

# Evergreen Wealth Advance

A legacy of wealth across generations  
begins with a single premium

Life & Savings Insurance



**PRUDENTIAL**  
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Listening. Understanding. Delivering.



## Evergreen Wealth Advance

Securing your own financial future and that of your family's depends on making good choices early. Choosing **Evergreen Wealth Advance** lets you grow the funds you need to retire, help your child through education and leave a legacy too. A single premium gives you potential growth through steady returns, backed by a guaranteed cash value once the policy starts, and a non-guaranteed terminal dividend. You can also use the plan to easily and simply pass down wealth through generations.



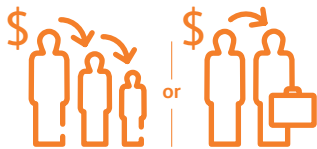
## Plan highlights



Lifelong wealth accumulation with just a single premium payment



Access your savings to meet your financial goals



Pass down wealth through the generations or to your key employees



Financial protection against death and accidental death



Sign and go – no need for health information



# The benefits



## Lifelong wealth accumulation with just a single premium payment

Pay a **single premium** today and your wealth accumulation starts straight away.

**Evergreen Wealth Advance** is a whole life Shareholder-backed Participating Plan which offers **steady returns** as well as **life** and **accidental death cover**.

Your savings growth with this plan comes from a guaranteed cash value and a non-guaranteed Terminal Dividend.

The guaranteed cash value of your policy will be equal to **80% of your single premium** once the policy starts and it will **grow along the policy years**. We will pay the guaranteed cash value when you surrender or terminate your policy.

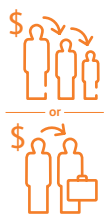
We may also pay a non-guaranteed one-off Terminal Dividend when you surrender or terminate your policy, or make a death claim on or after the 3<sup>rd</sup> policy anniversary.

There is more information about our Shareholder-backed Participating Plan and the way the Shareholder-backed Participating Fund works, including investment and bonus philosophies, at <https://pruhk.co/shareholderpar-en>.



## Access your savings to meet your financial goals

To give you more financial flexibility, if you need your money for any reason, you can access the cash value of your plan or borrow up to 80% of its guaranteed cash value while keeping it in force.



## Pass down wealth through the generations or to your key employees

So you can protect and provide for the people you love, you can pass the policy's value down the generations. Once you change the person covered under the plan (the "life assured"), we **cover the new life assured for life**. You can do this after the end of the policy's first year and during the lifetime of the current life assured **as many times as you wish**. We will terminate the **Extended Accidental Death Cover** once you change the life assured. There are more details about **Extended Accidental Death Cover** in the next section.

For example, you could make your son and then, later, your granddaughter the life assured under your policy. Together with transfer of the plan's ownership, you can pass the policy down through the generations and use the wealth to help secure their financial future for life.

As a business owner, you can also change the life assured of the plan to cover a new key employee when the employee who was the original life assured leaves the firm, and let the policy value grow continually.

You can find more about our "Change of life assured" in the "More about the plan" section below.



## Financial protection against death and accidental death

### Death Benefit

We will pay a Death Benefit to the beneficiary you choose if the life assured unfortunately passes away while the plan is in force. We will pay at least **100% of your single premium** as a Death Benefit, less any outstanding loans and interest.

You can choose how you would like us to pay the plan's Death Benefit while the life assured is still alive. You can opt to pay this benefit to your beneficiary in a **lump sum** or in **monthly instalments** or a **mix of both**. These options enable you to assure your loved ones' financial future.

### Extended Accidental Death Cover

If you have a fatal accident before the 5<sup>th</sup> policy anniversary, we will pay an **extra** Extended Accidental Death Cover equal to **100% of your single premium**, capped at USD 125,000 under all in-force insurance policies issued by us for the same life assured.



