

CHUBB®

Life Protection

# Chubb Supreme Life Insurance Plan II (Regular Premium)

Product Brochure



Policy Reverse Mortgage Programme -  
Eligible Life Insurance Plan

 保單逆按計劃  
Policy Reverse Mortgage Programme

HKMC  
RETIRE  
退休 3 寶

 香港按揭證券有限公司  
The Hong Kong Mortgage Corporation Limited



# Your partner for financial flexibility, today and tomorrow

Today's flexibility is tomorrow's certainty. As you are always thinking about what is the best for your loved ones, it is important to have options that allow you to customize your wealth plan to help secure their future.

That is why you need a thoughtful and comprehensive wealth management solution, one that has the versatility and flexibility to support your family's and your changing goals as you continue your wonderful life journey.

**Chubb Supreme Life Insurance Plan II (Regular Premium)** ("the Plan") is a participating insurance plan which is designed to meet a wide range of wealth management needs, from life protection to wealth preservation, from business continuity to legacy planning possibilities. At the same time, we are proud to be among the first in the market to offer the Paid-up In Advance Option, giving you the flexibility to pay up your Policy early to suit your evolving needs.

With this Plan, you will be able to protect and provide for your loved ones, far into the future.

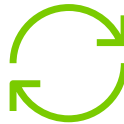
## An all-round solution for your planning needs



Life protection



Legacy Planning



Flexibility



Wealth accumulation



Business Continuity

The "Company", "we", "our", or "us" herein refers to Chubb Life Insurance Hong Kong Limited.



# The benefits

## Life protection



### Safeguard your loved ones' future, whatever the future brings

*Ensuring there are adequate arrangements for your loved ones even when the unfortunate event happens is a fundamental building block of your peace of mind.*

If the Insured passes away while the Policy is in force, we will pay a **Death Benefit**, including the **Special Coverage Benefit** (if applicable), to the Beneficiary(ies) to help them cope with the financial challenges ahead. For details of the **Special Coverage Benefit**, please refer to the "Basic Information - Special Coverage Benefit" section below.



### Protection that is in sync with your life stages

*Your protection needs evolve across the different seasons of your life. That is why you need a solution that can match and adapt to your shifting priorities.*

If the Insured passes away before the Glorious Anniversary (i.e. the 15<sup>th</sup> Policy Anniversary or the Policy Anniversary immediately following the Insured's Age of 64, whichever is later) while the Policy is in force, we will pay **up to 120% of the Sum Assured as the guaranteed portion of the Death Benefit** (including the Special Coverage Benefit, if applicable).

Since your financial responsibilities may decrease as the years go by, the Plan is designed to reflect your evolving needs, by automatically adjusting the proportions of its protection and savings elements for a stronger focus on wealth accumulation. Starting from the Glorious Anniversary, the **guaranteed portion of the Death Benefit will be adjusted downward by 5% per annum within 8 consecutive Policy Years until it has decreased from 100% to 60% of the Sum Assured**. Thereafter, it will remain at 60% of the Sum Assured until the end of the Policy. Under no circumstances will the guaranteed portion of the Death Benefit be lower than the guaranteed cash value.

## Legacy Planning



### Tailor your legacy to your needs

*Planning your legacy is not only about allocating your wealth. You also need to arrange for each of your heirs to receive their inheritance in a way and at a time that will be most beneficial to them.*

The Plan offers the **Life Insurance Proceeds Settlement Option**, which gives you control over the way you pass on your legacy to your family.

While the Insured is still alive and your Policy is in force, you can choose the payout arrangement that suits you best. A number of settlement options are available for your selection – your **Beneficiaries can receive a lump sum payment, annual instalments, or monthly instalments over 10, 20, or 30 years.** You can also opt for a **combination of a lump sum plus instalment payments**, and even specify a date for your payout instructions to be executed.

## Flexibility



### Paid-up In Advance Option for Premium payment flexibility

*As your financial circumstances evolve, you may intend to finetune your wealth management decisions to reflect new objectives. The Plan gives you the flexibility to do just that.*

You can apply for the **Paid-up In Advance Option** (applicable to Policies in annual Premium payment mode and with a 5-year or 10-year Premium payment term) after the 1<sup>st</sup> Policy Year and within the specific period while the Policy is in force. This will allow you to pay up the Policy ahead of schedule. After this option is exercised, **your Policy will be paid up and the Cash Value will be adjusted upward until the end of the 5<sup>th</sup> Policy Year (for 5-year Premium payment term) or the end of the 10<sup>th</sup> Policy Year (for 10-year Premium payment term).** Starting from the 5<sup>th</sup> Policy Anniversary (for 5-year Premium payment term) or the 10<sup>th</sup> Policy Anniversary (for 10-year Premium payment term), the original scale of the Cash Value will be applied.

# The benefits

## Wealth accumulation



### Preserve, grow and pass on your legacy

*A wise way to preserve your wealth is by continuously growing it. That is why the Plan is designed to help you achieve potential wealth growth over the long term.*

The Plan is a participating insurance plan. In addition to providing lifelong protection, it offers long-term wealth growth potential to help you preserve your legacy and build a solid financial foundation for future generations.

