

Life Insurance

Lifelong Promise • Lifelong Partner



Graceful Life Deferred Annuity Plan



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

客戶服務熱線
399 95519 www.chinalife.com.hk

Annuity income pays until the age of 108 for a joyous retirement life!

If you wish to live a comfortable and worry-free life after retirement, even better than that you enjoyed when you were young, getting prepared in advance is crucial. In particular, you should arrange a regular monthly income for yourself, so that you don't have to worry about running out of reserves as you are getting older.

Graceful Life Deferred Annuity Plan (the "Plan") is an annuity plan which provides a monthly annuity income between the policy anniversary of the insured ages of 60 and 108, rest assured he/she can live a wonderful retirement life in his/her golden age.

The Plan is certified by the Insurance Authority as a qualifying deferred annuity plan. You can apply for tax deduction of qualifying deferred annuity premiums up to HKD60,000¹ per taxpayer each year.



Plan Features

Annuity payable every month until age 108

All you have to do is decide the amount of guaranteed monthly annuity income upon policy application, and also the premium payment term that fits your needs. And you don't need to worry, the premium will be the same during the payment term.

Regardless of the premium payment term, we will provide the annuitant (as the insured) with a guaranteed monthly annuity income at the beginning of each month from the policy anniversary when he/she is aged 60 until policy maturity when he/she reaches 108. The non-guaranteed monthly annuity income will also be payable every month for building a plentiful retirement reserve.

Flexible options to suit your needs

The monthly annuity income (both the guaranteed and non-guaranteed amounts) can be withdrawn immediately to pay daily expenses, or the annuitant (as the insured) can give us written notice and indicate that he/she would like to accumulate the amount received from the policy to earn the non-guaranteed interest, whatever suits the needs.

Tax deduction¹

The Plan is certified by the Insurance Authority as a qualifying deferred annuity policy. The maximum premium that can apply for tax deduction is up to HKD60,000 for an individual or HKD120,000 for a married couple provided that the husband and the wife are both taxpayers, and the deductions claimed by each taxpayer does not exceed the individual limit.

Simplified underwriting

Simplified underwriting is available, so enrolment is easy!

Maturity benefit

The policy matures when the insured reaches the age of 108. By that time, we will provide extra terminal dividend (if any) and the accumulated guaranteed and/or non-guaranteed monthly annuity income with interest (if any) in the policy will be returned in full, less any indebtedness (if any); the policy will be terminated thereafter.

Life protection for better peace of mind

In case the insured passes away, the beneficiary will receive the death benefits, and the amount is:

If the insured passes away before starting to receive the guaranteed monthly annuity income – the beneficiary will receive (i) 108% of the accumulated premium due and received, or (ii) the guaranteed cash value at the date of death of the insured, whichever is higher.

If the insured passes away on or after starting to receive the guaranteed monthly annuity income – the beneficiary will receive (i) 108% of the accumulated premium due and received after deducting the guaranteed monthly annuity income paid, or (ii) the guaranteed cash value at the date of death of the insured, whichever is higher.

Any accumulated guaranteed monthly annuity income with interest and accumulated non-guaranteed monthly annuity income with interest (in the case that the insured passes away on or after starting to receive the guaranteed monthly annuity income), terminal dividend and special dividend will be paid in full, less any indebtedness (if any).

The death benefit can be paid in a lump sum, or annually for 10 or 20 years, to the beneficiary according to the policyholder's instructions. The death benefit amount that has not been paid will be accumulated in the policy to earn interest until the end of the payment period. China Life (Overseas) will determine the interest rate from time to time and calculate the interest annually. The derived interest is paid together with the last instalment of the death benefit payment, and the policy will be terminated thereafter. In case the beneficiary passes away during the death benefit payment period, the unpaid death benefit amount and interest (if any) will be paid to the estate of the deceased beneficiary and the policy will be terminated thereafter.

If the death benefit amount on the date of death of the insured is less than HKD400,000, or the policyholder has not indicated the way of receiving the benefit, the beneficiary will receive a lump sum.

