

## PRUhealth critical illness protector

Retain total protection against the financial impact of critical illnesses – even after early stage major disease claims

Life Insurance – Critical Illness Protection



Listening. Understanding. Delivering.



Prudential Hong Kong Limited  
(A member of Prudential plc group)



### Important notes

This product is a life insurance plan and is not a bank deposit. Prudential Hong Kong Limited (A member of Prudential plc group) ("Prudential" or "we") is the underwriter of this plan.

Standard Chartered Bank (Hong Kong) Limited ("Standard Chartered") is an insurance agent of Prudential.

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### 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, and are not guaranteed by Standard Chartered Bank (Hong Kong) Limited, Standard Chartered Bank or any of their subsidiaries or affiliates. 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 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.

#### 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 or premiums and levy(ies) 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.

#### Why may we adjust your premiums?

We have the right to review and adjust the plan's premium rates for particular risk classes on each policy anniversary, but not for any individual customer.

We may adjust premium rates because of several factors, such as our claims, investment and persistency experience.

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### 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 (%)<br>HKD-/USD-<br>denominated policies |
|-------------------------|---|
| Fixed-income securities | 70%   |
| Equity-type securities  | 30%   |

Our guaranteed liabilities to the 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.

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 [www.prudential.com.hk/investmentmix\\_en](http://www.prudential.com.hk/investmentmix_en).**

## PRUhealth critical illness protector

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PRUhealth critical illness protector protects you with whole of life cover against the financial impact of 75 early to late stage disease conditions, including cancer, heart disease or stroke. With limited years of premium payment, the plan pays a lump sum you can use as you choose upon diagnosis of major disease conditions. For extra protection, you can claim up to 3 times for early stage disease conditions without affecting your total protection.

### Plan highlights



Covers 75 early to late stage disease conditions



Protection for early stage major disease conditions, including pre-cancerous conditions



Retains protection amount after early stage major disease condition claims before age 75 (age next birthday [ANB])



Up to 70% extra protection for the first 10 years



Additional 20% protection for late stage major disease conditions



Benefit Protector Option – to combat inflation

# The benefits

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## Coverage for 75 disease conditions

We offer essential protection against **75 disease conditions**, including **57 Major Disease Conditions** and **18 Early Stage Major Disease Conditions**. On top of this, we also cover **6 Late Stage Major Disease Conditions** to give you extra peace of mind. The plan covers most common disease conditions, including Cancer, Heart Attack or Stroke.

If the person covered by the policy (the “life assured”) is diagnosed with one of the covered **Major Disease Conditions**, we will pay a lump sum of up to **100%** of the current sum assured.

We will also pay a lump sum of up to **100%** of the current sum assured as a Death Benefit if the life assured dies.

You can find the full list of covered disease conditions in the “List of disease conditions the plan covers” section below.



## Protection for Early Stage Major Disease Conditions

We will pay up to **20% or 25%** of the current sum assured of your **PRUhealth** critical illness protector for Early Stage Major Disease Conditions, depending on the Early Stage Major Disease Condition with which the life assured is diagnosed.

You can claim the Early Stage Major Disease Benefit a total of **3 times**. Within these **3 claims**, **Carcinoma-in-situ (a pre-cancerous condition) and Coronary Angioplasty** can be claimed up to a maximum of **2 times** each, where each claim can pay up to **25%** of the current sum assured. You can also claim **once** for **Early Thyroid or Prostate Cancer** for up to **25%** of the current sum assured. The **other 15 covered Early Stage Major Disease Conditions** can be claimed **once in total** for up to **20%** of the current sum assured.

After each Early Stage Major Disease Benefit claim, we will deduct such claimed amount when we pay out the Major Disease Benefit or Death Benefit.



