies) (with the respective designated percentage) of the policy as of the policy split option effective date;
  - (v) the settlement option of death benefit, contingent insured(s) and sequence of contingent insured(s) of the split policies will be the same as the settlement option of death benefit, contingent insured(s) and sequence of contingent insured(s) of the policy as of the policy split option effective date;
  - (vi) cooling-off period will not be applicable to the split policies;
  - (vii) all rider(s) under the policy (if any) will be terminated immediately on the policy split option effective date;
  - (viii) the basic amount, guaranteed cash value, accumulated dividends (if any) with interest (if any) and terminal dividend (if any) of the basic plan as of the policy split option effective date will be allocated to each split policy according to the corresponding split percentage;
  - (ix) the non-guaranteed dividend (if any) of each split policy after the policy split option effective date will be calculated according to the basic amount of each split policy;
  - (x) the accumulated premium due and paid of the policy as of the policy split option effective date will be allocated to each split policy according to the corresponding split percentage;
  - (xi) similar policy split option will also be applicable to each split policy starting from the policy year immediately after the policy year in which the policy split option becomes effective; and
  - (xii) unless otherwise specified above, benefits, terms and conditions of each split policy will be the same as those of the policy.
- For more details about policy split option, please call China Life (Overseas) customer service hotline at (852) 3999 5519 for enquiry.
8. Both current insured and new insured should be alive during the application through China Life (Overseas) for change of insured, which is subject to the prevailing administrative rules of China Life (Overseas). The basic amount, guaranteed cash value, policy date, policy year, premium expiry date, the latest date of reinstatement of the policy (if any), accumulated premium due and paid, death benefit, settlement option of death benefit, non-guaranteed dividend (if any), accumulated non-guaranteed dividends (if any) with non-guaranteed interest (if any), non-guaranteed terminal dividend (if any), policy split option (if any) and indebtedness (if any) of the basic plan will not be changed due to the change of insured. All rider(s) under the policy (if any) will be terminated immediately upon the effective date of the first time of change of insured.
- For more details about change of insured, please call China Life (Overseas) customer service hotline at (852) 3999 5519 for enquiry.
9. Application through China Life (Overseas) for contingent insured is subject to the prevailing administrative rules of China Life (Overseas). After the primary contingent insured became the new insured, the basic amount, guaranteed cash value, policy date, policy year, premium expiry date, the latest date of reinstatement of the policy (if any), accumulated premium due and paid, death benefit, settlement option of death benefit, non-guaranteed dividend (if any), accumulated non-guaranteed dividends (if any) with non-guaranteed interest (if any), non-guaranteed terminal dividend (if any), policy split option (if any) and indebtedness (if any) of the basic plan will not change. All rider(s) under the policy (if any) will be terminated immediately upon the effective date of the first time of contingent insured becoming the insured.
- For more details about contingent insured, please call China Life (Overseas) customer service hotline at (852) 3999 5519 for enquiry.
10. If the insured's total premium of all policy(ies) under China Life (Overseas) exceeds the aggregate limit set for simplified underwriting, the insured is required to go through medical examination when taking out the plan, subject to relevant underwriting requirements and guidelines.
11. Basic amount means the amount shown on the policy information page as the "basic amount" (or as amended by endorsement from time to time). The "basic amount" is used to calculate premium, guaranteed cash value, non-guaranteed dividend (if any) and non-guaranteed terminal dividend (if any) but it is not applicable to the calculation of the "death benefit". If the basic amount has been amended while the policy is in force, the said premium, guaranteed cash value, non-guaranteed dividend (if any) and non-guaranteed terminal dividend (if any) will be adjusted accordingly.