Provides terminal illness benefit

In case the insured is diagnosed as suffering from a terminal illness by a specialist and it is confirmed by a registered medical practitioner designated by us that the insured is expected to pass away within 12 months, the death benefit will be advanced in a lump sum as the terminal illness benefit, and the policy will be terminated thereafter.

Worldwide Emergency Assistance Service

If the insured is diagnosed with an illness or is injured in an accident outside Hong Kong, he or she will access comprehensive coverage under the free 24-hour Worldwide Emergency Assistance Service.

Remark :

¹HKD60,000 is the maximum tax deductions per taxpayer per year for qualifying annuity premiums and MPF tax deductible voluntary contributions. For details on tax deductions, please visit Inland Revenue Department (IRD) of HKSAR website and consult your tax and accounting advisors for tax advice.

Enrolment Terms

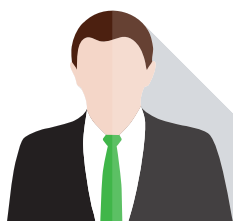
Issue age & premium payment term	Premium payment term			Issue age	
	5 years			Age 18 to 55	
	10 years			Age 18 to 50	
Benefit term	To age 108 of the insured				
Policy currency	HKD				
Premium payment mode	Annual, semi-annual, quarterly, monthly				
Minimum premium (HKD)	Premium payment perm	Annual	Semi-annual	Quarterly	Monthly
	5 years	36,000	18,360	9,360	3,132
	10 years	18,000	9,180	4,680	1,566
Surrender value of the policy at the end of the first policy year (both the guaranteed and non-guaranteed amounts) (HKD)	Depends on insured age, gender and premium payment mode, the range of surrender value of the policy at the end of the first policy year are as below:				
	Premium payment term	Range of surrender value of the Policy at the end of the first policy year (% of the first year premium)		This means that if the first year premium is HKD10,000, the surrender value at end of the first policy year is:	
	5 years 10 years	40% - 42% 15% - 17%		4,015 - 4,206 1,500 - 1,660	
Internal rate of return (IRR)	Depends on payment mode, the range of internal rate of return for a policy with an age 45 male Insured are as below:				
	Premium payment term	IRR			
		Guaranteed		Total (including non-guaranteed)	
	5 years 10 years	2.9% - 3.0% 2.8% - 2.9%		3.9% - 4.0% 4.0% - 4.1%	
	The figures of above IRR are adjusted to one decimal place and are for illustrative purposes only, and it is assumed that (1) all premiums are paid in full when due; (2) the customer withdraw all monthly annuity incomes immediately after they are paid; (3) premium levy is not included; (4) insured passes away at the policy anniversary of age 90 and the death benefit is included in the calculation; and (5) there is no indebtedness throughout the benefit term.				

The non-guaranteed monthly annuity income and its interest are not guaranteed. The actual benefits and/or returns may be lower or higher than estimates and China Life (Overseas) reserves the right to revise these from time to time.

The **terminal dividend** is a one-time dividend. It is not perpetually attached to the policy and is non-guaranteed. The amount of the **terminal dividend** will be subject to adjustment when it is declared. The **terminal dividend** shall be paid upon the occurrence of the earliest of the following conditions: (1) when the terminal illness benefit is paid to the insured who is still alive; (2) when the death benefit is paid; (3) when the policy reaches the policy maturity date; or (4) when the policy is surrendered.

The **special dividend** is a one-time dividend. It is not perpetually attached to the policy and is non-guaranteed. The amount of the **special dividend** will be subject to adjustment when it is declared. The **special dividend** shall be paid upon the occurrence of the earliest of the following conditions: (1) when the terminal illness benefit is paid to the insured who is still alive; or (2) when the death benefit is paid.