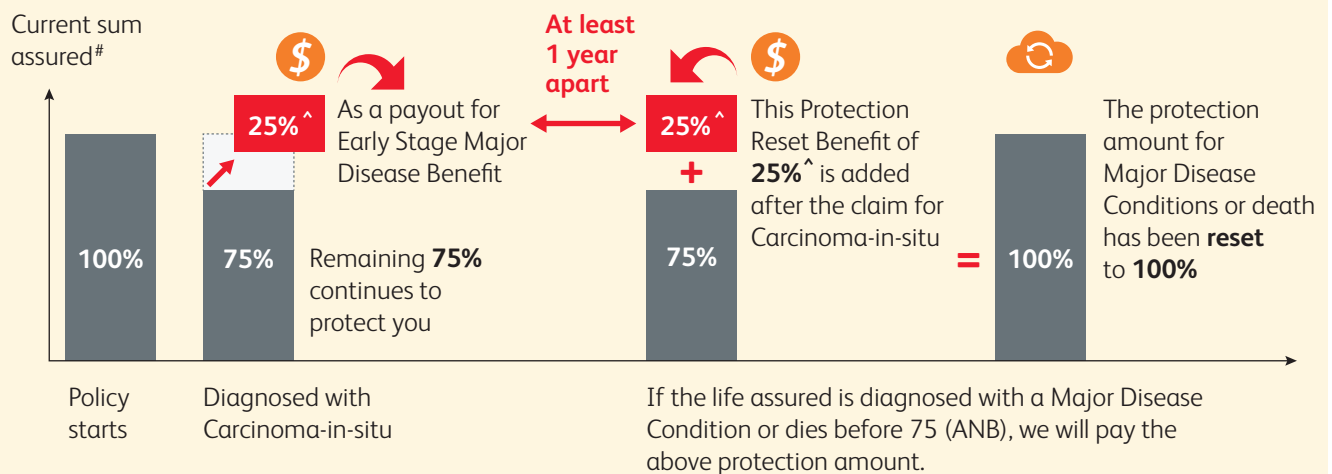
### Retains protection amount after Early Stage Major Disease Benefit claims

You are not disadvantaged by claiming. If the life assured is diagnosed with a Major Disease Condition or dies before age 75 (ANB), we will pay the Protection Reset Benefit in addition to the Major Disease Benefit or Death Benefit. The benefit amount of the Protection Reset Benefit is equal to the total claimed amount of Early Stage Major Disease Benefit (up to 3 claims) of which the date(s) of diagnosis of such Early Stage Major Disease Condition(s) is/are at least 1 year before the date of diagnosis of the Major Disease Condition or the date of death of the life assured.



### Tips: How does Protection Reset Benefit work?\*

#### Protection amount for Major Disease Conditions or death



\* It is assumed in the above example that the definitions and claims requirements of the benefits are fulfilled, and that no policy loans or policy changes have been made.

<sup>#</sup> Current sum assured of **PRUhealth** critical illness protector and **Crisis protection enhancer** (if any).

<sup>^</sup> This payout is subject to a USD 50,000 / HKD 400,000 per life limit applied to each of the Early Stage Major Disease Conditions under all **PRUhealth** critical illness protector and **Crisis protection enhancer** for the same life assured.



### Up to 70% extra protection for the first 10 years

We offer **Crisis protection enhancer**, providing up to an **extra 70%** of the current sum assured of your **PRUhealth** critical illness protector. If you take out the plan for a life assured **aged 1 to 18 (ANB)**, we will offer 70% extra protection for the **first 10 years**. If you take out the plan for a life assured **aged 19 to 65 (ANB)**, we will offer 55% extra protection for the **first 10 years**.

When the life assured is covered by **Crisis protection enhancer**, we will pay this extra protection for different stages of disease benefits as well as the Death Benefit.

If no claims have been made under the plan, you will have an option to convert your **Crisis protection enhancer** to a new life insurance plan with a cash value (as specified by us at the time of conversion) for the life assured, within 1 month before or after **Crisis protection enhancer** ends without the need to give us any health information.



### Protection and long-term savings in one plan

Besides offering in-depth protection, **PRUhealth** critical illness protector is a Shareholder-backed Participating Plan providing long-term savings value. We will pay a guaranteed cash value when you surrender the policy. We may also pay a non-guaranteed one-off bonus – the Terminal Bonus – when you surrender your policy or make a claim for the Major Disease Benefit or Death Benefit.