The Plan helps you get the most out of your wealth by **providing potential long-term return with a guaranteed cash value and non-guaranteed Terminal Dividend**. While the Policy is in force, we will pay the guaranteed cash value when you surrender the Policy or when the Policy reaches its Maturity Date. We may also pay the non-guaranteed Terminal Dividend (if any) when you surrender the Policy, claim the Death Benefit, or when the Policy reaches its Maturity Date.



### Terminal Dividend Lock-in Option for securing your wealth

*At a time when the economic outlook is becoming more uncertain, it is important to take steps to minimize the potential impact market instability will have on your wealth.*

Starting from the 15<sup>th</sup> Policy Anniversary (for 5-year or 10-year Premium payment term) or the 25<sup>th</sup> Policy Anniversary (for 20-year Premium payment term), you may, within 30 days from every Policy Anniversary, apply to exercise the **Terminal Dividend Lock-in Option** to lock in at least **10% of the Terminal Dividend (if any)** and up to a maximum total **Lock-in Percentage of 50%**, subject to the Company's approval.

You can choose one of the options: allocate the Lock-in Amount to the Settlement Deposit Account for accumulating non-guaranteed interest or cash it out fully.



## Preparing for the unexpected by appointing a Successor Owner

*When it comes to arranging your succession, you don't want to leave anything to chance. It is therefore crucial that you have the ability to plan ahead and cover contingencies.*

While the Policy is in force, during the Insured's and your lifetime, you can name a person as Successor Owner. **If the Owner passes away or is diagnosed with Alzheimer's Disease, Coma, Loss of Independent Existence or Parkinson's Disease, the Successor Owner will become the new Owner of the policy.**

### *Business Continuity*



## Greater flexibility to secure business continuity

*You have worked hard to build your business. To ensure its long-term viability, you need to ensure that your most valuable employees are well protected.*

Key employees are important assets to your business. As a corporate owner, you need a reliable solution to cope with various challenges. **The Plan's Keyman Policy Conversion Option can be a viable solution for you when there are changes on the management plan.** The loss of a key person can have a major impact on your business. In the unfortunate event of the death of a valuable employee, the Death Benefit offered under the Plan can help reduce the potential loss of profits and provide liquidity, so you can rest assured that the financial position of your business is well protected.

# Case Study



Jane, a 40-year-old engineer, is married and has a 5-year-old daughter Emma and a 10-year old son Alan. She enrolls a **Chubb Supreme Life Insurance Plan II (Regular Premium) Policy** with **Sum Assure of US\$1,000,000** and **10-year Premium payment term**, paying an annual basic Premium of **US\$18,685** to map out a stable future for her children. She leverages the flexibility of the **Life Insurance Proceeds Settlement Option** with the following arrangements for her daughter and son.

## Policy Year



0

### Policy Starts

Jane enrolls a **Chubb Supreme Life Insurance Plan II (Regular Premium) Policy** with Sum Assure of US\$1,000,000 and 10-year Premium payment term, paying an **annual basic Premium of US\$18,685**.



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### At the end of the 10<sup>th</sup> Policy Year

Jane finishes paying all Premiums.

Surrender Value: US\$157,160  
Death Benefit: US\$1,023,400



20

### At the end of the 20<sup>th</sup> Policy Year

Policy value continues growing.

Surrender Value: US\$209,400  
Death Benefit: US\$1,145,080



30

### At the end of the 30<sup>th</sup> Policy Year

Policy value continues growing.

Surrender Value: US\$514,520  
Death Benefit: US\$1,432,360



50

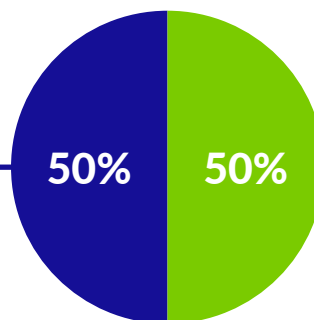
### At the end of the 50<sup>th</sup> Policy Year

Unfortunately, Jane passes away at the age of 90 (the 50<sup>th</sup> Policy Year), her daughter Emma receives a **single lump sum of Life Insurance Proceeds of US\$1,025,160** to start her own business. Her son Alan begins receiving **monthly installment of Life Insurance Proceeds of US\$4,272** for 20 years, any accumulated interest will be paid to Alan in the last installment of payment to support his and his family's living cost.



Daughter: Emma

**Lump sum payment:** A single lump sum of Life Insurance Proceeds will be paid to Emma as soon as practicable after the claim for Life Insurance Proceeds is approved by us.



Son: Alan

**Full payment by installments:** monthly installment over a period of 20 years will be paid as soon as practicable after the claim for Life Insurance Proceeds is approved by us.



