

## HSBC Life Wealth Accelerate Product Summary

### Important Note

**This Product Summary contains simplified descriptions of the product features and general exclusions applicable to HSBC Life Wealth Accelerate and this is not exhaustive. This is not a contract of insurance and the precise terms and conditions of the product are specified in the General Provisions for HSBC Life Wealth Accelerate. Your Financial Planner will be able to provide a copy of the General Provisions for HSBC Life Wealth Accelerate for your reference at Your request.**

**The actual Benefits payable will be based on the actual performance of the assets of the underlying funds (as described in the Fund Summaries). Investments in investment-linked plans are subjected to investment risks including the possible loss of the principal amount invested. The value of Units in the sub-funds may fall as well as rise.**

**Buying a life insurance Policy is a long-term commitment. An early Termination of the Policy usually involves high costs and the Surrender Value payable may be less than the total Premiums paid.**

**The Fund Summaries contains details on the funds and constitutes a part of the Product Summary, without which the Product Summary is incomplete. As such, this Product Summary booklet must be read together with the Fund Summaries.**

**More information on the funds can be found in the Fund Prospectuses which are available online at [www.hsbclife.com.sg](http://www.hsbclife.com.sg).**

This is not a contract of insurance and the specific terms and conditions of this plan are provided in the relevant Policy documents. It does not have regard to any specific investment objectives, financial situation or the particular needs of a specific person. You should consult your Financial Planner for a financial analysis before purchasing a Policy suitable to meet your needs.

The Company does not bear the loss resulting from any currency conversion or the cost of charges incurred on any transactions pertaining to currency conversions.

The allocation, crediting, cancellation, switching or other dealings of Units as described in the Policy are solely for the purpose of the Policy, including without limitation for determining its Account Value.

For the avoidance of doubt, the Company shall have the right to use the Regular Premiums received to invest in the relevant reference funds or to make such other investments as the Company may consider appropriate, provided that the Account Value of the Policy shall be determined based on the Unit Price of the relevant Units standing to the credit of the policy.

## HSBC Life Wealth Accelerate

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## 1. THE POLICY

HSBC Life Wealth Accelerate is a whole life, Regular Premium Investment Linked Plan (“ILP”) which rewards You with up to three types of bonuses (Start-up Bonus, Power-up Bonus and Loyalty Bonus) along the Policy term as You invest.

This Policy allows You to choose to pay regular Premiums in SGD or USD, and select a Minimum Investment Period (“MIP”) of 25 or 30 years subjected to MIP and maximum entry Age. It also offers a wide range of ILP Sub-Funds over different sectors and markets for You to manage your risk and also capture potential investment growth. You will also be protected against Death and Terminal Illness during the Policy term.

This Policy is a Guaranteed Issuance Offer. Benefits are payable under the Policy:

- a) during the period stated in the Certificate of Insurance; and
- b) subject to the satisfaction of the terms and conditions of this Policy.

Once the Policy is issued, the Policy Currency and MIP cannot be changed.

## 2. CERTAIN RISKS

The actual Benefits payable will be based on the actual performance of the assets of the underlying funds, as described in the summary of the relevant ILP Sub-Funds (“Fund Summaries”). Investments in Investment-linked plans are subject to investment risks including the possible loss of the principal amount invested. The value of Units in the ILP Sub-Funds may fall or rise depending on economic/market conditions.

The risks of investing in the ILP Sub-Funds are set out in the relevant section of the Fund Summaries and Fund Prospectuses.

Buying a life insurance Policy is a long-term commitment. An early Termination of the Policy usually involves high costs and the Surrender Value payable may be less than the total Premiums paid.

## 3. BONUSES

### 3.1. START-UP BONUS

While this Policy is in force, We will pay a Start-up Bonus upon receipt of each payment of Regular Premium for the first four to five Policy Years depending on the selected MIP.

*Start-up Bonus = the applicable Start-up Bonus rate x applicable Regular Premium payment*

The Start-up Bonus rate (per annum) is based on the following table:

Year	MIP	
	25 Years	30 Years
1	25%	30%
2	40%	40%
3	40%	40%
4	40%	40%
5		50%
Total	<b>145%</b>	<b>200%</b>

The Start-up Bonus will be allocated to the Initial Units Account ('IUA') in the form of additional Units in accordance with Your latest Investment Option Allocation Instruction. The Units will be allocated on the Dealing Days of the relevant Investment Options as soon as practicable following the date the Start-up Bonus is payable.

The Account Value relating to the Start-up Bonus will not be payable to the Policyholder and/or the beneficiary(ies) as a lump sum amount, or as part of the Death Benefit and/or Terminal Illness Benefit, if any of the following scenarios happens:

- a) if the Life Assured dies as a result of suicide as described in the Suicide Claim provision in this Policy; or
- b) if the Life Assured's non-Accidental Death occurs within eighteen (18) months starting from the Commencement Date or the date of any Reinstatement of this Policy (if applicable), whichever is later; or
- c) if the Life Assured's Terminal Illness condition commences within eighteen (18) months starting from the Commencement Date or the date of any Reinstatement of this Policy (if applicable), whichever is later; or
- d) if this Policy is cancelled during the Free-Look Period.

### 3.2. POWER-UP BONUS

Starting from the first Policy month on Policy Year 15 and while the Policy is in force, the Policyholder will receive the Power-up Bonus every month till the end of MIP, subject to the eligibility criteria.

Premium Tier	MIP	
	25 Years	30 Years
<b>Less than S\$9,600 / US\$6,720</b>	1.00%	1.25%
<b>S\$9,600 / US\$6,720 and more</b>	1.05%	1.30%

*Power-up Bonus = the applicable Power-up Bonus rate/12 x the prevailing Total Account Value*

The Power-up Bonus will be allocated to the Accumulation Units Account ('AUA') in the form of additional Units in accordance with Your latest Investment Option Allocation Instruction.

The Power-up Bonus will be allocated at the start of Policy Year 15 (169<sup>th</sup> month) till the end of MIP. It will be allocated monthly on the same day of each calendar month as the Commencement Date, and the Units are to be purchased on the Dealing Days of the relevant Investment Options as soon as practical following the date the Power-up Bonus is payable.

There will be no Power-up Bonus given to the Policy in the subsequent twelve (12) Policy months if the Policyholder has made one or more of the below transactions:

- a. The Policyholder has made a Partial Withdrawal from AUA; or
- b. The Policyholder has been on Premium Holiday; or
- c. The Policyholder has reduced the Regular Premium.

The Power-up Bonus resumes on the 13th month following the date of the above transaction(s), if none of the above transactions are made during the preceding twelve (12) months.

### 3.3. LOYALTY BONUS

Starting from the first Policy month after the end of MIP and while the Policy is in force, You will receive the Loyalty Bonus every month throughout the Policy term, subject to the eligibility criteria.

MIP	
25 Years	30 Years
0.90%	1.10%

*Loyalty Bonus = (the applicable Loyalty Bonus rate / 12) x the prevailing Total Account Value*

The Loyalty Bonus will be allocated to the AUA in the form of additional Units in accordance with Your latest Investment Option Allocation Instruction.

The Loyalty Bonus will be allocated monthly on the same day of each calendar month as the Commencement Date, and the Units are to be purchased on the Dealing Days of the relevant Investment Options as soon as practical following the date the Loyalty Bonus is payable.

The Loyalty Bonus will be allocated starting from the first Policy month after the end of MIP. It will be allocated monthly on the same day of each calendar month as the Commencement Date, and the Units are to be purchased on the Dealing Days of the relevant Investment Options as soon as practical following the date the Power-up Bonus is payable.

There will be no Loyalty Bonus given to the Policy in the subsequent twelve (12) Policy months if the Policyholder has made a Partial Withdrawal.

For avoidance of doubt, the Loyalty Bonus resumes on the 13<sup>th</sup> month following the date of Partial Withdrawal.

## 4. BENEFITS

### 4.1. DEATH BENEFIT

Subject to the terms of this Policy, if the Life Assured dies (other than by reason of suicide as described in the Suicide Claim provision in this Policy) while this Policy is in force, We will pay the Death Benefit depending on the criteria.

**For death occurring before the Policy Anniversary nearest to the Life Assured's 66<sup>th</sup> birthday, we pay both:**

- i) 101% of (Total Account Value)
- ii) 15% of (Total Account Value - Top-ups - RSPs), capped at S\$500,000 / US\$350,000  
Less outstanding fees and charges

**For death occurring on and after the Policy Anniversary nearest to the Life Assured's 66<sup>th</sup> birthday, we pay:**

- i) 101% of (Total Account Value)  
Less any outstanding fees and charges

Otherwise, for non-Accidental Death which occurs within eighteen (18) months starting from the Commencement Date or the date of any Reinstatement of this Policy (if applicable), whichever is later, Death Benefit payable to the beneficiary(ies) will not include the Account Value relating to the Start-up Bonus.