## Sign and go – no need for health information

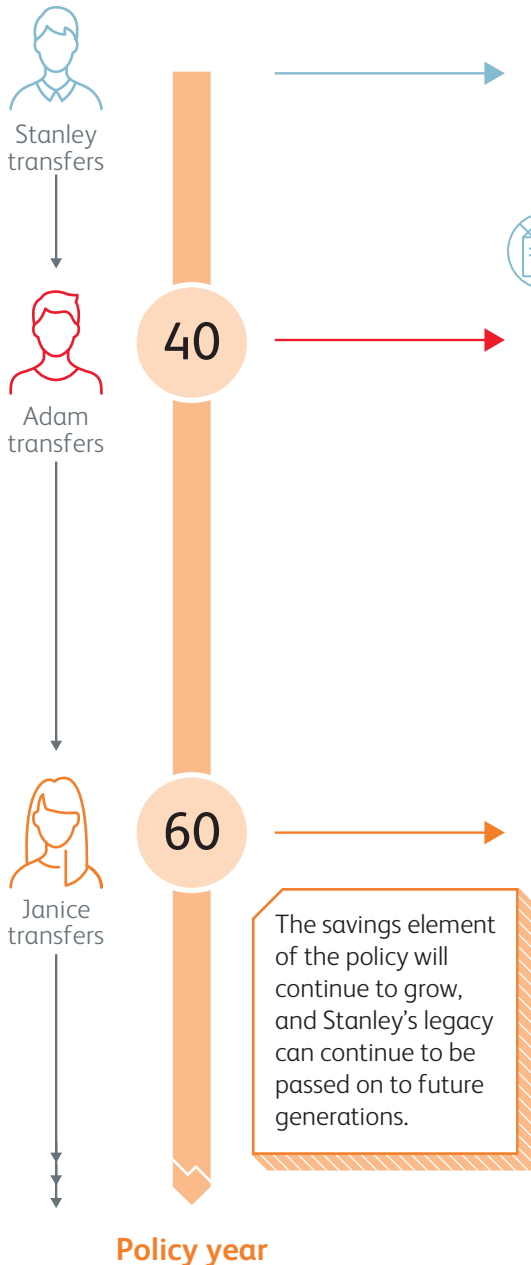
Applying for this plan is **easy**, you **do not** need to provide any medical information to take out an **Evergreen Wealth Advance**.

# How does the plan work?

Stanley is a 40-year-old business owner who wants to give his family and especially his new-born son, Adam, a better and more secure financial future.

He enrolls in **Evergreen Wealth Advance** (there is **no need** to provide any **medical information**), and to give his plan a strong start, he pays a single premium of USD 100,000. To help his legacy planning, he can choose to change the life assured **as many times as he wants** after the 1<sup>st</sup> policy anniversary to pass the plan onto his children, grandchildren and to future generations.

## Stanley enrolls in Evergreen Wealth Advance



### Policy inception 1<sup>st</sup> generation

Policyholder/Initial life assured:  
Stanley (father), age 40

Single premium: USD 100,000



**No need** for medical information

### Policy year: 40 2<sup>nd</sup> generation

Stanley changes the plan's life assured to be his son, Adam, and transfers the plan's ownership to him, passing on its wealth.

New policyholder/life assured:  
Adam (son), age 40

The projected (non-guaranteed) total cash value is

**USD 950,980**

(around **9.5 times** the total premiums).

### Policy year: 60 3<sup>rd</sup> generation

Adam changes the plan's life assured to be his daughter, Janice, and transfers the plan's ownership to her, handing her the family legacy.

New policyholder/life assured:  
Janice (granddaughter), age 20

The projected (non-guaranteed) total cash value is

**USD 3,655,610**

(around **36.6 times** the total premiums).

The savings element of the policy will continue to grow, and Stanley's legacy can continue to be passed on to future generations.

- Ages mean "age next birthday".
- The figures are only for illustration and we have calculated them with reference to the notional amount – an amount we use to calculate the plan's premiums, guaranteed cash value, non-guaranteed Terminal Dividend and other policy values.
- The example is not an indicator of future performance and the actual return may be higher or lower subject to investment performance.
- The notional amount in the above illustration is USD 100,000. The projected (non-guaranteed) total cash value above is composed of guaranteed cash value and non-guaranteed Terminal Dividend.
- The non-guaranteed benefit is estimated based on our dividend scale in light of the current assumed investment return.
- The above calculation assumes no cash value withdrawal and no policy loan while the policy is in effect. All figures are rounded to the nearest whole number of dollars.

## Key exclusions

We will not pay the Extended Accidental Death Cover if the death of the life assured is a direct or indirect result of:

- war, hostilities (whether war is declared or not), rebellion, insurrection, riot, or civil commotion; or
- alcohol, narcotics or drugs unless taken as prescribed by a registered doctor; or
- attempted suicide, suicide or self-inflicted injuries while sane or insane; or
- participation in any criminal offence; or
- scuba diving or engaging in or taking part in any kind of race other than on foot; or
- travelling or flights in any vehicle or device for aerial navigation other than as a fare-paying passenger on a scheduled public air service.