**Notes:**

1. These case studies are purely fictional and is for illustrative purposes only. Any relation to or reference to any actual person, party or event is purely coincidental. The nature of these case studies herein (if any) should not be interpreted as any comment on, or confirmation or extension of, insurance coverage for any past, present or future case. Furthermore, these case studies should not be relied upon to predict the outcome of any actual case as all cases are evaluated on their own individual merits and subject to the actual terms and conditions of the relevant Policy. It is important to note that each actual case is unique.
  - (i) All Premiums are paid in full when due and insurance levy is not included;
  - (ii) No Policy loans are taken throughout the Policy term;
  - (iii) No Successor Owner has been designated;
  - (iv) No Keyman Policy Conversion Option, Paid-up In Advance Option and Terminal Dividend Lock-in Option have been exercised;
  - (v) The Sum Assured of **Chubb Supreme Life Insurance Plan II (Regular Premium)** Policy and the Premium payment mode remain unchanged throughout the Policy term; and
  - (vi) Projected Surrender Value and Death Benefit include, on top of guaranteed cash value, the non-guaranteed Terminal Dividend, which is projected based on current dividend scales. Terminal Dividend included in the projection of non-guaranteed benefits are based on the Company's current assumed dividend scales which are not guaranteed and are determined by the Company from time to time and based on the Company's experiences and expectation of a series of factors including but not limited to investment return, claims, policy surrenders and expenses. The actual amount of Surrender Value and Death Benefit payable may change anytime with the values being higher or lower than those illustrated.
2. Figures are based on current projection and rounded to the nearest whole number.
3. This example involves some assumptions, including the following:
4. Written request is required for Life Insurance Proceeds Settlement Option. Such arrangements are valid only if recorded and approved by us. Please refer to the policy provision of this product for the exact terms and conditions.

# More about the plan

<b>Product Type</b>	Basic plan																				
<b>Policy Term</b>	Up to Age 120 of the Insured																				
<b>Premium Payment Term</b>	5 years / 10 years / 20 years																				
<b>Issue Age of the Insured</b>	<b>Premium Payment Term</b>	<b>Issue Age of the Insured</b>																			
	5 / 10 years	Age 0 (15 days) - 70																			
	20 years	Age 0 (15 days) - 60																			
<b>Premium Payment Mode</b>	Monthly / quarterly / semi-annual / annual																				
<b>Premium Structure</b>	Premium rate is guaranteed and remains unchanged throughout the Premium payment term. Please refer to the benefit illustration for the Premium amount.																				
<b>Currency</b>	US\$																				
<b>Sum Assured</b>	Minimum amount: US\$500,000																				
<b>Special Coverage Benefit</b>	<p>If the date of the Insured's death occurs before the 5<sup>th</sup> Policy Anniversary while the Policy is in force, <b>Special Coverage Benefit, which is equal to 20% of the Sum Assured</b>, can be claimed upon death of the Insured.</p> <p>Special Coverage Benefit is only available to the Insured whose Age is 55 or below as shown on the Policy Data Page.</p>																				
<b>Death Benefit</b>	<p>It is equal to:</p> <ol style="list-style-type: none"> <li>the higher of (i) the Applicable Percentage of the Sum Assured as stated in the table below and (ii) Cash Value; plus</li> <li>the Terminal Dividend, if any; plus</li> <li>Special Coverage Benefit, if any; plus</li> <li>the balance of the Settlement Deposit Account, if any, at the Insured's death.</li> </ol> <p>Glorious Anniversary refers to the 15<sup>th</sup> Policy Anniversary or the Policy Anniversary immediately following the Insured's Age of 64, whichever is later.</p> <p><b>The Applicable Percentage of the Sum Assured</b> shall be as follows:</p>																				
		<table border="1"> <thead> <tr> <th>Date of the Insured's death</th> <th>Applicable Percentage</th> </tr> </thead> <tbody> <tr> <td>Before the Glorious Anniversary</td> <td>100%</td> </tr> <tr> <td>Within the 1<sup>st</sup> Policy Year from the Glorious Anniversary</td> <td>95%</td> </tr> <tr> <td>Within the 2<sup>nd</sup> Policy Year from the Glorious Anniversary</td> <td>90%</td> </tr> <tr> <td>Within the 3<sup>rd</sup> Policy Year from the Glorious Anniversary</td> <td>85%</td> </tr> <tr> <td>Within the 4<sup>th</sup> Policy Year from the Glorious Anniversary</td> <td>80%</td> </tr> <tr> <td>Within the 5<sup>th</sup> Policy Year from the Glorious Anniversary</td> <td>75%</td> </tr> <tr> <td>Within the 6<sup>th</sup> Policy Year from the Glorious Anniversary</td> <td>70%</td> </tr> <tr> <td>Within the 7<sup>th</sup> Policy Year from the Glorious Anniversary</td> <td>65%</td> </tr> <tr> <td>Within the 8<sup>th</sup> Policy Year from the Glorious Anniversary and thereafter</td> <td>60%</td> </tr> </tbody> </table>	Date of the Insured's death	Applicable Percentage	Before the Glorious Anniversary	100%	Within the 1 <sup>st</sup> Policy Year from the Glorious Anniversary	95%	Within the 2 <sup>nd</sup> Policy Year from the Glorious Anniversary	90%	Within the 3 <sup>rd</sup> Policy Year from the Glorious Anniversary	85%	Within the 4 <sup>th</sup> Policy Year from the Glorious Anniversary	80%	Within the 5 <sup>th</sup> Policy Year from the Glorious Anniversary	75%	Within the 6 <sup>th</sup> Policy Year from the Glorious Anniversary	70%	Within the 7 <sup>th</sup> Policy Year from the Glorious Anniversary	65%	Within the 8 <sup>th</sup> Policy Year from the Glorious Anniversary and thereafter
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Within the 8 <sup>th</sup> Policy Year from the Glorious Anniversary and thereafter	60%																				
	If there is Indebtedness, we will set off such amount from any benefits payable by us.																				

