

FTLife 富通保險

# Prosperous Deferred Annuity Plan 2



合資格延期年金保單  
Qualifying Deferred  
Annuity Policy



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## Prosperous Deferred Annuity Plan 2

Retirement starts a new chapter of our lives. Have you ever imagined what your ideal retirement would be like? How about receiving a steady stream of monthly income, just like what you get from your work now, and enjoying the golden years in comfort and security?

With the ageing population, people are increasingly aware of their retirement planning. While dreaming to have a joyful retirement, many working people have a lot of worries. Plan smart is the first step to a better retirement. Start planning for your future now and enjoy every moment in your golden years!

**Prosperous Deferred Annuity Plan 2** ("the plan") takes good care of your retirement needs. It provides **Monthly Annuity Payment<sup>1</sup>** and life insurance, giving you an extra peace of mind. You can also enjoy **tax deduction<sup>2</sup>** for the premium paid. The plan gives you options for Premium Payment and Accumulation Periods with **comprehensive protection**, so that you can **live your life to the fullest after retirement!**

### Plan Features

- ✓ Various options for Premium Payment and Accumulation Periods
- ✓ Tax Deduction<sup>2</sup> for Extra Financial Ease
- ✓ Guaranteed Cash Value and non-guaranteed Terminal Dividend<sup>3</sup> accelerate wealth accumulation
- ✓ Comprehensive Protection during Annuity Period
  - Travel Accidental Benefit<sup>4</sup>
  - Terminal Illness Benefit<sup>5</sup>
- ✓ Extra Protection to Mitigate Financial Burden of Your Beloved Ones
  - Death Benefit
  - Monthly Annuity Payment Continuity

# Design Your Own Retirement Plan and Enjoy Monthly Annuity Payment<sup>1</sup>

## Various Options for Premium Payment and Accumulation Periods

Prosperous Deferred Annuity Plan 2 can fit easily into your retirement plan with options for Premium Payment Period and Accumulation Period (please refer to At-a-Glance Table for details).

The Annuity Period begins immediately when the Accumulation Period is over. Annuitant can receive Guaranteed Monthly Annuity Payment<sup>1</sup> and Non-guaranteed Monthly Annuity Payment<sup>1</sup> (if any) until the end of the Annuity Period. Guaranteed Monthly Annuity Payment<sup>1</sup> will not be affected by market volatility, allowing Annuitant to stretch out and find the potential retired life as planned.

## Payment Option for Monthly Annuity Payment<sup>1</sup>

In times of financial abundance, you can also choose to keep Monthly Annuity Payment<sup>1</sup> in your policy to accumulate with interest<sup>1</sup>, the surrender value will be paid to you upon surrender of your policy. You can change your payment option anytime without any charges.

## Tax Deduction<sup>2</sup> for Extra Financial Ease

Prosperous Deferred Annuity Plan 2 is certified by the Insurance Authority as a Qualifying Deferred Annuity Policy ("QDAP"). Hong Kong tax payer can apply for tax deductions of up to HKD 60,000<sup>2</sup> as a single tax payer or HKD 120,000<sup>2</sup> as a taxpaying couple per year which helps you to plan ahead for retirement with more affordable premiums through tax deduction<sup>2</sup>.

Example\*

	Per Single Tax Payer	For Taxpaying Couple
Maximum Tax Deductible Limit	HKD 60,000	HKD 120,000
Applicable Tax Rate	17%	17%
Maximum Tax Saving Amount	HKD 10,200	HKD 20,400

\* The above example assumes that the net taxable income reaches the highest rate (17%) of the progressive tax rates and a tax payer paying HKD 60,000 for qualifying annuity premiums with no MPF tax deductible voluntary contributions during the relevant year of assessment. A taxpaying couple can also claim a total deduction of HKD 120,000 provided that the deductions claimed by each taxpayer do not exceed the individual limit of HKD 60,000 per year.

## Guaranteed Cash Value and non-guaranteed Terminal Dividend<sup>3</sup>

In addition to the Guaranteed Cash Value, we will also provide a lump-sum payment of non-guaranteed Terminal Dividend<sup>3</sup> (if any) upon policy termination (except maturity) and partial surrender to further boost your wealth.