For more details on exclusions, please refer to relevant policy provisions.

# More about the plan

## Plan type

Basic plan

## Benefit term

Whole life

## Premium term/Issue age/Currency option

Premium term	Issue age (age next birthday [ANB])	Currency option
Single	1–75	USD

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

## Premium structure

The same premium rate applies across all ages (regardless of gender and smoking class).

## Notional amount

Your policy will have a “notional amount”. This is equivalent to your paid premiums. We use the notional amount to calculate your plan’s premiums, guaranteed cash value, non-guaranteed Terminal Dividend and other policy values. It does not represent the amount of Death Benefit we pay. Any change to this notional amount will lead to a corresponding change in the single premium used for calculating the Death Benefit and Extended Accidental Death Cover, guaranteed cash value, non-guaranteed Terminal Dividend and other policy values of the plan.

## Terminal Dividend

- The Terminal Dividend is a one-off non-guaranteed dividend.
- We normally declare Terminal Dividend annually and according to our declared dividend rates. We may change the dividend rates from time to time. The Terminal Dividend is not guaranteed.
- We will declare the Terminal Dividend for your plan from its 3<sup>rd</sup> policy anniversary.
- We may pay this Terminal Dividend when you surrender or terminate your policy or claim the Death Benefit on or after the 3<sup>rd</sup> policy anniversary.
- The declared dividend may rise and fall and does not accumulate within the policy or form a permanent addition to the policy’s value.
- We have the right to determine dividend rates and frequency of declaration at our sole discretion.

## Factors affecting the Terminal Dividend

- The dividend we pay is not guaranteed and we may review and adjust it 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 its 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;
    - 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 and any partial surrenders of a group of policies may impact the dividend 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-en> explains the bonus history.

## Surrender value

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

- the guaranteed cash value;
- **plus** the Terminal Dividend (if any);
- **less** any outstanding loans and interest.

## Death Benefit and its settlement option

- If the life assured passes away while the policy is still in force, we will pay the beneficiary a Death Benefit equal to:
  - the **higher** of:
    - i. guaranteed cash value; and
    - ii. 100% of the single premium you paid;
  - **plus** the Terminal Dividend (if any);
  - **less** any outstanding loans and interest.
- Death Benefit settlement option:
  - You can decide, while the life assured is still alive, whether we pay your beneficiary the Death Benefit in a lump sum or as a series of monthly instalments or a mix of the 2. If the Death Benefit amount you opt to settle by monthly instalments is less than a certain amount that we determine, we will only pay the Death Benefit in a lump sum.
  - You can choose for us to settle the monthly instalments in a certain number of year options we provide.
  - If you choose the monthly instalment option, your beneficiary will receive the Death Benefit of a fixed amount each month and earn an interest on the remaining Death Benefit amount. We will pay the accumulated interest in the last instalment. We will determine the interest rate from time to time. This means the rate is not guaranteed and it depends on several factors including investment performance and the yields available in the market.
  - The beneficiary cannot make any changes to the way we pay the benefits at any time.
  - The remaining balance of the Death Benefit, which we pay by monthly instalments, will not participate in the Shareholder-backed Participating Fund or benefit from its profits.

## Extended Accidental Death Cover

- We will pay this if the life assured passes away within 90 days from the date of an accident. The accident must have happened before the 5<sup>th</sup> policy anniversary.
- We will pay the benefit to your beneficiary equal to 100% of the single premium you paid.
- We cap the total benefit amount of Extended Accidental Death Cover under all in-force insurance policies issued by us at USD 125,000 for the same life assured.
- We will terminate this benefit once you change the life assured.

## Change of life assured

- You can change the life assured after the end of the 1<sup>st</sup> policy year and during the lifetime of the current life assured while the policy is in force.
- There is no limit regarding the number of requests for change of life assured.
- Upon change of life assured, the new life assured must fulfil the issue age requirements of this plan at the time of application.
- Changing the life assured will not affect the single premium, guaranteed cash value and Terminal Dividend (if any).
- Once you change the life assured, we will alter the basic plan's benefit term to the whole life of the new life assured.
- We will terminate the Extended Accidental Death Cover once you change the life assured.
- Change of life assured is also applicable to business insurance.
- According to the existing administrative rules, the new life assured can only be a) the current policyholder, b) the policyholder's spouse, c) the policyholder's child, grandchild or great-grandchild or d) the policyholder's employee.
- You cannot change the life assured if the life assured is below age 18 when we issued the policy or at the time you made them the life assured, unless you have assigned the legal ownership of your policy to them when they reach age 18 or above.
- Once you change the life assured, we will cancel any Death Benefit settlement option and nomination of beneficiary you have selected earlier and we will only pay the Death Benefit in a lump sum payment until you select another Death Benefit settlement option.
- Both the new life assured and the current life assured must be alive when the life assured is changed.
- Change of life assured is subject to our underwriting requirements and administrative rules which may change from time to time.