Death Benefit payout will be in the Policy Currency. If the Policyholder requests for the Death Benefit payout in another currency, it will be subject to the Company's prevailing exchange rate at the time of payout.

Upon payment of the Death Benefit, this Policy will automatically terminate.

#### 4.2. TERMINAL ILLNESS BENEFIT

If the Life Assured is diagnosed with a Terminal Illness during the Policy term while the Policy is in force, We will pay the Terminal Illness Benefit in lump sum as an advancement of the Death Benefit, and the amount payable is limited to:

- a) SGD 3 million or equivalent in value, or
  - b) Death Benefit at the point of Terminal Illness claim;
- whichever is lower.

The maximum Terminal Illness Benefit payable on the Life Assured is SGD 3 million or equivalent in value, inclusive of all other policies issued by Us and other insurance companies, in respect of the same Life Assured.

The date of the diagnosis of the Terminal Illness must be after the Commencement Date, or the date of any Reinstatement of this Policy (if applicable), whichever is later.

Terminal Illness Benefit payout will be in the Policy Currency. If the Policyholder or the beneficiary(ies) request(s) for the Terminal Illness Benefit payout in another currency, it will be subject to the Company's prevailing exchange rate at the time of payout.

If the Death Benefit is fully paid out as a result of a Terminal Illness claim, the Policy will terminate.

If the Death Benefit is not fully paid out upon a Terminal Illness claim, the Policy will remain in force with the remaining Account Value after deducting SGD 3 million (or equivalent in value) for Terminal Illness Benefit payout.

#### 4.3. FREE PARTIAL WITHDRAWAL BENEFIT

After the Initial Contribution Period (ICP) and during the Minimum Investment Period (MIP), the Policyholder has the option to exercise partial withdrawals from the Accumulation Units Account without Partial Withdrawal Charge. This benefit is subject to minimum Partial Withdrawal limits and Minimum Account Balance limits stated in Partial Withdrawal and Minimum Account Balance clause.

Each Partial Withdrawal made under the Free Partial Withdrawal Benefit is subject to the following conditions.

MIP	25 Years	30 Years
Maximum Number of Free Partial Withdrawal	5	7

- a) For **all MIP**, Policyholder is entitled to two (2) Free Partial Withdrawal throughout the respective MIP.
- b) Additionally, for **MIP 25**:
  - i. From Policy Year 16 onwards to Policy Year 20, Policyholder will get 1 more Free Partial Withdrawal in addition to the previous 2 Free Partial Withdrawal. You will be entitled up to a maximum of 3 Free Partial Withdrawal less the number of Free Partial Withdrawals made previously; and
  - ii. From Policy Year 21 onwards to Policy Year 25, Policyholder will get 2 more Free Partial Withdrawal in addition to the previous 3 Free Partial Withdrawal. You will be entitled up to

maximum of 5 Free Partial Withdrawal less the number of Free Partial Withdrawals made previously.

MIP	Policy Year 1 to 15	Policy Year 16 to 20	Policy Year 21 to 25	Maximum Number of Free Partial Withdrawal
25	2	3	5	5

c) Additionally, for **MIP 30**:

- i. From Policy Year 16 onwards to Policy Year 20, Policyholder will get 2 more Free Partial Withdrawal in addition to the previous 2 Free Partial Withdrawal. You will be entitled up to a maximum of 4 Free Partial Withdrawal less the number of Free Partial Withdrawals made previously;
- ii. From Policy Year 21 onwards to Policy Year 25, Policyholder will get 1 more Free Partial Withdrawal in addition to the previous 4 Free Partial Withdrawal. You will be entitled up to a maximum of 5 Free Partial Withdrawal less the number of Free Partial Withdrawals made previously; and
- iii. From Policy Year 26 onwards to Policy Year 30, Policyholder will get 2 more Free Partial Withdrawal in addition to the previous 5 Free Partial Withdrawal. You will be entitled up to a maximum of 7 Free Partial Withdrawal less the number of Free Partial Withdrawals made previously.

MIP	Policy Year 1 to 15	Policy Year 16 to 20	Policy Year 21 to 25	Policy Year 26 to 30	Maximum Number of Free Partial Withdrawal
30	2	4	5	7	7

- d) Each Free Partial Withdrawal is capped at two (2) times the Annualised Regular Premium applicable at point of exercise. This means if you have reduced your Annualised Regular Premium, each of your Free Partial Withdrawal amount is capped at two (2) times of the reduced Annual Regular Premium.
- e) Upon each exercise of this benefit, No Power-Up Bonus or Loyalty Bonus will be given to the Policy in the next subsequent twelve (12) Policy months

Additionally, the requested Partial Withdrawal must be within the limits of the amount allowed under this Free Partial Withdrawal Benefit, otherwise the excess amount withdrawn will be treated as a Partial Withdrawal subject to Partial Withdrawal Charge, where applicable.

For the avoidance of doubt, this benefit will cease after it has been fully exercised during the eligible period, or when the policy has exceeded the MIP.

#### 4.4. LIFE REPLACEMENT OPTION

Whilst this Policy is in force, at any time during the Policy term, You may request to exercise the Life Replacement Option (“LRO”) to replace the Life Assured, subject to the following conditions:

1. The LRO is only available and valid to an individual Policyholder at the point of request. For other Policyholders such as an institution or organisation, the LRO is invalid and cannot be exercised;
2. You must provide proof of insurable interest on the new Life Assured at the point of request;
3. The new Life Assured must be alive at the point of request and must fulfil the eligible entry ages of this Policy;
4. The new Life Assured must be either Your spouse, Your child (including legally adopted child) below Age eighteen (18), or Yourself if the Policy is initially a third party policy;
5. Upon the request being submitted, any new Riders attached to this Policy (if any), which require underwriting and cover the new Life Assured, are subject to underwriting;

6. Upon replacement of the Life Assured, the Insurance Charge (if any) specified in the Insurance Charge provision will be based on the attained age, gender and smoking status of the new Life Assured;
7. Before any change of the Life Assured is implemented, previous Assignment of this Policy (if any) made by You must be revoked. Except for Novation, You can no longer exercise the LRO upon any Assignment made to this Policy;
8. Before any change of the Life Assured is implemented, previous irrevocable/revocable nomination of beneficiary/beneficiaries (if any) made by You must be revoked.
9. If a material non-disclosure on the new Life Assured is discovered upon a claim on the new Life Assured, the Policy shall be deemed null and void. We will refund any part of the Premium paid not allocated to the Units and the Account Value based on the Unit Prices as at the Dealing Day on or immediately after We void this Policy;
10. Waiting periods and survival period (if any) on any Benefits will be applicable upon commencement of cover of the new Life Assured.

Notwithstanding the above, We reserve the right to approve or reject the request to replace the Life Assured.

The Policyholder must submit a written request using the relevant form to the Company to exercise this option. Once the request to replace the Life Assured is approved and the coverage on the new Life Assured has taken effect, the Company will not be liable for any claim on the original Life Assured and the coverage on the original Life Assured will cease immediately.

For the avoidance of doubt, the coverage on the new Life Assured will be effective on the next monthly anniversary of the Commencement Date immediately following the Company's approval. An Endorsement will be issued upon the approval of the request to replace the Life Assured.

In the event of a LRO is exercised, any Rider(s) attached to the Policy will be automatically dropped. Remaining Premiums are still payable for this Policy after LRO is exercised.

#### **4.5. DISTRIBUTION OF DIVIDEND**

##### **4.5.1. Dividend Handling**

If You choose to invest in any ILP Sub-Fund that pays dividends, You have the option to either reinvest these dividends or to receive payout in cash of these dividends (dividend payout option).

You need to indicate the dividend payout option clearly in the Application. The default dividend payout option is to reinvest all dividends from such ILP Sub-Fund. For any change to the preferred dividend payout option, You must notify and give Us 30 business days' notice.

Dividend distributions are not guaranteed and can be made out of the income, capital gains and/or capital of the ILP Sub-Fund. Dividend policies vary depending on the ILP Sub-Fund. The issuance of dividends remains at the discretion of the relevant fund manager and are not guaranteed.

In accordance to Your selected dividend payout option, We will distribute the additional units from dividend distributions within 21 business days from the relevant ILP Sub-Fund's Record Date subject to arrangement with the relevant fund manager.