Please also refer to our brochure on Shareholder-backed Participating Plan available at [www.prudential.com.hk/shareholderpar](http://www.prudential.com.hk/shareholderpar) for more information (such as investment philosophy and bonus philosophy) on your Shareholder-backed Participating Plan and the operation of the Shareholder-backed Participating Fund.



### +20% An additional 20% protection for Late Stage Major Disease Conditions

We will pay an **additional 20%** of the current sum assured on top of the Major Disease Benefit for a Late Stage Major Disease Condition, including Cancer, Heart Attack or Stroke.

If the life assured is diagnosed with Alzheimer's Disease, Parkinson's Disease or Multiple Sclerosis on or before reaching age 61 (ANB), we will also pay – on top of their Major Disease Benefit – an additional 20% of the current sum assured.



### Supplementary benefits to strengthen your coverage



#### Combat inflation with Benefit Protector Option

Over time, the value of your coverage is reduced by inflation. To help offset this, we offer a Benefit Protector Option. By paying extra premiums, you can automatically increase the protection by 5% of the initial sum assured every year, up to 200% of the initial sum assured.

This Benefit Protector Option does not apply to the **Crisis protection enhancer** or other attached supplementary benefits.



#### Other supplementary benefits to broaden your coverage

You can choose from a range of supplementary benefits to help tailor your plan. By paying additional premiums, you can cover the life assured against extra medical expenses and accidents.

You can find more about these benefits in the “Benefit schedule” and “**PRU**health critical illness protector product summary” sections below.



## Benefit schedule

| Benefits                               |   | PRUhealth critical illness protector   | Crisis protection enhancer (if applicable)                                      | Maximum number of claims                                | When you make a claim:   |
|--|---|--|---|---|--|
| Early Stage Major Disease Benefit      | Carcinoma-in-situ                                 | <b>25%</b><br>of current sum assured of PRUhealth critical illness protector   | <b>25%</b><br>of current sum assured of <b>Crisis protection enhancer</b>       | 2   | A USD 50,000 / HKD 400,000 per life limit applies to <b>each</b> of the Early Stage Major Disease Conditions under all <b>PRUhealth critical illness protector</b> and <b>Crisis protection enhancer</b> for the same life assured.  |
|  | Coronary Angioplasty                              |  |   | 2   |  |
|  | Early Thyroid or Prostate Cancer                  |  |   | 1   |  |
|  | The other 15 Early Stage Major Disease Conditions | <b>20%</b><br>of current sum assured of PRUhealth critical illness protector   | <b>20%</b><br>of current sum assured of <b>Crisis protection enhancer</b>       | 1 claim for all 15 Early Stage Major Disease Conditions | A USD 50,000 / HKD 400,000 per life limit applies to <b>all</b> of these Early Stage Major Disease Conditions under all <b>PRUhealth critical illness protector</b> and <b>Crisis protection enhancer</b> for the same life assured. |
|  | Overall maximum number of claims: 3               |  |   |   |  |
| Major Disease Benefit                  |   | <b>100%</b><br>of current sum assured of PRUhealth critical illness protector + <b>Face value of Terminal Bonus</b> (if any) | <b>100%</b><br>of current sum assured of <b>Crisis protection enhancer</b>      | 1   | We will deduct the total claimed amount of Early Stage Major Disease Benefit under <b>PRUhealth critical illness protector</b> and <b>Crisis protection enhancer</b> .   |
| Late Stage Major Disease Extra Benefit |   | <b>Extra 20%</b><br>of current sum assured of PRUhealth critical illness protector   | <b>Extra 20%</b><br>of current sum assured of <b>Crisis protection enhancer</b> | 1   | We will pay you this benefit <b>on top of</b> the Major Disease Benefit.   |
| Death Benefit                          |   | <b>100%</b><br>of current sum assured of PRUhealth critical illness protector + <b>Face value of Terminal Bonus</b> (if any) | <b>100%</b><br>of current sum assured of <b>Crisis protection enhancer</b>      | –   | We will deduct the total claimed amount of Early Stage Major Disease Benefit under <b>PRUhealth critical illness protector</b> and <b>Crisis protection enhancer</b> .   |