## Cash value withdrawal

- You can choose to withdraw the guaranteed and non-guaranteed cash value from the policy and your notional amount will be subsequently reduced.
- Because the notional amount reduces, we will also reduce the subsequent guaranteed cash value, Terminal Dividend (if any) and single premium paid for the calculation of Death Benefit and Extended Accidental Death Cover.



## **Policy loan**

- You can borrow up to 80% of the guaranteed cash value of the plan, while keeping it in force.
- We will charge interest on policy loans from the date you take them out until they are fully repaid.
- We calculate interest at a rate we determine.
- If you have taken out a loan on your policy, we will use any payouts from it to settle any loans and interest before we pass the remaining money to you.
- If the total outstanding amount (including interest) owed to us under the policy exceeds 90% of the guaranteed cash value of the policy, we will terminate the policy immediately.

## **Termination of this plan**

We will terminate this plan when the first of these happens:

- the death of the life assured; or
- you surrender the policy; or
- once the total outstanding loans and interest are more than 90% of the guaranteed cash value.

# 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 to manage risks or improve returns. 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	50%
Equity-type securities	50%

Our guaranteed liabilities to the policyholders are mainly supported by fixed-income securities. The proportion of equity-type securities is also adjusted with reference to market environment. For example, the proportion of equities is generally lower when the interest rate level is low, and higher when interest rates rise (subject to the long-term target equity allocation).

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.

Our 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 we currently have a higher relative allocation in the US and Asia which will be reviewed regularly.

**We 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-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 payout 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, even if the plan offers increasing benefit intended to offset inflation.

## Important information

### Suicide clause

If the life assured commits suicide regardless of sane or insane within 1 year from the effective date of the policy, the death benefit will be limited to a refund of the premiums paid without interest subject to the deduction of any amounts we have already paid and any indebtedness you owe us under the policy.

After the change of life assured is made, if the new life assured commits suicide while sane or insane within 1 year from the effective date of the change of life assured, the death benefit will be limited to a refund of the premiums paid without interest less any amounts we have already paid and any indebtedness you owe us under the policy or surrender value, whichever is higher.

### 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) and levy(ies) paid less any withdrawals. Provided that no claim has been made, the customer may cancel the policy by giving written notice to 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 notice must be signed by the customer and received directly by Prudential Hong Kong Limited at 8/F, Prudential Tower, The Gateway, Harbour City, 21 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong within the cooling-off period.

The premium and levy will be refunded in the currency of premium and levy payment at the time of application for this policy. If the currency of premium and levy payment is not the same as the plan currency, the refundable premium and levy amount in plan currency under this policy will be converted to the currency of premium and levy payment at the prevailing currency exchange rate as determined by us in our absolute discretion from time to time upon payment. 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.

Hong Kong has adopted the new rules into its legislation (please see the Inland Revenue (Amendment) (No. 3) Ordinance 2016 ("the Amendment Ordinance") which came into effect on 30 June 2016). Therefore, the above requirements will be applicable to financial institutions in Hong Kong including Prudential. Under these rules, certain policyholders of Prudential are considered as "account holders". Financial institutions in Hong Kong 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 Inland Revenue Department ("IRD") if required. The IRD 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 Amendment Ordinance, 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.

An account holder who knowingly or recklessly provides a statement that is misleading, false or incorrect in a material particular in making a self-certification to a reporting financial institution is liable on conviction to a fine at level 3 (HKD 10,000).

For further information on the implementation of the Common Reporting Standard and AEOI in Hong Kong, please refer to the IRD website: [www.ird.gov.hk/eng/tax/dta\\_aeoi.htm](http://www.ird.gov.hk/eng/tax/dta_aeoi.htm).

## Need more details? Get in touch

Please contact your consultant or call our Customer Service Hotline at 2281 1333 for more details.

## Notes

Evergreen Wealth Advance is underwritten by Prudential Hong Kong Limited (“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 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”.

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