The range of Internal Rate of Return<sup>6</sup> (i.e. IRR) at maturity, assuming the Monthly Annuity Payments<sup>1</sup> are received monthly by the Annuitant who is a 45 years old non-smoking male at application, is shown in the table below:

Premium Payment Period	Accumulation Period	Annuity Period	Range of Guaranteed IRR at Maturity	Range of Total IRR <sup>6</sup> at Maturity
5 years	10 years	20 years	0.95% - 1.36%	3.37% - 3.75%
5 years	20 years	20 years	1.40% - 1.66%	4.06% - 4.29%
5 years	30 years	20 years	2.21% - 2.39%	4.16% - 4.32%
9 years	10 years	20 years	0.60% - 1.08%	3.28% - 3.70%
9 years	20 years	20 years	1.17% - 1.45%	4.03% - 4.27%
9 years	30 years	20 years	2.08% - 2.28%	4.14% - 4.31%

The calculation of guaranteed IRR at Maturity includes Guaranteed Monthly Annuity Payment<sup>1</sup>, while the calculation of total IRR<sup>6</sup> at Maturity includes Guaranteed Monthly Annuity Payment<sup>1</sup> and Non-guaranteed Monthly Annuity Payment<sup>1</sup>.

# Comprehensive Protection during Annuity Period for Your Total Peace of Mind

## Travel Accidental Benefit<sup>4</sup>

You can give yourself over to new challenges and adventures without worries. In case of death of the Annuitant resulting from an injury sustained overseas during the Annuity Period, in addition to the Death Benefit, we will pay a lump sum Travel Accidental Benefit<sup>4</sup> to the Beneficiary which equals to 100% of total premiums paid<sup>7</sup>. What's more, an extra lump-sum amount of Travel Accidental Benefit<sup>4</sup> will be payable to the Policy Holder upon disability of the Annuitant resulting in overseas travels during the Annuity Period according to the items listed below:

	Benefit Item	Protection Amount <sup>4</sup>
1	Death	100% of total premiums paid <sup>7</sup>
2	Loss of two Limbs or Loss of Sight of both eyes	
3	Loss of one Limb and Loss of Sight of one eye	
4	Permanent total loss of Speech and Hearing	
5	Major Burns	
6	Loss of one Limb or Loss of Sight of one eye	50% of total premiums paid <sup>7</sup>
7	Permanent total Loss of Speech	
8	Permanent total Loss of Hearing	

This benefit is subject to certain exclusions, please refer to the Disclosure of Important Information section and policy provisions for details of "Travel Accidental Benefit".

## Terminal Illness Benefit<sup>5</sup>

During the Annuity Period, if the Annuitant is diagnosed with Terminal Illness<sup>5</sup>, a lump-sum Death Benefit will be paid in advance, and additional installment payments which equals to the last Monthly Annuity Payment<sup>1</sup> (including both guaranteed and non-guaranteed portions) payable immediately preceding the date of diagnosis of Terminal Illness<sup>5</sup> will be paid to the Policy Holder continually in the next 12 months or until the death of the Annuitant (whichever is earlier) to help mitigate the financial burden during such difficult time. This benefit is subject to certain exclusions, please refer to the Disclosure of Important Information section and policy provisions for details of "Terminal Illness Benefit".

## Extra Protection to Mitigate Financial Burden of Your Beloved Ones

### Death Benefit

In the unfortunate event of the Annuitant's death, Death Benefit equivalent to 105% of the total premiums paid<sup>7</sup> will be paid in lump sum to your beloved one(s) which grants you a peace of mind. Please refer to the At-a-Glance Table for more details about Death Benefit.

### Monthly Annuity Payment Continuity

Apart from lump sum Death Benefit, you can choose in advance to let your beloved one continue receiving the unpaid Monthly Annuity Payment<sup>1</sup> from the Annuitant's death (the death should occur during the Annuity Period) until the end of the Annuity Period. Please refer to the At-a-Glance Table for more details about Monthly Annuity Payment Continuity.

### Simple Underwriting for Easy Application

Prosperous Deferred Annuity Plan 2 requires no medical check-up which simplifies the application process for you to start your retirement planning at the earliest stage possible.

