LIFE PROTECTION

SERENE LIFE SERIES - SERENE LIFE / SERENE LIFE (ANNUAL DIVIDENDS)

Easy planning for whole life protection

AIA International Limited
(Incorporated in Bermuda with limited liability)

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HEALTHIER, LONGER, BETTER LIVES

Policy Reverse Mortgage Programme -
Eligible Life Insurance Plan

保單逆按計劃 Policy Reverse Mortgage Programme

HKMC RETIRE 退休3寶

香港按揭證券有限公司 The Hong Kong Mortgage Corporation Limited

Life comes with challenges, so forward planning is crucial

Prudent planning can protect your loved ones, no matter what life brings.

To help you cope with unexpected challenges, the Serene Life series offers whole life protection so your loved ones will have peace of mind in case the worst happens. This plan offers 3 premium payment terms for you to choose from, so you can budget with confidence according to your circumstances. With two plan versions catering to different needs, you can choose according to your needs to enjoy flexible financial planning. Serene Life provides you with higher total long-term potential returns, whereas Serene Life (Annual Dividends) provides higher liquidity. With Serene Life series, you can protect your loved ones and enjoy a peaceful future with them.

Plan highlights

Whole life protection
for a peaceful future

Two plan versions
catering to different financial planning needs

Death Benefit Settlement Option
to allow for flexible legacy planning

Multiple premium payment terms
for easy budgeting

Whole life protection for your loved ones

Two plan versions for flexible financial planning

Example:

Policy owner and insured: Age 30, male, non-smoker
Premium Payment Term: 5 years
Annual Premium: US$3,200

For **Serene Life**, at the end of the **50th** policy year, the projected total death benefit can be up to **11 times** the total premiums paid.

Non-guaranteed death benefit US$125,280
Guaranteed death benefit US$50,000

US$175,280 in total

Serene Life

At the end of the **50th** policy year, projected total surrender value will be

US$147,078 in total

US$125,280
US$21,798

Non-guaranteed Terminal Dividend
Guaranteed cash value
Total

higher potential returns

Serene Life provides **higher total long-term potential returns**

→ higher non-guaranteed surrender value

Serene Life (Annual Dividends)

At the end of the **50th** policy year, projected total surrender value will be

US$115,466 in total

US$73,235
US$20,433
US$21,798

Non-guaranteed Terminal Dividend
Non-guaranteed Annual Dividends with any interest
Guaranteed cash value
Total

higher liquidity

Serene Life (Annual Dividends) provides **higher liquidity**

→ Annual Dividends with any interest withdrawn anytime without affecting sum assured

Important notes:

1. **The above example is hypothetical and for illustrative purpose only. Actual dividends are not guaranteed and are declared at AIA's sole discretion.**
2. If the insured passes away, we will pay the death benefit to the person whom the policy owner selects in the policy as the beneficiary. The death benefit of Serene Life will include the sum assured of the policy and any non-guaranteed Terminal Dividend. As of the 50th policy year, the projected total death benefit is US$175,280 (the non-guaranteed death benefit is US$125,280 and the guaranteed death benefit is US$50,000). The death benefit of Serene Life (Annual Dividends) will include: i. the sum assured of the policy; plus ii. any non-guaranteed Annual Dividends that have accumulated with any interest under the policy; plus iii. any non-guaranteed Terminal Dividend. As of the 50th policy year, the projected total death benefit is US$143,668 (the non-guaranteed death benefit is US$93,668 and the guaranteed death benefit is US$50,000). We will deduct all outstanding debt under the policy before we make the payment to the beneficiary.
3. For Serene Life, the projected total surrender value illustrated is the sum of the policy's guaranteed cash value plus any non-guaranteed Terminal Dividend. The current dividend scale is neither indicative of future performance nor guaranteed. Past performance or current performance of our business should not be interpreted as a guide for future performance. The actual Terminal Dividend (if any) payable throughout the duration of the policy may vary at AIA's sole discretion, which may be less or more favourable than those illustrated. The above example assumes that no cash withdrawal or policy loans are taken throughout the term of the policy and that all premiums are paid in full when due. To receive the amounts illustrated, the policy owner must surrender his policy at the end of respective policy year. This policy will be terminated when the total surrender value has been withdrawn entirely.
4. For Serene Life (Annual Dividends), the projected total surrender value illustrated is the sum of the policy's guaranteed cash value plus any non-guaranteed Annual Dividends that have accumulated with any interest under the policy, plus any non-guaranteed Terminal Dividend. The value is based on the current dividend scales and accumulation interest rate of 3.5% p.a. on Annual Dividends. The current dividend scales and interest rates are neither indicative of future performance nor guaranteed. Past performance or current performance of our business should not be interpreted as a guide for future performance. The actual Annual Dividends, accumulation interest rate and Terminal Dividend payable throughout the duration of the policy may vary at AIA's sole discretion, and may be less or more favourable than those illustrated. The above example assumes that no cash withdrawal or policy loans are taken throughout the term of the policy and that all premiums are paid in full when due. To receive the amounts illustrated, the policy owner must surrender his policy at the end of respective policy year. This policy will be terminated when the total surrender value has been withdrawn entirely.