Example

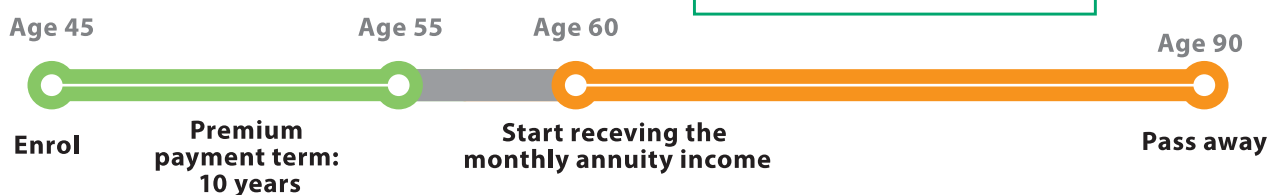


Mr Chan
Age: 45
Non-smoker

Mr Chan wishes to receive stable income every month for paying daily expenses after retirement, he therefore enrolls this Plan and chooses to pay the premium for 10 years and the annual premium is HKD24,905.76. During the premium payment term, the annual tax deductible amount of Mr Chan is HKD24,905.76.

Annual premium: HKD24,905.76
Total premium: HKD249,057.60

Monthly annuity income
• **Guaranteed: HKD1,100**
• **Non-guaranteed: HKD363**
• **Total amount: HKD1,463**



Mr Chan passes away on the Policy Anniversary of age 90:

The amount he has received during his lifetime:

- Guaranteed monthly annuity income : HKD396,000
- Non-guaranteed monthly annuity income : HKD130,847

The amount the Beneficiary will be received after Mr Chan has passed away :

- Non-guaranteed terminal dividend : HKD69,688
- Non-guaranteed special dividend : HKD697
- Guaranteed death benefit : HKD165,976

The total amount Mr Chan and his beneficiary have received is HKD763,208

**Internal rate of return
(guaranteed):
2.9%**

**Internal rate of return
(total, includes
non-guaranteed):
4.1%**

The figures in the above example are adjusted to one decimal place for internal rate of return and are for illustrative purposes only, and it is assumed that (1) the customer pay the premium in annual mode and all premiums are paid in full when due; (2) the customer withdraw all guaranteed and non-guaranteed monthly annuity incomes immediately after they are paid; (3) premium levy is not included; (4) the death benefit is included in the calculation; and (5) there is no indebtedness throughout the benefit term.

The non-guaranteed monthly annuity income, special dividend and the terminal dividend are non-guaranteed. The actual amounts can change and may be higher or lower than estimates; such amounts may become zero in some circumstances.

Important Information:

This product brochure is for reference only. Please refer to the policy documents for the complete definitions of the terms, as well as all the terms and conditions of this product. You are reminded to review all of the relevant product materials provided to you and to seek independent professional advice if necessary.

1. The policy is underwritten by China Life Insurance (Overseas) Company Limited ("China Life (Overseas)" or "us/we/our"). China Life (Overseas) is responsible for the features, underwriting and benefit payments under the policy. You should fully understand all of the risks involved in this product and consider whether this product is affordable and suitable to you before making your application.
2. China Life (Overseas) shall make the final decisions on the underwriting and claims. We shall rely on your submitted information to assess whether to accept or decline your application, and shall refund any premiums and levy (if any) paid without interest for declined cases.
3. Exclusions and Limitations - **Applicable to terminal illness benefit** - the policy shall not cover any claims if the insured is involved in any of the following activities or the consequences directly or indirectly caused by any of the following events occur in respect of the Insured: (1) if the symptoms or conditions of or the diagnosis of any non-terminal illness or terminal illness first appeared or occurred within the first 90 days from the issue date of this policy or the last date of reinstatement of this policy, whichever is later; (2) any congenital or pre-existing conditions before the issue date of this policy or the last date of reinstatement of this policy, whichever is later; (3) where the diagnosis of the terminal illness of the insured was directly or indirectly due to acquired immune deficiency syndrome (AIDS) or infection by human immunodeficiency virus (HIV). Infection shall be deemed to have occurred where blood or other relevant tests indicate either presence of HIV or antibodies to HIV. Under this policy, the definition of AIDS shall be that used by the World Health Organization in 1987, as may be revised by the World Health Organization from time to time; (4) suicide or any deliberate self-induced behavior, whether sane or not and whether intoxicated or not; (5) congenital deformities or anomalies; or (6) taking of drugs without the direction of a registered medical practitioner, abuse of alcohol or taking of poison.