### Free Worldwide Emergency Assistance Service<sup>8</sup>

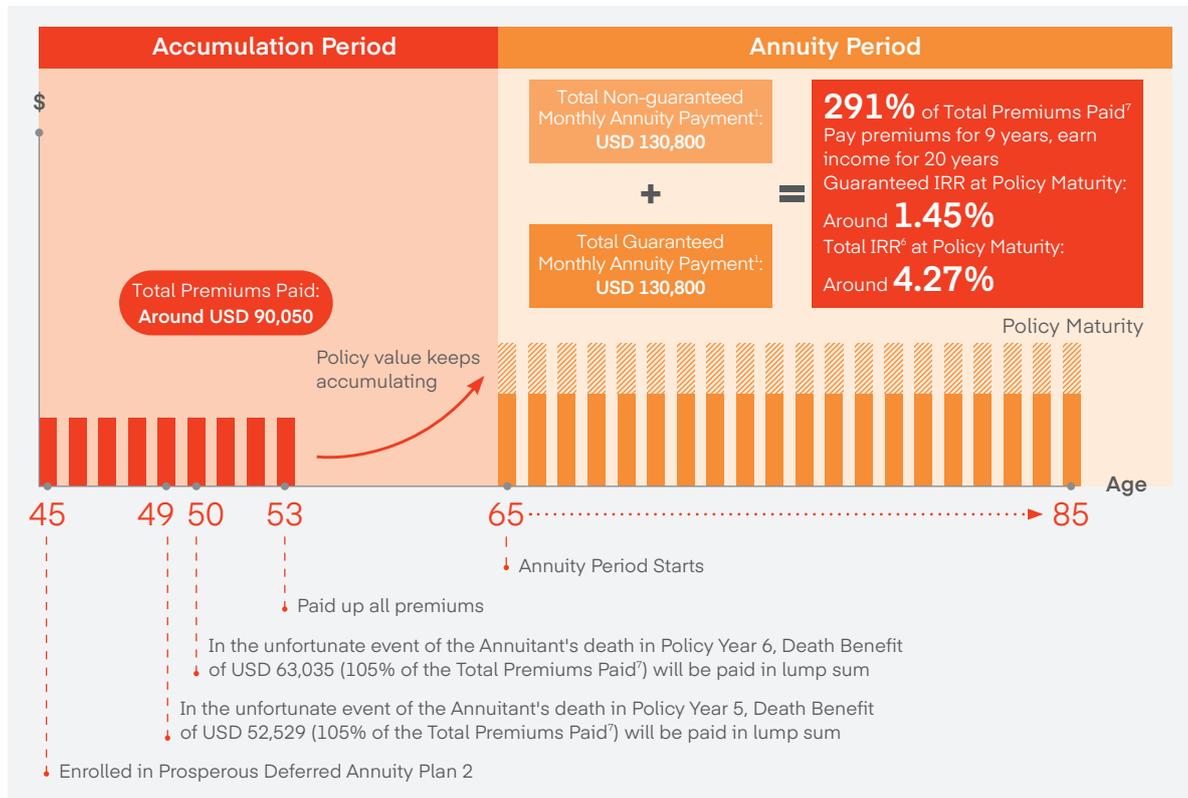
Once enrolled in Prosperous Deferred Annuity Plan 2, you will have access to free 24-hour worldwide emergency assistance for immediate support wherever you may be. The maximum benefit (per incident) reaches up to USD 1,000,000, including services of emergency evacuation or repatriation and delivery of mortal remains. For details, please refer to related documents.

For details of Prosperous Deferred Annuity Plan 2, please contact your financial consultant or call our Customer Service Hotline at 2866 8898 or Partnership Concierge Hotline at 3192 8333 (for FTLife Partnership enquiry only), or browse the company website at [www.ftlife.com.hk](http://www.ftlife.com.hk).

## Case Examples

Mr. Chan is a sophisticated professional who wants to receive a steady stream of monthly income for covering his living expenses during retirement. He therefore chooses **Prosperous Deferred Annuity Plan 2** to reserve a fund for him and his wife to enjoy their retirement.