Your choice of settlement option if the worst should happen

Serene Life series provides whole life insurance that covers the entire lifespan of the insured, who is the person protected under the policy with long-term returns. If the insured passes away, we will pay the death benefit to the person whom you select in your policy as beneficiary.

The death benefit amount will differ depending on the plan you choose.

For **Serene Life**, which provides higher long-term potential total returns, the death benefit will include:

- the sum assured of the policy; and
- a one-off non-guaranteed cash amount, called a **Terminal Dividend**, provided that the policy has been in force for 3 years.

For **Serene Life (Annual Dividends)**, which provides higher liquidity, the death benefit will include:

- the sum assured of the policy; and
- any non-guaranteed cash amounts called **Annual Dividends** on a yearly basis that have accumulated with interest under the policy, which begin from the end of the 3rd policy year; and
- a one-off non-guaranteed cash amount, called a **Terminal Dividend**, provided that the policy has been in force for 10 years.

We will deduct all outstanding debt under your policy before we make the payment to the beneficiary.

Apart from a lump sum payment, the death benefit can alternatively be paid to your beneficiary in regular instalments by applying the Death Benefit Settlement Option during the lifetime of the insured, according to the specific benefit amounts to be paid at regular intervals chosen by you.

Accumulate wealth for a whole life of prosperity

Serene Life series is a **participating whole life insurance plan**. Both plans will provide guaranteed cash value, enabling you to accumulate wealth for a prosperous future for yourself and your family.

In addition, depending on the plan you choose, the plans will also provide non-guaranteed dividend(s) as follows.

For **Serene Life**, once the policy has been in force for 3 years, we will provide you with the Terminal Dividend if:

- you surrender the policy; or
- the insured passes away.

For **Serene Life (Annual Dividends)**, we will distribute the profit generated from the product group of participating whole life insurance plan by providing you with non-guaranteed annual cash amounts called Annual Dividends on a yearly basis, which begin from the end of the 3rd policy year. You may choose to receive the Annual Dividends in cash, or leave them to accumulate in your policy, potentially earning interest.

Also, once the policy has been in force for 10 years, we will provide you with the Terminal Dividend if:

- you surrender the policy; or
- the insured passes away.

Extra cover for more protection

To support you in unfortunate circumstances, we will waive the future premiums for **Serene Life series** if the insured becomes totally and permanently disabled before the age of 60. Offer of this benefit will be subject to our underwriting decision and exclusions.

You may also select the Payor Benefit Rider by which we will waive the future premiums for the basic plan until the insured reaches the age of 25 should you pass away or suffer total and permanent disability before the age of 60.

In addition, you can choose from a range of optional add-on plans offering accident, medical, critical illness and disability protection if you want more cover. Once the basic plan is paid up, you can renew these add-on plans until their expiry by continuing to pay their respective premiums.

All add-on plans are subject to their availabilities, additional premiums, underwriting and exclusions. All benefits under add-on plans will be terminated when your **Serene Life series** terminates.

