



HEALTHIER, LONGER,
BETTER LIVES



VALUE-ADDED
SERVICES

TRANSITIONAL OWNER ARRANGEMENT WITH FUTURE GUARD OPTION

Seamless policy succession solution
for intergenerational wealth transfer and preservation



A BRIDGE FOR TODAY SECURITY FOR TOMORROW

With forward-looking succession planning, you can designate family members to inherit your life insurance policy, providing them lasting financial security. Your wisdom is what makes your wealth keep on growing for generations to come.



According to a survey, respondents* intend to pass on an average of

HK\$4.29M to their children/family



80% of respondents* have plans to pass on wealth to their children/family



Of the respondents* who have wealth inheritance plans,

90% will pass on assets in the form of **cash**

Only about **60%** would use insurance plans **for inheritance arrangements**

Stewarding your legacy across generations

The **Transitional Owner Arrangement** is a structured planning approach to allow wealth to be managed and passed down effectively, honouring both traditional and complex family dynamics. By designating a contingent owner and pre-appointing a transitional owner under the Transitional Owner Arrangement, you can preserve your legacy and empower your loved ones to steward your wealth according to your wishes.

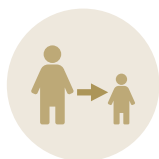
With the **First-in-market*** **Future Guard Option**, you can even empower the transitional owner to designate an additional contingent owner after splitting the policy into two policies with smaller principal amount based on the split percentage pre-set by the policy owner. Both the contingent owner and additional contingent owner will inherit a share of your original policy.

Transitional Owner Arrangement is a value-added service, it is not a product feature and does not form part of the policy contract. Future Guard Option is one of the service features under the Transitional Owner Arrangement. The Company reserves the right to withdraw the Transitional Owner Arrangement or change the terms and conditions or any related requirements of the Transitional Owner Arrangement at any time at its sole and absolute discretion.

* As of 7 May 2025, compared against similar services offered by Hong Kong major insurance companies.

TRANSITIONAL OWNER ARRANGEMENT WITH FUTURE GUARD OPTION

By designating a contingent owner



Secure your legacy

Enable a direct and smooth policy ownership transition and provide a solution for asset allocation as per your wish.



Preserve your wealth and potential for growth

Continue to accumulate your insurance policy value while providing long-term financial stability for your loved ones.

By appointing a transitional owner



Lay the foundation for next generation

With the appointment of a transitional owner, it enables you to designate your heir under age 18 to be the contingent owner. Ensure efficient wealth transfer, bypassing lengthy probate.



Prepare your family to multiply and thrive

First-in-market[^] Future Guard Option enables the appointment of an additional contingent owner to extend your legacy to future generations.

Solution 1

Nominate a contingent owner without Transitional Owner Arrangement



Policy Owner



Contingent Owner



The contingent owner must be age 18 or above

When the policy owner is alive and the policy is effective

- Name a contingent owner (without Transitional Owner Arrangement)

Upon the death of the policy owner before the policy ends

- The contingent owner will become the new policy owner upon the Company's approval of his/her application for change of ownership

[^] As of 7 May 2025, compared against similar services offered by Hong Kong major insurance companies.

Solution 2

Nominate a contingent owner under the Transitional Owner Arrangement (with Future Guard Option[#])

















Example

Upon entering his golden age, German wishes to get his newborn grandson Gordon (age 0) financially well-prepared, ensuring security and continuity for future generations, and arranges legacy planning as per his wish. To achieve this, he purchases a savings insurance policy with protection and potential for financial growth. He intends to pass on his wealth in a structured and strategic manner in the long-term.

As Gordon is a minor, German appoints his son, Gabriel, as the transitional owner to manage the policy. Anticipating the possibility of more grandchildren, German grants Gabriel the flexibility of the Future Guard Option so that Gabriel may at his option designate an additional contingent owner in the future. Meanwhile, as the transitional owner, Gabriel has been authorised to withdraw policy values on the condition that the reduction of the principal amount caused by such withdrawals cannot exceed 10% of the principal amount (such principal amount will be the amount as of the first day Gabriel becomes the transitional owner (without any withdrawal made)), providing financial support and ensuring the policy remains aligned with the family's needs.