Mr. Chan (Age 45, non-smoker)	Annual premium paid (Annual Premium Payment Mode): Around USD 10,006
Premium payment period: 9 years	Total premiums paid: Around USD 90,050
Accumulation Period: 20 years	Monthly Annuity Income <sup>1</sup> : USD 1,090
Annuity Period: 20 years	Guaranteed: USD 545
	Non-guaranteed: USD 545



Remark: Since 105% of Total Premiums Paid is greater than the sum of Guaranteed Cash Value and non-guaranteed Terminal Dividend at the end of the Policy Year, the Death Benefit amount will be equal to 105% of Total Premiums Paid (assume there is no indebtedness).

 <p><b>Premiums Eligible for Tax Deduction</b> = USD 10,006 x 7.782 exchange rate = HKD 77,863 (Maximum Tax Deductible Limit is HKD 60,000)</p> <p><b>Actual Tax Saving Amount</b> = HKD 60,000 x 17% = HKD 10,200</p>	 <p>Assume Mrs. Chan also enrolled in Prosperous Deferred Annuity Plan 2 with USD 4,994 Annual Premium Paid.</p> <p><b>Premiums Eligible for Tax Deduction</b> = USD 4,994 x 7.782 exchange rate = HKD 38,860</p> <p><b>Actual Tax Saving Amount</b> = HKD (38,860 + 17,863) x 17% = HKD 9,643</p>
<p>As taxpaying couples, Mr. Chan can allocate the remaining HKD 17,863 (HKD 77,863 – HKD 60,000) premiums to Mrs. Chan for tax deduction</p>	

**Mr. & Mrs. Chan can enjoy tax savings of HKD 19,843 in total per year, which is equal to 17% of their annual premium!**

Remark:

- Exchange rate used in the above example is based on the 'Average Selling Rate in Hong Kong Dollar' as of October 2020 as published by the Inland Revenue Department of the Government of Hong Kong Special Administrative Region (HKSAR).
- The above example assumes that the net taxable income reaches the highest rate (17%) of the progressive tax rates and a tax payer paying HKD 60,000 for qualifying annuity premiums with no MPF tax deductible voluntary contributions during the relevant year of assessment. A taxpaying couple can also claim a total deduction of HKD 120,000 provided that the deductions claimed by each taxpayer do not exceed the individual limit of HKD 60,000 per year.
- We will round off the figures listed in the above example to the nearest integer, which may result in a deviation after totaling.
- The actual amount of tax savings may be different from the amount illustrated in the above example depending on individual circumstances. For more details, please consult with a professional tax advisor.

## At-a-Glance Table

Basic Information		
Issue age	<b>Accumulation Period</b> (From the policy date to the day before the starting date of the Annuity Period)	<b>Annuity Period</b> (Starts immediately at the end of the Accumulation Period until the Maturity Date)
Age 40 - 68	10 years	20 years
Age 30 - 60	20 years	
Age 20 - 50	30 years	
Premium payment period	5 or 9 years Premium Prepayment <sup>9</sup> Option is available for policy with 5-year Premium Payment Period	
Premium Payment Mode	Annual / Semi-annual / Monthly	
Policy Currency	USD	
Minimum Total Premium Requirement	USD 24,000	
Policy Term	Until the end of the Annuity Period	
Protection & Benefits		
Death Benefit	<p><b>During Accumulation Period</b> The higher of the following: (1) 105% of total premiums paid<sup>7</sup>; or (2) The sum of the Guaranteed Cash Value and non-guaranteed Terminal Dividend<sup>3</sup> (if any) upon the death of the Annuitant  minus Indebtedness (if any).</p>	
	<p><b>During Annuity Period</b> One of the following options can be chosen:</p> <p><b>Option A: Lump Sum Payment of Death Benefit</b> The higher of the following: (1) 105% of total premiums paid<sup>7</sup> minus the amount of Guaranteed Monthly Annuity Payment<sup>1</sup> as of Annuitant's death times the number of Monthly Annuity Payment<sup>1</sup> paid (if any); or (2) The sum of the Guaranteed Cash Value and non-guaranteed Terminal Dividend<sup>3</sup> (if any) upon the death of the Annuitant  plus accumulated Monthly Annuity Payment<sup>1</sup> and interest (if any).</p> <p>OR</p> <p><b>Option B: Monthly Annuity Payment Continuity</b> To let the Beneficiary continue receiving the unpaid Monthly Annuity Payment<sup>1</sup> from the Annuitant's death; plus the lump sum of accumulated Monthly Annuity Payment<sup>1</sup> and interest (if any) accrued before the Annuitant passes away at the time of the Annuitant's death to the Beneficiary.</p>	