##### **4.5.2. Reinvest**

If You choose the dividend payout option to reinvest the dividends, We will reinvest these dividends on Your behalf. The reinvested dividends will increase Your units from the relevant ILP Sub-Fund.

The additional units obtained from the reinvested dividends will form part of the Policy Value and relevant Policy charges (if any) will be applicable.

#### 4.5.3. Cash Payout

If You choose the dividend cash payout option to receive the dividends payout, the payout to You will be in the currency stated in the Certificate of Insurance irrespective of the currency of the relevant ILP Sub-Fund chosen.

The payout will be from both Initial Units Account and Accumulation Units Account. We will only pay dividends to You if the dividend which You are entitled to, meets the minimum dividend cash payout amount of S\$30 in both Initial Units Account and Accumulation Units Account. Otherwise, We will reinvest on Your behalf, any dividend(s) of less than S\$30 as additional units. Upon notification to You, We reserve the right to amend the minimum dividend payout amount from time to time.

The dividends payout will be distributed only to Your designated bank account. If there is non-delivery of dividend to Your designated bank account for whatever reason, We will reinvest that dividend as additional units on Your behalf. Under the circumstances including but not limited to non-delivery of dividend such as lapsation of policy, surrender of policy or fund switching, the distribution of dividends may not be performed within 21 business days from the relevant ILP Sub-Fund's Record Date subject to arrangement with the relevant fund manager.

## 5. POLICY PREMIUM

While this Policy is in force, any Premium received by Us, after conversion into the Policy Currency (if applicable) net of any bank charges and deduction of the relevant Policy Charges, is used for the purpose of allocating Units in the relevant Investment Options to this Policy based on the relevant Unit Price and in accordance with Your Investment Option Allocation Instruction. The Units will be allocated on the Dealing Days of the relevant Investment Options as soon as practicable following the date of receipt of such Premium by Us. No interest will be earned or credited on any Premium received pending allocation of Units to this Policy.

Initial Contribution Period ("ICP") for all MIP:

MIP	ICP
25 Years	First 48 months
30 Years	First 60 months

HSBC Life Wealth Accelerate consists of 2 Accounts for Premium allocation:

	IUA	AUA
Regular Premium	Regular Premium during ICP	Regular Premium after ICP
Other Premiums	NA	Top Up Premium, Recurring Single Premium ("RSP") (if any)

### 5.1 REGULAR PREMIUM

The minimum Regular Premium required for this plan is as follows:

Payment Frequency	Minimum Regular Premium (in accordance with Your Policy Currency)	
	SGD	USD
Annual	3,600	2,520
Semi-Annual	1,800	1,260
Quarterly	900	630

Monthly	300	Not allowed
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### 5.1.2. REDUCTION OF REGULAR PREMIUM

The amount of Regular Premium cannot be reduced during the ICP. You may apply to reduce the amount of Regular Premium at any time after the ICP till the end of Policy Term.

The Regular Premium can be reduced by a maximum of 25% of the original Regular Premium committed at the Commencement Date, subject to the minimum Regular Premium as determined by the Company from time to time.

Bonus Recovery Charge (“BRC”) applies to each Regular Premium reduction during the MIP.

If You have reduced the Regular Premium, You are not allowed to increase it thereafter.

### 5.1.3. INCREASE OF REGULAR PREMIUM

The amount of Regular Premium set at Policy inception cannot be increased at any time.

## 5.2 RECURRING SINGLE PREMIUM (“RSP”) & Top-Up Premium

RSP and Top-up Premiums are allowed on an ad-hoc basis anytime during the Policy term, subjected to minimum amount as below:

Payment Type	Minimum Amount (in accordance with Your Policy Currency)		Remark
	SGD	USD	
RSP	\$100 per month	Not allowed	<ul style="list-style-type: none"> <li>Only monthly mode is available.</li> <li>RSP must be in multiples of \$100.</li> </ul>
Top-up Premium	\$5,000	US \$3,500	<ul style="list-style-type: none"> <li>Top-up Premium must be in multiples of \$100/US \$100.</li> </ul>

RSP must be paid in monthly mode through interbank GIRO and is subject to a minimum amount determined by Us, which may be varied from time to time.

There will be no premium charge from each Premium of Your RSP and Top-up Premium before allocating to the AUA.

RSP and Top-up Premium is not allowed during the Premium Holiday Period. If Premium Holiday is activated, We will stop Your RSP.

### 5.3. GRACE PERIOD

There is a Grace Period of thirty (30) days from the Regular Premium due date (excluding RSP and Top-up Premiums).

	<b>After Grace Period (Remains Unpaid)</b>
<b>During ICP</b>	<ul style="list-style-type: none"> <li>• Policy will lapse</li> <li>• Early Encashment Charge (“EEC”) will apply.</li> </ul>
<b>After ICP to end of MIP</b>	<ul style="list-style-type: none"> <li>• Premium Holiday will be automatically activated</li> <li>• Applicable Charges will apply</li> <li>• Policy remains in force as long as the Total Account Value is sufficient to cover the charges due during the Premium Holiday Period.</li> <li>• If the Total Account Value is insufficient to cover the payment of the applicable Policy Charges, the Premium Holiday will cease and We will notify You to resume the payment of Regular Premium within a Grace Period of thirty (30) days (“Second Grace Period”).</li> <li>• If the Regular Premium remains unpaid after the Second Grace Period, this Policy will lapse and if this happens during the MIP, the EEC will apply.</li> </ul>

During the Grace Period, dividends (if any) from the Investment Option(s) that are due from the unpaid Regular Premium(s) will not be issued.

#### **5.4. PREMIUM HOLIDAY**

Premium Holiday can be activated under either of these situations:

- a. The Policyholder may apply to stop paying Regular Premium by sending the Company an Application in the form specified by the Company, provided that the Total Account Value on the date on which the Application is approved (if such date is a Dealing Day of the relevant Investment Options or otherwise on their Dealing Days immediately before such date) is sufficient to cover the applicable Policy Charges. The Premium Holiday will commence on the Regular Premium due date immediately following the date on which the approval of Application is dated;
- b. If the Regular Premium due is not paid after the Grace Period, the Policy will automatically go into the Premium Holiday. The Premium Holiday will commence on the Regular Premium due date immediately following the end of the Grace Period, provided that the Total Account Value on such date (if such date is a Dealing Day of the relevant Investment Options or otherwise on their Dealing Days immediately before such date) is sufficient to cover the applicable Policy Charges.

During the Premium Holiday, the Total Account Value will be reduced by the Policy Charges due in accordance with the terms of this Policy. The Policy will remain in force so long as the Total Account Value is sufficient to cover the applicable Policy Charges due.

The absence of Premiums will impact Your Total Account Value, as no new Premiums are being invested during Premium Holiday. Additionally, applicable charges on Your Total Account Value will still be deducted during this period.

#### 5.4.1. AVAILABILITY

	<b>Premium Holiday</b>
<b>During ICP</b>	<ul style="list-style-type: none"><li>Not allowed. If the Regular Premium due are not received after the Grace Period of thirty (30) days, this Policy will lapse immediately and the applicable EEC will apply.</li></ul>
<b>After ICP to end of MIP</b>	<ul style="list-style-type: none"><li>Allowed, up to a Maximum Premium Holiday Duration of a total aggregate of eighty-four (84) months.</li><li>Power-up Bonuses are forfeited during the Premium Holiday Period. If the Policyholder chooses to backpay his Premiums before resuming payment of Regular Premiums, missed Power-up Bonuses will be returned to the Policy after deducting the missed Policy Charges that should have been charged on the missed Regular Premium amount during the Premium Holiday.</li></ul>
<b>After end of MIP</b>	<ul style="list-style-type: none"><li>Allowed. Unlimited Premium Holiday, with no Maximum Premium Holiday Duration.</li><li>If on any day during the Premium Holiday, the Total Account Value on the relevant due date for the relevant Policy Charges (if the due date is a Dealing Day of the relevant Investment Options or otherwise on their Dealing Days immediately before the due date) is, in the Company's opinion, insufficient to cover the applicable Policy Charges, the Premium Holiday will cease on such day as determined by the Company in its absolute discretion</li></ul>

#### 5.4.2. MAXIMUM PREMIUM HOLIDAY DURATION

The Maximum Premium Holiday Duration is eighty-four (84) months and takes into account cumulatively past Premium Holiday Periods, even if You pay Regular Premium in between Premium Holiday Periods. For example, Policy goes on Premium Holiday for the first twelve (12) months, and then Regular Premiums are paid for six (6) months, and a second Premium Holiday of twelve (12) months is taken, then the Premium Holiday Duration taken is twenty-four (24) months.