In addition, the information stated in this product brochure is for reference only. Please refer to the policy document for the exact terms and conditions and limitations such as incontestability, suicide and fraud etc. or all exclusions.

4. Non-payment of premium / automatic premium loan - You should pay premium(s) on time according to the selected premium payment schedule. If the due premium remains unpaid upon the expiry of the grace period, an automatic premium loan will be taken out against the policy to settle the unpaid premium automatically. All policy loans are interest-bearing and calculated at a rate (as stated on our corporate website www.chinalife.com.hk) to be declared by us from time to time. Interest accrued shall become a part of the indebtedness. When the loan balance is equal to or exceeds the guaranteed cash value of the basic plan of the policy, the policy will be lapsed and you will lose the related insurance coverage and suffer a financial loss. Under these circumstances, the surrender value of the policy will be deducted to repay the outstanding loan balance (including interest), and the remaining value will be refunded to you.
5. Dividend and/or crediting interest philosophy - This is a participating and/or providing interest on accumulation insurance plan. Premiums received from the policies will be invested to a variety of assets according to China Life (Overseas)'s investment strategy. The surplus from the invested assets will be shared with policyholder through declared dividends and/or interest rate on accumulation in accordance with the relevant clause in the benefit provision. China Life (Overseas) will ensure a fair sharing of profits among different groups of policyholders and also between policyholders and China Life (Overseas). China Life (Overseas) will review and determine the dividend and/or interest rate on accumulation at least once a year, the current projection on dividend and/or interest rate on accumulation are not guaranteed and subject to change with the entire performance of the relevant policies and the factor including but not limited to the investment returns, operating expense, claims experience, commission, persistency, past experience and future prospect. In addition, China Life (Overseas) will consider both past and future outlooks of all factors including but not limited to:

Claims – including the costs of providing death benefit as well as other benefits under the product(s).

Investment return – including the interest income, dividend income, outlook of interest rates and any changes in the market value of the product's backing asset.

Expenses – including both direct expenses (e.g. commissions, underwriting, issue and premium collection expenses) and indirect expenses (e.g. general overhead expenses) related to the product.

Persistency – including policy lapse and partial surrender experience.

Note: The dividend or interest rate history is not an indicator of the future performance of this product.

6. Investment philosophy, policy and strategy - China Life (Overseas) aims to strive for minimizing volatility of the investment return and provides stable return as our investment philosophy. Assets are mainly invested in bonds and other fixed income instruments, such as government and corporate bonds and other fixed income instruments to support the guaranteed financial obligation. To enhance the performance of the investment portfolio, China Life (Overseas) invests in equity-type investments and other investment instruments such as mutual funds and direct / indirect investment in properties or commercial institutions.

The investment portfolio will be diversified across different geographic regions and /or industries. Investment strategy will be subject to change depending on the market conditions and the economic outlook. China Life (Overseas) will inform policyholder the relevant changes in dividend and/or interest rate on accumulation and the impact to the policies when there is change in the investment strategy.

China Life (Overseas)'s current investment strategy on participating and/or providing interest on accumulation plans are as follow:

Asset type	Target asset mix (%)
Bonds and other fixed income instruments	50% to 90%
Equity-type investment and other investments	10% to 50%

Please refer to China Life (Overseas) Company's website www.chinalife.com.hk/products/dividendandinvestment for dividend history, dividend and/or crediting interest philosophy, investment philosophy, policy and strategy, as well as the fulfillment ratio of China Life (Overseas).

