



**IMPORTANT FACTS STATEMENT AND APPLICANT’S DECLARATIONS
INVESTMENT LINKED ASSURANCE SCHEME (“ILAS”) POLICY**

**Name of the ILAS Policy: Staff Privilege – AIA 2-in-1 Protection Linked Plan (Single Premium)
(FOR HONG KONG POLICIES ONLY)**

- Request for Lump Sum Premium

| Policy Number | Name of Insured | Name of Owner |
|---------------|-----------------|---------------|
| | | |



P4982010

PART I – IMPORTANT FACTS STATEMENT

You should carefully consider the information in this statement and the product documents (including the Product Brochure, Investment Options Brochure, Product Key Facts Statement, and the Illustration Document, if applicable). **If you do not understand any of the following paragraphs or do not agree to any particular paragraph, please do not sign the confirmation and do not apply for the contribution of Lump Sum Premium.**

You may request the Chinese version of this statement from AIA International Limited.

閣下可向友邦保險(國際)有限公司索取中文版本。

SOME IMPORTANT FACTS YOU SHOULD KNOW

(1) Statement of Purpose:

Please set out your reasons/considerations for making this Lump Sum Premium request. AIA International Limited is required to take due account of the reasons/ considerations as set out by you, together with other relevant information, in assessing whether a particular Lump Sum Premium is suitable for you. *(Policyowner must set out your own reasons/ considerations.)*

(2) No Ownership of Assets and No Guarantee for Investment Returns:

You do not have any rights to or ownership over any of the underlying/reference investment assets of your ILAS policy. Your recourse is against AIA International Limited (“AIA”) only. You are subject to the credit risk of AIA. Investment returns are not guaranteed.

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PLEASE DO NOT SIGN ON BLANK FORM

(3) Long-term Features**a. Upfront charge (i.e. premium charge):**

An upfront charge of 6% of the Lump Sum Premium will be deducted upfront as charges and will not be available for investment. **This means that the remaining amount of Lump Sum Premium available for investment is as low as 94% of your Lump Sum Premium paid.**

b. Early surrender / withdrawal charges:

No early surrender / withdrawal charge is applicable for the Lump Sum Premium Account.

(4) Fees and Charges:

Some fees / charges will be deducted from the Lump Sum Premium you pay and / or your ILAS policy value, and will reduce the amount available for investment. Accordingly, the return on the Lump Sum Premium as a whole may considerably be lower than the return of the underlying funds you selected. For details, please refer to the product documents of your ILAS policy.

(5) Switching of Investment:

There is no switching fee for this ILAS policy. If you switch your Investment Options, your risk may be increased or decreased.

(6) Risks Associated with Investment Options with an Objective to Distribute Cash Dividends on a Regular Basis:

The Investment Option designated with “(Dis)” in the name (the “Investment Option (Cash Distribution)”) is an investment option that may distribute cash dividend on a regular basis. If you choose to invest in the Investment Option(s) (Cash Distribution), you will receive cash dividend if AIA receives such dividend from the underlying fund(s) of the Investment Option(s) (Cash Distribution). Please note:

- (i) There is **NO GUARANTEE** that the underlying fund of an Investment Option (Cash Distribution) will distribute cash dividend, distribute fixed amount of cash dividend or distribute cash dividend at a periodic frequency. The amount of cash dividend paid is in no way an indication, a forecast or a projection of cash dividends to be paid in the future.
- (ii) An underlying fund of an Investment Option (Cash Distribution) may, according to its dividend policy, pay cash dividend out of investment income, capital gains or capital of the underlying fund. Payment of cash dividend out of capital indicates an actual withdrawal of part of the original investment, or payment of cash dividend out of gross investment income while paying or charging all of the underlying fund’s expenses and fees out of or to the capital will lead to an increase in distributable income for payment of cash dividend and hence, the underlying fund may effectively pay cash dividend out of capital. Such payments of cash dividend will result in an immediate decrease in the net asset value per unit of the underlying fund after the date of dividend payment, and result in a drop in the unit price of the Investment Option (Cash Distribution). This may potentially increase the COI chargeable in the ILAS policy, which in turn impact the sustainability of the ILAS policy and if the Account Value is reduced to zero, the Policy will be terminated.
- (iii) In comparison to the Investment Options that reinvest dividend, Investment Options (Cash Distribution) pay out cash dividend and hence, may reduce the Account Value of the ILAS policy. This may in turn reduce the death benefit payable. If the Account Value is reduced to zero, the Policy will be terminated.
- (iv) You should not select the Investment Options (Cash Distribution) unless you understand them and your financial planner has explained to you how they are suitable to you. Please refer to the offering documents (including the product key facts statements) of the underlying funds for details of the underlying funds (including, without limitation, their investment objectives and policies, risk factors and charges).

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(7) Premium Holiday:

Premium holiday is not applicable to this ILAS policy.

(8) Risk of Early Termination:

Your ILAS policy may be automatically early terminated and you could lose all your Lump Sum Premium paid and benefits accrued if any condition of automatic early termination is triggered. This may happen if your policy has very low or negative value (e.g. poor investment performance), etc. For details, please refer to the product documents of this ILAS policy.

(9) Licensed Insurance Intermediaries' Remuneration:

This ILAS policy is not subject to any remuneration for intermediary.

I ("Policyowner") confirm that I have read and understood and agree to be bound by paragraphs above.

Name of the Policyowner

Signature of the Policyowner

Date: (MM / DD / YYYY)

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PART II – APPLICANT’S DECLARATIONS**Section I: Disclosure Declaration**

- I (*“Policyowner”*) confirm that AIA International Limited has conducted a Financial Needs Analysis and risk profiling through the Risk Profile Questionnaire for me.
- I have received and understood the following documents:
 - Product Brochure
 - Investment Options Brochure
 - Product Key Facts Statement
 - Illustration Document
 - Supplementary Sheet of Benefit Illustration Statement
- I fully understand and accept the potential loss associated with any market value adjustment, where the authorized insurer has the right and absolute discretion under certain situations (e.g. Policyowner cancelling the policy during the cooling off period) to apply a downward / negative market value adjustment to the ILAS policy. The market value adjustment is calculated with reference to the loss in realizing the value of any assets acquired from the premiums you paid.

Name of the Policyowner_____
Signature of the Policyowner_____
Date: (MM / DD / YYYY)

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Section II: Suitability Declaration

I (“Policyowner”) understand and agree that (tick one only):

A the features and risk level of the ILAS policy and my selected mix of underlying Investment Options are suitable for me based on my disclosed current needs and risk profile, etc. as indicated in the Financial Needs Analysis and Risk Profile Questionnaire.

OR

B despite the fact that the features and/or risk level of the ILAS policy and/or my selected mix of underlying Investment Options may not be suitable for me based on my disclosed current needs and risk profile, etc. as indicated in the Financial Needs Analysis and Risk Profile Questionnaire, I confirm that it is my intention and desire to proceed with my application(s) as explained below:

(If Box B is ticked, Policyowner must complete explanation in this box.)

I acknowledge I should not purchase this ILAS policy and/or the selected mix of underlying Investment Options unless I understand these and their suitability has been explained to me and that the final decision is mine.

Name of the Policyowner Signature of the Policyowner Date: (MM / DD / YYYY)

- Notes:**
1. In this Statement & Declaration, “I” refers to policyowner. The singular shall include the plural; the word “I” shall include “we”; & the word “my” shall include “our”. For joint policyowners, all policyowners must sign all sections.
 2. The policyowner(s) are required to inform AIA International Limited if there is any material change of information provided in these Declarations before the policy is issued.
 3. “Policyowner” mentioned in this Important Facts Statement and Applicant’s Declarations is equivalent to “Applicant” and the vice versa.

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