**Surrender Value**

It is equal to:

- a. any Cash Value; plus
- b. Terminal Dividend, if any; plus
- c. the balance of the Settlement Deposit Account, if any; less
- d. Indebtedness, if any,  
upon Policy surrender.

**Partial Surrender Value**

It is equal to:

- a. any Cash Value; plus
- b. Terminal Dividend, if any; less
- c. Indebtedness, if any,  
upon partial surrender of your Policy.

The Cash Value and Terminal Dividend above shall be calculated in proportion to the most recently reduced part of Sum Assured.

**Maturity Value**

It is equal to:

- a. any Cash Value; plus
- b. Terminal Dividend, if any; plus
- c. the balance of the Settlement Deposit Account, if any; less
- d. Indebtedness, if any,  
on the Maturity Date.

# Remarks

## Keyman Policy Conversion Option

- The Keyman Policy Conversion Option is only applicable if the Owner is a company.
- While the Policy is in force and when you and the Insured are alive, after the end of the Policy Year specified in the table below, you may submit a request to us together with supporting documents upon our request and to our satisfaction, to convert all or part of the sum of the Total Premiums Paid and the Terminal Dividend, if any, of your Policy to a new Chubb Supreme Life Insurance Plan as the New Policy and to name the New Policy Insured as the insured of the New Policy.

Premium payment term	When can you submit request to us
5-Year	After the end of the 5 <sup>th</sup> Policy Year
10-Year	After the end of the 10 <sup>th</sup> Policy Year
20-Year	After the end of the 20 <sup>th</sup> Policy Year

- Exercising the Keyman Policy Conversion Option is subject to the following conditions:
  - a handling fee at a rate determined by us from time to time is paid by the Owner to us;
  - there is no outstanding Premium under your Policy;
  - if part of the sum of the Total Premiums Paid and the Terminal Dividend, if any, is being converted, the remaining Sum Assured under your Policy after the conversion must not be less than the minimum requirement as determined by us from time to time;
  - the sum assured of the New Policy must not be less than the minimum requirement as determined by us from time to time;
  - the assignee of your Policy (if any) must consent to exercise the Keyman Policy Conversion Option and the proposed New Policy Insured must consent to be named as the New Policy Insured in writing;
  - both the Insured of your Policy and the New Policy Insured must be alive on the effective date of conversion and must be different persons;
  - at the time when we receive your request, the proposed New Policy Insured must meet prevailing requirements on Age, insurability and underwriting;
  - all loans together with accrued interest that are owed by you to us up to the effective date of conversion has been repaid;
  - there is no outstanding application to exercise the Terminal Dividend Lock-in Option under your Policy; and
  - any other prevailing rules determined by us in our sole discretion from time to time have been complied with.
- After we approve your request, the date of issue of the New Policy will be the effective date of conversion. A new set of policy documents will be issued for the New Policy. Cooling-off period is not applicable to the New Policy.

## Terminal Dividend

- Chubb Supreme Life Insurance Plan II (Regular Premium)** will be entitled to Terminal Dividend after it has been in force for 10 years from the Policy Date. While the Policy is in force, The amount of Terminal Dividend payable upon death of the Insured, partial surrender, surrender or at maturity will be determined by us based on the Sum Assured. The amount of Terminal Dividend payable upon the death of the Insured may be different from other events as stated above. Upon partial surrender of the Policy, exercising the Terminal Dividend Lock-in Option or exercising the Keyman Policy Conversion Option, Terminal Dividend, if any, will be adjusted accordingly.

## Terminal Dividend Lock-In Option

- Commencing from the Policy Anniversary specified in the table below and whilst the Policy is in force, you may apply to exercise the Terminal Dividend Lock-in Option by specifying a percentage of the Terminal Dividend ("**Lock-in Percentage**") to accumulate interest or cash pay-out.

Premium payment term	When can you submit request to us
5-Year	From the 15 <sup>th</sup> Policy Anniversary
10-Year	From the 15 <sup>th</sup> Policy Anniversary
20-Year	From the 25 <sup>th</sup> Policy Anniversary

Your application:

- must be made within 30 days from the Policy Anniversary and at most, you can make one application each Policy Year;
- must be in a form prescribed by us and comply with our administrative rules as determined by us from time to time;
- cannot be withdrawn once it is made.

