


Death Benefit Settlement Options

Life is full of uncertainties, so planning ahead is crucial. We understand that you want to be able to tailor different legacy planning solutions to financially protect your loved ones according to their needs in the event of the worst happening to you. That's why we offer **flexible** and **tailored ways** for **paying out the death benefit**.

Some of our plans¹ provide **3 different Death Benefit Settlement Options**² so you can choose, during the life assured's lifetime, how you would like us to pay the death benefit to your beneficiary³.

Your options

	1  Default option One lump-sum payment	2 Monthly instalments⁴	3 Lump-sum + Monthly instalments⁴
How does it work?	Pay all death benefit amount in a lump sum	You can choose to settle the death benefit amount by monthly instalments and pay it over 10, 20, 30, or 40 years	You can choose a specified % of the death benefit for us to pay in a lump sum first , we will then pay the remaining amount by monthly instalments over 10, 20, 30, or 40 years according to your choice
What happens to your remaining death benefit?	Not applicable	The remaining amount ⁵ will be left with us to earn a non-guaranteed interest ; we will pay all the accumulated interest (if any) ⁶ together with the last instalment	
What are the benefits?	<ul style="list-style-type: none"> • Provide immediate emergency cash • No need to claim probate 	<ul style="list-style-type: none"> • Provide a guaranteed fixed amount over a period of time • No need to claim probate 	<ul style="list-style-type: none"> • Provide immediate emergency cash • Provide a guaranteed fixed amount over a period of time • No need to claim probate
Who is this option fit for?	For the beneficiary who needs a lump-sum of emergency cash right away . E.g. to settle funeral expenses	For the beneficiary, who may be too young, inexperienced, or unable to manage money, such as a child or elderly parent who needs long-term, regular financial support	For the beneficiary, such as your spouse, who needs both a lump-sum of emergency cash and extra long-term, regular financial support



One lump-sum payment

Policyholder & life assured:	Zoe, age 35
Family status:	Single, lives with her parents
Death benefit:	USD 500,000
Beneficiaries:	50% of the death benefit to her mother and father respectively
Death Benefit Settlement Option:	In a lump sum

What Zoe needs



Provide financial support to her parents



Cover her funeral arrangements



Assist with her family's outstanding mortgage and liabilities



Death benefit:
USD 500,000



Mother receives:
USD 250,000



Father receives:
USD 250,000

Monthly instalments

Policyholder & life assured:	Alvin, age 50
Family status:	<ul style="list-style-type: none">• Fanny, his spouse, a housewife• Edan, his 22-year-old son
Death benefit:	USD 500,000
Beneficiary:	100% of the death benefit to Fanny
Death Benefit Settlement Option:	By monthly instalments over 10 years

What Alvin needs



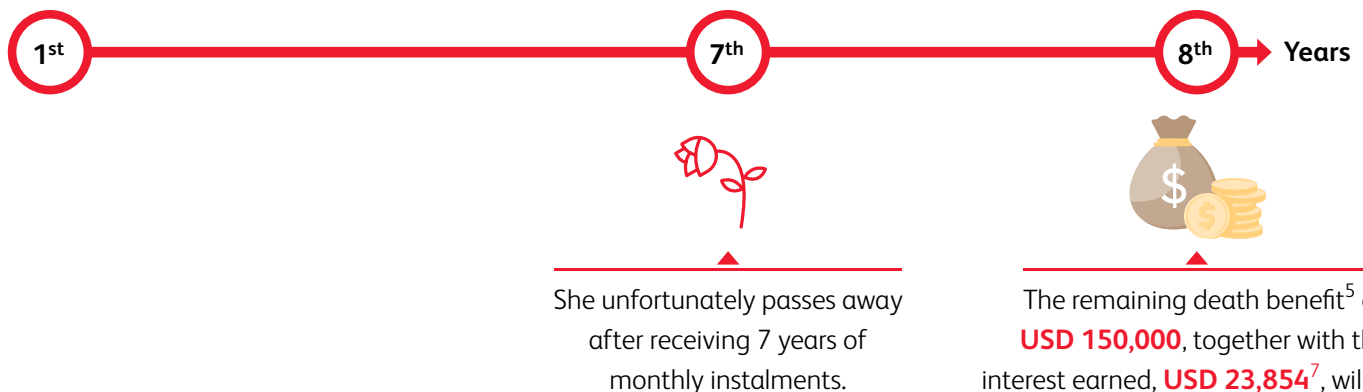
A monthly fixed amount to support his family's living



Ensure financial stability for Fanny and Edan until he becomes self-sufficient



Fanny receives **USD 4,167 per month** over **10 years**. The remaining amount⁵ will **earn interest** and we will pay the accumulated interest in the last instalment.



Lump-sum payment first + Monthly instalments

Policyholder & life assured:	Charles, age 38
Family status:	<ul style="list-style-type: none">• Winnie, his spouse• Ivy, his 1-year-old daughter
Death benefit:	USD 1,000,000
Beneficiary:	100% of the death benefit to Ivy
Death Benefit Settlement Option:	Pay 25% ⁸ of the death benefit in a lump sum and the remaining amount by monthly instalments over 20 years



What Charles needs



Flexibility in managing the death benefit payout to provide –



a lump-sum payment as emergency cash



a fixed amount to sustain Ivy's financial well-being over the long term

Charles passes away when Ivy is 19 years old. She receives a **lump sum** of **USD 250,000** (25%⁸ of the death benefit).

We will pay the **accumulated interest** of **USD 86,097**⁹ together with the last instalment.



1st



20th

Years





We will pay her the remaining amount⁵ through **monthly instalments for 20 years**. She receives **USD 3,125** as a **monthly instalment for 20 years**. The remaining amount⁵ will **earn interest**, and we will pay the accumulated interest in the last instalment.

Remarks:

The above examples and all the figures mentioned here are for illustration purposes only. Ages mentioned throughout these examples refer to “age next birthday [“ANB”]”. Unless otherwise specified, we have rounded the figures to the nearest whole number for easy reference.

1. Please check with your financial consultant for the plans that offer Death Benefit Settlement Options.
2. There is more information related to the restrictions applicable to the Death Benefit Settlement Options on the application form. We may change the administrative rules for these options from time to time.
3. The policyholder determines the options, and the beneficiary cannot make any changes to the options or the way we pay the benefits at any time.
4. The minimum total death benefit amount payable by monthly instalments we determine is USD 50,000/HKD 400,000/ RMB 300,000. We may determine the minimum total death benefit amount from time to time.
5. The remaining balance of the death benefit will not participate in our With-profits Fund and Shareholder-backed Participating Fund, thus will not benefit from their profits.
6. Interest rates are non-guaranteed and we may change it from time to time. The current interest rate is 1% p.a..
7. The current interest rate is 1% p.a. (interest rate is non-guaranteed and we may change it from time to time). Assuming the interest rate is 0.5% p.a., the accrued interest will amount to USD 11,684. Assuming the interest rate is 0.25% p.a., the accrued interest will amount to USD 5,783.
8. You can decide the percentage of the initial death benefit settlement, the percentage must be an integer no less than 5%.
9. The current interest rate is 1% p.a. (interest rate is non-guaranteed and we may change it from time to time). Assuming the interest rate is 0.5% p.a., the accrued interest will amount to USD 40,252. Assuming the interest rate is 0.25% p.a., the accrued interest will amount to USD 19,465.

Contact your consultant or call our Customer Service Hotline:

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Notes

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