Policy owner: German (age 60)	Family status: Married with a son Gabriel (age 35) and grandson Gordon (age 0)
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Policy issuance	Policy Year 3	Policy Year 5	Policy Year 25	Policy Year 30
<div><div> Policy owner German (age 60)</div><div> Insured Gordon (age 0)</div><div><u>Under the Transitional Owner Arrangement</u></div><div><div> Transitional owner Gabriel (age 35)</div><div><div> Contingent owner Gordon (age 0)</div></div></div></div> <div>Policy owner has selected the Transitional Owner Arrangement and designated a contingent owner & a transitional owner</div> <div>German purchases the policy with his grandson Gordon as the insured. German designates Gordon to be the contingent owner under the Transitional Owner Arrangement and specifies Gordon may inherit the policy at age 25 (“specified age”) after German passes away. He names his son Gabriel as the transitional owner, and also grants him the right to exercise the Future Guard Option when Gabriel becomes the transitional owner of the policy.</div>	<div><div><u>Under the Transitional Owner Arrangement</u></div><div><div> Transitional owner Gabriel (age 38)</div><div><div> Contingent owner & insured Gordon (age 3)</div></div></div></div> <div>Policy transfers to transitional owner upon policy owner’s death</div> <div>3 years later, German passes away. Gabriel’s application for temporary policy ownership has been approved and acts as the transitional owner for the policy. In accordance with the rights granted by German, Gabriel exercises a one-off withdrawal to support Gordon’s growth and education. The withdrawal causes the policy’s principal amount to be reduced by 5%.</div>	<div><div><u>Under the Transitional Owner Arrangement</u></div><div><div> Transitional owner Gabriel (age 40)</div><div><div> Contingent owner & insured Gordon (age 5)</div><div><div> After exercising the Future Guard Option, contingent owner & insured for the split policy Gigi (age 0)</div></div></div></div><div>Additional contingent owner is designated by transitional owner</div><div>Gabriel’s daughter Gigi is born 2 years later. As the transitional owner and in accordance with the rights granted by German, Gabriel exercises the Future Guard Option, the policy splits into two policies with smaller principal amount based on the split percentage pre-set by German, and Gabriel designates his daughter Gigi as the contingent owner and insured of the split policy. He specifies Gigi may inherit the split policy at age 25. By splitting the policy, Gabriel can ensure a structured wealth transfer to both of his children.</div></div>	<div><div><u>Current policy</u></div><div><div> Policy owner & insured Gordon (age 25)</div><div><u>Split policy</u> (with Transitional Owner Arrangement)</div><div><div> Transitional owner Gabriel (age 60) – for Gigi’s part of policy</div><div><div> Contingent owner & insured Gigi (age 20)</div></div></div></div><div>Transition to the next generation</div><div>Upon Gordon attaining age 25, his application for policy ownership has been approved by the Company and he becomes the policy owner of the policy that provides coverage for him as the insured. Gabriel remains as the transitional owner of the split policy with Gigi as the contingent owner and the insured.</div></div>	<div><div><u>Current policy</u></div><div><div> Policy owner & insured Gordon (age 30)</div><div><u>Split policy</u></div><div><div> Policy owner & insured Gigi (age 25)</div></div></div></div> <div>The structured transfer of wealth across generations is completed</div> <div>Upon Gigi attaining age 25, her application for policy ownership has been approved by the Company and she becomes the policy owner of the split policy that provides coverage for her as the insured. Gabriel is released from his role as transitional owner. Gordon and Gigi are now the policy owners of the current policy and the split policy respectively.</div>

The above illustration example is hypothetical and is for reference only. The “contingent owner” and “additional contingent owner” stated in this example are designated under the Transitional Owner Arrangement. Only 1 contingent owner can be designated for each policy (with or without Transitional Owner Arrangement).

With this structured approach, German can ensure his wealth is not only preserved but also strategically passed down according to his wishes—offering structured control, financial protection, and long-term family wealth continuity.