7. Exercising the Terminal Dividend Lock-in Option is subject to the following conditions:
  - (i) the minimum Lock-in Percentage for each application is 10%;
  - (ii) the maximum total Lock-in Percentage for all applications shall not exceed 50%, after which, the Terminal Dividend Lock-in Option shall no longer be available;
  - (iii) the assignee of your Policy (if any) must consent to exercise the Terminal Dividend Lock-in Option in writing; and
  - (iv) any other prevailing rules determined by the Company in its sole discretion from time to time.
8. When you apply to exercise the Terminal Dividend Lock-in Option, you can choose to either accumulate interest or receive full cash pay-out. The amount of Terminal Dividend used for the Terminal Dividend Lock-in Option will be calculated based on the Lock-in Percentage ("**Lock-in Amount**").
  - a. **Interest Accumulation**  
You can choose to allocate the Lock-in Amount to a specified account ("**Settlement Deposit Account**") for interest accumulation at an interest rate determined by the Company from time to time. You may take out all or part of the balance of the Settlement Deposit Account anytime while the Policy is in force subject to any administrative rules as determined by the Company from time to time.
  - b. **Fully Cash Out**  
You can choose to cash out all the Lock-in Amount.
9. The lock-in will be effective within 6 months after your request has been approved and the actual Lock-in Amount will only be determined by us based on the value of the Terminal Dividend at the time the lock-in is approved by us. The Lock-in Amount cannot be reversed back to the Terminal Dividend once your application is approved by us.

### **Life Insurance Proceeds Settlement Option**

10. During the Insured's lifetime while your Policy is in force and the Policy has not been assigned, you may submit a request to us to exercise the Life Insurance Proceeds Settlement Option. The Life Insurance Proceeds Settlement Option can be different for each Beneficiary, as requested by you.
  - a. **Lump sum payment at a Designated Date**  
You may request the Life Insurance Proceeds to be paid to the Beneficiary(ies) in a single lump sum on the Designated Date.
  - b. **Full payment or partial payment by installments**  
You may specify a percentage of the Life Insurance Proceeds to be paid to the Beneficiary(ies) in monthly or annual installments over a period of 10, 20 or 30 years. The remaining portion of the Life Insurance Proceeds, if any, will be paid in a single lump sum after the claim for Life Insurance Proceeds is approved by us.
  - c. **Full payment or partial payment by installments starting from the Designated Date**  
You may specify a percentage of the Life Insurance Proceeds to be paid to the Beneficiary(ies) in monthly or annual installments over a period of 10, 20 or 30 years starting from the Designated Date. The remaining portion of the Life Insurance Proceeds, if any, will be paid in a single lump sum on the Designated Date. The Designated Date for the installment and/or single lump sum payment can be different.
11. The Life Insurance Proceeds Settlement Option is subject to the following conditions:
  - (i) The request is made by you during the Insured's lifetime while your Policy is in force and the Policy has not been assigned;
  - (ii) The Beneficiary(ies), at all times, does not have the right to change this Life Insurance Proceeds Settlement Option selected by the Owner;
  - (iii) If the Life Insurance Proceeds payable is less than the minimum Life Insurance Proceeds per Policy determined by the Company from time to time, the Life Insurance Proceeds will be paid to Beneficiary(ies) in lump sum;
  - (iv) Any payment or installments shall be made to the Beneficiary(ies) through the Company's designated payment method (including, without limitation, by cheque, by bank draft or through telegraphic transfer or any other methods which we deem fit appropriate). The Company reserves the right to change such method without giving you prior notice. If the Designated Date and/or the date for making the payment or installment of the Life Insurance Proceeds Settlement Option is not a Business Day, we reserve the right to make any payment or installments on the next available Business Day.
  - (v) If the Policy has been assigned (including but not limited to collateral assignment, absolute assignment) or the Owner has been changed, the Life Insurance Proceeds Settlement Option will be revoked and the Company will pay the Life Insurance Proceeds in a lump sum payment. After the Policy assignment has been cancelled or the Owner has been changed, the Owner or the new Owner can apply for the Life Insurance Proceeds Settlement Option again;
  - (vi) The Company reserves the right to request the Beneficiary(ies) to provide the proof of survival satisfactory to the Company;
  - (vii) Once the full amount of the Life Insurance Proceeds and accrued interest (if any) are paid, the Company shall have no further liability under the Policy; and
  - (viii) Any other terms and conditions determined by the Company from time to time must be satisfied.

### Paid-up In Advance Option

12. If your Policy has a Premium payment term of 5 years or 10 years, with annual Premium payment mode, you may apply for the Paid-up in Advance Option.
13. While the Policy is in force and during the lifetime of you and the Insured, after the 1st Policy Year and within the period specified in the table below, you may submit a request to us to apply for the Paid-up In Advance Option. For the avoidance of doubt, Premiums must have been paid for at least 1 Policy Year before exercising the Paid-up In Advance Option.

Premium payment term	When can you submit request to us
5-Year	From the end of the 1 <sup>st</sup> Policy Year to the end of the 3 <sup>rd</sup> Policy Year
10-Year	From the end of the 1 <sup>st</sup> Policy Year to the end of the 6 <sup>th</sup> Policy Year

14. If we approve your request, you need to pay the required amount of Premiums as stipulated in the Policy provisions in one lump sum within 31 days from the date of approval of the Paid-up In Advance Option in order to pay up your Policy in advance.
15. The Paid-up In Advance Option is subject to the following conditions:
  - (i) all Premiums due under the Policy have been paid by you;
  - (ii) the assignee of your Policy (if any) must consent to exercise the Paid-up In Advance Option in writing;
  - (iii) all loans together with accrued interest that are owed by you to us has been repaid; and
  - (iv) any other prevailing rules determined by us in our sole discretion from time to time have been complied with.