In the event Your total Premium Holiday Period has exceeded the Maximum Premium Holiday Duration, We will notify You to resume the payment of Regular Premium. If the Regular Premium due is not received after the Grace Period of thirty (30) days, this Policy will lapse immediately and the EEC will apply.

For avoidance of doubt, the applicable Policy Charges, when due, will continue to be payable and will be deducted from their respective Accounts during the Premium Holiday. No Power-up Bonus will be given to the Policy during the Premium Holiday.

#### 5.4.3 Repayment of the Missed Premiums during Premium Holiday

You are allowed to pay back the Regular Premiums that are missed during the Premium Holiday, subject to all the following conditions:

- The missed Regular Premiums are paid for the latest Premium Holiday taken;
- The missed Regular Premiums are paid on the Regular Premium due date immediately following the end of the Premium Holiday;

- c) All the missed Regular Premiums have to be repaid in full (no partial repayment of the missed Premiums); and
- d) The next Regular Premium due is paid.

You are not allowed to pay back missed Premiums in past Premium Holiday Periods if You have continued to pay Regular Premium. For example, You go on Premium Holiday for six (6) months and then resumes paying Regular Premiums for Your policy, You will not be allowed to pay for the six (6) months' worth of missed Premiums

The repaid Regular Premium amount will be allocated to the AUA after the following transactions:

- 1) Deducting the missed IMF that should have been charged on the missed Regular Premiums amount during the Premium Holiday, based on the following formula:

$$\text{Missed IMF} = \left( \frac{\text{IMF rate per annum}}{12} \right) \times \text{the total repaid Regular Premium amount} \times \text{Number of missed months}$$

and

- 2) Adding the missed Power-up Bonus or Loyalty Bonus based on the following formula:

$$\text{Missed Power-up Bonus} = \left( \frac{\text{Power-up Bonus rate per annum}}{12} \right) \times \left( \text{the prevailing Total Account Value} + \text{the total repaid Regular Premium amount} \right) \times \text{Number of missed months}$$

or

$$\text{Missed Loyalty Bonus} = \left( \frac{\text{Loyalty Bonus rate per annum}}{12} \right) \times \text{the total repaid Regular Premium amount} \times \text{Number of missed months}$$

in which "Number of missed months" refers to the number of Policy months that the Regular Premiums are not paid during the Premium Holiday.

Following the repayment of Regular Premium, the Power-up Bonus or Loyalty Bonus will be paid into the AUA of the Policy from the next due date of the Power-up Bonus or Loyalty Bonus. The total aggregate Premium Holiday Period will be reset.

## 6. POLICY FEES AND CHARGES

6.1. FEES AND CHARGES	
<b>ACCOUNT MAINTENANCE FEE (“AMF”)</b>	<p>The AMF is payable from the IUA during the MIP.</p> <p>The AMF is calculated as below:  <b>Monthly AMF = (AMF Rate per annum / 12) x the Account Value of the IUA as of the due date for the AMF</b></p> <p>AMF Rate per annum: 3.4% of IUA Value            These rates are guaranteed throughout the MIP.</p> <p>No AMF is payable after the end of the MIP.</p>
<b>INVESTMENT MANAGEMENT FEE (“IMF”)</b>	<p>The IMF is payable during the Policy term and as long as the Policy is in force.</p> <p>The IMF is calculated as below:  <b>Monthly IMF = (IMF Rate per annum / 12) x the Account Value of the AUA as of the due date for the IMF</b></p> <p>IMF Rate per annum: 1.0% of AUA Value            The IMF rate is guaranteed throughout the Policy term.</p>
<b>EARLY ENCASHMENT CHARGE (“EEC”)</b>	<p>At any time during the MIP, an EEC will be imposed on the IUA upon any of the following events:</p> <ul style="list-style-type: none"> <li>i) Surrender of the Policy,</li> <li>ii) Termination of the Policy (other than Death or Terminal Illness of the Life Assured),</li> <li>iii) Regular Premiums due remain unpaid after the Grace Period during the ICP; or</li> <li>iv) Premium Holiday Period is exceeded and Regular Premiums due remain unpaid after the Grace Period.</li> </ul> <p>The EEC is calculated as below:  <b>EEC = applicable EEC rate x the Account Value of the IUA at the point the EEC is imposed</b></p> <p>The EEC will be deducted in calculating the Surrender Value of this Policy.</p> <p>Refer to Appendix A for the EEC rate table.</p> <p>The EEC rates are guaranteed throughout the Policy term.</p>

<p><b>PARTIAL WITHDRAWAL CHARGE (“PWC”)</b></p>	<p>PWC is imposed upon each Partial Withdrawal made during the MIP of the Policy. The PWC will be deducted before the Partial Withdrawal amount is payable to the You.</p> <p>The PWC is calculated as below:  <b><i>PWC = PWC rate x the Partial Withdrawal amount made</i></b></p> <p>No PWC applies if the Partial Withdrawal is made after the end of the MIP.</p> <p>PWC rate is as below:</p> <table border="1" data-bbox="544 584 1370 978"> <thead> <tr> <th rowspan="2">Partial Withdrawal made in the Policy Year</th> <th colspan="2">PWC Rate</th> </tr> <tr> <th>IUA</th> <th>AUA</th> </tr> </thead> <tbody> <tr> <td>During ICP</td> <td>Not Applicable Partial withdrawal is not allowed</td> <td>7%</td> </tr> <tr> <td>After ICP to end of MIP</td> <td>Not Applicable Partial withdrawal is not allowed</td> <td>7%</td> </tr> <tr> <td>After end of MIP</td> <td>No PWC</td> <td>No PWC</td> </tr> </tbody> </table> <p>The PWC is not guaranteed, and We reserve the right to vary this charge set out in this Policy and the manner in which the charges may be imposed by Us, and We will notify You in writing of any such variation with at least one (1) month prior notice.</p>	Partial Withdrawal made in the Policy Year	PWC Rate		IUA	AUA	During ICP	Not Applicable Partial withdrawal is not allowed	7%	After ICP to end of MIP	Not Applicable Partial withdrawal is not allowed	7%	After end of MIP	No PWC	No PWC
Partial Withdrawal made in the Policy Year	PWC Rate														
	IUA	AUA													
During ICP	Not Applicable Partial withdrawal is not allowed	7%													
After ICP to end of MIP	Not Applicable Partial withdrawal is not allowed	7%													
After end of MIP	No PWC	No PWC													
<p><b>BONUS RECOVERY CHARGE (“BRC”)</b></p>	<p>BRC is imposed upon each Regular Premium reduction during the MIP.</p> <p>BRC will be deducted from the IUA when the reduced Regular Premium takes effect</p> $BRC (\$) = \frac{\text{Premium reduction amount} (\$)}{\text{Total \% of Start-up Bonus received}} \times \left(1 - \frac{\text{Number of months passed since Policy inception}}{\text{Committed MIP (months)}}\right)$ <p>in which</p> <ul style="list-style-type: none"> <li>• “Committed MIP” is the MIP selected and committed by Policyholder at the Commencement Date, and</li> <li>• “Number of months passed since Policy inception” is the period that Regular Premium has been paid.</li> </ul> <p>The BRC is not guaranteed, and We reserve the right to vary this charge set out in this Policy and the manner in which the charges may be imposed by Us, and We will notify You in writing of any such variation with at least one (1) month prior notice.</p>														
<p><b>SWITCHING FEE</b></p>	<p>The Switching Fee is currently waived by the Company. We reserve the right to impose a Switching Fee as determined by Us from time to time.</p>														
<p><b>REDEMPTION FEE</b></p>	<p>The Redemption Fee is currently waived by the Company. We reserve the right to impose a Redemption Fee as determined by Us from time to time.</p>														

<b>FUND MANAGEMENT CHARGES</b>	The Fund Management Charges for the underlying funds will vary from one underlying fund to another. The Fund Management Charges are not guaranteed, and are determined by the fund Manager of each underlying fund and are set out in the offering documents of the underlying funds which are made available by the Company. Fund Management Charges are payable from the assets of the ILP Sub-Funds.
<b>OTHER CHARGES ON UNDERLYING FUNDS</b>	The underlying funds are subject to the fees, charges and expenses levied by the investment Managers and other service providers of the underlying funds as set out in the offering documents for the underlying funds and will vary from one underlying fund to another. These charges are payable from the assets of the ILP Sub-Funds. Copies of the offering documents for the underlying funds are made available by the Company.