TRANSITIONAL OWNER ARRANGEMENT WITH FUTURE GUARD OPTION**Notes for Solution 2**

- (1) The term “current policy” refers to the original policy after policy split. The contingent owner designated under the Transitional Owner Arrangement must be the same individual as the insured or the contingent insured (as applicable) of the policy.
- (2) The “contingent owner” and the “additional contingent owner” stated in Solution 2 are both designated under the Transitional Owner Arrangement. Only 1 contingent owner can be designated for each policy (with or without Transitional Owner Arrangement).
- (3) The above options and benefit can only be selected by the policy owner if such options and benefit are applicable to the policy.
- (4) For withdrawal of policy values, the policy owner can select whether the transitional owner can withdraw the guaranteed cash value of the policy. If guaranteed cash value is withdrawn, the principal amount of the policy will be reduced. The percentage of reduction of the principal amount as a result of accumulated withdrawals made by the transitional owner cannot exceed the maximum percentage of reduction of principal amount (such principal amount will be the amount as of the first day the transitional owner takes up ownership of the policy (without any withdrawal made and without exercising the Future Guard Option)) specified by the policy owner in the relevant form(s). If the principal amount of the policy is reduced, the subsequent guaranteed cash value, all non-guaranteed benefits and the total premiums paid will all be reduced based on the reduced principal amount. The non-guaranteed benefits which the Company may declare subsequently will be reduced accordingly. This will reduce the value of the policy and the death benefit and surrender benefit of the policy.
- (5) The transitional owner can place or withdraw amounts into/from the policy's future premium deposit account.
- (6) The transitional owner can make and submit claims under the policy. Once such claims have been approved by the Company, the claim payments will be paid to the transitional owner.
- (7) If the policy provides the Terminal Illness Benefit, the transitional owner can make and submit a claim for Terminal Illness Benefit on behalf of the insured. Once such claim has been approved by the Company, the policy will terminate immediately and the Terminal Illness Benefit will be paid to the transitional owner.
- (8) The transitional owner is not entitled to exercise the Restricted Actions (please refer to Clause 9 of the Important Information for details).

@ Administrative Actions of Transitional Owner

The below administrative actions are available for policy owner to select and are not default options:

- (1) Withdrawal of policy values
- (2) Future Guard Option
- (3) Bonus Lock-in Option
- (4) Terminal Dividend Lock-in Option
- (5) Bonus Unlock Option
- (6) Value Safeguard Option
- (7) Apply for Educational Merit Benefit

Notes for Future Guard Option

- (1) Future Guard Option can only be exercised once per Transitional Owner Arrangement. The Future Guard Option can only be exercised after the end of the 1st policy year and provided that the basic policy is fully paid up (i.e. the basic policy is providing coverage without any further required premiums) and the policy owner has granted the transitional owner the right to exercise the Future Guard Option in the relevant form(s).
- (2) The additional contingent owner designated for the split policy under the Future Guard Option must be a sibling or child of the contingent owner of the current policy. The additional contingent owner must be under the age of 18 at the time of application to designate him/her as the additional contingent owner pursuant to the Future Guard Option.
- (3) The transitional owner will act as the transitional owner of the current policy and the split policy after policy split. The Transitional Owner Arrangement (including the administrative rights which the transitional owner is entitled to exercise pursuant to the Administrative Actions of Transitional Owner) will remain unchanged after policy split, and will apply to both the current policy and the split policy. If the transitional owner is allowed to make withdrawals from the policy, the percentage of reduction of each of the principal amount of the current policy and the split policy resulted from accumulated withdrawals made by the transitional owner before and after exercising the Future Guard Option cannot exceed the maximum percentage of reduction of principal amount of the current policy and the split policy respectively.
- (4) Only one contingent owner can be designated for each policy.

TRANSITIONAL OWNER ARRANGEMENT WITH FUTURE GUARD OPTION

Important Information

1. Transitional Owner Arrangement is a value-added service, it is not a product feature and does not form part of the policy contract. Future Guard Option is one of the service features under the Transitional Owner Arrangement.
2. Transitional Owner Arrangement is only applicable to selected products (determined by the Company from time to time) as set out on the Company's website and policies which meet the following requirements:
 - (i) the policy must be issued in Hong Kong; and
 - (ii) the total premium payable of the policy must fulfil a minimum premium requirement of US\$500,000 (or equivalent) and such minimum premium requirement may be changed by the Company from time to time at its sole and absolute discretion.

The Transitional Owner Arrangement is not applicable to corporate owned policies.

