

LiveFree Protector Insurance Plan II

Lifelong protection and flexible financial planning for every
life stage – comprehensive security for you and your family

Life & Savings Insurance



PRUDENTIAL
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Listening. Understanding. Delivering.



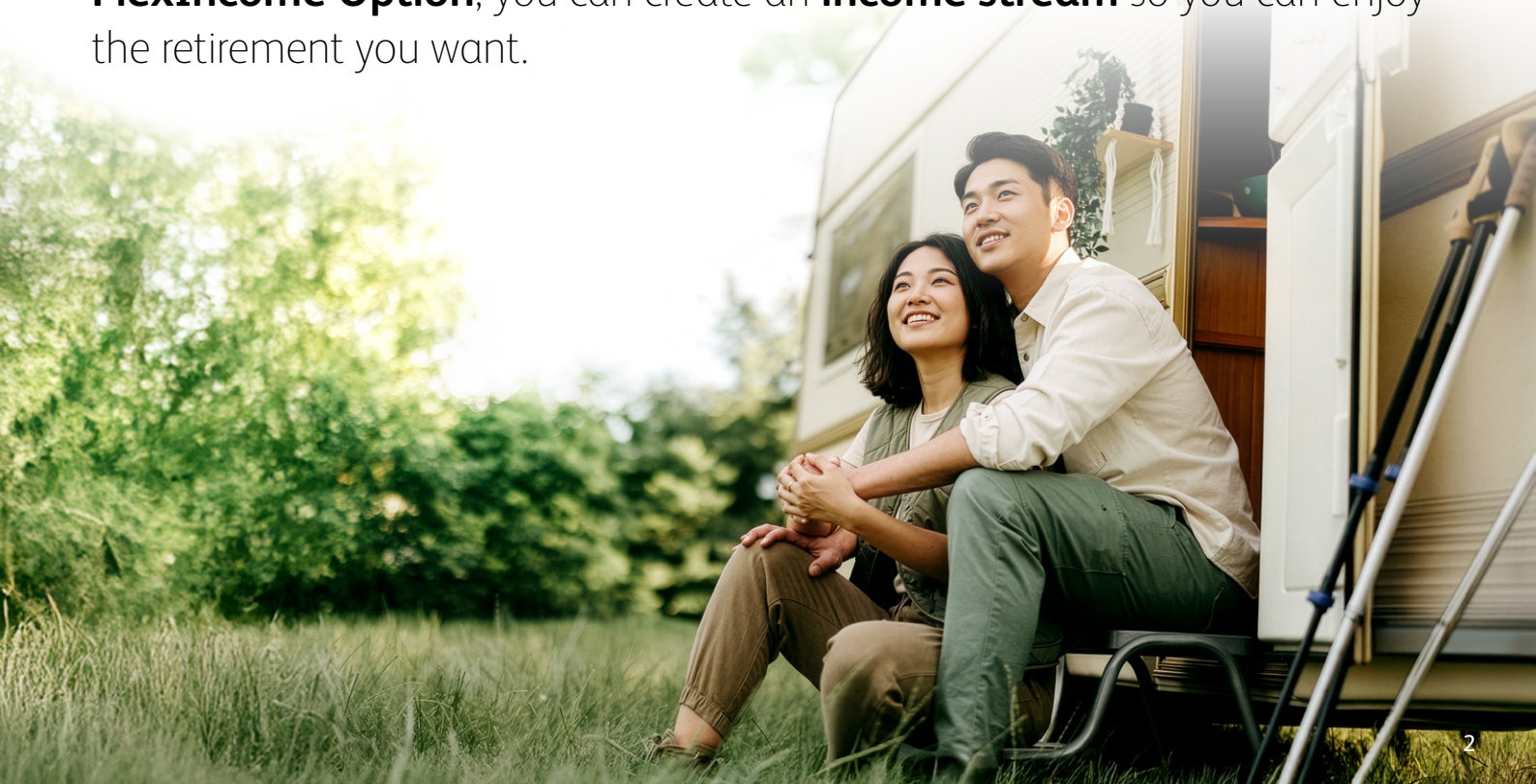
Plan highlights

What is the LiveFree Protector Insurance Plan II?

Whether you are building a family, growing your career, or planning for retirement, having comprehensive life protection in place gives you confidence and peace of mind, so you can focus on what truly matters.

As a breadwinner, **protecting** your family's future is paramount. The **LiveFree Protector Insurance Plan II** supports you with **whole life protection** and **a suite of backup solutions** that ensure simple, effective **continuity of comprehensive cover**. **Customise** how you **pass on your death benefit** to your loved ones through **FlexLegacy**, giving you greater control and certainty when it matters most. You can also choose a **backup policyholder** to take over your policy, keeping it in place to **safeguard** your family in case you are **incapacitated**.

As you shift your focus to retirement, the plan continues to support you. It offers **long-term saving opportunities**, backed by a **guaranteed cash value** that **grows** over time and a **non-guaranteed terminal bonus**. By **splitting your policy**, you can manage your **protection** and **wealth flexibly** to match your retirement goals. Together with the **FlexIncome Option**, you can create an **income stream** so you can enjoy the retirement you want.



Plan highlights


Protecting your loved ones for today, growing your wealth for tomorrow


Live life to the full with comprehensive protection and tailored flexibility as your needs evolve, supported by long-term growth opportunities





Protect what matters today


Embrace what comes tomorrow


 **Whole life protection** with a guaranteed death benefit of **at least 100% of your coverage**

 **Put a backup plan in place** by appointing a family member to receive a lump sum for immediate financial relief or take over your policy, in case you are **incapacitated** and **unable to manage** it yourself


 **Customise how you settle the plan's death benefit** to support your beneficiary's needs at **different ages** and **key life milestones**


 **Keep the policy in the right hands** by naming a **backup policyholder** to **take over the policy** if the worst happens


 Choose to **boost your life protection** to stay ahead of inflation with **no medical checks required**

 Tailor your plan with a choice of **supplementary benefits** to **enhance your protection**



 Boost your wealth with a **guaranteed cash value** plus any **non-guaranteed Terminal Bonus**

 **Flexibly create different financial plans** under each **split policy** to meet your goals

 **Tailor an income stream** with the **FlexIncome Option**, paid directly to you, your loved one or an organisation you choose



What benefits can you get from this plan?

Protect what matters today



Whole life protection to create a safety net for your family

Because your family depends on you, choosing protection that stands the test of time is essential. With premiums that you pay over **5, 10, 20, 30 years** or as a **single lump sum**, **LiveFree Protector Insurance Plan II** offers **whole life protection** for the life assured (the person the plan covers), safeguarding your family and giving them peace of mind for the future.

In the unfortunate event that the life assured passes away while the plan is in force, their beneficiary will receive a **Death Benefit of at least 100% of the sum assured**, less any amount you owe us, just when they need it most.



We offer a **premium discount** if your policy's sum assured is equal to or greater than USD 20,000. You can refer to your sales illustration for details.

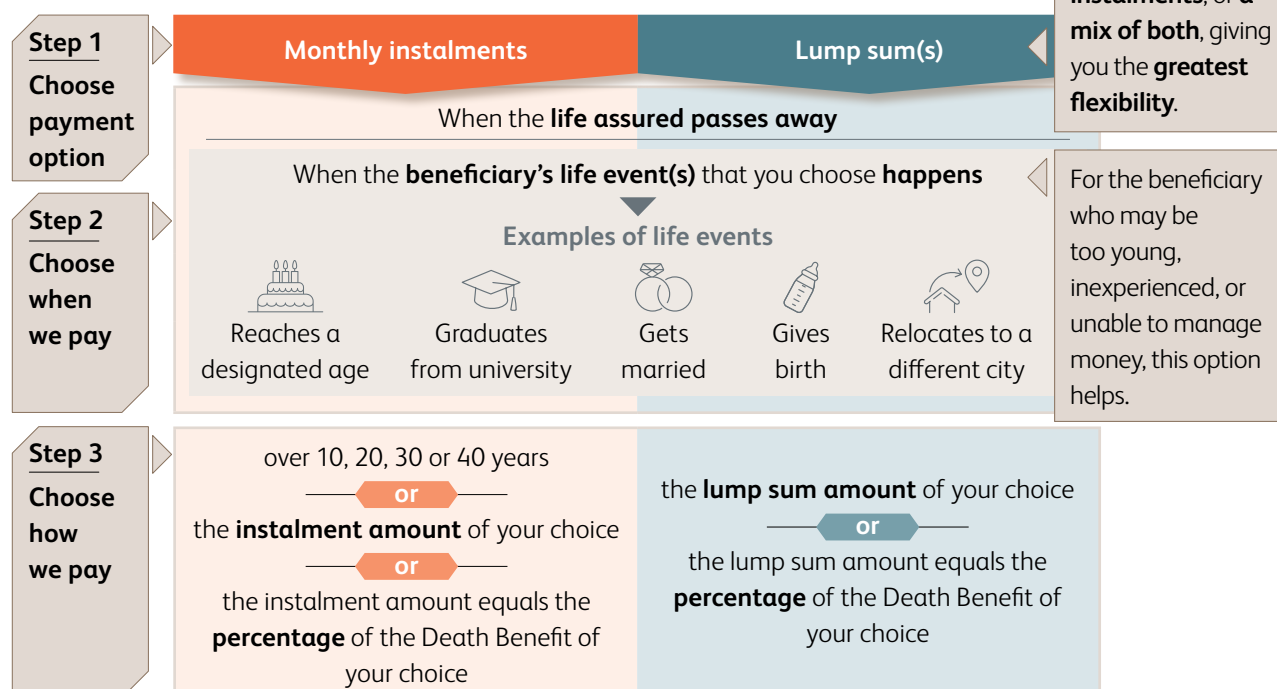




Thoughtful protection to secure your loved ones' future with a customisable Death Benefit payout

You can **flexibly choose how you would like us to pay the Death Benefit** while the life assured is still alive, in one of the following ways:

1. One **lump sum** payment
2. **Monthly instalments** over 10, 20, 30 or 40 years
3. A **mix** of both – pay the percentage of the Death Benefit you decide in a lump sum then the remaining balance in monthly instalments
4. **FlexLegacy** – no matter what the future holds, you can tailor the payments in different ways to suit you and your family, by choosing the following:



Our **FlexLegacy** gives you total control over how and when your family receives the Death Benefit, in line with your values, so you can **protect your family flexibly**.