### Other information

16. We will set off or deduct any Indebtedness before paying the benefit under Chubb Supreme Life Insurance Plan II (Regular Premium). Indebtedness means any amount owing by you to us under your Policy including but not limited to any outstanding Premium and any unpaid loans together with accrued interest.
17. In this product brochure, "Age" refers to the age at the nearest birthday. "You" or "your" refers to the Owner.
18. Total Premiums Paid means the total Premiums of the Basic Plan paid to us under your Policy. If the Sum Assured is reduced under any circumstances, the Total Premiums Paid during the period since the Date of Issue of the Policy till the effective date of the most recent Sum Assured reduction will be reduced on a pro-rata basis. The Total Premiums Paid after exercising the Paid-up In Advance Option may also be adjusted.
19. Unless otherwise specified in this product brochure, capitalised terms used in this product brochure shall have the same meaning ascribed to them in the policy provision. If there is any discrepancy between the definition in this product brochure and the policy provision, the definition in the policy provision shall prevail.
20. Please refer to the Policy provision of this product for the exact details of product features and options.

# Important Information

**This product brochure is for general reference only and is not part of the Policy. Please refer to the Policy provisions for the definitions of capitalised terms. This product brochure provides an overview of the key features of this product and should be read along with other materials which cover additional information about this product. Such materials include, but are not limited to, Policy provisions that contain exact terms and conditions, benefit illustrations (if any), other Policy documents and relevant marketing materials, which are all available upon request. You might also consider seeking independent professional advice if needed.**

## **Chubb Supreme Life Insurance Plan II (Regular Premium)**

is designed for individuals looking for long-term financial planning to meet their needs for financial protection against adversities and saving up for the future. Early surrender of this product may result in significant losses that the surrender value may be less than the total amount of Premium(s) paid.

## **Dividend Philosophy and Investment Philosophy, Policy and Strategy**

### **Dividend Philosophy**

Participating insurance plans are designed to be held long term. Through the policy dividends declaration, the policyowners can share the divisible surplus (if any) of the participating insurance plans. We aim to ensure a fair sharing of profits between policyowners and shareholders, and among different groups of policyowners.

We will review and determine the amounts of dividends at least once per year, and a smoothing process is applied when the actual dividends are determined. The dividends declared may be higher or lower than those illustrated in any product information provided. The dividend review would be approved by the Chairman of the Board, one Independent Non-Executive Director and the Appointed Actuary of the Company. In case of any change in the actual dividends against the illustration or should there be a change in the projected future dividends, such change will be reflected in the policy annual statement and benefit illustration.

To determine the policy dividends, we may consider the past experience and future outlook of various factors such as:

- **Investment returns:** include both interest income and change in market value of the assets supporting the policies. The investment returns could also be subject to market risks such as change in interest rate, credit quality and default, equity price movement, as well as currency price of the backing assets against your policy currency etc.

- **Claims:** include the cost of providing death benefit and other insured benefits under the policies.
- **Surrenders:** include policy surrenders and the corresponding impact on investment.
- **Expenses:** include both direct expenses which are directly related to the policies, such as commission, underwriting, issuance and premium collection expense etc., as well as indirect expenses such as general overhead costs allocated to the policies.

## **Investment Philosophy, Policy and Strategy**

The investment policy of the Company is formulated with the objective to achieve targeted long-term investment results, taking into account risk control and diversification, liquidity and relationship between assets/liabilities.

Our current long-term target asset mix attributed to **Chubb Supreme Life Insurance Plan II (Regular Premium)** is as follows:

<b>Asset Class</b>	<b>Target Asset Mix (%)</b>
Bonds and other fixed income instruments	60% - 80%
Equity-like assets	20% - 40%

The bonds and other fixed income instruments predominantly include government and corporate bonds (both investment grade and non-investment grade). Equity-like assets may include both listed equity, mutual fund and private equity. Investment assets are predominantly denominated in U.S. dollars and Hong Kong dollars, and are mainly invested in the United States and Asia. Derivatives may be used to manage our investment risk exposures.

We will pool the investment from other products together for actual investment and the returns will be allocated with reference to the target asset mix. Actual investments would depend on market opportunities at the time of purchase. Therefore, the actual asset mix may differ from the target.

The investment strategy may be subject to change depending on a number of factors, including but not limited to the market conditions and economic outlook.

If there are any material changes in the investment strategy, we will inform our policyowners for the changes, reasons for the changes and the impact to the policyowners.

For the historical fulfillment ratios of participating insurance plans, please visit the webpage of the Company at <https://www.chubbliife.com.hk/en/customer-service/fulfillment-ratios-of-dividend.html>. Please note that historical fulfillment ratios should not be taken as indicator of the future performance of this product.



## Key Product Risks

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The following information helps you better understand the key product risks associated with this product that you may need to pay attention before application.