3. The acceptance of any Transitional Owner Arrangement application is at the Company's sole and absolute discretion and which is subject to applicable laws, regulations and the terms and conditions of the Transitional Owner Arrangement (as may be amended by the Company from time to time).
4. The Company reserves the right to withdraw the Transitional Owner Arrangement or change the terms and conditions of the Transitional Owner Arrangement at any time with sole and absolute discretion (such changes will be reflected on the Company's prescribed form(s)) without the obligation to provide any prior notice.
5. The policy owner must make application to designate the Transitional Owner Arrangement using the Company's prescribed form(s) which includes application to designate the following persons and items:

(i) **Transitional Owner:**

who must be aged 18 or above. After the policy owner passes away, the Transitional Owner may become the owner of the policy for a designated period and is entitled to exercise the limited policy administrative rights as granted by the policy owner ("**Administrative Actions of Transitional Owner**"). The Transitional Owner is not entitled to exercise the restricted actions as described in Clause 9 below ("**Restricted Actions**").

(ii) **Contingent Owner under Transitional Owner Arrangement ("Contingent Owner under TOA"):**

after the policy owner passes away, the Contingent Owner under TOA may become the owner of the policy upon reaching the Specified Age or the Specified Date. The Contingent Owner under TOA shall be the same individual as the insured or the contingent insured (as applicable) of the policy. Only 1 contingent owner can be designated for each policy.

(iii) **Beneficiary under Transitional Owner Arrangement:**

who shall be the estate of the Contingent Owner under TOA. The beneficiary of the policy will be automatically changed to "estate of the Contingent Owner under TOA" upon the Transitional Owner or the Contingent Owner under TOA takes on ownership of the policy (whichever is earlier).

(iv) **Specified Date or Specified Age** (only either a Specified Date or a Specified Age can be designated):

- "Specified Age" means the age of the Contingent Owner under TOA when he/she may take on ownership of the policy. The Specified Age must be age 18 or above.
- "Specified Date" means the date when the Contingent Owner under TOA may take on ownership of the policy. The Contingent Owner under TOA must be age 18 or above on the Specified Date.

(v) Specify the **Administrative Actions of Transitional Owner** which the Transitional Owner is entitled to exercise.

Note:

- The Transitional Owner must be a family member of the Contingent Owner under TOA, and related to the Contingent Owner under TOA as parent, spouse, child, sibling, grandparent, grandchild, niece, nephew, aunt, uncle or cousin.
 - The Contingent Owner under TOA must be a family member of the policy owner, and related to the policy owner as parent, spouse, child, sibling, grandparent, grandchild, niece, nephew, aunt, uncle or cousin.
 - If the policy owner is also the insured, it is required to designate a contingent insured who must be the same individual as the Contingent Owner under TOA.
 - The acceptance of any of the applications listed above is at the Company's sole and absolute discretion, and which is subject to applicable laws, regulatory requirements and the terms and conditions of the Transitional Owner Arrangement.
 - While the policy is in force and the policy owner is alive, the designation of Transitional Owner Arrangement will be revoked automatically if there is any change of policy owner, Contingent Owner under TOA, insured or contingent insured of the policy.
 - Notwithstanding any provision to the contrary, in the event the current policy owner passes away ("**Deceased Owner**") and the Deceased Owner is also the insured of the policy, if the contingent insured does not become the new insured of the policy within one year after the death of the Deceased Owner (also the insured) pursuant to the policy provisions, the Transitional Owner Arrangement will be revoked, the policy will terminate on the day the Deceased Owner (also the insured) passes away and death benefit will be paid to the beneficiary(ies) according to the policy provisions.
6. Once the Company has approved the application for designation of Transitional Owner Arrangement, all designations and instructions made by the policy owner under the Mental Incapacity Option or the Health Impairment Option (as applicable) will be revoked. While the Transitional Owner Arrangement is designated for the policy, no designation or instruction can be made under the Mental Incapacity Option or the Health Impairment Option (as applicable).
 7. After the policy owner has designated the Transitional Owner Arrangement, while the policy is in force and provided the insured is alive, the policy owner can make an application to change or cancel the Transitional Owner Arrangement at any time using the Company's prescribed form(s). The application is subject to the relevant terms and conditions and the Company's approval.