7. Cooling-off right - You have the right to cancel the policy within the cooling-off period and obtain a refund of any premiums and levy (if any) paid by giving written notice to us provided that you have not made any claims under the policy. Such notice must be signed by you and submitted to China Life (Overseas) at 22/F, CLI Building, 313 Hennessy Road, Wan Chai, Hong Kong within 21 days after the delivery of the policy or issue of a notice to you or your representative informing you that the policy is available, whichever is earlier.
8. 24-hour Worldwide Emergency Assistance Service is provided by Inter Partner Assistance Hong Kong Limited. The provision of services is subject to the terms and conditions of the Inter Partner Assistance Hong Kong Limited. China Life (Overseas) reserves the right to amend the terms and conditions thereof from time to time without prior notice.
9. Please note that the Qualifying Deferred Annuity Policy ("QDAP") status of the Plan does not necessarily mean you are eligible for tax deduction available for QDAP premiums paid. The QDAP status of the Plan is based on the features of the Plan 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 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 the website of Insurance Authority www.ia.org.hk.

Certification by Insurance Authority

The Insurance Authority's 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 policyholders nor is it an endorsement of its suitability for any particular policyholder or class of policyholders. 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.

What are the key product risks?

Credit risk:

This product is a life insurance policy issued by China Life (Overseas). Any premium paid will become part of our assets and our financial strength will affect our ability to meet our contractual obligations to you under the policy. Therefore this product is subject to our credit risk.

Early surrender risk:

The savings component of the Plan is subject to risks and possible losses. Should you surrender the policy early, you may receive an amount considerably less than the total amount of premiums paid.

Exchange rate and currency risks:

Any policy with foreign currencies involves risks, such as potential changes in political or economic conditions that may substantially affect the price or liquidity of a currency. The fluctuations in exchange rates may also cause financial losses to you during currency conversions. You should consider the potential currency and exchange rate risks.

Inflation risk:

The cost of living in the future may be higher than expected due to the effects of inflation. Therefore, your current planned benefits and/or returns may be insufficient to meet your future needs even if we fulfill all of our contractual terms and obligations.

Liquidity and withdrawal risk:

You are obliged to hold the policy and pay the premium for the designated period of time. If you terminate the Policy prior to the policy maturity date, you will suffer a financial loss. In case you make partial withdrawals from the policy, your account value, death benefit and other policy values will be reduced, and you may need to pay the relevant handling fee or charges (if any).

Non-guaranteed benefit:

This Plan consists of non-guaranteed benefits and/or returns. The actual amounts of benefits and/or returns in the future may be different from the benefits and/or returns which project on the product materials. The product materials are for illustrative purposes only.

Policy termination:

The policy will be terminated if (a) the policy has lapsed or is surrendered; (b) the policy maturity benefit is paid; (c) the death benefit is fully paid, (d) the terminal illness benefit is paid; (e) the due premium has not been paid within 31 days after the premium due date and the policy has no remaining guaranteed cash value; or (f) the Indebtedness of this policy is equal to or exceeds the guaranteed cash value of this policy.

Effective from 1 January 2018, all policyholders are required to pay a levy on each premium payment made for both new and in-force policies to the Insurance Authority (the "IA"). For levy details, please visit our website at www.chinalife.com.hk/customerservice/levy or IA's website at www.ia.org.hk.

This product brochure is for reference only and contains descriptions of the key features of this product. For all the terms and conditions and exclusions of this product, please refer to the policy documents of this product. In the event of any ambiguity or inconsistency between the terms of this brochure and the policy documents, the Chinese version of the policy documents shall prevail.

This product brochure is for distribution in Hong Kong only and shall not be construed as any provision of or offer to sell or solicitation to buy any insurance product outside Hong Kong. China Life Insurance (Overseas) Company Limited ("China Life (Overseas)") does not provide or offer to sell any insurance product outside Hong Kong. The above information is for reference only. The detailed terms, conditions and exclusions of the Plan are subject to the terms and conditions of the policy contract of the Plan. For a copy of the terms and conditions of the policy document, please contact China Life (Overseas) for enquiry.



China Life Insurance (Overseas) Company Limited



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