Surrender Benefit	<p><b>During Accumulation Period</b> The sum of Guaranteed Cash Value and non-guaranteed Terminal Dividend<sup>3</sup> (if any) minus Indebtedness (if any)</p>																																		
	<p><b>During Annuity Period</b> The sum of Guaranteed Cash Value, accumulated Monthly Annuity Payment<sup>1</sup> and interest (if any) and non-guaranteed Terminal Dividend<sup>3</sup> (if any)</p> <p>Early surrender of your policy could result in significant losses, in that case, you may get back considerably less than the total premiums paid. The surrender value as per USD 10,000 premium and the surrender value as a Percentage of First year's Premium Paid at the end of the 1<sup>st</sup> policy year, assuming the Annuitant is a 45 years old non-smoking male at application, are shown in the table below:</p>																																		
	<table border="1"> <thead> <tr> <th>Premium Payment Period</th> <th>Accumulation Period</th> <th>Annuity Period</th> <th>Range of Surrender Value as per USD10,000 Premium at the end of the 1<sup>st</sup> Policy Year</th> <th>Range of Surrender Value as a Percentage of First year's Premium Paid at the end of the 1<sup>st</sup> Policy Year</th> </tr> </thead> <tbody> <tr> <td>5 years</td> <td>10 years</td> <td>20 years</td> <td>USD 2,472 - USD 2,670</td> <td>24.7% - 26.7%</td> </tr> <tr> <td>5 years</td> <td>20 years</td> <td>20 years</td> <td>USD 2,368 - USD 2,557</td> <td>23.7% - 25.6%</td> </tr> <tr> <td>5 years</td> <td>30 years</td> <td>20 years</td> <td>USD 2,096 - USD 2,263</td> <td>21.0% - 22.6%</td> </tr> <tr> <td>9 years</td> <td>10 years</td> <td>20 years</td> <td>USD 1,747 - USD 1,886</td> <td>17.5% - 18.9%</td> </tr> <tr> <td>9 years</td> <td>20 years</td> <td>20 years</td> <td>USD 1,684 - USD 1,819</td> <td>16.8% - 18.2%</td> </tr> <tr> <td>9 years</td> <td>30 years</td> <td>20 years</td> <td>USD 1,424 - USD 1,538</td> <td>14.2% - 15.4%</td> </tr> </tbody> </table> <p>You may partially surrender the policy by reducing the future Guaranteed Monthly Annuity Payment(s)<sup>1</sup> but it would also reduce the subsequent Non-guaranteed Monthly Annuity Payment(s)<sup>1</sup>, Surrender Value, Death Benefit and other cash values and benefits (if any).</p>	Premium Payment Period	Accumulation Period	Annuity Period	Range of Surrender Value as per USD10,000 Premium at the end of the 1 <sup>st</sup> Policy Year	Range of Surrender Value as a Percentage of First year's Premium Paid at the end of the 1 <sup>st</sup> Policy Year	5 years	10 years	20 years	USD 2,472 - USD 2,670	24.7% - 26.7%	5 years	20 years	20 years	USD 2,368 - USD 2,557	23.7% - 25.6%	5 years	30 years	20 years	USD 2,096 - USD 2,263	21.0% - 22.6%	9 years	10 years	20 years	USD 1,747 - USD 1,886	17.5% - 18.9%	9 years	20 years	20 years	USD 1,684 - USD 1,819	16.8% - 18.2%	9 years	30 years	20 years	USD 1,424 - USD 1,538
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Maturity Benefit	Accumulated Monthly Annuity Payment <sup>1</sup> and interest (if any)																																		
<b>Loans</b>																																			
Policy Loan / Automatic Premium Loan	<p>You may consider applying for a policy loan during the Accumulation Period while the policy has a positive Guaranteed Cash Value after the deduction of Indebtedness. The amount of the policy loan will be subject to our discretion. The policy may also be subject to an automatic premium loan if there is any non-payment of premiums. Whenever an automatic premium loan is applicable, we will advance the premium due as a loan.</p> <p>Any policy loan and automatic premium loan on this policy will bear interest at a rate determined by us, which we reserve the right to change the interest rate from time to time. Please refer to the Policy Loan Form or Automatic Premium Loan Notice for the current interest rate.</p> <p>The policy will automatically be terminated at any time if the loan balance with interest equals to or exceeds the Guaranteed Cash Value under the policy, and you will lose your insurance protection under the policy.</p>																																		

The product information in this document does not contain the full terms of the plan and the full terms can be found in the policy document.

