

“Smiley Kid” Critical Illness Insurance Plan



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Modern city life means we have to face health-threatening problems such as a polluted environment and contaminated food. Every family wants to ensure a healthy life for its children. But if your child unfortunately falls critically ill, how can you focus on his or her recovery without being troubled by financial concerns?

In fact, it is not uncommon for children to suffer from critical illnesses. According to the Hong Kong Juvenile Diabetes Association, one in every 400 – 500 children has Type 1 diabetes. Besides, the Children’s Cancer Foundation says that cancer is the No. 2 cause of death among children over one year of age, topped only by accidents and poisoning. Other life-threatening diseases – such as Kawasaki disease, rheumatic fever with valvular impairment, aplastic anaemia, and hemorrhagic dengue fever – also mainly target children.

FTLife is proud to introduce the “Smiley Kid” Critical Illness Insurance Plan. This will allow you to build up ample reserves to cover your children’s medical costs by paying reasonable premiums with saving purpose. It covers 25 juvenile critical illnesses up to the age of 25, and it is a safety net that will allow your children to embark on life’s journey without you or them fearing the financial consequences if they get sick.

Advantages of “Smiley Kid”

- Comprehensive coverage against 25 juvenile critical illnesses¹ up to the age of 25.
- Guaranteed Cash Value to build up your savings in addition to protection.
- Smiley Dividend² is payable when the insured child reaches the ages of 6, 12, 18, 21 and at maturity so that he or she can start saving early.
- On reaching the age of 25 (when the Plan matures), your child can enrol in other life insurance or critical illness insurance plans³ without the need for further medical check-ups or evidence of insurability.
- Flat premiums⁴ with flexible payment terms of 5, 10 or 15 years to suit your needs.

Features of “Smiley Kid”

Financial backup when you need it most

The plan covers up to 25 juvenile critical illnesses¹, including cancer, encephalitis, Kawasaki disease, rheumatic fever with valvular impairment, aplastic anaemia and hemorrhagic dengue fever. If your child is diagnosed to have one of them, you will receive 100% of the sum insured[#] as the critical illness benefit⁵. In the unfortunate event that your child dies within the protection period, a death benefit equals to 100% of the sum insured[#] will be paid.

[#]We will deduct the outstanding loan (if any) from the sum insured. For insured with issue age below 18 years old, the death benefit may be adjusted subject to underwriting consideration. Please contact your consultant for details.

Protection and savings rolled into one

Besides critical illness and life protection, the “Smiley Kid” Critical Illness Insurance Plan offers a Guaranteed Cash Value. Also, a Smiley Dividend² will be paid at the ages of 6, 12, 18, 21 and 25 of your child. This will help to build up savings in addition to protection for your child. You can choose to withdraw dividends in cash, or you can accumulate interest² by keeping the Smiley Dividend in your policy. The amount of dividend is determined by a number of factors. Please refer to section 3 of Disclosure of Important Information for details.

Option to extend protection without evidence of insurability

“Smiley Kid” is specially designed for children aged 15 days to 13 years⁶, and it will protect them up to the age of 25. Free from financial worries, you will be able to focus on nurturing your child. When the plan matures, the insured child will have an option to enrol in other life or critical illness insurance plans³ without undergoing medical check-ups or providing evidence of insurability.

Flexible payment terms with flat premiums allowing you to maintain full financial control

You can opt to pay flat premiums⁴ for as short as 5 years, 10 years or 15 years to suit your child’s age and your financial needs.

Policy Loan/Automatic Premium Loan to Give You Extra Flexibility

You may consider applying for a policy loan while still keeping the policy in force. The amount of the loan will be subject to our discretion. The policy may be subject to an automatic premium loan if there is any non-payment of premiums. Whenever the automatic premium loan is applicable, we will automatically advance the premium due as a loan.

Any policy loan and automatic premium loan on this policy will bear interest at a rate determined by the company and the company has the right to change the interest rate from time to time. You may refer to policy loan form or Automatic Premium Loan Notice for current interest rate.

The policy will automatically be terminated if at any time the loan balance with interest equals or exceeds the cash value under the policy. If the policy is terminated automatically, the policy will become valueless and you will lose your insurance protection under the policy.

Optional supplementary benefits to meet individual needs

You can customise your child’s coverage by choosing from a wide array of optional benefits, such as hospitalisation, accident and term life insurance. You can do this either when you first apply or at any time afterwards.

Free Worldwide Emergency Assistance Services

After enrolling in the “Smiley Kid” Critical Illness Insurance Plan, your child will enjoy 24-hour worldwide emergency assistance services anywhere in the world.

