

# Signature Life Insurance Plan



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Your hard-earned wealth and achievement are the fruits of your diligence and wisdom. Planning wisely for these fruits could provide you with a comfortable and worry-free life. It could also ensure that your descendants who inherit them will live prosperously as well.

Signature Life Insurance Plan provides life protection and financial comfort to you and your loved family. By paying a single premium, you will be provided with a guaranteed cash value and annual dividend<sup>1</sup> that will steadily build up your fortune. You could choose either to withdraw the accumulated annual dividends and interest<sup>1</sup> (if any) in order to provide funds for your life's goals – such as your children's education or an affluent life after your retirement – or you could leave the annual dividend with the policy and accumulate, so that you could pass it on to your loved ones and ensure they can enjoy carefree lives too.

## The Plan's features

- Guaranteed whole-life protection up to age 100
- Guaranteed cash value upon policy issuance will be 85% of the single premium paid
- A guaranteed cash value and annual dividend<sup>1</sup> that will allow your wealth to grow steadily
- Financial protection to your loved ones

## A secure future with a guaranteed cash value

Signature Life Insurance Plan offers a guaranteed cash value. The guaranteed cash value will be 85% of the single premium paid upon the policy is issued and it is not affected by the market fluctuation.

## Annual dividend<sup>1</sup> brings extra rewards

Apart from the guaranteed cash value, Signature Life Insurance Plan will pay you an annual dividend<sup>1</sup> every year. You can choose to withdraw such dividends in cash, or you may leave them with us to earn interest<sup>1</sup> and accumulate. This not only gives you extra rewards but also helps you to achieve your financial goals faster.

You could freely withdraw accumulated annual dividends and interest<sup>1</sup> (if any) to achieve your life's goals, such as your children's educational fees, heartfelt gifts when your children get married, or preparing for your retirement.

## Life protection up to age 100

The sum insured and accumulated annual dividends and interest<sup>1</sup> (if any) are payable when the insured reaches age 100. In the unfortunate event of death of the insured, a death benefit<sup>2</sup> will be payable to the designated beneficiaries.

## 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 sum of cash value and accumulated annual dividends and interest<sup>1</sup> (if any) under the policy. If the policy is terminated automatically, the policy will become valueless and you will lose your insurance protection under the policy.