When we approve the Death Benefit claim, any Death Benefit unpaid will earn a non-guaranteed interest.

You can find more about our “Death Benefit and its settlement option” including the full list of our specified life events in the “More about the plan” section below.

Click [here](#) or scan the QR code to explore application examples of the Death Benefit Settlement Option:





Combat inflation with the Benefit Protector Option

Inflation may reduce the value of your cover over time. If you plan to pay your premiums over 20 or 30 years, we offer a **Benefit Protector Option** to help mitigate its effect. You can choose to pay extra premiums to **automatically increase** your **protection** by **5%** of the initial sum assured **every year**, up to **200%** of the initial sum assured, with no medical checks required.

The Benefit Protector Option is not available for single, 5-year or 10-year premium terms.



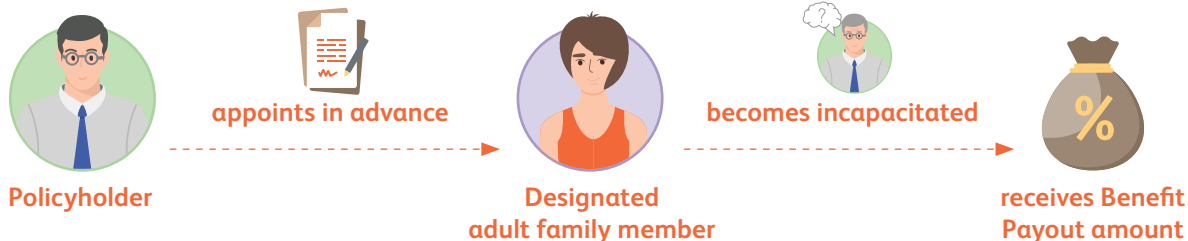
Put a backup plan in place with the Incapacity Option

If you unfortunately become **mentally** or **physically incapacitated** because of **any of the plan's Covered Diseases** while the policy is in force, and **you are unable to manage your policy**, our **Incapacity Option** allows your family to step in and support your life and financial wellbeing.

As soon as the policy starts, you can create a **safety net** by **choosing one of two options** in advance:

Incapacity Option – Benefit Payout

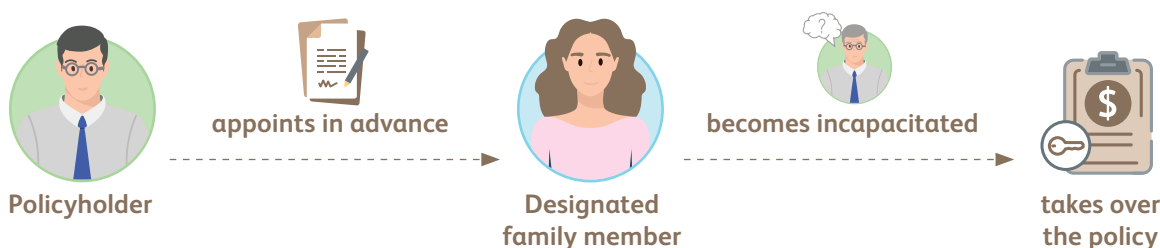
We will **pay your designated adult family member the percentage you choose of your policy's surrender value** (before we deduct any outstanding premiums, loans and interest) **as the claim under this option** to help you through such difficult times. With a **simple application**, your family can **get money quickly** to meet your needs; **no need for any legal processes**.



or

Incapacity Option – Ownership Transfer

We will **transfer your policy's ownership to your designated family member**. With a **simple application**, they can **take over the policy and become the new policyholder**, so your **policy can continue seamlessly**.



You can **switch between** the **Benefit Payout** or **Ownership Transfer** options, or **change the designated family member** under your selected option **as many times as you wish**, as long as you only choose 1 option at a time, and you have not yet exercised the Incapacity Option.

You can find more about our “Incapacity Option” including the full list of our Covered Diseases and how we calculate the Benefit Payout amount in the “More about the plan” section below.



Keep the policy in the right hands by naming a backup policyholder

We know your insurance policy is an important asset to you and your family. That's why having someone you trust to take over is key to ensure your policy continuity and avoid lengthy probate, in case you unfortunately pass away.

If you take out this plan for your loved ones (i.e. you are not the life assured), you, as the policyholder, can **choose a family member** as your policy's **succeeding owner** as soon as the policy starts. This **allows them to take over the policy and become the new policyholder** if the worst happens.

You can **appoint, change** or **remove** the **succeeding owner as many times as you wish** as long as there is only 1 succeeding owner at a time.





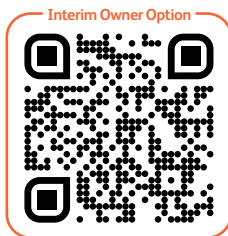
Let your young child take full control at the right time

Worried your child is too young to take over the policy? If you name your **young child**, who is aged under 18, as the **succeeding owner and/or designated owner** under the Incapacity Option – Ownership Transfer, our **Interim Owner Option** enables you to appoint an **interim owner** to **temporarily manage** the policy, with **limited policy rights** chosen by you. This safeguards the policy until your child is **mature** enough to succeed your asset at a specified date, age or life event.

You can **appoint, change, or remove** the **interim owner as many times as you wish** as long as there is only 1 interim owner at a time for each policy. If you remove the interim owner, the succeeding owner and/or designated owner will also be cancelled.

You can find more about our “Interim Owner Option” in the “More about the plan” section below.

Click [here](#) or scan the QR code to explore application examples of the Interim Owner Option:



Good to know – Interim Owner Option

If both a succeeding owner and a designated owner are named, they must be the same person; and if that person is a young child aged under 18 at the time of appointment, you must appoint the same interim owner.



Supplementary benefits to enhance your protection





Make your plan work even better by adding extra coverage. Based on your insurance needs, you can **choose from a range of supplementary benefits** to help tailor your regular-premium plan. By paying extra premiums, you can enhance your protection against critical illness, extra medical expenses, disability and accidents.

Embrace what comes tomorrow



Boost your wealth with potential returns

Enjoy **lifetime protection** combined with **long-term growth potential**. **LiveFree Protector Insurance Plan II** is a Shareholder-backed Participating Plan that offers wealth accumulation opportunities through:

1  Guaranteed cash value	+ 2  Non-guaranteed Terminal Bonus	  Total Cash Value
<ul style="list-style-type: none"> • Grows along the policy years (i) once the policy starts for single-premium plans, or (ii) from the 3rd policy anniversary for regular-premium plans • We pay it when: <ul style="list-style-type: none"> – your policy is terminated; – you withdraw some of the cash value (a “partial surrender”); or – we pay the amount under Incapacity Option – Benefit Payout 	<ul style="list-style-type: none"> • One-off bonus, declared starting from (i) the 1st policy anniversary for single-premium plans, or (ii) the 5th policy anniversary for regular-premium plans • We may pay it when: <ul style="list-style-type: none"> – your policy is terminated; – you withdraw some of the cash value; or – we pay the amount under Incapacity Option – Benefit Payout 	

To maximise your **financial flexibility**, if you need your money for any reason, perhaps to support your family, you can **take some of your plan’s Total Cash Value** through **cash value withdrawal** or **borrow up to 80% of its guaranteed cash value** while **keeping the policy in force**.

You can find more about our “Terminal Bonus”, “Cash value withdrawal” and “Policy loan” in the “More about the plan” section below.



Good to know – Understanding your Shareholder-backed Participating Plan

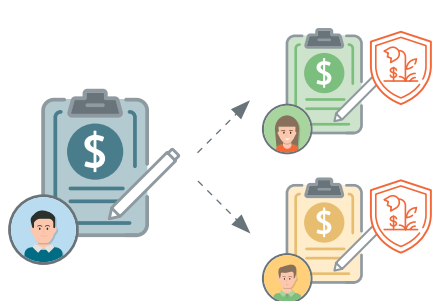
The current long-term target asset allocation of your plan is 55% in fixed-income securities and 45% in equity-type securities. Click [here](#) or scan the QR code for more information on our Shareholder-backed Participating Plans, including our investment and bonus philosophies and the operation of the Shareholder-backed Participating Fund.



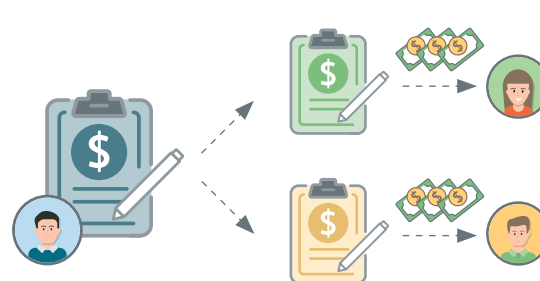
Turn your policy into multiple possibilities with the Policy-Split Option

As you move through different life stages, you may want greater flexibility to create different protection and financial plans for you and your family. Starting from the 2nd policy anniversary or the end of your premium term, whichever is later, you can **split the policy into multiple policies in the way you want** to pursue various goals efficiently – whether to tailor financial planning for your loved ones via different death benefit settlement options or create a retirement income stream through the FlexIncome Option (explained in the section below).

You can find more about our “Policy-Split Option” in the “More about the plan” section below.



