

Mortgage Life Assurance Plan II

Secure a comfortable home for your family

Term Insurance



PRUDENTIAL
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Listening. Understanding. Delivering.



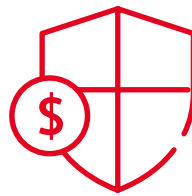
Mortgage Life Assurance Plan II

Providing a home for your family is an important goal in life. However, no matter how well you plan ahead, things beyond your control may happen. Prudential understands this and so we have specially designed the **Mortgage Life Assurance Plan II** to help you protect your comfortable home.

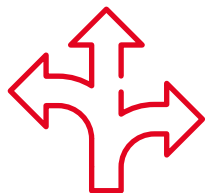
Mortgage Life Assurance Plan II at a glance



Home protection for
extra peace of mind



Pay what you need



Flexible choices



Advanced life protection to
become living benefit

The benefits



Home protection for extra peace of mind

Mortgage Life Assurance Plan II is available from **ages 19 to 56 (age next birthday [ANB])**, with **coverage up to age 66 (ANB)**. In the event of death, your loved ones will receive a lump sum benefit to help pay off the outstanding balance of the mortgage loan.



Pay what you need

With **Mortgage Life Assurance Plan II**, you only pay for the cover you need. The **sum assured will decrease monthly** to match the level of mortgage protection you need based on the selected benefit term and interest rate.



Flexible choices

We understand that people have different financial plans, so we offer a variety of choices which help you pay off your mortgage loan more flexibly.

- Benefit term and interest rate: You can select a benefit term of **10 to 30 years** and an interest rate of **6%, 8% or 10%**.
- Fixed premium: The premium is calculated based on your age when the policy is issued, and sum assured is fixed throughout the benefit term to help you better manage your finances. Whatever the benefit term you select, your premium term is 3 years less than the benefit term, letting you enjoy longer coverage.
- 4 premium payment modes: To manage your finances more flexibly, you can pay the premium either **monthly, quarterly, half-yearly or yearly**.



Advanced life protection to become living benefit

To extend the level of your protection, a Disability and Terminal Illness Benefit is included¹. In the unfortunate event of total and permanent disablement as a result of injury or illness, or if a terminal illness is diagnosed, the sum assured payable as shown on the "Mortgage Life Benefit Table" will be paid to you². With this benefit, you will be provided with cash when you really need it.

- > **Your home is one of your most important assets.** So plan ahead now to secure your family's most important asset.

More about the plan

Plan type

Basic plan

Benefit term

10 – 30 years (maximum until age 66 [ANB])

Premium term/Issue age/Currency option

Premium term	Issue age (ANB)	Currency option
Benefit term less 3 years	19 – 56	USD/HKD

Termination of this plan

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

- death of the life assured; or
- the plan reaches its end of benefit term; or
- you fail to pay your premium within 1 calendar month from its due date; or
- when we pay the Disability and Terminal Illness Benefit.

Remarks

- 1 The Disability and Terminal Illness Benefit is only offered to life assured holding a Hong Kong Identity Card and residing in Hong Kong. Prudential reserves the right to the final decision on eligibility for this Disability and Terminal Illness Benefit.
- 2 The Disability and Terminal Illness Benefit will only be payable once under all circumstances. The policy will automatically terminate once a claim for the Disability and Terminal Illness Benefit is paid.

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 benefits?

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 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.

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.

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 may terminate your policy and you would lose the policy's coverage.

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 or from the date of any reinstatement, whichever is later, 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.

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.

Need more details? Get in touch

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

Notes

Mortgage Life Assurance Plan II 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”.

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



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