| Benefits  | PRUhealth critical illness protector   | Crisis protection enhancer (if applicable)  | Maximum number of claims | When you make a claim:   |
|---|--|---|--------------------------|--|
| <b>Protection Reset Benefit (before age 75 [ANB])</b> | <b>Total claimed amount of all Early Stage Major Disease Benefit claims</b> (up to 3 claims) made under PRUhealth critical illness protector | <b>Total claimed amount of all Early Stage Major Disease Benefit claims</b> (up to 3 claims) made under <b>Crisis protection enhancer</b> | <b>1</b>                 | <ul style="list-style-type: none"> <li>We will pay this benefit upon payment of the Major Disease Benefit or Death Benefit.</li> <li>The benefit amount we pay is equal to the total claimed amount of Early Stage Major Disease Benefit (up to 3 claims) of which the date(s) of diagnosis of such Early Stage Major Disease Condition(s) is/are at least 1 year before the date of diagnosis of the Major Disease Condition or the date of death of the life assured.</li> </ul> |
| <b>Surrender Value</b>                                | <b>Guaranteed Cash Value</b> + <b>Cash value of Terminal Bonus</b> (if any)  | Not applicable  | –                        | We will deduct the total claimed amount of Early Stage Major Disease Benefit under PRUhealth critical illness protector.   |

#### Remarks

We will deduct any outstanding loans and interest from all benefits payable under PRUhealth critical illness protector.

## List of disease conditions the plan covers

|  | Early Stage Major Disease Conditions  | Major Disease Conditions  | Late Stage Major Disease Conditions  |
|--|---|---|--|
| Disease Groups   | Coverage for whole life unless specified  |   |  |
| <b>Cancer</b>  | <ol style="list-style-type: none"> <li>1. Carcinoma-in-situ</li> <li>2. Early Thyroid or Prostate Cancer<sup>Δ</sup></li> </ol>   | <ol style="list-style-type: none"> <li>1. Cancer<sup>~</sup></li> <li>2. Cerebral Metastasis</li> </ol>   | <ol style="list-style-type: none"> <li>1. Cancer</li> </ol>  |
| <b>Illnesses related to the Heart</b>                      | <ol style="list-style-type: none"> <li>3. Coronary Angioplasty</li> <li>4. Insulin Dependent Diabetes Mellitus (cover from age 1 - 18 [ANB])</li> <li>5. Kawasaki Disease (cover from age 1 - 18 [ANB])</li> <li>6. Rheumatic Fever with Valvular Impairment (cover from age 1 - 18 [ANB])</li> <li>7. Transmyocardial Laser Revascularisation</li> </ol> | <ol style="list-style-type: none"> <li>3. Cardiomyopathy</li> <li>4. Coronary Artery Disease Requiring Surgery</li> <li>5. Heart Attack</li> <li>6. Heart Valve and Structural Surgery</li> <li>7. Infective Endocarditis</li> <li>8. Primary Pulmonary Arterial Hypertension</li> <li>9. Surgery to the Aorta</li> </ol>   | <ol style="list-style-type: none"> <li>2. Heart Attack</li> </ol>  |
| <b>Illnesses related to the Nervous System</b>             | <ol style="list-style-type: none"> <li>8. Autism (cover from age 1 - 18 [ANB])</li> <li>9. Severe Psychiatric Illness</li> <li>10. Type I Juvenile Spinal Amyotrophy (cover from age 1 - 18 [ANB])</li> </ol>   | <ol style="list-style-type: none"> <li>10. Alzheimer's Disease</li> <li>11. Amyotrophic Lateral Sclerosis</li> <li>12. Apallic Syndrome</li> <li>13. Bacterial Meningitis</li> <li>14. Benign Brain Tumour</li> <li>15. Brain Surgery</li> <li>16. Coma</li> <li>17. Creutzfeldt-Jacob Disease (CJD)</li> <li>18. Encephalitis</li> <li>19. Major Head Trauma</li> <li>20. Meningeal Tuberculosis</li> <li>21. Motor Neurone Disease</li> <li>22. Multiple Sclerosis</li> <li>23. Muscular Dystrophy</li> <li>24. Paralysis</li> <li>25. Parkinson's Disease</li> <li>26. Poliomyelitis</li> <li>27. Progressive Bulbar Palsy</li> <li>28. Progressive Supranuclear Palsy</li> <li>29. Severe Myasthenia Gravis</li> <li>30. Spinal Muscular Atrophy</li> <li>31. Stroke</li> </ol> | <ol style="list-style-type: none"> <li>3. Alzheimer's Disease (cover from age 1 - 61 [ANB])</li> <li>4. Multiple Sclerosis (cover from age 1 - 61 [ANB])</li> <li>5. Parkinson's Disease (cover from age 1 - 61 [ANB])</li> <li>6. Stroke</li> </ol> |
| <b>Illnesses related to the Major Organs and Functions</b> | <ol style="list-style-type: none"> <li>11. Dengue Haemorrhagic Fever (cover from age 1 - 18 [ANB])</li> </ol>   | <ol style="list-style-type: none"> <li>32. Chronic Liver Disease</li> <li>33. Chronic Relapsing Pancreatitis</li> <li>34. End Stage Lung Disease</li> <li>35. Kidney Failure</li> <li>36. Major Organ Transplantation</li> <li>37. Necrotising Fasciitis</li> <li>38. Severance of Limbs</li> <li>39. Systemic Lupus Erythematosus (SLE) with Lupus Nephritis</li> </ol>  |  |