Tailor death benefit settlement option for each policy

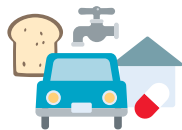


Create an income stream for each policy



Tailor an income stream with the FlexIncome Option

Take advantage of our **FlexIncome Option** to create an **income stream for you or your family**, to shape your perfect retirement or take care of the specific needs of your family, for example:



Living expenses



Travel fund

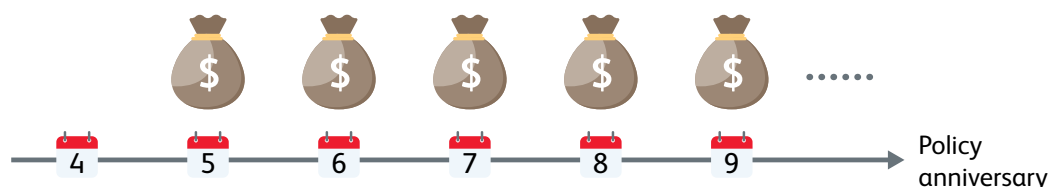


Elderly home care

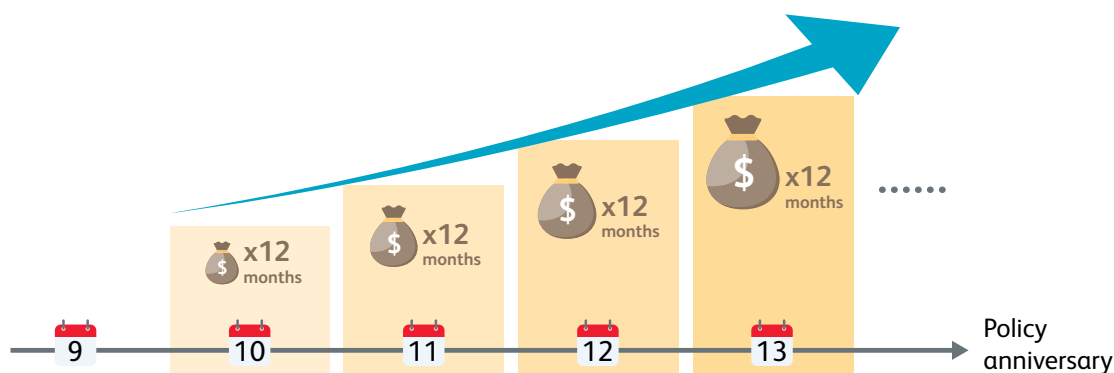
From the 5th policy anniversary or the end of your premium term, whichever is later, with just a **simple instruction**, you can **set up automatic annual or monthly withdrawals** from the policy value, **paid directly** to your **named recipient** for a **period of your choosing**. What's more, you can opt for **fixed or increasing payments** to cater to your changing financial needs or just to stay ahead of inflation.

You can **change the instruction or the recipient as many times as you wish**, as long as there is only 1 instruction in place at a time. Take full charge of how to use your wealth – the **amount, payment period and recipient**, who can be your loved one or even a charity. **The choice is yours.**

Example 1 (single-premium plan): Fixed annual withdrawals



Example 2 (10-year premium plan): Monthly withdrawals increasing at your designated annual rate



Good to know

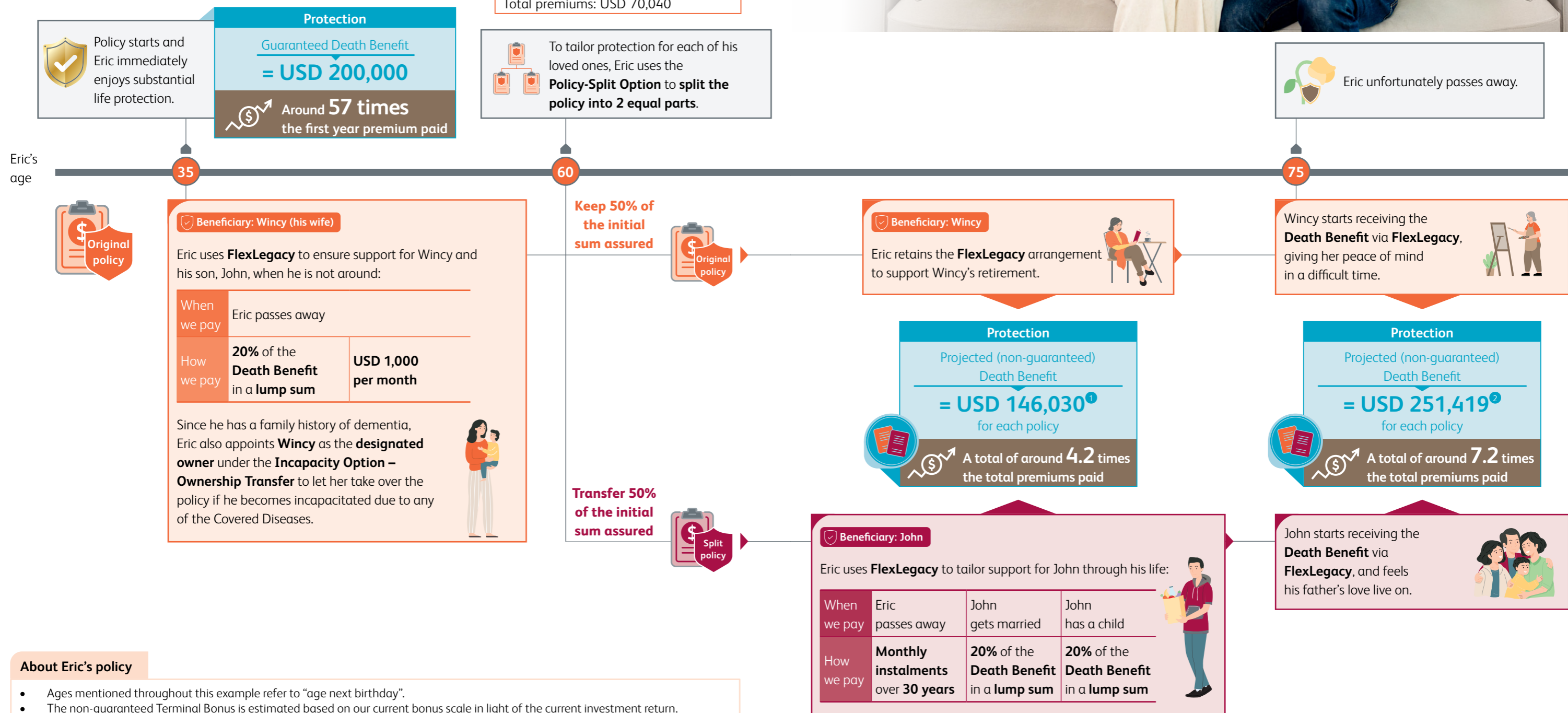
Exercising the plan's benefits or options, especially the Policy-Split Option and changing the policyholder, may affect its other benefits or options. You can find more about the benefits and options mentioned above under "More about the plan" section below.

How does the plan work?

Case 1 – Protecting loved ones when it matters most

Eric, aged 35, is a young professional and has a newborn son, John. He takes out **LiveFree Protector Insurance Plan II** to provide a financial safety net for his family.

Policy details
Policyholder & life assured: Eric
Premium term: 20 years
Sum assured: USD 200,000
Annual premium: USD 3,502
Total premiums: USD 70,040



About Eric's policy

- Ages mentioned throughout this example refer to "age next birthday".
- The non-guaranteed Terminal Bonus is estimated based on our current bonus scale in light of the current investment return. The case and all the figures mentioned here are for illustration only and are not an indicator of future performance. Actual returns may be higher or lower subject to investment.
- The above calculations assume no policy loan is made, and all the other options not stated in the case are not exercised while the policy is in effect. The figures in the above case may differ slightly from the actual amounts due to rounding differences.
- We will pay the Death Benefit according to the options chosen under FlexLegacy until the remaining balance is used up. Any remaining Death Benefit will earn a non-guaranteed interest. We will determine the interest rate from time to time. We will pay the accumulated interest during the final payout, together with the last monthly instalment or the last lump sum payment.
- Applications for exercising the above-mentioned options are subject to our approval and may affect the policy's other benefits or options.

Breakdown of 1 2 :

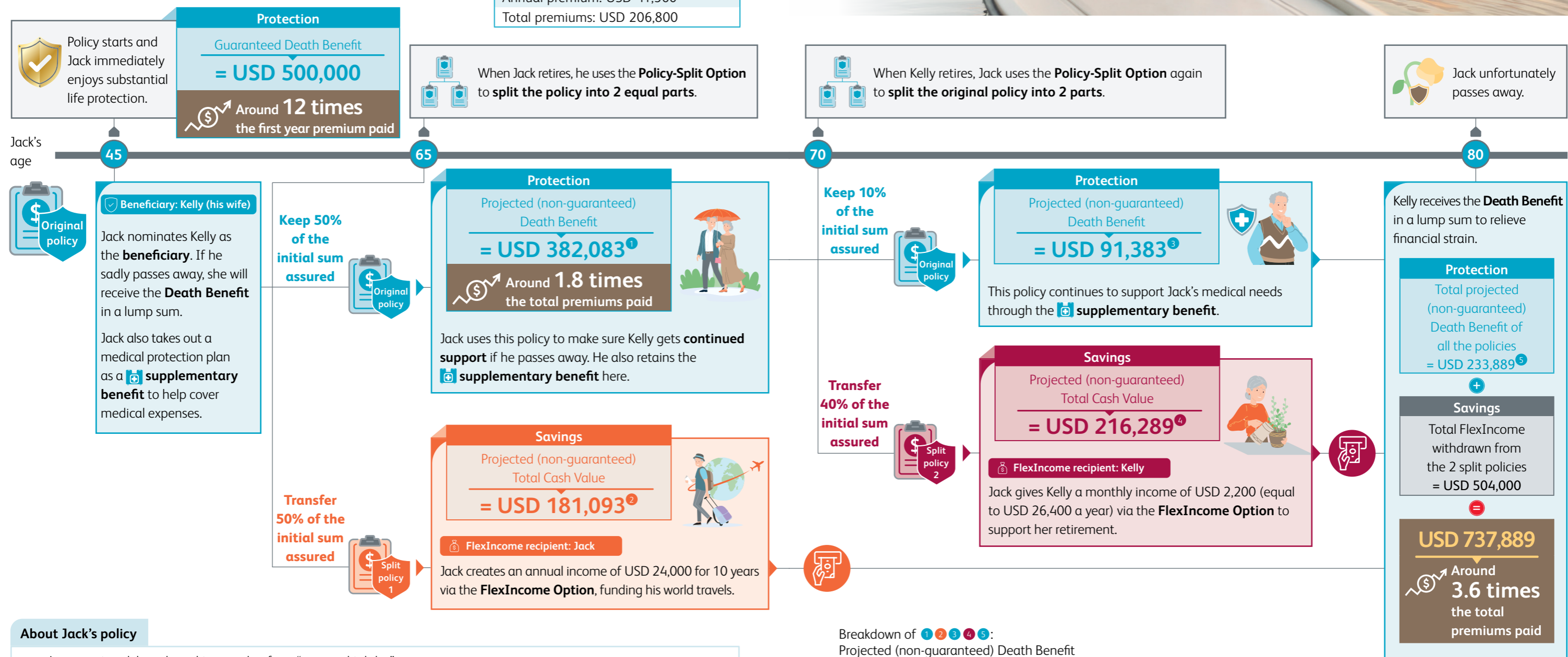
USD	Guaranteed Death Benefit	Non-guaranteed Terminal Bonus
1 =	100,000	+ 46,030
2 =	100,000	+ 151,419

How does the plan work?