## 7. WITHDRAWAL

### 7.1. MINIMUM ACCOUNT BALANCE

The Minimum Account Balance is only applicable when there are withdrawals performed. Should the Account Value drop below the Minimum Account Balance due to market movement, there will be no trigger to the Policy for Termination.

	<b>Minimum Account Balance</b>
<b>During ICP</b>	Not applicable as withdrawals are not allowed.
<b>After ICP to end of MIP</b>	The Minimum Account Balance is the IUA Value. Withdrawal from IUA during MIP is not allowed.
<b>After end of MIP</b>	The Minimum Account Balance is S\$3,600 / US\$2,520.

### 7.2. PARTIAL WITHDRAWAL

Whilst this Policy is in force, You may apply to withdraw part of Your Account Value from the Account by specifying the amount to be withdrawn or the number of Units and the Investment Options to be cancelled in the form specified by Us, subject to the following terms and conditions:

	<b>Partial Withdrawal</b>
<b>During ICP</b>	<ul style="list-style-type: none"> <li>• Partial Withdrawal from the AUA is allowed</li> <li>• Minimum Partial Withdrawal amount of S\$1,000 / US\$700 per Partial Withdrawal</li> <li>• PWC applies on the amount withdrawn</li> </ul>
<b>After ICP to end of MIP</b>	<ul style="list-style-type: none"> <li>• Partial Withdrawal from the AUA is allowed, subjected to Free Partial Withdrawal Benefit set out</li> <li>• Minimum Partial Withdrawal amount of S\$1,000 / US\$700 per Partial Withdrawal</li> <li>• PWC applies on the amount withdrawn</li> <li>• Upon Partial Withdrawal, No Power-up Bonus and/Loyalty Bonus will be given to the Policy in the next subsequent twelve (12) Policy months.</li> </ul>
<b>After end of MIP</b>	<ul style="list-style-type: none"> <li>• Partial Withdrawal from either the AUA or IUA is allowed.</li> <li>• Minimum Partial Withdrawal amount of S\$1,000 / US\$700 per Partial Withdrawal</li> <li>• PWC does not apply on the amount withdrawn</li> <li>• Upon Partial Withdrawal, no Loyalty Bonus will be given to the Policy in the next subsequent twelve (12) Policy months.</li> <li>• The remaining Total Account Value of the Policy after the withdrawal shall not be less than the Minimum Account Balance.</li> </ul>

### 7.3. REGULAR WITHDRAWAL

After the MIP, as long as Your Policy is in force, You may apply to make Regular Withdrawals.

If You do not indicate the Account from which the Regular Withdrawal amount should be deducted, the requested withdrawal amount will be deducted from the AUA first. If the Account Value of the AUA is not sufficient to deduct the Regular Withdrawal Amount, the remaining Regular Withdrawal Amount will be deducted from the IUA.

You may select to make Regular Withdrawals on an annual, semi-annual, quarterly or monthly basis as long as it fulfils the minimum Regular Withdrawal amount as follows:

<b>Regular Withdrawal Frequency</b>	<b>Minimum Regular Withdrawal Amount</b>	
	<b>S\$</b>	<b>US\$</b>
<b>Annual</b>	1,200	840
<b>Semi-annual</b>	600	420
<b>Quarterly</b>	300	210
<b>Monthly</b>	100	Not allowed

Regular Withdrawal can be made as long as the remaining Total Account Value of the Policy after the withdrawal is not less than the Minimum Account Balance. If the Total Account Value falls below the Minimum Account Balance as a result of a Regular Withdrawal, We will notify You of the unsuccessful withdrawal. If such withdrawal is still required, You have to submit a request for Surrender, and Surrender Value (if any) will be payable.

Each Regular Withdrawal under this facility will be processed by the Company on the Regular Withdrawal Day. The number of Units to be deducted from the Policy for each withdrawal will be determined by reference to the redemption price of the Units prevailing as at the Regular Withdrawal Day. The Regular Withdrawal Day depends on the frequency of withdrawal (monthly, quarterly, semi-annual or annual) specified in the request form required by Us, as well as the Commencement Date of this Policy. For example, the Commencement Date is 28<sup>th</sup> February 2019 and the request is to withdraw on a monthly basis, in this case, the withdrawal will be made on 28<sup>th</sup> of each month.

Where the Policyholder holds Units in more than one (1) Investment Option, redemption of the Units for purpose of Regular Withdrawal will be in proportion to the current allocation into each Investment Option (based on the net asset value of the Investment Options on the Regular Withdrawal Day).

Your Application for withdrawal must be in a form specified by Us to be sent to the Company's office. The amount withdrawn is the aggregate of such number of outstanding Units of the Investment Options to be cancelled multiplied by their respective Unit Prices on the Dealing Days on which the Units are cancelled. Fees and charges imposed by the Company in respect of the relevant Investment Option on such cancellation (if any) will be deducted from the proceeds of the relevant cancellation. The Units will be cancelled on the Dealing Days of the relevant Investment Options as soon as practicable following the date on which Our approval of Your Application.

Regular Withdrawal will cease:

- (a) on the first Dealing Day after the request for withdrawal is received, if processing that request will reduce the value of the Account Value of the IUA to an amount below the Minimum Account Balance;
- (b) upon written request by the Policyholder; or
- (c) upon Termination of the Policy.

We reserve the right to suspend or terminate this Regular Withdrawal facility at any time and shall under no circumstances be responsible for any losses whatsoever due to Our decision to suspend or terminate this facility. We will notify thirty (30) days before the Termination of this facility.

## **8. INVESTMENTS**

### **8.1. INVESTMENT OPTION**

The allocation, crediting, cancellation, switching or other dealings of Units as described in this Policy are solely for the purpose of this Policy, including without limitation for determining its Account Value. For the avoidance of doubt, the Company shall have the right to use the Regular Premiums received to invest in the relevant underlying funds or to make such other investments as the Company may consider appropriate, provided that the Account Value of this Policy shall be determined based on the Unit Price of the relevant Units standing to the credit of this Policy.

You may choose up to the maximum number of ten (10) ILP Sub-Funds for this Policy. The minimum allocation of investment per ILP Sub-Fund is one percent (1%) and the total allocation of investment for Your Policy is one hundred percent (100%).

You have no legal or beneficial interest in any monies held by Us before the same is used for allocating Units to this Policy, any monies held by Us following the cancellation of Units, or any Units in the underlying funds of or any assets underlying the ILP Sub-Funds. You do not control or have any right to control Our investment Policy or the investment Policy of any Investment Option. The allocation of Units in the ILP Sub-Funds to this Policy is solely for the purpose of this Policy, including without limitation for determining its Account Value.

#### **8.1.1.ADDITION OF ILP SUB-FUNDS**

We may determine that one (1) or more additional ILP Sub-Funds be made available for this Policy. All provisions of this Policy will apply to the additional ILP Sub-Funds unless stated otherwise.

#### **8.1.2.DELETION OF ILP SUB-FUNDS**

We have the right at any time to determine that an ILP Sub-fund will cease, whether temporarily or otherwise, to be made available for further investment (the "Terminating ILP Sub-fund").

We will give You one (1) month's prior written notice before terminating the ILP Sub-fund. We will cease to allow the relevant holders from making allocation or cancellation of Units in the Terminating ILP Sub-Fund after expiry of this notice period.

If You have Units of the Terminating ILP Sub-Fund standing to the credit of this Policy and the Terminating ILP Sub-Fund has ceased to be made available to You, Units in the Terminating ILP Sub-Fund standing to the credit of this Policy will be cancelled, and redeemed on the last Dealing Day of the notice period.

Proceeds from such redemption will be used to purchase Units in alternative ILP Sub-Funds, as follows:

- a) We will ask You to instruct Us in writing by a specified date, on Your choice of an alternative ILP Sub-Fund(s). We will purchase Units in the alternative ILP Sub-Fund(s) for allocation to this Policy as advised in Our notice;
- b) If We do not receive any instructions from You by the specified date, We will select one (1) or more alternative ILP Sub-Fund(s) on Your behalf as may seem to Us appropriate; and
- c) We will ask You to instruct Us in writing by a specified date on the future allocation of Premium which would have been allocated to the Terminating ILP Sub-Fund.

If You instruct Us to re-direct future Premium to an alternative ILP Sub-Fund(s), We will act according to Your instructions. Otherwise, We will change the Premium allocation between the ILP Sub-Funds on Your behalf as may seem most appropriate to Us.

### 8.1.3. MERGER AND SUB-DIVISION

We have the discretion to merge or sub-divide any ILP Sub-Fund(s) or any class(es) of Units upon giving You a written notice of one (1) month.