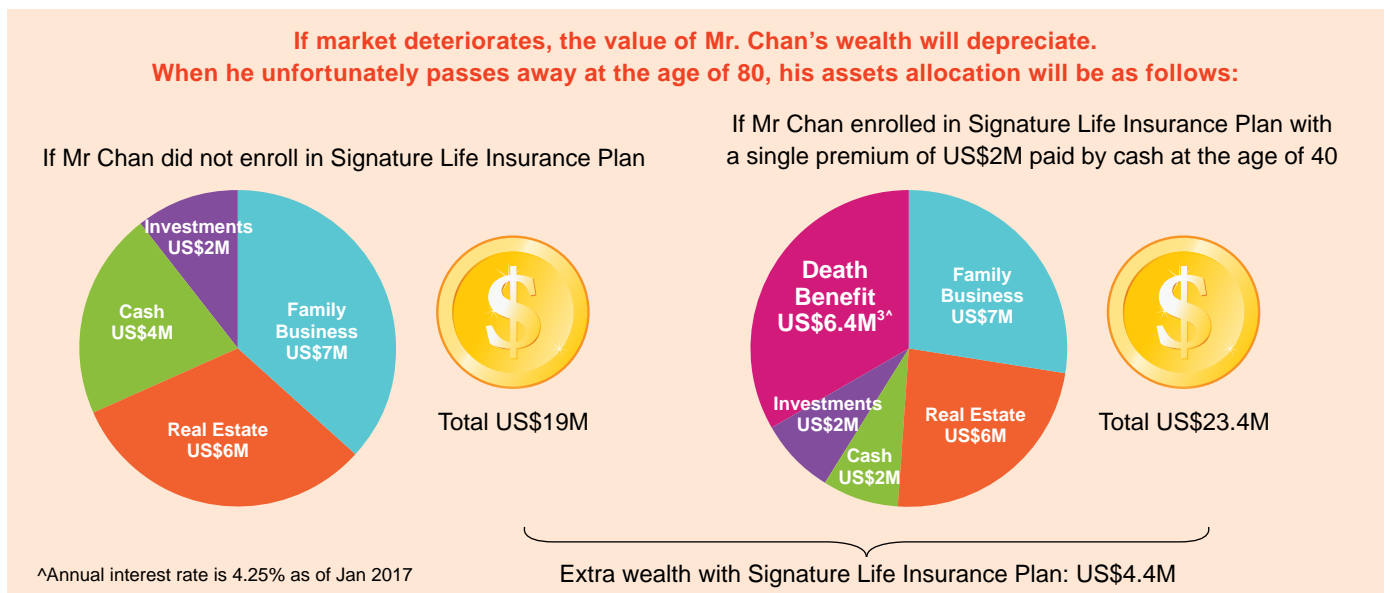
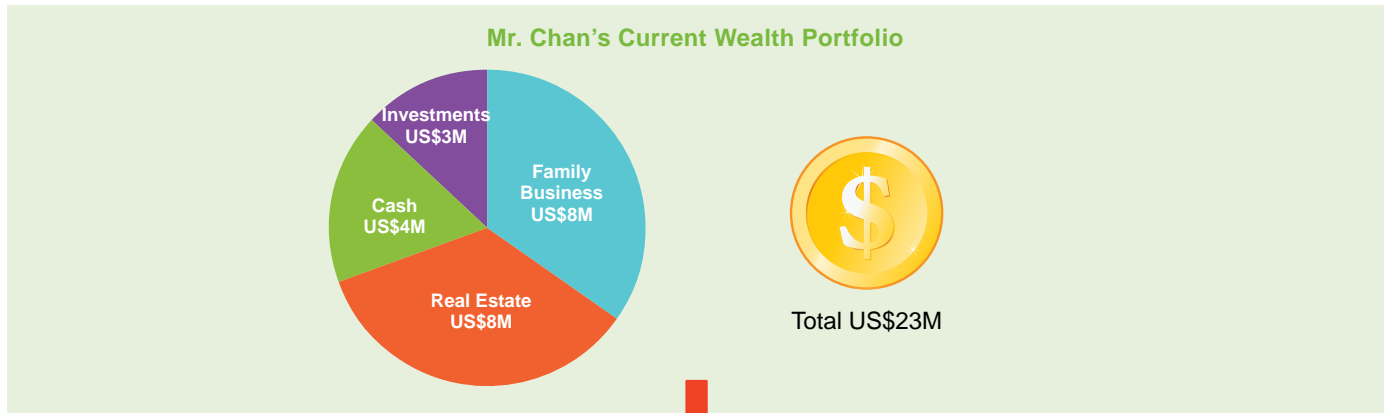
## Free Worldwide Emergency Assistance Services

When you enroll in Signature Life Insurance Plan, you will also enjoy 24-Hour Worldwide Emergency Assistance Services, wherever you may happen to be.

- 1 The annual dividend and interest rate are not guaranteed. Any annual dividend will be paid to you in cash upon the company's approval of your withdrawal request.
- 2 Total death benefit is the amount payable upon the death of the insured. It consists of the Death Benefit Payable plus accumulated annual dividends and interest (if any), less any Indebtedness.

**Illustrative example (Policy denominated in United States Dollar):**

Mr. Chan is 40 years old and he runs a family business. His wealth could be divided into different categories. Since the market conditions are unpredictable, the value of his wealth may depreciate during adverse market conditions. However Mr. Chan still hopes to maintain a stable life as well as the succession of the family business.



3 This assumes that Mr. Chan enrolls in Signature Life Insurance Plan with a single premium of US\$2M at the age of 40 and he unfortunately passes away at the age of 80. The death benefit is US\$6.4M (including the sum insured and accumulated annual dividends and interest (if any)). The projected accumulated annual dividends and interest (if any) in the death benefit is based on our company's current dividend scales and annual interest rate, both of which are not guaranteed. The actual dividends paid may change with the values being higher or lower than those illustrated. In determining the amount of dividends payable (if any), the company will consider many factors such as investment return which can change from time to time. These figures are for illustrative purposes only. Please refer to the policy documents of Signature Life Insurance Plan for detailed terms and conditions.

Please call our Customer Service Hotline at 2866 8898 or contact our Consultant for more details of Signature Life Insurance Plan.

## Disclosure of Important Information

### 1. 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 determine 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. Termination

The policy will terminate before the maturity date upon the earliest occurrence of the following circumstance:

The loan balance with interest equals or exceeds the sum of cash value and accumulated annual dividends and interest (if any) if you have a loan with us.