Case 2 – Safeguarding prime years with flexibility for retirement

Jack, aged 45, is a senior executive who works hard to care for his family. He takes out **LiveFree Protector Insurance Plan II** to secure comprehensive protection for his wife, Kelly, while building an income stream for their retirement.

Policy details
Policyholder & life assured: Jack
Premium term: 5 years
Sum assured: USD 500,000
Annual premium: USD 41,360
Total premiums: USD 206,800



About Jack's policy

- Ages mentioned throughout this example refer to "age next birthday".
- If you exercise the FlexIncome Option, we will withdraw the policy's Total Cash Value. This will reduce the future value and the sum assured (a "partial surrender") of your policy. For details, please refer to the "FlexIncome Option" in the "More about the plan" section below.
- The non-guaranteed Terminal Bonus is estimated based on our current bonus scale in light of the current investment return. The case and all the figures mentioned here are for illustration only and are not an indicator of future performance. Actual returns may be higher or lower subject to investment.
- The above calculations assume no other withdrawals except the amount stated in the example, no policy loan is made, and all the other options not stated in the case are not exercised while the policy is in effect. The figures in the above case may differ slightly from the actual amounts due to rounding differences.
- Applications for exercising the above-mentioned options are subject to our approval and may affect the policy's other benefits or options.

Breakdown of 1 2 3 4 5:

Projected (non-guaranteed) Death Benefit

USD	Guaranteed Death Benefit	Non-guaranteed Terminal Bonus
1 =	250,000	+ 132,083
3 =	50,000	+ 41,383
5 =	81,095	+ 152,794

Projected (non-guaranteed) Total Cash Value

USD	Guaranteed cash value	Non-guaranteed Terminal Bonus
2 =	49,010	+ 132,083
4 =	50,759	+ 165,530

More about the plan

Plan type

Basic plan

(When this plan is a basic plan, it means you can choose to take out this plan as a standalone plan without enrolling with other type(s) of insurance product at the same time.)

Benefit term

Whole life

Premium term/Issue age/Currency

Premium term	Issue age (age next birthday (ANB))		Currency
	Non-smokers	Smokers	
Single	1 – 75	1 – 75	USD
5-year	1 – 65/66 – 75*	1 – 55/56 – 65*	
10-year	1 – 60/61 – 70*	1 – 55/56 – 60*	
20-year	1 – 55/56 – 60*	1 – 50/51 – 60*	
30-year	1 – 50	1 – 50	

- The life assured must be at least 15 days old when the proposal document is signed.

* The sum assured must meet the specific minimum amount we set for these age groups and the premiums must be paid in annual payment mode.

Premium structure

We will apply the designated premium rate for each issue age, gender, premium term and smoking class of the life assured.

Terminal Bonus

- This is a one-off non-guaranteed bonus.
- We will declare the bonus for your plan from the 5th anniversary for regular-premium plans or from the 1st anniversary for single-premium plans.
- We normally declare the bonus annually and may change it from time to time.
- We have the right to determine and declare the bonus more frequently than annually at our sole discretion.
- The declared bonus may rise and fall and does not accumulate within the policy or form a permanent addition to the policy's value.
- After each declaration of the bonus, we may adjust the value and could be reduced compared to previous declarations. As a result, the Total Cash Value, Death Benefit and surrender value may be lower than those in previous years.
- The declared bonus has a face value which we will pay when we pay the Death Benefit.
- The bonus also has non-guaranteed cash values which we determine by variable cash value discount factors. If you terminate your policy (other than when we pay the Death Benefit), we will pay the bonus' non-guaranteed cash value, not the face value.
- If you exercise the Policy-Split Option, we will reduce the Terminal Bonus and transfer it to each split policy based on your chosen percentage of the sum assured (excluding any additional sum assured under the Benefit Protector Option (if applicable)).
- We have the right to determine bonus rates, cash values and frequency of declaration at our sole discretion.

Surrender value

When you surrender your policy, we will pay a surrender value equal to:

- the guaranteed cash value;
- plus** the cash value of any Terminal Bonus;
- less** all amounts (including but not limited to any outstanding loans and interest) you owe us under the policy.

Death Benefit and its settlement option

- If the life assured unfortunately passes away while the policy is still in force, we will pay the beneficiary a Death Benefit equal to:
 - 100% of the sum assured (including any additional sum assured under the Benefit Protector Option (if applicable));
 - plus** the face value of any Terminal Bonus;
 - less** all amounts (including but not limited to any outstanding loans and interest) you owe us under the policy.

Death Benefit Settlement Option

- You can decide, while the life assured is still alive, how we pay your beneficiary(ies) the Death Benefit in one of these ways:
 - one lump sum; or
 - monthly instalments over 10, 20, 30 or 40 years; or
 - a mix of both – pay the percentage of the Death Benefit you decide in a lump sum then the remaining balance in monthly instalments; or
 - FlexLegacy – we will pay your sole beneficiary the Death Benefit when the life assured passes away and/or when the sole beneficiary experiences any of the life events listed below. You can customise the settlement option in monthly instalments, lump sum(s) or a mix of the two.

Payment option	Monthly instalments	and/or	Lump sum(s)	
When we pay	When the life assured passes away; or		When the life assured passes away; and/or	
	When the beneficiary's life event(s) that you choose happens :			
	reaches/has reached a designated age; or		reaches/has reached up to 3 designated ages; or	
	graduates from university; or			
	gets married; or			
	gets divorced; or			
	gives birth (either your beneficiary or their spouse) or adopts (up to 1 child); or		gives birth (either your beneficiary or their spouse) or adopts (up to 2 children); or	
	buys a new home; or			
	relocates to a different city; or			
	is an eligible employee and becomes involuntarily unemployed; or			
receives a cancer, heart attack or stroke diagnosis				
	You can choose multiple life events. We will start paying the Death Benefit in monthly instalments to your beneficiary only when the 1st of the chosen event(s) happens and continue until we have fully paid it out.		We will pay your beneficiary the Death Benefit when the multiple life events you choose happen until we have fully paid it out.	
How we pay	over 10, 20, 30 or 40 years; or		the lump sum amount of your choice, subject to the remaining Death Benefit; or	
	the instalment amount of your choice, until the remaining Death Benefit is used up; or			
	the instalment amount equals the percentage of the Death Benefit of your choice (0-100%), until the remaining Death Benefit is used up.		the lump sum amount equals the percentage of the Death Benefit of your choice (0-100%), subject to the remaining Death Benefit.	

- The beneficiary must submit the request for paying the monthly instalments or lump sum amount, along with the proof of the life event, to us for approval.
- The beneficiary can submit the request for us to pay any unpaid Death Benefit and any accumulated interest in one go when they reach an age you choose, or 85 (86 ANB) as set by us.
- You may choose the FlexLegacy when your policy only has 1 designated beneficiary.
- The FlexLegacy is an additional option to the Death Benefit Settlement Option as set out in the respective policy provision.

Plan highlights

Key benefits

How does the plan work

General rules for the Death Benefit Settlement Option

- Any remaining Death Benefit will earn a non-guaranteed interest. We will determine the interest rate from time to time. We will pay the accumulated interest during the final payout, together with the last monthly instalment or the last lump sum payment.
- The remaining Death Benefit will not participate in the Shareholder-backed Participating Fund or benefit from its profits.
- The beneficiary cannot make any changes to the way we pay the Death Benefit at any time.
- We will cancel any Death Benefit Settlement Option and pay the Death Benefit in a lump sum when the life assured passes away if you:
 - transfer the policy ownership (for the case of transferring the policy ownership to the succeeding owner, designated owner or interim owner, please refer to the “Succeeding owner”, “Incapacity Option” and “Interim Owner Option” sections below for details); or
 - assign the policy; or
 - have all your beneficiary designations revoked or cancelled; or
 - change, cancel or revoke the sole beneficiary, or add a beneficiary, under the FlexLegacy; or
 - choose to settle the Death Benefit in monthly instalments or through the FlexLegacy, but the total amount payable under monthly instalments or the FlexLegacy is less than USD50,000 (or other amount we determine from time to time).
- You can refer to our website at <https://pruhk.co/historical-dbso-mo-en> for the historical interest rates for accumulation on the remainder of the Death Benefit.

Please also note

The Death Benefit Settlement Option is not a trust, and we do not owe any trust-related responsibilities to the beneficiary(ies). There are more details related to the Death Benefit Settlement Option on the application form and any relevant documents. We may change the administrative rules and/or introduce more options from time to time.

Benefit Protector Option

- You can only choose the Benefit Protector Option for standard rate policies (i.e. policies without any extra premiums we need to charge or conditions we don't cover because of health conditions) of **LiveFree Protector Insurance Plan II** with a premium term of 20 or 30 years when you apply for the plan. It is also subject to our administration guidelines.
- By paying extra premiums, you can automatically increase your protection by 5% of the initial sum assured every year, up to 200%. We may change the increase percentage from time to time.

- We will calculate the additional premiums you need to pay for increasing your sum assured of **LiveFree Protector Insurance Plan II** each year based on the age, gender and latest smoking status of the life assured and the remaining premium term.
- You cannot choose this option if your **LiveFree Protector Insurance Plan II** is being converted from another plan.

We will stop increasing your sum assured when the first of these happens:

- you have declined 2 consecutive increases in your sum assured; or
- on the policy anniversary immediately following the life assured reaching age 60 (61 ANB); or
- the premium term has less than 10 years to run; or
- the current sum assured has reached the maximum limit we set; or
- you reduce your sum assured; or
- there is a premium waiver benefit claim, total and permanent disability claim or a claim for any kind of major disease benefit (including but not limited to Early Stage Major Disease Benefit and Major Disease Benefit) or Intensive Care Benefit under any policy the life assured has with us; or
- there is an automatic premium loan; or
- your **LiveFree Protector Insurance Plan II** is terminated.