List of Critical Illnesses covered under “Smiley Kid”

Heart Disease - Severe Myocarditis	
Cancer - Cancer	
Organ Disease / Failure - Major Organ Transplant - Kidney Failure	- Rheumatic Fever with Valvular Impairment
Brain Disease - Stroke - Encephalitis - Benign Brain Tumour - Major Head Trauma	- Bacterial Meningitis - Coma - Cerebral Palsy
Functional Disablement - Blindness - Deafness (2 years old or above) - Paralysis of two or more Limbs	- Poliomyelitis - Muscular Dystrophy - Spinal Muscular Atrophy
Others - Major Burns - Kawasaki Disease - Still's Disease - Type I Diabetes	- Wilson's Disease - Hemorrhagic Dengue Fever - Aplastic Anaemia

Please call our Customer Service Hotline 2866 8898 or contact our Consultant for more details of the “Smiley Kid” Critical Illness Insurance Plan.



Notes:

- For details of the coverage, please refer to the List of Critical Illnesses covered under “Smiley Kid”.
- Smiley Dividend and interest (if any) are not guaranteed. Smiley Dividend maybe payable when this policy has been in force for a minimum number of policy years. The amount of such dividend will be determined by the company at its sole discretion.
- The insured can choose to exercise this privilege within 30 days after the plan matures. Besides, the sum insured of the new plan should not exceed the sum insured of the original “Smiley Kid” Critical Illness Insurance Plan.
- The premium rates are not guaranteed. We reserve the right to review and revise them at any time. Please refer to the section of (ii) Premium Adjustment under Key Product Risks for details.
- After the benefit for critical illness under “Smiley Kid” is paid, “Smiley Kid” will terminate automatically.
- “Smiley Kid” Critical Illness Insurance Plan is available in various payment period to children in the following age groups:

Premium Payment Period (Years)	Issue Age
5	15 days – 13 years old
10	15 days – 10 years old
15	15 days – 8 years old

Exclusions

- Pre-existing conditions: Any sign or symptom within a five-year period immediately preceding the policy effective date or the date of any reinstatement (whichever is the later) which would have caused an ordinary prudent person to seek medical advice, diagnosis, care or treatment, or a condition of the insured for which medical advice, diagnosis, care or treatment was recommended or received before the policy effective date or the date of any reinstatement (whichever is later);
- Any critical illness of which any sign or symptom first manifests or which is diagnosed within 60 days from the policy effective date or the date of reinstatement, whichever is the later, but this clause does not cover any critical illness which is resulted from injury;
- Any critical illness caused or aggravated by or associated with, whether directly or indirectly, a congenital or inherited disorder (except “Muscular Dystrophy”) which has manifested or been diagnosed before the insured attains age 18.

In addition, the benefit for critical illnesses shall not be payable if the critical illness is directly or indirectly, wholly or partly, voluntarily or involuntarily caused by or resulting from any of the following occurrences:

- Self-inflicted injury, including suicide or any attempt to do so, while sane or insane;
- Consumption of or being under the influence of alcohol, poison, medication, drugs or sedatives unless prescribed by a registered medical practitioner;
- Inhaling gas except from hazard incidental to occupation;
- Violation or attempted violation of the law or participation in fight or affray or resistance to arrest;
- War, whether declared or undeclared, revolution or any warlike operations;
- Engaging in services in armed forces in times of declared or undeclared war or while under orders for warlike operations or restoration of public order;
- Entering, exiting, operating, being transported, or in any way engaging in air travel except as a fare paying passenger in any aircraft operated by a commercial passenger airline on a regular scheduled passenger trip over its established passenger route;
- Engaging in a sport in a professional capacity.

Disclosure of Important Information

- Cooling Off Right**
You may cancel your policy and get back your premium paid within the earlier of 21 days after the delivery of the policy or the issue of a notice to you or your representative. Such notice should inform you of the availability of the policy and expiry date of the cooling-off period. Please refer to the cooling off initiative issued by the Hong Kong Federation of Insurers from time to time for reference. You have to tell us by giving a written notice if you decide to exercise your cooling off right. Such written notice must be signed by you and received directly by us at 27/F, Wing On Centre, 111 Connaught Road Central, Hong Kong.

2. Key Product Risks

i. Non-Guaranteed Benefits

Dividends are not guaranteed. We will review the dividends regularly and the actual dividends can be different from those shown in the benefit illustration.

ii. Premium Adjustment

For "Smiley Kid" Critical Illness Insurance Plan, premiums will not change with the attained age of the insured throughout the premium payment period but the premium rates* are not guaranteed. We reserve the right to review and revise them at any time.

*Rate(s) are determined based on factors including but not limited to the actual experience of claims, interest rate, persistency and expense might also lead to premium adjustment.