#### iii. 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.

#### iv. 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.
- Signature Life Insurance Plan is issued in US dollar. Premiums shall be paid either in HK dollars or in policy currency.

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.

- Signature Life 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 asset portfolio employs a balanced asset allocation investment strategy, which consists 100% of investment graded fixed income type securities, including bonds and other fixed income instruments predominantly include government and corporate bonds, to meet the guaranteed financial obligation and non-guaranteed benefits.
- 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](http://www.ftlife.com.hk) to understand better the company's dividend history. 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.

This document is intended to be distributed in Hong Kong only and shall not be construed as an offer to sell or a solicitation to buy or provision of any of our products outside Hong Kong. FTLife Insurance Company Limited hereby declares that it has no intention to offer to sell, to solicit to buy or to provide any of its products in any jurisdiction other than Hong Kong in which such offer to sell or solicitation to buy or provision of any product of FTLife Insurance Company Limited is illegal under the laws of that jurisdiction.

A person who is not a party to the policy (including but not limited to the insured and the beneficiary) has no right to enforce any terms of the policy. The Contracts (Rights of Third Parties) Ordinance does not apply to the policy nor any document issued pursuant to the policy.

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



# Insurance Policy Product Brochure Addendum -

## I. Foreign Account Tax Compliance Act

Under the U.S. Foreign Account Tax Compliance Act (“FATCA”), a foreign financial institution (“FFI”) is required to report to the U.S. Internal Revenue Service (“IRS”) certain information on U.S. persons that hold accounts with that FFI outside the U.S. and to obtain their consent to the FFI passing that information to the IRS. An FFI which does not sign or agree to comply with the requirements of an agreement with the IRS (“FFI Agreement”) in respect of FATCA and/or who is not otherwise exempt from doing so (referred to as a “nonparticipating FFI”) will face a 30% withholding tax (“FATCA Withholding Tax”) on all “withholdable payments” (as defined under FATCA) derived from U.S. sources (initially including dividends, interest and certain derivative payments).

The U.S. and Hong Kong have agreed an inter-governmental agreement (“IGA”) to facilitate compliance by FFIs in Hong Kong with FATCA and which creates a framework for Hong Kong FFIs to rely on streamlined due diligence procedures to (i) identify U.S. indicia, (ii) seek consent for disclosure from its U.S. policyholders and (iii) report relevant tax information of those policyholders to the IRS.

FATCA applies to FTLife Insurance Company Limited (the “Company”) and this Policy. The Company is a participating FFI. The Company is committed to complying with FATCA. To do so, the Company requires you to:

- (i) provide to the Company certain information including, as applicable, your U.S. identification details (e.g. name, address, the US federal taxpayer identifying numbers, etc.); and
- (ii) consent to the Company reporting this information and your account information (such as account balances, interest and dividend income and withdrawals) to the IRS.

If you fail to comply with these obligations (being a “Non-Compliant Accountholder”), the Company is required to report “aggregate information” of account balances, payment amounts and number of non-consenting US accounts to IRS.

The Company could, in certain circumstances, be required to impose FATCA Withholding Tax on payments made to, or which it makes from, your policy. Currently the only circumstances in which the Company may be required to do so are:

- (i) if the Inland Revenue Department of Hong Kong fails to exchange information with the IRS under IGA (and the relevant tax information exchange agreement between Hong Kong and the U.S.), in which case the Company may be required to deduct and withhold FATCA Withholding Tax on withholdable payments made to your policy and remit this to the IRS; and
- (ii) if you are (or any other account holder is) a nonparticipating FFI, in which case the Company may be required to deduct and withhold FATCA Withholding Tax on withholdable payments made to your policy and remit this to the IRS.

You should seek independent professional advice on the impact FATCA may have on you or your policy.

## II. Common Reporting Standard

Hong Kong has put in place a framework implementing the Automatic Exchange of Financial Account Information (“AEoI”) which allows for the exchange of financial information among tax authorities. The Company, as a reporting financial institution under the law, is required to collect and provide certain information of policyholders and beneficiaries to the Inland Revenue Department of the Hong Kong Special Administrative Region which exchanges such information with tax authorities of another jurisdiction or jurisdictions which has/have signed an AEoI agreement with Hong Kong and of which the policyholders and beneficiaries may be resident for tax purposes. Where a policyholder or beneficiary fails to provide any requested information, the Company reserves the right to take any action as it deems necessary in order for it to comply with the law.