Incapacity Option**When you choose to set up the Incapacity Option**

- You can set up one of the following options as soon as the policy starts:
 - **Incapacity Option – Benefit Payout**
 - > You can designate a percentage (between 10% – 100%) of the plan's surrender value (before we deduct any outstanding premiums, loans and interest) as the amount we will pay under this option and appoint a designated person to receive this amount.
 - > You can only appoint 1 designated person in advance while the policy is still in force.
 - > The designated person must be your a) spouse (including same-sex spouse), b) parent, c) child, d) sibling, e) grandparent, f) grandchild or g) any other relationship as mentioned on the application form; and aged 18 (19 ANB) or above.
 - > The designated person may receive this amount if you are unfortunately diagnosed with mental incapacity, terminal illness, coma, loss of independent existence, apallie syndrome, major head trauma or paralysis (the “Covered Diseases”).

Plan highlights

Key benefits

How does the plan work

- **Incapacity Option – Ownership Transfer**
 - > You can only appoint 1 designated owner in advance while the policy is still in force.
 - > The designated owner can be either (i) aged 18 (19 ANB) or above; or (ii) aged under 18 (19 ANB) with the appointment of an interim owner. Please refer to the “Interim Owner Option” section below for details.
 - > The designated owner must be your a) spouse (including same-sex spouse), b) parent, c) child, d) sibling, e) grandparent, f) grandchild or g) any other relationship as mentioned on the application form.
 - > If the life assured is aged under 18 (19 ANB), please refer to the application form for more requirements on the relationship between the life assured and designated owner.
 - > The designated owner will become the new policyholder if you are unfortunately diagnosed with any of the Covered Diseases.
 - > If you have appointed a succeeding owner, the designated owner must be the same person as the succeeding owner.
- We will only process either the Benefit Payout or Ownership Transfer under the Incapacity Option once per policy.
- You can switch between the Benefit Payout or Ownership Transfer options, as well as appoint, change or remove the designated person (Benefit Payout) or designated owner (Ownership Transfer) as many times as you wish while the policy is in force and before the exercise of the Incapacity Option by completing and submitting an application form to us. However, you must meet our eligibility requirements, the applicable administrative rules and conditions and you will need our approval.
- You must declare the following on the application form:
 - you have not created any will or an enduring power of attorney (“EPA”) over the policy;
 - no guardian or curator has been appointed in respect of the policyholder under the Articles 122° to 139° (interdictions and disabilities) of the Macau Civil Code (or under similar laws in another jurisdiction); and
 - you are not insolvent and no bankruptcy proceeding has been (or will likely be) commenced against you.
- You should inform the designated person in advance of the application process for making the claim, or inform the designated owner in advance to apply for the transfer of policy ownership.
- This does not apply to:
 - assigned policies; or
 - business insurance.

Grounds for cancelling an appointment under the Incapacity Option

- We will cancel the designated person or designated owner you have appointed earlier when the first of these happens:
 - your policy is terminated; or
 - you transfer the policy ownership (except when it is transferred to the interim owner when you become incapacitated under the Incapacity Option – Ownership Transfer; for the case of transferring the policy ownership to the succeeding owner, please refer to the “Succeeding owner” section below for details); or
 - you assign the policy; or
 - the policy becomes a business insurance; or
 - you inform us or we become aware that the policyholder has created an EPA or a will over the policy, and in the case of an EPA, the attorney does not provide their consent to our benefit payment to the designated person or our transfer of policy ownership to the designated owner; or
 - we are notified or become aware of a curator or guardian being appointed in respect of the policyholder under the Articles 122° to 139° (interdictions and disabilities) of the Macau Civil Code (or under similar laws in another jurisdiction), and such curator or guardian (as the case may be) does not provide their consent to our benefit payment to the designated person or our transfer of policy ownership to the designated owner; or
 - you have been adjudged bankrupt by any court of competent jurisdiction in or outside Macau, or bankruptcy proceedings have been initiated against you; or
 - you change or cancel the appointment of the designated person or designated owner; or
 - you cancel the appointment of interim owner or the Interim Owner Option (for the designated owner aged under 18 (19 ANB) when they are appointed); or
 - we receive notice of the policyholder’s death.
- We will also cancel the current appointment of the designated person if you appoint a designated owner, and vice versa.
- You must inform us if you have created an EPA or a will over the policy. If you do not inform us, we will make the benefit payment to the designated person or transfer the policy ownership to the designated owner assuming there is no such EPA or will and we shall have no responsibility to you, the succeeding owner, your attorney or any other person.

Plan highlights

Key benefits

How does the plan work

- In addition, we may cancel the appointment of the designated person or designated owner if:
 - such appointment will/may, constitute a breach of, or conflict with, any law, order, judgment, award, injunction or decree; or
 - such appointment will render us incurring or potentially incurring any liability; or
 - any court decides, or a guardian/curator decides pursuant to a court order, against the appointment of the designated person or designated owner, the benefit payment to the designated person or the transfer of policy ownership to the designated owner.

Designated person files the claim

- For us to pay the amount under this option:
 - you must be diagnosed with any of the Covered Diseases while the policy is in force. There is more information on the claims requirements in the policy provisions; and
 - by the time we approve this claim, you must have appointed a designated person to file and receive the claim for this option and must not have cancelled the appointment; both you and the designated person must be alive; and none of the grounds for cancellation of the appointment under Incapacity Option mentioned above applies.
- We will deduct any outstanding premiums, loans and interest from the payout amount.
- If the designated percentage is less than 100%, we will take the amount from the Total Cash Value of the policy by reducing the sum assured (a “partial surrender”).
- If the designated percentage is 100%, we will terminate the basic plan and any supplementary benefit once we approve this claim.
- We will only pay the amount under this option once in a lump sum per policy.
- When submitting a claim, the designated person needs to complete and submit the application form, along with any other documents or evidence we may require from time to time, including the medical proof of your suffering from the Covered Diseases.

Designated owner becomes the new policyholder

When the designated owner is appointed without the Interim Owner Option, or the designated owner becomes the new policyholder directly under the Interim Owner Option:

- For us to transfer the policy ownership under this option,
 - you must be diagnosed with any of the Covered Diseases while the policy is in force. There is more information on the ownership transfer requirements in the policy provisions; and

- by the time we approve the transfer of policy ownership, you must have appointed a designated owner and must not have cancelled the appointment; both you and the designated owner must be alive; and none of the grounds for cancellation of the appointment under Incapacity Option mentioned above applies.
- After transferring the policy ownership, we will cancel any Death Benefit Settlement Option, FlexIncome instruction, Interim Owner Option, nomination of the beneficiary, appointment of the succeeding owner, interim owner and FlexIncome recipient.
- When applying for the transfer of policy ownership, the designated owner needs to complete and submit the application form, along with any other documents or evidence we may require from time to time, including the medical proof of your suffering from the Covered Diseases.

Please also note

- If the life assured dies and the death claim is submitted before the date of approval for the Incapacity Option, we will pay the Death Benefit instead of processing the Incapacity Option.
- The appointment of a designated person or designated owner is an advanced policy instruction, and not an EPA or a guardianship/curator order under the Articles 122° to 139° (interdictions and disabilities) of the Macau Civil Code. The policy instruction does not appoint the designated person or designated owner as your attorney or guardian/curator. If you have an EPA over the policy or a guardian/curator appointed, you must not appoint a designated person or designated owner.
- If there is a dispute or we have reasonable belief that there may be a dispute between the designated person or designated owner and anyone else (including the policyholder, the succeeding owner, the FlexIncome recipient, the interim owner, the policyholder’s guardian or curator, attorney or beneficiary(ies)), or if we may incur liability as a result of us making the benefit payment or transferring the policy ownership under this option, we reserve the right to withhold the benefit payment or the transfer of policy ownership until we are satisfied that the dispute or matter is resolved.
- We may change the administrative rules and other conditions for appointing, changing, and removing the designated person or designated owner from time to time.

Plan highlights

Key benefits

How does the plan work

Succeeding owner**When you appoint a succeeding owner**

- As soon as the policy starts and if you are not the life assured, you can appoint, change or remove the succeeding owner as many times as you wish during the lifetime of the current policyholder and the life assured while the policy is in force (subject to our approval).
- You can only appoint 1 succeeding owner under the policy.
- The succeeding owner can be either (i) aged 18 (19 ANB) or above; or (ii) aged under 18 (19 ANB) with the appointment of an interim owner. Please refer to the “Interim Owner Option” section below for details.
- If you appoint a succeeding owner before the 1st policy anniversary, the succeeding owner must have an insurable interest in the life assured and meet the relationship criteria we accept.
- If you have appointed a designated owner under the Incapacity Option, the succeeding owner must be the same person as the designated owner.
- The succeeding owner must be your a) spouse (including same-sex spouse), b) parent, c) child, d) sibling, e) grandparent or f) grandchild.
- If the life assured is aged under 18 (19 ANB), please refer to the application form for more requirements on the relationship between the life assured and the succeeding owner.
- You should inform the succeeding owner in advance to submit the prescribed form and required documents to us within 180 days of your death.
- This does not apply to:
 - assigned policies; or
 - business insurance.

Grounds for cancelling this appointment

- We will cancel the succeeding owner you have appointed earlier when the first of these happens:
 - you transfer the policy ownership (except when it is transferred to the interim owner when you pass away; for the case of transferring the policy ownership to the designated owner under the Incapacity Option, please refer to the “Incapacity Option” section above for details); or
 - you assign the policy; or
 - the policy becomes a business insurance; or
 - you change or cancel the appointment of the succeeding owner; or
 - the succeeding owner dies; or
 - you cancel the appointment of interim owner or the Interim Owner Option (for the succeeding owner aged under 18 (19 ANB) when they are appointed).

- In addition, we may cancel the appointment of the succeeding owner if:
 - such appointment will/may, constitute a breach of, or conflict with, any law, order, judgment, award, injunction or decree; or
 - such appointment will render us incurring or potentially incurring any liability; or
 - any court decides, or a guardian/curator decides pursuant to a court order, against the appointment of the succeeding owner.