## 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 the Plan and consider whether the Plan is affordable and suitable to you before making your application.
2. The Plan is underwritten by China Life (Overseas). It is not a bank deposit scheme or bank savings plan. Bank of China (Hong Kong) Limited ("BOCHK") is an appointed insurance agency of China Life (Overseas) for distribution of life insurance products. The life insurance product is a product of China Life (Overseas) but not BOCHK.
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 BOCHK and the customer out of the selling process or processing of the related transaction, BOCHK is required to enter into a Financial Dispute Resolution Scheme process with the customer; however any dispute over the contractual terms of the insurance product should be resolved directly between China Life (Overseas) and the customer.
4. China Life (Overseas) is authorized and regulated by Insurance Authority to carry on long term insurance business in the Hong Kong Special Administrative Region of the People's Republic of China. BOCHK is granted insurance agency licence under the Insurance Ordinance (Cap. 41 of the Laws of Hong Kong) by Insurance Authority (insurance agency licence no. of BOCHK is FA2855).
5. China Life (Overseas) reserves the right to decide at its sole discretion whether to accept or decline any application for the Plan according to the information provided by the proposed insured and / or the applicant at the time of application.
6. The Plan is subject to the formal policy documents and provisions issued by China Life (Overseas). Please refer to the relevant policy documents and provisions for details of the insured items and coverage, provisions and exclusions.
7. This product brochure is issued by China Life (Overseas), and is distributed by BOCHK. China Life (Overseas) accepts full responsibility for the information contained in this product brochure. China Life (Overseas) recommends you to carefully consider whether the Plan is appropriate for you in view of your financial needs before application. You should not purchase the Plan unless you understand it and it has been explained to you how it is suitable for you. The final decision is yours.
8. The Plan is an insurance product. Part of the premium is paid for the insurance and related costs.
9. 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.
10. China Life (Overseas) reserves the right to revise, suspend or terminate the Plan, or alter the relevant terms and conditions at any time without prior notice. In case of disputes, the decision of China Life (Overseas) shall be final.
11. China Life (Overseas) shall make the final decisions on the underwriting and claims. China Life (Overseas) shall rely on your submitted information to assess whether to accept or decline your application, and shall refund any premium and levy (if any) paid without interest for declined cases.
12. 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 to 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.

### 13. 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 utilise derivatives to manage risks (including but not limited to currency risk) 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	30% to 90%
Equity-type investment and other investments	10% to 70%

Please refer to China Life (Overseas)'s website [www.chinalife.com.hk/products/dividend-philosophy-and-investment-strategy](http://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).

### 14. Policy loan

You can apply for the policy loan where the maximum loanable value of the policy loan will be equal to a certain percentage of the guaranteed cash value (currently 90% of guaranteed cash value), as determined and revised by China Life (Overseas) from time to time. Policy loan will reduce the policy's death benefit and surrender value. Interest compounded at the rate per annum determined and revised by China Life (Overseas) from time to time will be charged on the policy loan. The interest rate of the policy loan is generally higher than loans offered by banks, the interest rate can also be significantly higher than the policy return rate. For inquiry about the applicable interest and charges on the policy loan, please contact China Life (Overseas). All policy loans are interest-bearing and calculated at a rate (as stated on China Life (Overseas) website [www.chinalife.com.hk](http://www.chinalife.com.hk)) to be declared by us from time to time. Interest accrued shall become a part of the indebtedness. If the policy loan with its accumulated interest equals to or exceeds the accumulated guaranteed cash value in the policy, the policy and relevant life protection will be automatically terminated and will become invalid. Therefore, you may face substantial losses.

### 15. Cooling-off right (not applicable to split policies under "policy split option")

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:

This 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. China Life (Overseas) will base on the prevailing market-based exchange rate of that respective currency to the policy currency and / or from the relevant sources at the time of processing such conversion, which will be subject to change from time to time. Such exchange rate may be different from the exchange rate offered by the Bank.

**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 surrender the policy, 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 (if any).

**Non-guaranteed benefit:**

The Plan consists of non-guaranteed benefits and / or return. 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.

**Non-payment of premium / automatic premium loan / Risks of applying for policy loans:**

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. Besides, where the policy has cash value, the policyholder may apply to the Company for a policy loan. All automatic premium loan or policy loans are interest-bearing and calculated at a rate (as stated on China Life (Overseas)'s website [www.chinalife.com.hk](http://www.chinalife.com.hk)) to be declared by us from time to time. Interest accrued shall become a part of the indebtedness. Once the policyholder fails to pay the loans and interest, where the total amount of the indebtedness is equal to or exceeds the guaranteed cash value of the basic plan of the policy, the policy will be terminated and you will lose the related benefits and suffer a substantial 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.

**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 exact terms and conditions and limitations such as incontestability, suicide and fraud, etc. or all exclusions, or call China Life (Overseas) customer service hotline at (852) 3999 5519 for details.

**Policy termination:**

The policy shall terminate upon the occurrence of any of the following events (whichever is the earliest): (a) the policy is surrendered; or (b) China Life (Overseas) has paid the death benefit in full; or (c) 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 (d) the indebtedness of the policy is equal to or exceeds the guaranteed cash value of the policy; or (e) application of "policy split option" is approved by China Life (Overseas) and is effective.

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](http://www.chinalife.com.hk) or contact our customer service hotline at (852) 3999 5519 or visit IA's website at [www.ia.org.hk](http://www.ia.org.hk).

Customer Service Hotline: (852) 3999 5519

Website: [www.chinalife.com.hk](http://www.chinalife.com.hk)

E-mail: [info@chinalife.com.hk](mailto:info@chinalife.com.hk)

China Life Insurance (Overseas) Company Limited (incorporated in the People's Republic of China with limited liability)

Agency :



Insurance Company :