This plan may be purchased as a standalone plan without bundling with other type(s) of insurance product. You are required to read the relevant product brochure, the policy provisions and the illustrations presented by your licensed insurance intermediary in order to fully understand the details of the definitions, charges, product features, exclusions, and conditions of payment of claims, etc. plus complete terms and conditions.

Remarks:

1. Monthly Annuity Payment includes the Guaranteed Monthly Annuity Payment and Non-guaranteed Monthly Annuity Payment (if any). Monthly Annuity Payment will be payable upon completion of each policy month after the commencement of the Annuity Period until the end of the Annuity Period. You may choose to leave the Monthly Annuity Payment in the policy and accumulated at a non-guaranteed current interest rate. Non-guaranteed Monthly Annuity Payment can be adjusted on each Policy Monthly Anniversary and the actual amount during the Annuity Period may vary.
2. HKD 60,000 is the maximum tax deductions per tax payer per year for qualifying annuity premiums and MPF tax deductible voluntary contributions. Whether tax deduction is allowable for all or any part of qualifying annuity premiums paid under QDAP shall be subject to your individual circumstances (as tax payer), the provisions of the Inland Revenue Ordinance (Cap. 112 of the Laws of the Hong Kong SAR) and the Inland Revenue Department's discretion. For details on tax deductions, please refer to the "Tax implication of certification" section under "Disclosure of Important Information"; visit Inland Revenue Department (IRD) of HKSAR website and consult your tax and accounting advisors for tax advice.
3. Terminal Dividend is non-guaranteed and will be paid upon policy termination (except maturity) and partial surrender. During the Annuity Period, Terminal Dividend may change over time due to factors including but not limited to the payment of the Non-Guaranteed Monthly Annuity Payment. The distribution and the actual amount are all at the sole discretion of the Company. The amount of Terminal Dividend in each declaration may be greater or lesser than the previous amount based on a number of factors, including but not limited to investment returns and general market volatility. Please refer to the policy provisions for details of Terminal Dividend.
4. Travel Accidental Benefit only covers injury of the Annuitant occurred during the Annuity Period in oversea travels. Travel Accidental Benefit provides a lump-sum payment for death (payable to the Beneficiary) or disability (payable to the Policy Holder) of the Annuitant resulted from oversea accidents up to 100% of total premiums paid, and up to USD 200,000 per Annuitant and per policy. If the Annuitant's place of residence is in Hong Kong, Macau Special Administrative Region or the People Republic of China, we will only pay for the injury resulting in place(s) other than Hong Kong, Macau Special Administrative Region or the People Republic of China that lead to Travel Accidental Benefit. Please refer to the policy provisions for details of Travel Accidental Benefit.
5. Terminal Illness means the Unequivocal Diagnosis by a doctor of an illness that is expected to result in the death of the Annuitant within 12 months. The Terminal Illness Benefit will only be paid once. We will cease to pay any claim including the Death Benefit once we approve the Terminal Illness Benefit and the policy will be terminated after this benefit is paid.
6. The total IRR illustrated is calculated on a best estimate basis which is based on the current dividend scale and is neither indicative of future performance nor guaranteed. Past performance or current performance of our business should not be interpreted as a guide for future performance. The actual Non-guaranteed Monthly Annuity Payment and non-guaranteed Terminal Dividend payable throughout the duration of the policy may vary at the sole discretion of the Company, which may be more or less favourable than those illustrated. The value illustrated assumes that no cash withdrawal or policy loans are taken throughout the term of the policy and that all premiums are paid in full when due.
7. Total premiums paid refers to the total amount of premium(s) due and paid. For policy with premium prepayment, the prepaid premium in premium deposit account will not be calculated in the total premiums paid.
8. Worldwide Emergency Assistance Services is provided by the third party service provider. We reserve the right to change the terms and conditions of Worldwide Emergency Assistance Services without prior notice and will not be liable for any services provided by the third party service provider.
9. The Premium Prepayment Option is only applicable to policy with 5-year Premium Payment Period and Annual Premium Payment Mode. The prepaid premium will be credited to your premium deposit account and accumulate at the prevailing interest rate offered at that time (The current interest rate offered is 2% per annum, but it is not guaranteed). You can withdraw the full amount of the prepaid premiums from the premium deposit account, including any accrued interest. If the amount of the premium deposit account is not sufficient to pay the premium due to a decrease in interest rate, the Policy Holder is required to make up the relevant premium difference. Otherwise, the policy will be terminated or subject to an automatic premium loan. If the Annuitant passes away, the premium deposit account balance including accrued interest (if any) will be payable to the Policy Holder without any charge.