Succeeding owner becomes the new policyholder

When the succeeding owner is appointed without the Interim Owner Option, or the succeeding owner becomes the new policyholder directly under the Interim Owner Option:

- If the current policyholder unfortunately dies, the succeeding owner will automatically and immediately become the new policyholder subject to our right to revoke the transfer of policy ownership to the succeeding owner if any of following conditions is/are not satisfied:
 - the succeeding owner submits the prescribed form to us within 180 days from the death of the current policyholder, together with the required documents as soon as possible to enable us to determine if we are satisfied with the submission within 30 days from the date we receive the initial submission; and
 - the succeeding owner must be your immediate family member; and
 - other conditions that we may impose from time to time.
- If we exercise our right of revocation, the revocation will take retrospective effect from the date of death of the deceased policyholder.
- The arrangement with respect to succeeding owner is also subject to our administrative rules and other conditions at the relevant time.
- Before we decide whether to exercise the right of revocation, all rights and benefit entitlements of the succeeding owner as a policyholder under the policy will be suspended.
- The rights and benefit entitlements of the succeeding owner as the new policyholder shall be subject to other terms as set out in the policy provisions.
- We will cancel any FlexIncome instruction and the appointment of the designated person or designated owner under the Incapacity Option and FlexIncome recipient once we receive notice of the policyholder's death. Other than these, there is no impact to the policy nor previous designations until we decide not to exercise the right of revocation, after which we will cancel any appointment of the interim owner and the Interim Owner Option, Death Benefit Settlement Option and nomination of the beneficiary.

Please also note

- If the life assured passes away, we will pay the beneficiary the Death Benefit and the policy will end.
- If there is a dispute or we have reasonable belief that there may be a dispute between the succeeding owner and anyone else (including the designated person or designated owner under the Incapacity Option, the FlexIncome recipient, the interim owner, the policyholder's guardian or curator, attorney or beneficiary(ies)), or if we may incur liability as a result of processing the transfer of policy ownership to the succeeding owner, we reserve the right to revoke such change.
- We may change the administrative rules and other conditions for appointing, changing and removing the succeeding owner as well as transferring the policy ownership from the deceased policyholder to the succeeding owner from time to time.

Interim Owner Option**When you set up the Interim Owner Option**

- Interim Owner Option is applicable to the appointment of the succeeding owner; and/or the designated owner under the Incapacity Option – Ownership Transfer.
- You must apply for the Interim Owner Option if the succeeding owner and/or the designated owner is aged under 18 (19 ANB) at the time of appointment, by designating the following persons and items:

(i) Interim owner

- You can appoint, change or remove the interim owner as many times as you wish while the policy is in force (subject to our approval).
- According to the existing administrative rules and other conditions, the interim owner must be the succeeding owner's and/or designated owner's a) parent, b) grandparent, c) sibling, or d) any other relationship as mentioned on the application form.
- The interim owner must be aged 18 (19 ANB) or above at the time of appointment.
- If both succeeding owner and designated owner are appointed, their interim owner must be the same person.
- Only 1 interim owner is allowed at any time per policy.

(ii) Specified date or age

- You must set either a specified date or age for the succeeding owner or designated owner to take up policy ownership.
- The succeeding owner or designated owner must be aged 18 (19 ANB) or above when they take over the policy.

(iii) (Optional) Life events

- You may choose multiple life events below for succeeding owner or designated owner to take up policy ownership:
 - graduates from university; or
 - gets married; or
 - gets divorced; or
 - gives birth (including their spouse) or adopts a child; or
 - buys a new home; or
 - relocates to a different city; or
 - becomes involuntarily unemployed, having been an eligible employee; or
 - receives a cancer, heart attack or stroke diagnosis.
- The succeeding owner or designated owner must be aged 18 (19 ANB) or above when they take over the policy.

(iv) (Optional) Granted policy rights

- Subject to the specific product features, the policyholder may grant the policy right(s) below for the interim owner to exercise during their policy ownership, including:
 - Withdraw part of the policy value;
 - Exercise FlexIncome Option; and/or
 - any other granted policy rights as mentioned on the application form.
- The interim owner can also exercise limited administrative rights as mentioned on the application form.

Determination of the new policyholder when the policyholder passes away under the Interim Owner Option

Scenario I: the policyholder passes away **on or after** the succeeding owner reaches the specified date, age or any of the chosen life event happens:

- The succeeding owner will automatically become the new policyholder with full policy rights, subject to our right of revocation. For the rules and requirements, please refer to "Succeeding owner becomes the new policyholder" under the "Succeeding owner" section above.

Scenario II: the policyholder passes away **before** the succeeding owner reaches the specified date or age; and no life event(s) has been chosen or happened:

- The interim owner will automatically become the new policyholder temporarily, with limited administrative rights and policy right(s) as granted by you, subject to our right of revocation. For the rules and requirements, please refer to "Interim owner to take over the policy when the policyholder passes away" section below.

Plan highlights

Key benefits

How does the plan work

- You should inform the interim owner and the succeeding owner in advance to submit the prescribed form and documents to us within 180 days of your death.

Interim owner to take over the policy when the policyholder passes away

- Referring to scenario II above, if the current policyholder unfortunately dies while the policy is in force, the interim owner will automatically become the new policyholder temporarily with limited administrative rights and policy right(s) subject to our right to revoke the transfer of policy ownership to the interim owner if any of following conditions is/are not satisfied:
 - the interim owner submits the prescribed form to us within 180 days from the death of the current policyholder, together with the required documents as soon as possible to enable us to determine if we are satisfied with the submission within 30 days from the date we receive the initial submission; and
 - the interim owner must be succeeding owner's family member while the succeeding owner must be your immediate family member, at the time of such transfer to the interim owner; and
 - other conditions that we may impose from time to time.
- If we exercise our right of revocation, the revocation will take retrospective effect from the date of death of the deceased policyholder.
- The arrangement with respect to the interim owner is also subject to our administrative rules and other conditions at the relevant time.
- Before we decide whether to exercise the right of revocation, all rights and benefit entitlements of the interim owner under the policy will be suspended.
- The rights and benefit entitlements of the interim owner as the new policyholder shall be subject to the granted policy rights and other terms as set out in the policy provisions.
- We will cancel any FlexIncome instruction and the appointment of the designated person or designated owner under the Incapacity Option and FlexIncome recipient once we receive notice of the policyholder's death. Other than these, there is no impact to the policy nor previous designations until we decide not to exercise the right of revocation, after which we will cancel any Death Benefit Settlement Option.

Determination of the new policyholder when the policyholder becomes incapacitated under the Interim Owner Option

- If the policyholder is diagnosed with any of the Covered Diseases and

Scenario I: the designated owner applies to transfer the policy ownership **on or after** they reach the specified date, age or any of the chosen life event happens:

- The designated owner can become the new policyholder with full policy rights once approved. For the rules and requirements, please refer to "Designated owner becomes the new policyholder" under the "Incapacity Option" section above.

Scenario II: the interim owner applies to transfer the policy ownership **before** the designated owner reaches the specified date or age; and no life event(s) has been chosen or happened:

- The interim owner can become the new policyholder temporarily, with the limited administrative rights and policy right(s) as granted by you. For the rules and requirements, please refer to "Interim owner to take over the policy when the policyholder becomes incapacitated" section below.

- You should inform the interim owner and the designated owner in advance to apply for the transfer of policy ownership when you become incapacitated.

Interim owner to take over the policy when the policyholder becomes incapacitated

- Referring to scenario II above, if the current policyholder is diagnosed with any of the Covered Diseases while the policy is in force, the interim owner can apply to become the new policyholder temporarily with limited administrative rights and policy right(s) provided that the following conditions are satisfied by the time we approve the transfer of policy ownership:
 - you must have appointed an interim owner and a designated owner, and must not have cancelled the appointments;
 - you, the interim owner and designated owner are alive; and
 - none of the grounds for cancellation of the appointment of the interim owner and the designated owner mentioned applies.
- When applying for the transfer of policy ownership, the interim owner needs to complete and submit the application form, along with any other documents or evidence we may require from time to time, including the medical proof of your suffering from the Covered Diseases.

Plan highlights

Key benefits

How does the plan work

- After transferring the policy ownership, we will cancel any Death Benefit Settlement Option, FlexIncome instruction, appointment of the succeeding owner and FlexIncome recipient.

During the policy ownership of the interim owner

- The interim owner will assume all obligations of the policy as the policyholder (such as meeting premium payment obligations) and be bound by and subject to the terms and conditions of the policy, but can only exercise the policy rights granted by you and any other rights as mentioned on the application form.
- The interim owner is not authorised to exercise any policy rights that would (a) change any person concerned under the policy, that is, the policyholder, life assured, beneficiary, succeeding owner, designated owner or interim owner; (b) change the specified date, age or life event(s) under the Interim Owner Option; (c) exercise any options or change any chosen options under the policy (except declining the Benefit Protector Option (if applicable) and those policy right(s) granted by you); (d) change the policy value (except those policy right(s) granted by you); (e) withdraw any value from the premium deposit account during premium payment period (for regular-premium plans only); or (f) assign the policy.
- After the interim owner takes over the policy, but (i) unfortunately passes away, (ii) cannot continue holding the ownership in our reasonable opinion, or (iii) refuses to continue holding the ownership, we have the sole and absolute discretion to suspend the limited administrative rights and policy right(s) granted by you to the interim owner. If the interim owner is granted the policy rights to exercise the FlexIncome Option, we will cancel the FlexIncome recipient appointed by the interim owner, FlexIncome Option exercised and FlexIncome instruction.
- The succeeding owner or designated owner can apply to become the new policyholder with full policy rights if the following case happens and they are aged 18 (19 ANB) or above, and must submit the prescribed form and required documents:
 - (case 1) when any of the chosen life event happens even if it is before they reach the specified date or age; or
 - (case 2) within 180 days after they reach the specified date or age.
- We will withhold any FlexIncome instruction from the interim owner when an application for the transfer of policy ownership is made in case (1). After such transfer in case (1), we will cancel any FlexIncome instruction, nomination of the beneficiary, Interim Owner Option and appointment of the succeeding owner, designated owner, interim owner and FlexIncome recipient; or

- When the specified date or age is reached in case (2), we will cancel any FlexIncome instruction and the appointment of the FlexIncome recipient. After such transfer in case (2), we will cancel the nomination of the beneficiary, Interim Owner Option and appointment of the succeeding owner, designated owner, and interim owner.