|                 | Early Stage Major Disease Conditions   | Major Disease Conditions   | Late Stage Major Disease Conditions |
|-----------------|--|--|-------------------------------------|
| Disease Groups  | Coverage for whole life unless specified   |  |                                     |
| Other Illnesses | 12. Osteogenesis Imperfecta (cover from age 1 - 18 [ANB])<br>13. Severe Asthma (cover from age 1 - 18 [ANB])<br>14. Severe Central or Mixed Sleep Apnoea<br>15. Severe Epilepsy<br>16. Severe Haemophilia (cover from age 1 - 18 [ANB])<br>17. Severe Obstructive Sleep Apnoea<br>18. Systemic Juvenile Rheumatoid Arthritis (cover from age 1 - 18 [ANB]) | 40. AIDS due to Blood Transfusion<br>41. Aplastic Anaemia<br>42. Blindness<br>43. Crohn's Disease<br>44. Deafness<br>45. Ebola<br>46. Elephantiasis<br>47. Fulminant Viral Hepatitis<br>48. Loss of Independent Existence (cover from age 19 - 65 [ANB])<br>49. Loss of Speech<br>50. Major Burns<br>51. Medullary Cystic Disease<br>52. Occupationally Acquired HIV<br>53. Severe Rheumatoid Arthritis<br>54. Severe Ulcerative Colitis<br>55. Systemic Scleroderma<br>56. Terminal Illness<br>57. Total and Permanent Disability (cover from age 1 - 65 [ANB]) |                                     |

<sup>Δ</sup> Early Thyroid or Prostate Cancer refers to the presence of one of the following malignant conditions: (a) thyroid tumour classified as T1N0M0 according to the TNM classification system; or (b) prostate tumour classified as T1a or T1b according to the TNM classification system.

~ Cancer does not include (a) thyroid tumour classified as T1N0M0 or a lower stage according to the TNM classification system; (b) prostate tumour classified as T1a or T1b or a lower stage according to the TNM classification system; (c) chronic lymphocytic leukaemia less than RAI stage III; (d) skin cancer other than malignant melanoma; (e) tumour in the presence of any HIV; (f) Cervical Intra-epithelial Neoplasia (CIN I, CIN II, or CIN III) or Cervical Squamous Intra-epithelial Lesion; and (g) tumour classified as pre-malignant, non-invasive, or Carcinoma-in-situ, or as having either borderline malignancy or low malignant potential.