TRANSITIONAL OWNER ARRANGEMENT WITH FUTURE GUARD OPTION**8. If the Deceased Owner passes away before (i) the Specified Date, or (ii) the Contingent Owner under TOA has attained the Specified Age:**

the Transitional Owner will become the owner of the policy (with limited policy administrative rights as specified by the policy owner in the Administrative Actions of Transitional Owner section of the relevant form(s)) for a designated period if the Transitional Owner gives the Company satisfactory proof of death of the Deceased Owner and his/her application for change of ownership (including meeting the Company's customer due diligence requirements) has been approved by the Company within 1 year from the date of the Deceased Owner's death. If the Transitional Owner fails to become the owner of the policy within 1 year from the date of the Deceased Owner's death, ownership of the policy may transfer to (i) the Contingent Owner under TOA if he/she has attained the age of 18 or (ii) successor to the Deceased Owner's estate if the Contingent Owner under TOA is below age 18 or if he/she fails to become the owner of the policy within the specified period, subject to relevant terms and conditions and the Company's approval. Please see the relevant form(s) for further details on the requirements and the terms and conditions.

When the Transitional Owner has taken up ownership of the policy, ownership of the policy will be changed from the Transitional Owner to the Contingent Owner under TOA after the Contingent Owner under TOA has reached the Specified Date or the Specified Age, on the condition that the Company has approved the Contingent Owner under TOA's application for change of ownership (including meeting the Company's customer due diligence requirements) within 1 year from (i) the Specified Date or (ii) the first day the Contingent Owner under TOA attains the Specified Age. If the Contingent Owner under TOA fails to become the owner of the policy within 1 year from (i) the Specified Date or (ii) the first day the Contingent Owner under TOA attains the Specified Age, ownership of the policy may transfer to successor to the Deceased Owner's estate.

If the Deceased Owner passes away on or after (i) the Specified Date, or (ii) the Contingent Owner under TOA has attained the Specified Age:

the Contingent Owner under TOA will become the owner of the policy if he/she gives the Company satisfactory proof of death of the Deceased Owner and his/her application for change of ownership (including meeting the Company's customer due diligence requirements) has been approved by the Company within 1 year from the date of the Deceased Owner's death. If the Contingent Owner under TOA fails to become the owner of the policy within 1 year from the date of the Deceased Owner's death, ownership of the policy may transfer to successor to the Deceased Owner's estate.

9. During the period the Transitional Owner has taken up ownership of the policy, the Transitional Owner shall assume all obligations of the policy as the owner (including but not limited to meeting the premium payment obligations) and be bound by and subject to the terms and conditions of the policy. The Transitional Owner is entitled to exercise the Administrative Actions of Transitional Owner, but he/she is not entitled to exercise the Restricted Actions which include the following:

- (i) change the policy owner, Contingent Owner under TOA, insured, contingent insured or beneficiary of the policy;
- (ii) change any of the designations or instructions made by the policy owner under the Transitional Owner Arrangement;
- (iii) apply, make designations or exercise any benefit options under the policy that would result in change in policy values of the policy including but not limited to apply for policy loan or partial surrender, or withdrawal of any policy values of the policy, unless such actions are granted by the policy owner under the "Administrative Actions of Transitional Owner" section of the relevant form(s);
- (iv) apply or make designations under the Death Benefit Settlement Option or Beneficiary Flexi Option; and
- (v) assign the policy.