Grounds for cancelling an appointment of the interim owner

- We will cancel your appointment of the interim owner when the first of these happens:
 - you cancel or change the appointment of the interim owner; or
 - the interim owner passes away before they take over the policy; or
 - the succeeding owner or designated owner becomes the new policyholder; or
 - you have named either a succeeding owner or a designated owner, and that appointment is cancelled for any reason; or
 - you have named both a succeeding owner and a designated owner, and both appointments are cancelled for any reason.
- In addition, we may cancel the appointment of the interim owner if:
 - the appointment of succeeding owner or designated owner or the transfer of policy ownership will/may, constitute a breach of, or conflict with, any law, order, judgment, award, injunction or decree; or
 - such appointment or transfer will render us incurring or potentially incurring any liability; or
 - any court decides, or a guardian/curator decides pursuant to a court order, against such appointment, the Interim Owner Option or transfer of policy ownership.

Please also note

- The Interim Owner Option is an administrative arrangement only. It does not create an enduring power of attorney and we shall have no responsibility for the actions of the interim owner, the succeeding owner or the designated owner after the transfer of policy ownership.
- The acceptance of the arrangement application is at our sole and absolute discretion, and subject to terms and conditions as we determine from time to time without prior notice.
- You can change the specified date, age, life events or granted policy rights after the Interim Owner Option is set up.

Plan highlights

Key benefits

How does the plan work

- For more administrative arrangements and rules, including but not limited to when the succeeding owner, designated owner or interim owner fails to take over or continue to hold the policy under the Interim Owner Option, please refer to the application form.
- We may change the administrative rules and other conditions for the Interim Owner Option from time to time.

Policy-Split Option**When you exercise this option**

- Starting from the 2nd policy anniversary for single-premium plans or the end of the premium term for regular-premium plans, you can transfer a percentage of your sum assured (excluding any additional sum assured under the Benefit Protector Option (if applicable)) and the corresponding Total Cash Value to 1 or more new split policies (subject to our approval). You can request this once per policy year and within 30 days before each policy anniversary, without affecting the calculation of your policy years.
- You cannot reverse or withdraw an application once we approve it.
- You will need to repay any money you owe us under the plan before we approve your application.

When we approve your application

- For the original policy,
 - we will reduce the sum assured (excluding any additional sum assured under the Benefit Protector Option (if applicable)) and the corresponding Total Cash Value according to the percentage you designate;
 - any Death Benefit Settlement Option, Interim Owner Option, nomination of the beneficiary and appointment of the succeeding owner, interim owner, designated person or designated owner under the Incapacity Option will remain unchanged;
 - we will cancel any FlexIncome instruction and any appointment of the FlexIncome recipient; and
 - any supplementary benefit(s) and additional sum assured under the Benefit Protector Option will continue to be attached, subject to our existing administrative rules.
- For each split policy,
 - we will transfer the sum assured (excluding any additional sum assured under the Benefit Protector Option (if applicable)) and the corresponding Total Cash Value from the original policy according to the percentage you designate;
 - the original instruction, nomination or appointment mentioned under (i)(b) above will not be applicable;

- no supplementary benefits or additional sum assured under the Benefit Protector Option will be transferred; and
- you can set up new instruction, nomination or appointment mentioned under (i)(b) above, or apply for any supplementary benefits as you wish.

After exercising this option

- The policyholder and life assured of the original policy and each split policy will remain unchanged.
- The respective sum assured of the original policy and each split policy must not be less than the minimum amount we set.
- The sum assured of any of your supplementary benefit(s) may be reduced. If it is less than the minimum amount we set, we will terminate the supplementary benefit.
- There is **no cooling-off period** for the split policies.

Please also note

The arrangement with respect to this option is also subject to our administrative rules and other conditions at the relevant time. We may change the administrative rules from time to time.

FlexIncome Option**When you exercise this option**

- Starting from the 5th policy anniversary for single-premium plans or the end of your premium term for regular-premium plans, you can set up a FlexIncome instruction to make annual or monthly withdrawals from the policy and appoint a FlexIncome recipient to receive the withdrawal payments automatically for a period of your choosing, while the policy is still in force.
- You can choose fixed instalments or increasing instalments at a rate between 1% and 10% p.a..
- We will take the amount from the Total Cash Value of the policy by reducing the sum assured (a "partial surrender"). It will reduce the future value of your policy.
- You can only set up 1 instruction with 1 recipient for this option under the policy. The recipient must be aged 18 (19 ANB) or above, and must be:
 - your a) self, b) spouse (including same-sex spouse), c) parent, d) child, e) sibling, f) grandparent, g) grandchild or h) any other relationship or any organisation as mentioned on the application form; or
 - the employee who is the policy's life assured, in the case of business insurance; or
 - an individual with the assignee's consent, in the case of an assigned policy.

Plan highlights

Key benefits

How does the plan work

- If you want to change the instruction or the recipient, you can cancel it and set up another instruction as many times as you wish while the policy is in force by completing and submitting an application form to us. However, you must meet our eligibility requirements, the applicable administrative rules and conditions and you will need our approval.

Grounds for cancelling this option

- If we receive a request to transfer the policy ownership, we will withhold any FlexIncome instruction, including a transfer to
 - (i) the designated owner under the Incapacity Option; or
 - (ii) the interim owner when the policyholder becomes incapacitated; or
 - (iii) the succeeding owner/designated owner when the chosen life event happens during policy ownership of the interim owner.
- If we reject the transfer request, we will resume the instruction but will not repay any income withheld during this period.
- We will cancel the instruction and the FlexIncome recipient you have appointed earlier when the first of these happens:
 - your policy is terminated; or
 - your chosen withdrawal period ends; or
 - the sum assured of your policy after withdrawal is less than the minimum amount we set; or
 - you transfer the policy ownership (for the case of transferring the policy ownership to the succeeding owner, designated owner or interim owner, please refer to the “Succeeding owner”, “Incapacity Option” and “Interim Owner Option” sections above for details); or
 - you assign the policy; or
 - you exercise the Policy-Split Option; or
 - you cancel the FlexIncome instruction or the appointment of the FlexIncome recipient; or
 - we receive notice of the policyholder’s death.
- If you grant the policy rights to the interim owner to exercise the FlexIncome Option, after the interim owner takes over the policy, we will cancel the FlexIncome instruction and the FlexIncome recipient appointed by the interim owner when the first of these happens:
 - we approve the transfer of policy ownership after the chosen life event of the succeeding owner or the designated owner happens during policy ownership of the interim owner; or
 - the interim owner is unable to continue holding the policy in our reasonable opinion; or
 - the succeeding owner/designated owner reaches the specified date or age during policy ownership of the interim owner.

- If the life assured unfortunately passes away, we will deduct from the Death Benefit any payments made from the date of the life assured’s death until we receive the death claim submission.

Please also note

We may change the administrative rules and other conditions for appointing, changing and removing the FlexIncome recipient from time to time.

Cash value withdrawal

- You can choose to withdraw the Total Cash Value from the policy by reducing the sum assured, as long as the remaining amount meets our minimum requirement.
- If the sum assured reduces, the subsequent premium payments, guaranteed cash value, any Terminal Bonus and the Death Benefit will also be reduced. Therefore, any cash value you withdraw will reduce the Death Benefit and surrender value we pay.

Policy loan

- To offer you extra financial flexibility in times of need, you can borrow up to 80% of your policy’s guaranteed cash value, while keeping the policy in force, as a policy loan.
- We will charge interest on policy loans from the dates you take them out until they are fully repaid.
- We calculate interest at a rate we determine, which we may change from time to time, and it is compounded annually (in other words, generating “interest on interest”).
- If you have taken out a loan on your policy, we will deduct any outstanding premiums, loans and interest from all applicable insurance benefits before we pass the remaining money to you. This means your insurance benefits may be lower than the amounts available without taking out a policy loan.
- If at any time the total outstanding amount (including but not limited to any outstanding loans and interest) you owe us under the policy equals to or exceeds 100% of the guaranteed cash value of the policy, we will terminate the policy immediately and pay you the surrender value less all amounts (including but not limited to any outstanding loans and interest) you owe us under the policy, and you may receive an amount considerably less than the premiums you paid, as well as losing the policy’s coverage.
- There is more information on the policy loan and the interest rate we charge at <https://pruhk.co/cs-pruservices-mo-en>.

Plan highlights

Key benefits

How does the plan work

Automatic premium loan

- If you fail to pay the “total modal premium” within 1 calendar month from the date it is due, this policy will automatically:
 - continue to be in force if the “net cash value” of this policy is sufficient to pay the premium due and unpaid; and the amount of such premium will be automatically deemed to be paid by the premium loan you owe us (“automatic premium loan”) to keep enjoying the coverage under your policy; or
 - terminate if the “net cash value” of this policy is insufficient to pay the premium due and unpaid. In this case, we may only pay you the surrender value less all amounts (including but not limited to any outstanding loans and interest) you owe us under the policy, and you may receive an amount considerably less than the premiums you paid, as well as losing the policy’s coverage.
- We will charge you interest on the automatic premium loan(s) starting from the date when the relevant automatic premium loan(s) is incurred and it is compounded annually (in other words, generating “interest on interest”). We will determine the interest rate charged on the automatic premium loan(s) and may change it from time to time.
- If you have taken out an automatic premium loan on your policy, we will deduct any outstanding premiums, loans and interest from all applicable insurance benefits before we pass the remaining money to you. This means your insurance benefits may be lower than the amounts available without taking out an automatic premium loan.
- The automatic premium loan(s) does not apply to single-premium plans.
- “Net cash value” is the guaranteed cash value less all amounts (including but not limited to any outstanding loans and interest) you owe us under the policy.
- There is more information on the automatic premium loan and the interest rate we charge at <https://pruhk.co/cs-pruservices-mo-en>.

Termination of this plan

- We will terminate this plan when the first of these happens:
 - we pay the Death Benefit; or
 - you surrender the policy; or
 - you fail to pay your premium within the grace period of 1 calendar month from its due date and the net cash value of the policy is insufficient to exercise the automatic premium loan (for regular-premium plans only); or
 - the designated percentage under the Incapacity Option – Benefit Payout is 100% and once we approve this claim; or
 - once the total outstanding amount (including but not limited to any outstanding loans and interest) are equal to or more than 100% of the guaranteed cash value of the policy.