## Disclosure of Important Information

1. Prosperous Deferred Annuity Plan 2 is designed for individuals who look for long-term savings; it is not suitable for people who look for short-term gains.
2. **Cooling Off Right**

If you wish to exercise your cooling-off right, you can cancel the policy and obtain a refund of premium and levy paid by giving a written notice to us. Such notice must be signed by you and submitted to our office at 7/F, NEO, 123 Hoi Bun Road, Kwun Tong, Kowloon within 21 calendar days immediately following the day of delivery of the policy or the Cooling-off Notice to you or your nominated representative (whichever is the earlier). The Cooling-off Notice should inform you of the availability of the policy and expiry date of the cooling-off period.
3. **Grace Period**

We shall allow a grace period of 31 days after the premium due date (the "Grace Period") for payment of each premium (other than the first premium) during which this Policy will remain in force. If any premium is not paid on or before its due date, that premium is in default. If that premium remains unpaid at the end of the Grace Period, unless that premium is paid by the automatic premium loan, this Policy terminates as from the last premium due date. We shall not be liable to pay any benefit arising from any event occasioned during the Grace Period unless the overdue premium is paid before the end of the Grace Period.
4. **Key Product Risks**
  - i. Non-guaranteed Benefits  
Terminal Dividend is not guaranteed. The company will review the Terminal Dividend regularly, and the actual Terminal Dividend can be different from those shown in the benefit illustration.
  - ii. Termination  
The policy shall be terminated upon the earliest of the followings:
    - a) Any premium under the policy remains in default at the end of the Grace Period unless an automatic premium loan is obtained from the policy to settle the premium; or
    - b) The policy is fully surrendered; or
    - c) The debts with interest (i.e. the policy loan) equal to or exceed the Guaranteed Cash Value; or
    - d) The aggregate total amount of Terminal Illness Benefit is fully paid; or
    - e) The death of the Annuitant; or
    - f) The policy matures at the end of the Annuity Period.Termination of policy will result in loss of coverage. Upon early termination, you may also suffer a significant loss.
  - iii. Policy Reinstatement  
If this policy terminates due to non-payment of any premium, it may be reinstated subject to the written request for reinstatement made by you within 2 years from the due date of the premium in default and meet our administrative rules at that time. Please refer to the policy provision for details of reinstatement.
  - 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 our contractual obligations under the policy.
  - v. Other Key Product Risks
    - Prosperous Deferred Annuity Plan 2 is issued in US dollar. 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. All monies payable under your policy will be paid in the policy currency, or in Hong Kong dollars upon your request. The amount payable by us in a currency different from your policy will be converted at the prevailing exchange rate determined by us from time to time. Therefore, it may be subject to foreign exchange risks in the process of currency conversion.
    - Prosperous Deferred Annuity Plan 2 is an insurance policy issued by the company. The insurance benefits are subject to the company's credit risks.
5. **Suicide Clause**

If the Annuitant commits suicide within one year from the later of (i) the policy effective date; or (ii) the last reinstatement date, our liability will be limited to the refund of Total Premiums Paid less any Indebtedness, any payments of Monthly Annuity Payment, any type of dividend and interest withdrawal and any claims which have been paid.
6. **Exclusions**

The Travel Accidental Benefit and the Terminal Illness Benefit will not be payable if:

  - i. the Terminal Illness or injury is caused directly or indirectly, wholly or partly, voluntarily or involuntarily by self-inflicted injury, including, without limitation, suicide or any attempt to do so, while sane or insane; or consumption of or being under the influence of alcohol, poison, medication, drugs or sedatives unless prescribed by a Medical Practitioner;
  - ii. any signs or symptoms of the Terminal Illness first occurred or diagnosed on or before the 30<sup>th</sup> day after the later of (a) the policy effective date; or (b) the last reinstatement date; and/or
  - iii. any injury occurred before the later of (a) the policy effective date; or (b) the last reinstatement date.