### 8.1.4. SWITCHING

Unless otherwise provided by the company, You may switch all or any of the Units in one (1) fund (the “Original ILP Sub-Fund”) to Units of another Fund (the “Other ILP Sub-Fund”) offered under the Policy by giving written instructions in the form provided by the Company.

You may choose up to the maximum number of ten (10) ILP Sub-Funds for this Policy. The minimum allocation of investment per ILP Sub-Funds is one percent (1%) and the total allocation of investment for this Policy is one hundred percent (100%).

Units of the Original ILP Sub-Fund to be switched shall be cancelled on the Dealing Day on which the notice has been processed by Us.

Units of the Other ILP Sub-Fund will be purchased with proceeds derived from the cancellation of the Units of the Original ILP Sub-Fund on the Dealing Day (of the Other Fund) which is subject to the respective underlying fund Manager’s pricing policy, following the cancellation of Units in the Original ILP Sub-Fund. Units in the Other ILP Sub-Fund will be issued based on the following formula (or such other formula as We may determine):

$$A = \frac{(B \times RP) - SF}{IP}$$

where:

- A = the number of Units of the Other ILP Sub-Fund to be issued  
B = the aggregate number of Units of the Original ILP Sub-Fund to be switched  
RP = the redemption price per Unit of the Original ILP Sub-Fund on the Valuation Day on which the switch is to take effect  
SF = the applicable switching fee (if any)  
IP = the issue price per Unit of the Other ILP Sub-Fund on the Valuation Day on which conversion is to take effect

if the number of Units of the Other Fund so produced by the above formula shall include any fraction of a Unit of the Other Fund, such fraction shall be rounded off to the nearest 4 decimal places.

Whilst this Policy is in force, You may apply to switch Units of any ILP Sub-Fund allocated to this Policy to another ILP Sub-Fund(s) subject to the following conditions:

- a) We must receive a valid written Application in the form specified by Us;
- b) The maximum number of ILP Sub-Funds before or after a switch per Policy is 10;
- c) The minimum value of Units for each switch is \$1,000 or 100% of the value of the Units in the Original ILP Sub-Fund, whichever is lower; and
- d) No switching of Units from the IUA to the AUA or vice versa. Switching is only allowed within the same Account only.

Units of the ILP Sub-Fund to be switched from are cancelled on a Dealing Day of the ILP Sub-Fund as soon as practicable following the date of Our approval of Your Application.

Units of the ILP Sub-Fund to be switched to are allocated to this Policy, with the proceeds from the

cancellation of Units of the ILP Sub-Fund switched from (net of any Switching Fee, if any) on a Dealing Day of the new ILP Sub-Fund determined by the Company as soon as practicable following the date of the cancellation of Units of the ILP Sub-Fund switched from.

The ILP Sub-Fund switching will also be subject to any other administrative rules determined by the Company from time to time.

The Company will process the fund switch requested only if the fund switch request (if any) is completed and approved by the Company.

#### **8.1.5. CHANGE OF ALLOCATION INSTRUCTION**

You must provide the Investment Option Allocation Instruction to Us at the time of Application for this Policy.

The Investment Option Allocation Instruction is subject to a minimum allocation percentage in an ILP Sub-Fund and a maximum number of ILP Sub-Funds for allocation as determined by the Company from time to time.

As long as this Policy is in force, You may apply to change Your Investment Option Allocation Instruction. Your Application for change of Investment Option Allocation Instruction must be in the form specified by Us. Such change will be effective on the date immediately following the date of Our approval of Your Application.

### **8.2. INVESTMENT INCOME AND EXPENSES**

All income, gains and losses, whether realised or unrealised, from the underlying fund(s) of or any underlying investments of an ILP Sub-Fund will accrue to the Company. The costs and expenses incurred in respect of acquisition, holding and realisation of investments underlying an ILP Sub-Fund, all outgoings relating to the ILP Sub-Fund (including without limitation costs of establishment, management, administration and valuation, loan interests and other costs of borrowing), all levies imposed by law or regulatory bodies and any gross amount notionally incurred in respect of taxation, either directly or indirectly, as a result of dealing in assets underlying the ILP Sub-Fund and other transactions of the ILP Sub-Fund and all other costs and expenses relating to the operation of the ILP Sub-Fund shall be borne by the Company.

### **8.3. SUSPENSION OF DEALINGS AND LIMITATION**

We or the relevant Manager may at any time in relation to any ILP Sub-Fund suspend the valuation and the issue and redemption of the Units in their discretion under, but not limited to, the following circumstances:

- (a) during which any stock exchange, commodities exchange, futures exchange or over the counter market on which a significant part of the relevant ILP Sub-Fund's or underlying fund's investments is quoted, listed, traded or dealt in is closed (other than customary weekend and holiday closing) or trading on any such stock exchange or market is restricted or suspended; or where applicable, any period when dealings in any underlying funds of the ILP Sub-Fund are restricted or suspended; or
- (b) when circumstances exist as a result of which in the opinion of the Manager it is not reasonably practicable for the relevant ILP Sub-Fund to dispose of investments or as a result of which any such disposal would be materially prejudicial to the Policyholders; or

- (c) when a breakdown occurs in any of the means normally employed in ascertaining the value of investments or the net asset value or the issue and redemption price per Unit of the relevant ILP Sub-Fund or when for any other reason the value of the relevant ILP Sub-Fund's investments or other assets of that ILP Sub-Fund cannot be reasonably or fairly ascertained; or
- (d) during which the relevant ILP Sub-Fund is unable to repatriate funds for the purpose of making payments on the redemption of Units or during which any transfer of funds involved in the redemption or acquisition of investments or payments due on redemption of Units cannot in the opinion of the Managers be effected at normal rates of exchange.

We and the relevant Manager may at any time in relation to any ILP Sub-Fund suspend the valuation, issue and redemptions of Units during, and/or extend the period for the payment of the redemption monies by the number of days comprised in the above circumstances (in whole or in part) and otherwise, for a period not exceeding six (6) months.

All Policyholders will be notified, as soon as reasonably practicable, of any such suspension, and the Termination of such suspension, by means of a written notice.

The Company may also at its absolute discretion limit the number of Units of an Investment Option cancelled on any Dealing Day (whether for this Policy or otherwise) to 10% (or such other percentage as We may determine) of the aggregate number of outstanding Units of the Investment Option on such Dealing Day (disregarding any Units which are to be allocated on such Dealing Day). In such case, the limitation will apply pro rata so that owners of policies to which Units have been allocated who wish to have their Units cancelled on that Dealing Day will have the same proportion of such Units cancelled. Units not cancelled will be carried forward for cancellation subject to the same limitation on the next Dealing Day.

## **9. SUBSCRIPTION, ALLOCATION AND REDEMPTION OF UNITS**

### **9.1. SUBSCRIPTION**

Policyholders have to complete and sign the relevant proposal form with the choice of their Investment Options, together with such other documents as may be required and the subscription monies in full in the manner stipulated by Our Financial Planners.

Payment of the Premiums shall be by way of cash (if Policy Currency is in SGD), cheque, and telegraphic transfer or through interbank GIRO (GIRO deduction is in SGD regardless of the chosen Policy Currency). We do not bear the loss resulting from any currency conversion or the cost of charges incurred on any transactions pertaining to currency conversions. All amounts payable to and due from the Company will be calculated and made in the Policy Currency, unless otherwise stated and subject to acceptance and approval by the Company.

### **9.2. ALLOCATION**

As Units are issued on a forward pricing basis, the issue price of Units will not be ascertainable at the time of Application.

Subject to:

- (i) Our approval of the Application; and
- (ii) Premium payment in full, accepted and received by Us before 2.30pm Singapore time on a Dealing Day,

The Policyholder will be issued Units in relation to his Regular Premium, RSP or Top-up Premium (as

the case may be) at the Unit Price prevailing as at the first Dealing Day after approval and acceptance of (i) and (ii), and subject to the respective underlying fund manager’s pricing policy. Any payment which is received or which has been cleared before approval of the relevant Application shall be deemed to be received on the first Dealing Day after approval of that Application.

Applications and Premium payment in full accepted by Us after 2.30 p.m. Singapore time on a Dealing Day or on a day which is not a Dealing Day, will be taken to have been received on the next Dealing Day. Policyholder will receive the following Dealing Day’s price and subject to the respective underlying fund Manager’s pricing policy. We and Our authorised Financial Planners reserve the right to bring forward the cut-off time in respect of any Dealing Day.

The pricing is done on a single pricing basis and the issue price per Unit on each Dealing Day shall be based on the net asset value (plus or minus duties or charges) calculated by the relevant Manager as at each Valuation Date in respect of the relevant ILP Sub-Fund invested into.