Bonus philosophy

Policyholders of the Shareholder-backed Participating Plans shall enjoy a fair share of the relevant experience of the Shareholder-backed Participating Fund (the "Fund") through the addition of non-guaranteed bonus. We aim to protect all policyholders' respective rights and reasonable expectations by providing payments that are fair across different groups of policyholders. While the value of the plan is mostly affected by the overall performance of the Fund, smoothing may be applied to produce more stable returns over the policy term.

Factors affecting the bonus

- The non-guaranteed bonus of the plan includes a Terminal Bonus. This bonus we pay is not guaranteed and is subject to review and adjustment at our discretion. Factors that may affect it include (but not limited to):
 - i. Investment performance factors – Your plan's performance will be affected by the return on the underlying investment portfolio. This could be driven by:
 - interest earnings from fixed-income securities and dividend from equity-type securities (if any);
 - capital gains and losses from investment assets, including but not limited to realised gains or losses, and changes in the market value of the underlying assets (such as bonds and equities);
 - counterparty default risk of fixed-income securities (such as bonds);
 - investment outlook; and
 - external market risk factors such as recessions and changes in monetary policies and foreign exchange rates.
 - ii. Claims factors – Our historical claims experience on death and/or other covered benefits, and projected future costs of providing Death Benefit and/or other covered benefits.
 - iii. Expense factors – These include direct expenses associated with issuing and maintaining your policy, such as commissions, overrides, underwriting and policy administration expenses. They may also include indirect expenses (such as general overheads) allocated to your policy.
 - iv. Persistency factors – Policy persistency (a measure of how long policyholders keep their policies) and any cash value withdrawal of a group of policies may impact the bonus we pay to the continuing policies.
- The actual future amounts of benefits and/or returns may be higher or lower than the values currently presented in the marketing materials. Our website at <https://pruhk.co/bonushistory-SHPAR-mo-en> explains the bonus history.

Investment philosophy

Investment strategy

We aim to protect the rights and manage the reasonable expectations of all Shareholder-backed Participating policyholders. Our investment objective is to maximise policyholders' returns with an acceptable level of risk. We do this through a broad mix of investments.

The Shareholder-backed Participating Fund invests in various types of assets, such as equity-type securities and fixed-income securities to diversify investment risks. The equity-type securities aim to provide policyholders with the potential for a higher long-term return.

We adopt an actively managed investment strategy, which we adjust in response to changing market conditions. Under normal circumstances, our experts allocate a smaller proportion of higher-risk assets, such as equities, to insurance plans with a higher guarantee and a larger proportion of higher-risk assets to insurance plans with lower guarantees. In doing so, we aim to match the level of risk to the risk profiles of our products. We may utilise derivatives (such as through partly pre-investing expected future premiums) to manage risks or improve returns and to align assets and liabilities (such as moderating the effects of interest rates changes while allowing for more flexible asset allocation). We may also make use of securities-lending to enhance returns.

The following paragraphs explain the current investment mix according to our investment strategy. Should there be any material changes in the investment strategy, we will inform you of the changes and explain the reasons behind and their implications.

The investment mix of your plan

The current long-term target asset allocation is as follows:

Asset type	Allocation (%) USD-denominated policies
Fixed-income securities	55%
Equity-type securities	45%

Our guaranteed liabilities to policyholders are mainly supported by fixed-income securities.

We primarily invest in fixed-income securities rated at least investment-grade. A small portion of high-yield and emerging-market bonds may be included to improve yield and diversification.

For equity-type securities, most of the investments are in stocks listed on major international exchanges.

The long-term currency strategy is to broadly match the fixed-income securities to the underlying policy denomination, while we allow more flexibility for equity-type securities for diversification. Subject to market availability and opportunity, we may invest fixed-income securities in a currency other than the underlying policy denomination and currency hedging will be used to reduce the currency risk.

We invest globally to achieve diversification benefits and target to have a higher relative allocation in the US and Asia which will be reviewed regularly.

We aim to actively manage and adjust actual exposure in response to changing market conditions and opportunities. Given asset values may vary due to changes in the economic environment and investment performance, the actual allocation may vary from the target allocation above. On a regular basis, we review the investment mix to be in line with our investment objectives and risk appetite. For more information on the investment mix, please refer to <https://pruhk.co/investmentmix-mo-en>.

Key risks

How may our credit risk affect your policy?

The guaranteed cash value (if applicable) and insurance benefit of your plan are subject to our credit risk. If we become insolvent, you may lose the value of your policy and its coverage.

How may currency exchange rate risk affect your return?

Foreign currency exchange rates may fluctuate. As a result, you may incur a substantial loss when you choose to convert your benefits to other currencies. Additionally, the conversion of your benefits to other currencies is subject to currency exchange restrictions applicable at the time when the benefits are paid. You have the sole responsibility to decide if you want to convert your benefits to other currencies.

What are the risks of surrendering your plan or withdrawing money from your plan?

The liquidity of an insurance policy is limited. You are strongly advised to reserve adequate liquid assets for emergencies. For any surrender/withdrawal especially at the early stage upon policy inception, you may receive an amount considerably less than the premiums you paid.

How may inflation affect the value of your plan?

We expect the cost of living to rise in the future because of inflation. That means the insurance you take out today will not have the same buying power in the future (i.e., the benefit payouts might not be able to cover your future needs), even if the plan offers increasing benefit intended to offset inflation.

What happens if you do not pay your premiums?

You should only apply for this product if you intend to pay all of its premiums. If you miss any of your premium payments, we will automatically settle your outstanding premiums by an automatic premium loan, with interest charged at a rate as determined by us. In the case the loan amount (plus accrued interest) exceeds the amount we allow for loan under the policy, we may terminate your policy and you may receive an amount considerably less than the premiums you paid, as well as losing the policy's coverage.

Important information

Suicide clause

If the life assured commits suicide, whether sane or insane, within 1 year from the effective date of the policy or from the date of any reinstatement, whichever is later, we will limit the death benefit to a refund of the premiums paid without interest. We will deduct any amounts we have already paid and any amounts you owe us under the policy.

Cancellation right

A customer who has bought the life insurance plans has a right to cancel the policy within the cooling-off period and obtain a refund of any premium(s) paid less any withdrawals. Provided that no claim has been made, the customer may cancel the policy by completing the form designated by us within 21 calendar days immediately following either the day of delivery of (1) the policy or (2) the notice (informing the availability of the policy and expiry date of the cooling-off period) to the customer or his/her nominated representative, whichever is earlier. Such form must be signed by the customer and received directly by Prudential Hong Kong Limited (Macau Branch) at Avenida Doutor Mário Soares, FIT Center of Macau, 12 andar A, G, H, I, J e K, em Macau within the cooling-off period.

The premium will be refunded in the policy currency, or the original currency paid by you, or a currency at an exchange rate agreed by you. After the cooling-off period expires, if a customer cancels the policy before the end of benefit term, the actual cash value (if applicable) may be substantially less than the total amount of premiums paid.

Automatic Exchange of Financial Account Information

Over 100 countries and jurisdictions around the world have committed to adopt new rules for automatic exchange of financial account information ("AEOI"). Under the new rules, financial institutions are required to identify account holders who are foreign tax residents and report certain information regarding their investment income and account balance to the local tax authority where the financial institution operates. When countries or jurisdictions start exchanging information on an automatic basis, the relevant local tax authority where the financial account is maintained will then provide this information to the tax authority of the account holder's country of tax residence. This information exchange will be conducted on a regular, annual basis.

Macau has adopted the new rules into its legislation (please see the Macau Special Administrative Region Chief Executive Resolution No. 211/2017 and Law no. 5/2017 ("the Resolution") which entered into force on 1 July 2017 and 13 June 2017 respectively). Therefore, the above requirements will be applicable to financial institutions in Macau including Prudential. Under these rules, certain policyholders of Prudential are considered as "account holders". Financial institutions in Macau including Prudential are required to implement due diligence procedures to identify account holders (i.e. policyholders in case where the financial institution is an insurance company) and in the case where the account holder is an entity, its "controlling persons", who are foreign tax residents, and report this information to the Financial Services Bureau ("FSB") in Macau if required. The FSB in Macau may transfer this information to the country of tax residence of such account holders.

In order to comply with the law, Prudential may require you, the account holder, to:

- (1) complete and provide us with a self-certification form with information regarding your tax residence status, your tax identification number in your country or countries of tax residence, your date of birth, and in the case where the policyholder is an entity (for example, a trust or a company), the classification of the entity that holds the policy and information regarding “controlling persons” of such entities;
- (2) provide us all required information and documentation for complying with Prudential’s due diligence procedures; and
- (3) advise us of any change in circumstances which affect your tax residence status and provide us with a suitably updated self-certification form within 30 days of such change in circumstances.

According to the due diligence procedures set out in the Resolution, self-certifications are required from account holders for all new accounts. As for pre-existing accounts, if a reporting financial institution has doubts about the tax residence of an account holder, it may require a self-certification from the account holder to verify its tax residence.

Prudential cannot provide you with any tax or legal advice. If you have doubts about your tax residence you should seek professional advice. You should seek independent professional advice on the impact that AEOI may have on you or your policy.

For further information on the implementation of the Common Reporting Standard and AEOI in Macau, please refer to the Macau FSB website: www.dsf.gov.mo/tax-system/aeoi/crs.

Need more details? Get in touch

Please contact your consultant or call our Customer Service Hotline at (853) 8293 0833 for more details.

Notes

LiveFree Protector Insurance Plan II is underwritten by Prudential Hong Kong Limited (Macau Branch) (“Prudential”). You can always choose to take out this plan as a standalone plan without enrolling with other type(s) of insurance product at the same time, unless such plan is only available as a supplementary benefit which needs to be attached to a basic plan. This brochure does not contain the full terms and conditions of this plan and is for reference only. It does not represent a contract between Prudential and anyone else. You should read carefully the risk disclosures and key exclusions (if any) contained in this brochure. For further details, including procedures for making claims and terminating policies and the full terms and conditions of this plan, please ask Prudential for a sample of the policy document.

Prudential has the right to accept or decline any application based on the information provided by the policyholder and/or life assured in the application.

Please cross your cheque and make it payable to “Prudential Hong Kong Limited”.

This brochure is for distribution in Macau only. It is not an offer to sell or solicitation to buy or provide any insurance product outside Macau. Prudential does not offer or sell any insurance product in any jurisdictions outside Macau where such offering or sale of the insurance product is illegal under the laws of such jurisdictions.



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