## How does the plan work for you?°

At age 33 (ANB), Mrs. Wong enrolled in a 20-year payment term **PRU**health critical illness protector as the life assured with a current sum assured of **USD 125,000**. In her first 10 policy years, she is entitled to **Crisis protection enhancer**, which gives her extra protection of **USD 68,750**, i.e. 55% of the USD 125,000 current sum assured.



Extra 55% protection from **Crisis protection enhancer** for the first 10 years

1-year waiting period  
required for  
Protection Reset Benefit

| Age 33<br>(ANB) | Age 38<br>(ANB)  | Age 39<br>(ANB)  | Age 40<br>(ANB)   |
|-----------------|--|--|---|
| Policy starts   | Diagnosed with Carcinoma-in-situ of Cervix Uteri         | Diagnosed with Early Thyroid Cancer                      | Diagnosed with Late Stage Liver Cancer  |
|                 | Entitled to:<br><b>Early Stage Major Disease Benefit</b> | Entitled to:<br><b>Early Stage Major Disease Benefit</b> | Entitled to:<br><b>Major Disease Benefit</b><br>+<br><b>Late Stage Major Disease Extra Benefit</b>            |
|                 | We pay<br><b>USD 48,438</b>                              | We pay<br><b>USD 48,438</b>                              | We pay<br><b>USD 135,624</b><br>+<br><b>face value of Terminal Bonus (if any)</b>                             |
|                 |  |  | <b>Protection Reset Benefit</b> – equal to the total amount of the 2 Early Stage Major Disease Benefit claims |
|                 |  |  | We pay<br><b>USD 96,876</b>   |

**Total benefit payout**

**USD 329,376**

that is **1,276%** of the  
**total premiums paid**  
+  
**face value of Terminal Bonus (if any)**

° It is assumed in the above example that Mrs. Wong is a non-smoker and the premium for each year is USD 3,226.25. It is also assumed that the definitions and claims requirements of the benefits are fulfilled, and that no policy loans or policy changes have been made.



# PRUhealth critical illness protector product summary

## Plan type

Basic plan

## Benefit term

Whole life

## Premium term/Issue age/Currency option

| Premium term | Issue age (ANB) | Currency option |
|--------------|-----------------|-----------------|
| 5-year       | 1–65            | HKD/USD         |
| 10-year      | 1–65            |                 |
| 15-year      | 1–60            |                 |
| 20-year      | 1–55            |                 |
| 25-year      | 1–50            |                 |

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

## Crisis protection enhancer

- If you choose the Benefit Protector Option, the current sum assured of **Crisis protection enhancer** will not include the increased coverage offered by this benefit.
- If you reduce your sum assured of **PRUhealth critical illness protector**, we will also reduce your **Crisis protection enhancer's** coverage in proportion.
- **Crisis protection enhancer** is not eligible for the Terminal Bonus and guaranteed cash value.
- We will stop your **Crisis protection enhancer** when you terminate the **PRUhealth critical illness protector**, or when the benefit term has ended or once the Major Disease Benefit or Death Benefit is paid.
- If no claims have been made under the plan, you will have an option to convert **Crisis protection enhancer** to a new life insurance plan with a cash value (as specified by us at the time of conversion) for the life assured at a premium rate determined by us, provided that:
  - the new sum assured is the same or less than the current sum assured of this plan;
  - the new policy will be issued with the same special terms and conditions as your existing plan;
  - you apply for the conversion within 1 month before or after **Crisis protection enhancer** ends; and
  - you have an insurable interest in the life of the life assured (if you are not the life assured) named under the new policy.