There is no minimum ILP Sub-Fund size for the continued operation of the ILP Sub-Funds.

We reserve the right to impose a limit on the value of investments made in any particular ILP Sub-Funds or suspend further investments in any sub-funds if the fund Manager has stopped taking on new subscriptions.

The ILP Sub-Funds shall be valued on every Dealing Day and subject to the respective underlying fund Manager’s pricing policy. Prices of Our ILP Sub-Funds can be found on Our website at [www.hsbclife.com.sg](http://www.hsbclife.com.sg). Policyholders and prospective Policyholders may contact Us or Our authorised Financial Planners for details on the valuation of the ILP Sub-Funds.

### 9.3. CALCULATION OF NUMBER OF UNITS ALLOCATED

The following example illustrates the number of Units in an ILP Sub-Fund that a Policyholder will receive:

Investment details	Fees and Charges
Initial regular premium: \$1,000	-
Notional issue price: \$1.00**	-

Initial number of Units = Initial single premium ÷ Issue price  
 = \$1,000 ÷ \$1.00  
 = 1,000 Units

Number of Units allocated at Policy Commencement Date  
 = Initial number of Units  
 = 1,000

\*\*The actual issue price of Units will fluctuate according to the net asset value of the Units

The above example is for illustrative purposes only. Please note that bonuses (where applicable) have not been factored into these examples.

#### **9.4. REDEMPTION**

Policyholders may redeem their Units on a Dealing Day at the Unit Price by submitting to Us, a written redemption request in such form and together with such other documents as may be required by them.

A redemption request will not be treated as valid unless it is in respect of Units for which the issue price has been fully paid by the Policyholder. We may refuse any redemption requests if all relevant documentation has not been submitted, or under any other circumstances notified to the Policyholders.

As Units are priced on a forward pricing basis, the redemption price of Units will not be ascertainable at the time of the submission of the redemption request. If the Policyholder's redemption request is received by Us before 2.30 p.m. on a Dealing Day, the redemption request will be taken to have been received on that Dealing Day and the Policyholder will receive that next Dealing Day's redemption price and subject to the respective underlying fund manager's pricing policy. If the redemption request is received after 2.30 p.m. on a Dealing Day or on a day which is not a Dealing Day, the redemption request will be taken to have been received on the next Dealing Day and the Policyholder will receive the following Dealing Day's redemption price and subject to the respective underlying fund manager's pricing policy. We and Our authorised Financial Planners reserve the right to bring forward the cut-off time in respect of any Dealing Day.

The pricing is done on a single pricing basis and the redemption price per Unit on each Dealing Day shall be based on the net asset value (plus or minus duties or charges) calculated by the relevant fund Manager as at each Valuation Date in respect of that ILP Sub-Fund.

Whilst it is not Our intention to do so, there may be circumstances when We or the fund Manager for the ILP Sub-Fund may be required to purchase Unit(s) acquired by Policyholders. We will notify Policyholders at least one (1) month before such an occurrence, or as soon as practicable if We are unable to determine when such circumstances may occur. We will also advise Policyholders the method of determining the price at which affected Unit(s) will be purchased at such relevant time.

#### **9.5. SETTLEMENT FOR REDEMPTION**

- (a) Redemption proceeds for the Units will be paid to Policyholders within four (4) Business Days for bond and money market ILP Sub-Funds And within six (6) Business Days for all other types of ILP Sub-Funds (or such other period as the relevant authorities may require or allow from time to time) from the date of the next pricing of the ILP Sub-Fund immediately following the receipt by Us of the redemption request with all the requisite documents and information unless the redemption amount falls below the minimum withdrawal amount set out in Partial Withdrawal clause above or valuation or redemption of the Units has been suspended by Us and/or the relevant Manager pursuant to Calculation Of Number Of Units Allocated clause above.
- (b) The redemption proceeds payable to the Policyholder in respect of the redeemed Units will be paid by cheque sent through the post to the Policyholder's address (in the case of an individual) or registered address (in the case of a corporate entity).
- (c) The following example illustrates the amount of redemption proceeds the Policyholder will receive based on a redemption of 1,000 Units, a notional redemption price of \$1.00 per Unit and a Partial Withdrawal Charge of 7% (please refer to section 6.1 on details for Partial Withdrawal Charge):

Investment details	Fees and Charges
Number of units to be redeemed: 1,000	Partial Withdrawal Charge: 7%
Notional redemption price: \$1.00**	-

Gross redemption proceeds = Number of units to be redeemed × redemption price  
= 1,000 × \$1.00  
= \$1,000

Net redemption proceeds paid out to Policyholder  
= Gross redemption proceeds – Partial Withdrawal Charge  
= \$1,000 – \$70  
= \$930

\*\*The actual issue price of Units will fluctuate according to the net asset value of the Units.

The above example is for illustrative purposes only.

## 10. SOFT DOLLAR COMMISSIONS OR ARRANGEMENT

We do not receive any soft dollar commissions in respect of the underlying fund(s).

## 11. CONFLICTS OF INTEREST

We do not have any conflict of interest which may exist or arise in relation to the underlying fund(s) and its management.

## 12. REPORTS

Policyholders can also find out more on each of the ILP Sub-Fund in the semi-annual and annual fund reports\*. The semi-annual reports and annual fund reports\* of each of the ILP Sub-Fund, will be made available to Policyholders within 2 months and 3 months respectively from the last date of the period to which the reports relate. The financial year-end of the ILP Sub-Funds is 31 December.

These reports are available on our website at [www.hsbclife.com.sg](http://www.hsbclife.com.sg). We will, at the Policyholder's request, provide printed versions of the latest semi-annual reports and annual reports\*.

(\*Unless applicable regulations or guidelines provide otherwise, annual reports in respect of the ILP Sub-Funds will be audited annual reports.)

## 13. OTHER MATERIAL INFORMATION

### 13.1. Tax Considerations

Prospective Policyholders should consult their own professional Financial Planners as to the implications of buying, holding or disposing of Units and to the provisions of the laws of the jurisdiction in which they are subject to tax.

### **13.2. ILP Sub-Fund Valuation**

The ILP Sub-Funds shall be valued on every Dealing Day and subject to the respective underlying fund manager's pricing policy. Policyholders and prospective Policyholders may contact Us or Our authorised Financial Planners for details on the valuation of the ILP Sub-Funds.

### **14. POLICY MATURITY**

If not previously terminated under the provisions of this Policy, this Policy will mature and terminate on the Policy Anniversary occurring on or after the Life Assured reaches Age 99 nearest birthday (the "Maturity Date").

The Maturity Benefit will be 100% of the Total Account Value based on the Unit Prices as at the Dealing Day on or immediately following the Maturity Date, less any Indebtedness. Subject to existing laws and regulations, the Maturity Benefit will be paid in such manner as We may determine.

### **15. SURRENDER OF THE POLICY**

At any time after Commencement Date, You may Surrender this Policy to Us in exchange for the Surrender Value of Your valid written Application in the form specified by Us and subject to the receipt by the Company.

For the purpose of determining the Surrender Value, the Account Value is calculated by reference to the respective Unit Prices of the relevant Investment Options on the Dealing Days on which outstanding Units allocated to this Policy are cancelled from this Policy. Any outstanding Policy Charges and, in the case of Surrender of this Policy (other than on the death or Terminal Illness of the Life Assured) during the MIP, the EEC will be deducted from such Account Value.

The Units will be cancelled on the Dealing Days of the relevant Investment Options as soon as practicable following the date on which Our approval of the Surrender is accepted and approved by Us. Fees or charges imposed by the Company in respect of the Investment Options on the cancellation of Units (if any) will be deducted from the Surrender Value.

Subject to the Suspension of Dealings and Limitation provision and the frequency of the Dealing Day of the ILP Sub-Fund, the Surrender Value will normally be payable not more than thirty (30) days after the receipt of Your valid written Application and this Policy contract by Us.

No interest will be paid for the period between the date the Units are cancelled and the date of payment of the Surrender Value.

### **16. LAPSATION OF POLICY**

This Policy will lapse if:

- (i) During the ICP, the Regular Premium remains outstanding after the Grace Period; or
- (ii) After the ICP until the end of the MIP, the Total Account Value is insufficient to cover the relevant Policy Charges after the Grace Period; or
- (iii) The Premium Holiday Period is exceeded and the Regular Premium remains outstanding after the Grace Period.

The Policy Total Account Value (if any), less EEC (if applicable) and Indebtedness (if any) will be payable.

Policyholder will be notified that the Policy has lapsed. Should a claim arise during the Lapsation period, no Benefits will be payable.