10. Under the Future Guard Option, after the end of the 1st policy year and during the period the Transitional Owner has taken up ownership of the policy, if the basic policy is fully paid up (i.e. the basic policy is providing coverage without any further required premiums) and the policy owner has granted the Transitional Owner the right to exercise the Future Guard Option in the relevant form(s), the Transitional Owner can at his/her option make application to split the policy once. Immediately after the split, (i) the Transitional Owner will act as the Transitional Owner for the current policy and the split policy, the Transitional Owner Arrangement (including the administrative rights which the Transitional Owner is entitled to exercise pursuant to the Administrative Actions of Transitional Owner) will remain unchanged after policy split, and will apply to both the current policy and the split policy; (ii) the current Contingent Owner under TOA will remain as the Contingent Owner under TOA and the insured of the current policy; (iii) the Transitional Owner can apply to change the contingent owner under TOA and the insured of the split policy to another family member of the current Contingent Owner under TOA provided the new contingent owner under TOA must meet the Company's eligibility requirements to be determined by the Company at its sole discretion from time to time; and (iv) the Transitional Owner can select a specified date or specified age upon which the new contingent owner under TOA can take up ownership of the split policy. The new contingent owner of the split policy must meet the following eligibility requirements at the time of application to be designated as the contingent owner under TOA of the split policy (such requirements may be changed by the Company from time to time at its discretion): (a) under the age of 18; and (b) he/she is a sibling or child of the current Contingent Owner under TOA. Future Guard Option can only be exercised once per Transitional Owner Arrangement. Only one Contingent Owner under TOA can be designated for each policy.**11. If the Transitional Owner subsequently exercised the Future Guard Option and the policy is split, the maximum percentage of reduction of principal amount pre-set by policy owner applies to each of the current policy and the split policy, and the "principal amount" for calculation of the maximum percentage of reduction of principal amount for the current policy and the split policy respectively will be based on the Original Principal Amount pro-rated among the current policy and the split policy according to the split percentage pre-set by the policy owner. The "Original Principal Amount" refers to the principal amount as of the first day the Transitional Owner takes up ownership of the policy (without any withdrawal made and without exercising the Future Guard Option). The percentage of reduction of each of the principal amount of the current policy and the split policy resulted from accumulated withdrawals made by the Transitional Owner before and after exercising the Future Guard Option cannot exceed the maximum percentage of reduction of principal amount of the current policy and of the split policy respectively.****12. When the Transitional Owner has taken up ownership of the policy, if the Company is aware that the Transitional Owner passes away or he/she is incapable of continue to take up the ownership of the policy or he/she provides written confirmation to the Company refuses to continue to take up the ownership of the policy, then ownership of the policy may transfer to (i) the Contingent Owner under TOA if he/she has attained the age of 18 or (ii) successor to the Deceased Owner's estate if the Contingent Owner under TOA is below age 18 or if he/she fails to become the owner of the policy within the specified period, subject to relevant terms and conditions and the Company's approval. Please see the relevant form(s) for further details on the requirements and the terms and conditions.**

TRANSITIONAL OWNER ARRANGEMENT WITH FUTURE GUARD OPTION

13. The Company shall not assume any duty or be responsible to verify or be responsible for the validity, legality, capability or suitability of any designation of the Transitional Owner, the Contingent Owner under TOA and the Specified Age/Specified Date, and the specification of the Administrative Actions of Transitional Owner. The policy owner should consider all relevant factors and make his/her own independent assessment of the Transitional Owner's eligibility, suitability and capability to act in such role.

IMPORTANT:

If the Transitional Owner becomes bankrupt, the policy will be vested in the Trustee-in-Bankruptcy of the Transitional Owner, and the proceeds of the policy will be used to pay the debts of the Transitional Owner. In the event of a divorce of the Transitional Owner, the policy may become the matrimonial asset of the Transitional Owner and may be transferred or allocated to the former spouse of the Transitional Owner. When the Transitional Owner takes up ownership of the policy, if the policy is not yet fully paid, the Transitional Owner has the obligations to meet the premiums payment requirement. If the premium is not paid within the grace period, the policy will terminate.

14. In no circumstances shall the Company be liable to the policy owner, the Transitional Owner, the Contingent Owner under TOA, or any other person as a result of change of ownership or execution of the Transitional Owner Arrangement in accordance with the instructions provided by the policy owner.
15. The policy owner shall procure the Transitional Owner and the Contingent Owner under TOA to carefully study the terms and conditions of the policy and the Transitional Owner Arrangement and make their own independent assessment on their ability to meet their obligations under the policy and the Transitional Owner Arrangement. The policy owner, Transitional Owner and Contingent Owner under TOA should consult their own independent legal, accounting and/or tax advisors as appropriate.

Please see the relevant forms for further details on the terms and conditions applicable to Transitional Owner Arrangement and the Future Guard Option. The Company reserves the right to change or update the terms and conditions and related requirements of the Transitional Owner Arrangement at any time with absolute discretion without any obligation to provide prior notice.

* Source: AIA commissioned market research company KANTAR to conduct "Hong Kong and Macau Segmentation Study 2021"

- Respondents aged 35 or above
- The information collected from external sources is based on general circumstances and is for reference only.

For further enquiries, please contact your financial planner or call the AIA Customer Hotline at (852) 2232 8888.

"AIA", "the Company", "We", "our" or "us" herein refers to AIA International Limited (Incorporated in Bermuda with limited liability).



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