Please refer to the policy provisions for full details of the exclusions.
7. **Tax implication of certification**

Please note that the QDAP status of this product does not necessarily mean you are eligible for tax deduction available for QDAP premiums paid. This product's QDAP status is based on the features of the product as well as certification by the Insurance Authority and not the facts of your own situation. You must also meet all the eligibility requirements set out under the Inland Revenue Ordinance and any guidance issued by the Inland Revenue Department of Hong Kong Special Administrative Region ("HKSAR") before you can claim these tax deductions.

Any general tax information provided is for your reference only, and you should not make any tax-related decisions based on such information alone. You should always consult with a professional tax advisor if you have any doubts. Please note that the tax law, regulations or interpretations are subject to change and may affect related tax benefits including the eligibility criteria for tax deduction. We do not take any responsibility to inform you about any changes in the laws and regulations or interpretations, and how they may affect you. Further information on tax concessions applicable to QDAP may be found at [www.ia.org.hk/en/](http://www.ia.org.hk/en/).

Policy Holders who are not subject to salaries tax or tax under personal assessment in HKSAR will not be eligible for tax deduction benefits.

## 8. Insurance Authority certification

Insurance Authority certification is not a recommendation or endorsement of the policy nor does it guarantee the commercial merits of the policy or its performance. It does not mean the policy is suitable for all Policy Holders nor is it an endorsement of its suitability for any particular Policy Holder or class of Policy Holders. The policy has been certified by the Insurance Authority but such certification does not imply official recommendation. The Insurance Authority does not take any responsibility for the contents of the product brochure of the policy, makes no representation as to its accuracy or completeness, expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the product brochure of the policy.

## 9. Dividend Philosophy

- Premium income received from the Policy Holder is invested in an investment portfolio to support the product groups determined by us according to the investment policy. The Policy Holders 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 Annuitant benefits under the product.
  - d) Expenses: include both expenses directly related to the policy (e.g. commission, underwriting, issue and premium collection expenses) 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 Committee which must include one independent non-executive director, will review and determine the dividend/bonus at least once a year. The declared dividend/bonus may be different from those illustrated in the relevant product information provided, e.g. benefit illustration. In case of any change in the actual dividend/bonus against the illustration or should there be a change in the projected future dividend/bonus, such change will be reflected in the policy anniversary statement and the benefit summary.

## 10. Investment philosophy, policy and strategy

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

Target Asset Mix	
Fixed income type assets (Investment grade and non-investment grade)	Equity-like assets
55% - 80%	20% - 45%

- Investment instruments include cash, deposits, sovereign bonds, corporate bonds, listed equities, funds or other investment products. 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 the portfolio can support. For fixed income investment, 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, who will also 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 change in the investment strategy, we will inform our Policy Holders for any material changes, rationale for the change and any impact to the Policy Holders.

You may browse the company website at <https://www.ftlife.com.hk/en/support/disclosures/fulfillment-ratios-dividends.html> to better understand the company's dividend history. Please note that the 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 Annuitant 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.

# 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.

# FTLife scoops prestigious industry accolades

## Bloomberg Businessweek / Chinese Edition "Financial Institution Awards 2023"



傑出大獎

保險公司獎項 - 年度培訓學院

Training Academy of the Year – Outstanding Performance



傑出大獎

保險公司獎項 - 儲蓄計劃

Saving Plan – Outstanding Performance



傑出大獎

保險公司獎項 - 康健護理及保障

Health & Protection – Outstanding Performance



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保險公司獎項 - 數碼營銷策略

Digital Marketing – Outstanding Performance

## "Benchmark" Wealth Management Awards 2022



Insurance Company of the Year 2022



Broker Support – Best-in-Class



Health Care Product – Best-in-Class



Academy of the Year 2022



Social Media Engagement – Outstanding Achiever



ESG Integration – Merit

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