## 17. TERMINATION OF POLICY

This Policy will terminate immediately upon the occurrence of any of the following, whichever is the earliest, and Policyholder will be notified:

- (a) On the Maturity Date of this Policy;
- (b) Upon the full payment of the Death Benefit;
- (c) Upon the full advancement of the Death Benefit as a result of a Terminal Illness Benefit payment;
- (d) Upon Surrender of the Policy by the Policyholder;
- (e) The remaining Account Value falls below the Minimum Account Balance **as a result of a withdrawal**;
- (f) At any point in time during the Policy term, the Total Account Value is insufficient to cover the relevant Policy Charges
- (g) Two (2) years after the date of Lapsation if the Policy is not reinstated;
- (h) Premium Holiday taken during the first 4/5 years depending on selected MIP;
- (i) Exceeding the allowed total aggregate of 84 months Premium Holiday during MIP;
- (j) On the occasion of any other reason which may result in the termination of the Policy as set out in the Policy contract.

We may terminate this Policy at any time if in Our opinion Your ownership of this Policy is likely to impose any regulatory or tax obligation on Us that We would not otherwise be subject to. On Termination, Policyholder will be entitled to receive the Surrender Value of this Policy (if any) or, if applicable, the Death Benefit will be paid. Once terminated, this Policy is no longer in force and Our obligations to You shall cease immediately.

## 18. REINSTATEMENT OF POLICY

The Policyholder may apply to reinstate this Policy if this Policy is no longer in force because it is lapsed according to the Lapsation provision.

Requirements to Reinstatement include, but not limited to, the following:

- 1) The Policyholder must apply for Reinstatement within two (2) years from the date of Lapsation of this Policy; and
- 2) The Policyholder pays the Company:
  - a) the Surrender Value amount that is previously paid to the Policyholder upon Lapsation of the Policy,
  - b) the Regular Premium amount(s) that have been missed during the Lapsation of the Policy,
  - c) the next Regular Premium due,
  - d) any amount the Policyholder may owe the Company and/or any amount to cover the costs associated with the Reinstatement (if any) as determined by the Company in its absolute discretion from time to time; and
- 3) The amount payable will follow the Policy Currency; and
- 4) The Life Assured must be less than Age 80.

For the purpose of calculating the reinstated Total Account Value, We will add the EEC (if any) due to the Lapsation of the Policy, before deducting the missed Policy Charges (including AMF and IMF as applicable) during the period the Policy is lapsed.

The Units to be allocated to the respective Account will be calculated based on the prevailing Unit Price on the Dealing Day(s) of the relevant Investment Option(s) as soon as practicable following the date of Our approval of such Reinstatement.

Reinstatement is subject to Our approval and may be on different terms from those applicable before Lapsation. We reserve the right not to reinstate the Policy if the Total Account Value at the point of Reinstatement falls below the Minimum Account Balance.

You are not allowed to reinstate Your Policy if You have surrendered for the Surrender Value.

## **19. SUICIDE CLAIM**

If the Life Assured dies by suicide within one (1) year from the Date of Issue or the most recent date of Reinstatement of this Policy, the amount payable will be limited to (i) the total Premium paid or (ii) the aggregate of total Policy Charges paid (including those Policy Charges attributable to the Start-Up Bonus paid) and such proportion of the Account Value as attributable to the total Premium paid, whichever is lower.

For the avoidance of doubt, any part of the Account Value attributable to the Start-up Bonus will not be paid and the proceeds from the Death Benefit will be payable without interest.

Your Policy will terminate upon payment of the above amount.

## **20. FREE-LOOK PERIOD**

We will give You a period of fourteen (14) days from the date You receive this Policy (“Free-Look Period”) to review it. If Your Policy is delivered by post or email, it is considered to have been received by You seven (7) days from the date of posting or the date the email is sent. If You decide to cancel this Policy, You must write to Us and return the Policy documents within the Free-Look Period. We will refund the Premium paid less any medical fees and other expenses such as payments for medical check-ups and medical reports incurred in processing Your Application.

- a) If a Regular Premium has been paid and You choose to cancel this Policy within the Free-Look Period, We will refund the amount up to the Regular Premium You have paid for this Policy and without interest:
  - (i) the Policy Value accrued to this Policy on the next Dealing Day after the Dealing Day on which We receive the request for cancellation of this Policy from You, including the administration fee, Insurance Charge (if applicable), and any other unallocated portion of the Premium excluding the bonus Units (if any) allocated for large sums invested;
  - (ii) less any medical expenses incurred by Us in processing Your Application after adding back the premium charge.
  
- b) If a Top-Up Premium has been paid and You choose to cancel this Policy within the Free Look Period, We will treat this as an Application for Surrender of Units for the Top-Up Premium. We will refund the Policy Value accrued to this Policy calculated by deducting:
  - (i) the bonus Units (if any) allocated for large sums invested; and
  - (ii) any medical expenses incurred by Us in processing Your Application after adding back the premium charge.

## 21. POLICY CURRENCY

All amounts payable to and due from the Company will be calculated and made in the Policy Currency, subject to Our right to do any or all of the following:

- (1) not to pay in the Policy Currency when making payment to any particular country or jurisdiction and to substitute payment in another currency where in Our sole discretion We consider such payment in that other currency to be in the interests of the owner or payee of the money;
- (2) suspend payments in any currency when We consider that currency to be volatile or if exchange control has been imposed, making payment in that currency impractical;
- (3) decide on the substitute currency to adopt when We exercise Our rights under paragraphs (1) and (2) above;
- (4) accept payment of any Premium or repayment of amounts on any Reinstatement of this Policy in a currency other than the Policy Currency;
- (5) at the request of the persons entitled to receive the same, make payment of any amounts payable under this Policy in a currency other than the Policy Currency; and for such purposes We may apply such rates of conversion between currencies as We deem appropriate in the circumstances.

The Policy Currency cannot be changed after this Policy is issued.

## 22. OTHER IMPORTANT NOTES

- In order to provide the Benefits, We may review and supplement or amend certain clauses of Your Policy. These include amendments to:
  - (i) Policy related fees and charges;
  - (ii) the ILP sub-fund(s) and its charges;
  - (iii) fund switches and its charges;
  - (iv) cut-off time in respect of any Dealing Day;
  - (v) the limits for withdrawal amount, holding amount and payout amount;
  - (vi) termination of withdrawal facility or options; and
  - (vii) the minimum amount for Regular Premium and Recurring Single Premium, where applicable.

We may make changes to the Policy if it is reasonably necessary to:

- (i) give effect to:
  - a) applicable laws, rules, regulations; or
  - b) a change, recommendation, order, requirement, notice, direction, code, circular or guidance issued by any regulatory, supervisory, governmental, statutory authority, industry association, self-regulatory, or resolution body having jurisdiction over Us or a court of competent jurisdiction; or
- (ii) reflect changes to or alignment with:
  - a) the operational costs, business operations or practices, systems and processes;
  - b) the industry or prevailing market conditions or practices;
  - c) the ILP sub-fund(s); or
  - d) Our agreement or arrangement with third-party service providers (including but not limited to fund managers).

To the extent reasonably practicable, We will provide You at least 30 days' advance notice in writing before such change takes effect, unless otherwise stated.

If You do not agree with a change, You may, to the extent applicable:

- (i) withdraw the units;
  - (ii) switch ILP sub-fund(s);
  - (iii) terminate the Policy; or
  - (iv) change the coverage of Your Policy.
- This Policy is protected under the Policy Owners' Protection Scheme which is administered by the Singapore Deposit Insurance Corporation (SDIC). Coverage for Your Policy is automatic and no further action is required from You. For more information on the types of benefits that are covered under the scheme as well as the limits of coverage, where applicable, please contact Us or visit the LIA or SDIC websites ([www.lia.org.sg](http://www.lia.org.sg) or [www.sdic.org.sg](http://www.sdic.org.sg)).

**APPENDIX A: EEC RATES TABLE**

Policy Year	MIP	
	25	30
1	100%	100%
2	94%	99%
3	93%	98%
4	92%	97%
5	91%	96%
6	90%	95%
7	89%	94%
8	88%	93%
9	86%	92%
10	82%	91%
11	78%	90%
12	74%	89%
13	70%	75%
14	65%	68%
15	56%	58%
16	47%	48%
17	39%	40%
18	31%	32%
19	25%	26%
20	23%	24%
21	20%	22%
22	18%	20%
23	15%	19%
24	12%	18%
25	8%	17%
26	0%	16%
27	0%	15%
28	0%	13%
29	0%	10%
30	0%	8%
31	0%	0%