## Terminal Bonus

- The Terminal Bonus is a one-off non-guaranteed bonus.
- We normally declare bonus annually according to our declared bonus rates. We may change the bonus rates from time to time. The bonus is not guaranteed. We will declare bonus for your plan from its 5<sup>th</sup> anniversary.
- The declared bonus may rise and fall and does not accumulate within the policy or form a permanent addition to the policy's value.
- The declared bonus has a face value which we will pay out in the event of death of the life assured or if you make a Major Disease Benefit claim.
- The bonus also has a non-guaranteed cash value which we determine by a variable cash value discount factor. In the event of policy surrender, the non-guaranteed cash value – not the face value – of the bonus shall be paid out.

## Factors affecting the Terminal Bonus

- The bonuses we pay are not guaranteed and are subject to review and adjustment at our discretion. Factors that may affect them 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 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 [www.prudential.com.hk/bonushistory\\_SHPAR\\_en](http://www.prudential.com.hk/bonushistory_SHPAR_en) explains the bonus history.

### Benefit Protector Option

- You can only take out the Benefit Protector Option for standard rate policies of **PRU**health critical illness protector with a premium term of 15, 20 or 25 years. 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% of the initial sum assured.
- We will calculate the additional premiums you need to pay for increasing your sum assured of **PRU**health critical illness protector based on the age, gender and latest smoking status of the life assured and the remaining premium term.
- Any additional sum assured derived from the Benefit Protector Option will not apply when we calculate the current sum assured of **Crisis protection enhancer**.

### Surrender Value

When you surrender your policy, we will pay a Surrender Value under **PRU**health critical illness protector equal to:

- guaranteed cash value (from 3<sup>rd</sup> policy anniversary);
- **plus** cash value of Terminal Bonus (from 5<sup>th</sup> policy anniversary, if any);
- **less** total claimed amount for Early Stage Major Disease Benefit made under **PRU**health critical illness protector;
- **less** any outstanding loans and interest.

### Death Benefit

If the life assured dies, we will pay a Death Benefit equal to:

- 100% of current sum assured of **PRU**health critical illness protector;
- **plus** face value of Terminal Bonus of **PRU**health critical illness protector (from 5<sup>th</sup> policy anniversary, if any);
- **plus** 100% of current sum assured of **Crisis protection enhancer** (if applicable);
- **less** total claimed amount for Early Stage Major Disease Benefit made under **PRU**health critical illness protector and **Crisis protection enhancer** (if applicable);
- **less** any outstanding loans and interest.

### Policy loan

- You can borrow up to 80% of your plan's guaranteed cash value less total claimed amount of Early Stage Major Disease Benefit under **PRU**health critical illness protector while keeping the policy in effect.
- 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.

### Automatic premium loan

- If you fail to pay the total modal premium within 1 calendar month from its due date, we will automatically terminate your policy unless its net cash value is enough to pay the premium due. We will treat this as a premium loan that you owe us (an "automatic premium loan").
- We will charge you interest on your automatic premium loan(s) starting on the date when the relevant automatic premium loan(s) starts. We will determine the interest rate we charge on automatic premium loan(s).
- The net cash value of your plan is 80% of its guaranteed cash value minus any Early Stage Major Disease Benefit claims we have paid as well as any outstanding loans and interest you owe us.
- Automatic premium loans do not apply to your premium(s) for any supplementary benefit(s) when the plan is paid up.

### Key exclusions

We will not pay any Major Disease Benefit, Early Stage Major Disease Benefit or Late Stage Major Disease Extra Benefit of **PRU**health critical illness protector and **Crisis protection enhancer** if:

- (I) the disease condition (including Major Disease Condition, Early Stage Major Disease Condition or Late Stage Major Disease Condition) existed before the effective date of this plan, or before the effective date of reinstatement, whichever is later; or
- (II) the life assured suffers from any pre-existing condition, or shows any signs or symptoms, which may be the cause or triggering condition of a disease condition before the effective date of this plan, or before the effective date of reinstatement, whichever is later; or
- (III) the life assured is diagnosed by a registered specialist with a disease condition, or has shown signs or symptoms of any illness, disease or physical condition which may be the cause or triggering condition of a disease condition within 90 days from the effective date of this plan or