### ■ Risk of Non-payment of Premium

You should only apply for this product if you intend to pay the Premium for the whole of the Premium payment term. Should you cease paying Premiums early, your Policy may be terminated. You will lose your insurance coverage and even the Premiums paid as a result.

The Automatic Premium Loan available under your Policy are intended to keep your Policy in force for as long as possible during non-payment of Premium. However, you should be aware that the loan interest rate is determined by us from time to time which may fluctuate. Automatic Premium Loan would be treated as part of Policy loan, which will lead to a reduction in benefits payable under the Policy. Please refer to the Policy provisions for the exact terms and conditions.

### ■ Liquidity Risk/Early Surrender

If you have any unexpected liquidity needs, you may apply for exercising the Terminal Dividend Lock-in Option (if applicable) for its Lock-in Amount (if any), partially surrender (if applicable) the Policy for its Partial Surrender Value (if any) or surrender the whole Policy for its Surrender Value (if any). Please note that making partial surrender (if applicable) will lead to a reduction in benefits payable under the Policy, and exercising the Terminal Dividend Lock-in Option may lead to a reduction in the declaration of Terminal Dividend. You are also reminded that if your Policy is surrendered in early years, the surrender value payable may be less than the Premiums paid by you.

### ■ Market Risk

The non-guaranteed benefits of this product are based on the Company's dividend scales, which are not guaranteed and are determined by the Company from time to time and based on the Company's experiences and expectation of a series of factors which may include but are not limited to investment returns, claims, policy surrenders and expenses. The actual amount of non-guaranteed benefits payable may be higher or lower than the amount illustrated in any product information provided to you.

The interest earned on the balance of the Settlement Deposit Account is calculated based on an interest rate determined by the Company. Interest rate is not guaranteed and subject to change from time to time.

### ■ Credit Risk

This product is issued and underwritten by the Company. Your Policy is therefore subject to the credit risk of the Company. If the Company is unable to satisfy the financial obligation of the Policy, you may lose your insurance coverage and the Premiums paid.

### ■ Exchange Rate Risk

For the Policy denominated in currencies other than local currency, you are subject to exchange rate risk. The political and economic environment can affect the currency exchange rate significantly. Exchange rate fluctuates and is determined by the Company from time to time. Any transaction in foreign currencies involves risk. You should take exchange rate risk into consideration when deciding the Policy currency.

### ■ Inflation Risk

Please note that the cost of living in the future is likely to be higher than it is today due to inflation. Hence, the insurance coverage planned today may not be sufficient to meet your future needs.



## Termination

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The Policy and its coverage will be terminated automatically on the occurrence of the earliest of the following:

- Lapse of the Policy;
- Surrender of the whole Policy (i.e. excluding partial surrender of the Policy);
- The Insured's death;
- The Maturity Date, i.e. the Policy Anniversary on which the Insured reaches the Age of 120;
- Our receipt of your request for cancellation of the Policy;
- all of the sum of the Total Premiums Paid and the Terminal Dividend (if any) of your Policy is being converted to the New Policy; or
- The unpaid loan together with accrued interest exceeding the Cash Value.

You may surrender your Policy by submitting the form prescribed by the Company. You may contact your licensed insurance intermediary or contact our Customer Service Center at +852 2894 9833 to get a copy of the form.

## Key Exclusions

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We will not pay the Life Insurance Proceeds if the Insured commits suicide, while sane or insane, within 2 years of the Date of Issue or the date of last reinstatement of your Policy, whichever is later. Instead, the coverage of your Policy will be terminated and we will only pay to you the total amount of Premium(s) paid to us without any interest, less any amount which has been paid to you by us under the Policy and any unpaid loans together with accrued interest.

## Cooling-off Period

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If you are not satisfied with your Policy, you have the right to cancel it by submitting a signed notice and return the Policy document (if any) to Chubb Life Insurance Hong Kong Limited at 35/F Chubb Tower, Windsor House, 311 Gloucester Road, Causeway Bay, Hong Kong within a period of 21 calendar days immediately following either the day of delivery of the Policy or a notice informing you or your nominated representative about the availability of the Policy and the expiry date of the cooling-off period, whichever is earlier. If the last day of the 21-calendar day period is not a working day, the cooling-off period shall include the next working day. Upon such cancellation of the Policy, we will refund the total amount of Premium(s) you paid without any interest, less any amount paid to you by the Company under the Policy, in the original currency paid by you subject to any fluctuation of exchange rate upon cancellation, provided that the amount refunded will not exceed the total amount you paid in the original currency under the Policy.

## Collection of Premium Levy by Insurance Authority

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The Insurance Authority started collecting levy on insurance premiums from policyowners for policies issued in Hong Kong since January 1, 2018. For details of the levy and its collection arrangement, please visit our Company website at [life.chubb.com/hk](http://life.chubb.com/hk) or contact our Customer Service Center at +852 2894 9833. In the event that we refund your premiums, whether in full or in part, e.g. upon cancellation of your policy during the cooling-off period, the proportionate levy paid by you will also be refunded accordingly.