We will issue a written notice to inform you the premium amount at least 30 days in advance of premium renewal.

iii. Termination

We have the right to terminate the policy before the policy's maturity date under the following circumstances:

- Non-payment of premiums with insufficient cash value for automatic premium loan; or
- The loan balance with interest equals or exceeds the cash value if you have a loan with us; or
- the Benefit for Critical Illness is paid or payable.

iv. Inflation Risk

When you review the values shown in the benefit illustrations, please note that the cost of living in the future is likely to be higher than it is today due to inflation. In that case you will receive less in real terms even if we meet all of our contractual obligations under the policy.

v. Other Key Product Risks

- Early surrender of your policy could result in significant losses, in that case you may get back considerably less than the total of premiums paid.
- "Smiley Kid" Critical Illness Insurance Plan is issued either in US dollar or HK dollar. Premiums shall be paid either in HK dollars or in policy currency. You can specify the policy currency at the time of application. Policy currency cannot be altered once the policy has been issued.

The premiums received by us in a currency different from your policy currency will be converted to the policy currency at the prevailing exchange rate determined by us from time to time with reference to market rates. All monies payable under your Policy will be paid in Hong Kong dollars, or in the policy currency upon your request. The amount payable by us in a currency different from your policy currency will be converted at the prevailing exchange rate determined by us from time to time with reference to market rates. Therefore it may be subject to foreign exchange risks in the process of currency conversion.

- "Smiley Kid" Critical Illness Insurance Plan is an insurance policy issued by us. The insurance benefits are subject to the company's credit risks.

3. Dividend Philosophy

- Premium income received from the policyholder is invested in an investment portfolio to support the product groups determined by us according to the investment policy. The policyholders participate in the financial performance of the Product Group through the policy dividend declaration. The policy dividend declaration may be affected by both past experience and future outlook for all the factors including, but not limited to, the following:
 - a) Investment returns: include both interest earnings and any changes in the market value of the asset allocated to this product. Investment returns could be affected by fluctuations in interest income (both interest earnings and outlook of interest rate) and various market risks, including credit spread and default risk, fluctuations in equity price and currency price of the asset against the policy currency.
 - b) Surrender: include policy surrender, partial surrender and policy lapse experience; and the corresponding impact on investments.
 - c) Claims: include the cost of providing the death benefit and other insured benefits under the product.
 - d) Expense: include both expenses directly related to the policy (e.g. commission, underwriting, issue and premium collection expense) and indirect expenses allocated to the product group (e.g. general administrative costs).
- Future investment performances are unpredictable and we aim to provide a more stable dividend payment. We may spread out the gains and losses in the financial performance in a particular year over a longer period of time aim to smooth out the short-term volatility of dividend rates over the course of the policy term. When future investment performance is worse than expected, the company's shareholder may share less from the investment performance such that more may be allocated for dividend payment, and vice versa.
- The Board, having regard to the advice of the Appointed Actuary and reviewed by Risk and Investment Committee which must include one independent non-executive director, will review and determine the

dividend rate at least once per year. The declared dividend rate may be different from those illustrated in the relevant product information provided, e.g. benefit illustrations. In case of any change in the actual dividend rate against the illustration or should there be a change in the projected future dividend rates, such change will be reflected in the policy anniversary statement and the benefit summary.

4. Investment Philosophy, Policy and Strategy

- Our investment policy aims to achieve the targeted long-term investment results and minimises volatility in investment returns over time. It also aims to control and diversify risk exposures, maintain adequate liquidity and manage the assets with respect to the liabilities.
- Our current long-term target asset allocation attributed to this product is as follows:

Target Asset Mix	
Fixed income type securities (investment grade and non-investment grade)	Equity-like assets
80%-90%	10%-20%

- Investment instruments include cash, deposits, U.S. treasury, investment grade and non-investment grade corporate bonds, unrated bonds, listed equities, exchange traded funds, unlisted private investments and/or other structured products. Investment assets are predominantly denominated in U.S. dollars. Derivatives and other hedging instruments may be used to manage investment risk at the Company's decision based on its long term market view and asset-liability positions. It should be noted that residual investment risk may still exist after hedging.
- The asset portfolio also targets to provide diversification across different geographic regions and industries to the extent the size of portfolio can support. Currency exposure of the underlying policies is mitigated by closely matching either through direct investments in the same currency denomination or the use of currency hedging instruments. Furthermore, the asset portfolio is actively managed by investment professionals to closely monitor the investment performance.
- The investment strategy may be subject to change depending on the investment views and economic outlook. In case of any changes in the investment strategy, we will inform our policyholders for any material changes, rationale for the change and any impact to the policyholders.

You may browse www.ftlife.com.hk to understand better the company's dividend history and Please note that dividend history is not indicative of future performance of our products.

The information in this document is intended as a general summary for your reference only and does not constitute financial, investment or taxation advice or advice of whatsoever kind. You are recommended to seek professional advice from your independent advisors if you find it necessary. Please refer to the policy provision for the full terms and conditions.

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富通保險有限公司

於百慕達註冊成立之有限公司

FTLife Insurance Company Limited

A company incorporated in Bermuda with limited liabilities