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from the effective date of reinstatement, whichever is later. This exclusion does not apply if the disease condition is caused by an accident and the life assured is diagnosed as having the disease condition within 90 days of the accident; or

- (IV) the disease condition is a direct or indirect result of:
- the life assured's attempted suicide or self-inflicted injuries while sane or insane; or
  - Acquired Immune Deficiency Syndrome (AIDS), AIDS-related complex or infection by Human Immunodeficiency Virus (HIV) except for AIDS due to Blood Transfusion or Occupationally Acquired HIV; or
  - any congenital or inherited disorder or developmental conditions which gives rise to signs or symptoms or is diagnosed before the life assured reaches age 17 (ANB). This exclusion is not applicable for Osteogenesis Imperfecta, Severe Haemophilia, Muscular Dystrophy and Spinal Muscular Atrophy; or
  - narcotics used by the life assured unless taken as prescribed by a registered doctor, or the life assured's abuse of drugs and/or alcohol.

In addition, we will not pay the Major Disease Benefit for the life assured's Total and Permanent Disability as a direct or indirect result of:

- war, hostilities (whether war is declared or not), rebellion, insurrection, riot, or civil commotion; 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.

### Termination of this plan

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

- death of the life assured; or
- once the policy is surrendered; or
- if you fail to pay your premium within the grace period of 1 calendar month from its due date; or
- once we pay the Major Disease Benefit; or
- once outstanding loans and interest are more than 90% of the guaranteed cash value of your plan minus the total claimed amount for Early Stage Major Disease Benefit.

## Additional Information

### Premium structure

- We will determine the premium based on the issue age and risk class of the life assured as well as the premium term selected. We have the right to review and adjust the premium rates for particular risk classes (including but not limited to age, gender and smoking status) on each policy anniversary. The premium will not be adjusted unless we notify you prior to policy anniversary.

### Current sum assured

- The current sum assured of **PRUhealth critical illness protector** (excluding **Crisis protection enhancer**) reflects:
  - any increments of the sum assured from the Benefit Protector Option; and/or
  - any reductions of the sum assured you make to your plan.
- The current sum assured of **Crisis protection enhancer** reflects any reductions of the sum assured you make to your plan.

### Second claim conditions for Carcinoma-in-situ and Coronary Angioplasty

- To make a second claim for Carcinoma-in-situ, the second claim must be for a Carcinoma-in-situ in a different organ from the first successful claim.

Paired organs (breast, fallopian tube, lung, ovary and testicle) are considered to be the same organ for this Carcinoma-in-situ claim.
- To make a second claim for Coronary Angioplasty, the treatment must be performed on a location of stenosis or obstruction in a major coronary artery where no stenosis greater than 60% was identified in the coronary angiogram relating to the first claim.

### Late Stage Major Disease Extra Benefit claims condition

- If the existing Major Disease Condition deteriorates, using cancer as an example, the life assured would need to be diagnosed with a late stage cancer within 24 months of the date of the first diagnosis. For the deterioration of heart attack or stroke, it would need to happen within 6 months of the condition is first diagnosed.
- We will pay the Late Stage Major Disease Extra Benefit only once for each policy.

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## 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.

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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).



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### Need more details? Get in touch

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

### Notes

**PRUhealth critical illness protector 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. Whether to apply for insurance coverage is your own individual decision. 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.

Some life insurance plans may have a savings element, in which case, part of the premium will be used to pay for the insurance and related costs.

As the issuer of the life insurance plans, Prudential will be responsible for all protection and claims issues. Prudential is not an associate or subsidiary company of Standard Chartered. This brochure is not a contract of insurance and is intended to be a general summary for reference purpose only. Please refer to the policy for full terms and conditions. Standard Chartered does not accept any responsibility regarding any statements provided by Prudential or any discrepancies or omissions in the contract of insurance nor shall Standard Chartered be held liable in any manner whatsoever in relation to your contract of insurance.

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