## Important notes for Policy Reverse Mortgage Programme (“PRMP”)

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Please note that **Chubb Supreme Life Insurance Plan II (Regular Premium)** is an eligible life insurance plan under the 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. You and your life insurance policy are required to meet all 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. 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. You are advised to visit The Hong Kong Mortgage Corporation Limited website from time to time to obtain the latest and most updated information regarding PRMP. 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's website: [www.hkmc.com.hk](http://www.hkmc.com.hk).

# U.S. Foreign Account Tax Compliance Act

Under the U.S. Foreign Account Tax Compliance Act ("FATCA"), a foreign financial institution ("FFI") is required to report to the U.S. Internal Revenue Service ("IRS") certain information on U.S. persons that hold accounts with that FFI outside the U.S. and to obtain their consent to the FFI passing that information to the IRS. An FFI which does not sign or agree to comply with the requirements of an agreement with the IRS ("FFI Agreement") in respect of FATCA and/or who is not otherwise exempt from doing so (referred to as a "nonparticipating FFI") will face a 30% withholding tax ("FATCA Withholding Tax") on all "withholdable payments" (as defined under FATCA) derived from U.S. sources (initially including dividends, interest and certain derivative payments).

The U.S. and Hong Kong have signed an inter-governmental agreement ("IGA") to facilitate compliance by FFIs in Hong Kong with FATCA and which creates a framework for Hong Kong FFIs to rely on streamlined due diligence procedures to (i) identify U.S. indicia, (ii) seek consent for disclosure from its U.S. policyholders and (iii) report relevant tax information of those policyholders to the IRS.

FATCA applies to Chubb Life Insurance Hong Kong Limited (the "Company") and this Product. The Company is a participating FFI. The Company is committed to complying with FATCA. To do so, the Company requires you to:

- (i) provide to the Company certain information and documentation including, as applicable, your U.S. identification details (e.g. name, address, the US federal taxpayer identifying numbers, etc.); and
- (ii) consent to the Company reporting this information and documentation and your account information (such as account balances, interest and dividend income and withdrawals) to the IRS.

If you fail to comply with these obligations (being a "Non-Compliant Accountholder"), the Company is required to report "aggregate information" of account balances, payment amounts and number of non-consenting US accounts to IRS.

The Company could, in certain circumstances, be required to impose FATCA Withholding Tax on payments made to, or which it makes from, your policy. Currently the only circumstances in which the Company may be required to do so are:

- (i) if the Inland Revenue Department of Hong Kong fails to exchange information with the IRS under IGA (and the relevant tax information exchange agreement between Hong Kong and the U.S.), in which case the Company may be required to deduct and withhold FATCA Withholding Tax on withholdable payments made to your policy and remit this to the IRS; and
- (ii) if you are (or any other account holder is) a nonparticipating FFI, in which case the Company may be required to deduct and withhold FATCA Withholding Tax on withholdable payments made to your policy and remit this to the IRS.

You should seek independent professional advice on the impact FATCA may have on you or your policy.

# Automatic Exchange of Financial Account Information

Automatic Exchange of Financial Account Information (“AEOI”) is an arrangement that involves the transmission of financial account information from Hong Kong to an overseas tax jurisdiction with which Hong Kong has entered into an AEOI agreement. In Hong Kong, the relevant legislative framework for implementation of AEOI is laid down in the Inland Revenue Ordinance.

The Inland Revenue (Amendment) (No. 3) Ordinance 2016 requires financial institutions in Hong Kong, to identify and report information relating to financial accounts held by customers that are tax residents of reportable jurisdictions to the Hong Kong Inland Revenue Department (“IRD”).

Chubb Life Insurance Hong Kong Limited (“Chubb”) must comply with the following requirements of Inland Revenue Ordinance to facilitate the IRD automatically exchanging certain financial account information as provided for thereunder:

- (i) to identify certain accounts as “non-excluded financial accounts” (“NEFAs”);
- (ii) to identify the jurisdiction(s) in which NEFA-holding individuals and certain NEFA-holding entities reside for tax purposes;
- (iii) to determine the status of certain NEFA-holding entities as “passive NFEs” and identify the jurisdiction(s) in which their “controlling persons” reside for tax purposes;
- (iv) to collect certain information on NEFAs (“Required Information”); and
- (v) to furnish certain Required Information to the IRD (collectively, the “AEOI requirements”).

In order to comply with the AEOI requirement, from January 1, 2017, Chubb requires account holders (including individual, entities and controlling person) for all new accounts to complete and provide us with a self-certification for tax residence. As for pre-existing accounts, if Chubb has doubt about the tax residence of an account holder (including individual, entities and controlling person), it may require the account holder to provide a self-certification for tax residence.

As a financial institution, Chubb cannot provide you with any tax advice. If you have any doubts about your tax residence status and the impact of AEOI on your policy, you should seek independent professional advice.

It is an offence under section 80(2E) of the Inland Revenue Ordinance if any person, in making a self-certification, makes a statement that is misleading, false or incorrect in a material particular AND knows, or is reckless as to whether, the statement is misleading, false or incorrect in a material particular. A person who commits the offence is liable on conviction to a fine at level 3 (i.e. HK\$10,000).

# Every Way of Life — Chubb Insured.

CHUBB®

## Contact Us

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