Cover at a glance

Premium Payment Term	5-year	10-year	25-year
Insured's Age at Application	15 days - age 75	15 days - age 70	15 days - age 55
Benefit Term	Whole life		
Policy Currency	US$		
Minimum Sum Assured	US$10,000		
Premium Payment Mode	Annually / Semi-annually / Quarterly / Monthly		
Non-Guaranteed Annual Dividends and Terminal Dividend	**Serene Life** **Terminal Dividend** • One-off non-guaranteed Terminal Dividend will be provided upon policy surrender, death of the insured or policy termination after the policy has been in force for 3 years. **Serene Life (Annual Dividends)** **Annual Dividends** • Non-guaranteed Annual Dividends will be declared to your policy at least once per year starting from the end of the 3rd policy year. • Receive the Annual Dividends in cash or accumulate in your policy with non-guaranteed interest. **Terminal Dividend** • One-off non-guaranteed Terminal Dividend will be provided upon policy surrender, death of the insured or policy termination after the policy has been in force for 10 years.		
Surrender Benefit	**Serene Life** The surrender benefit will include: • guaranteed cash value; plus • any non-guaranteed Terminal Dividend. **Serene Life (Annual Dividends)** The surrender benefit will include: • guaranteed cash value; plus • any non-guaranteed Annual Dividends that have accumulated with interest under the policy; plus • any non-guaranteed Terminal Dividend. We will deduct all outstanding debt under the policy before we make the payment.		
Death Benefit	**Serene Life** The death benefit will include: • the sum assured of the policy; plus • any non-guaranteed Terminal Dividend. **Serene Life (Annual Dividends)** The death benefit will include: • the sum assured of the policy; plus • any non-guaranteed Annual Dividends that have accumulated with any interest under the policy; plus • any non-guaranteed Terminal Dividend. We will deduct all outstanding debt under the policy before we make the payment.		
Death Benefit Settlement Option	• During the lifetime of the insured, you can select specific benefit amounts to be paid to your beneficiary at regular intervals chosen by you, provided that the total annual payment is at least equal to 2% of the death benefit. • The remaining amount of the benefit will be left with our company to accumulate interest at a non-guaranteed interest rate determined by us, until the full amount of the benefit had been paid to the beneficiary. • The Death Benefit Settlement Option is not available if the death benefit payable is less than US$50,000.		

Examples

(The following examples are hypothetical and for illustrative purposes only. Actual dividends are not guaranteed and are declared at AIA's sole discretion.)

Policy owner and insured:	Quinton (Age 38, non-smoker)
Occupation:	Senior Accountant
Family status:	Married with two children

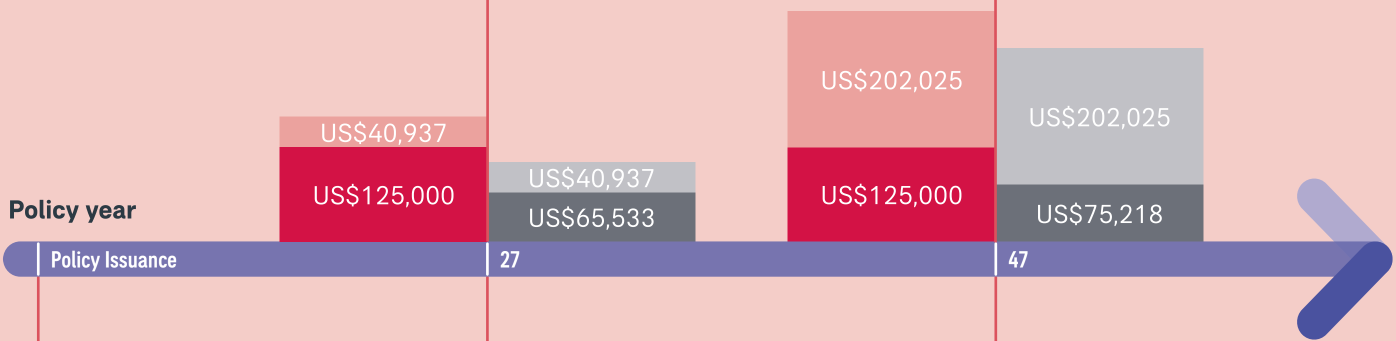
Quinton prefers to have a well-planned life. He meticulously plans out every detail that he possibly can. Having recently bought a flat for his family, Quinton is now developing a plan to grow his wealth with stable, long-term returns that will provide financial support for his loved ones should the worst occur. That's why he purchases **Serene Life** with US$125,000 as the sum assured. The premium payment term is 25 years and requires an annual premium of US$2,477.

This case assumes that Quinton does not withdraw cash at any point, choosing instead to let the total surrender value accumulate in his policy.

Non-guaranteed death benefit
Non-guaranteed surrender value
Guaranteed death benefit
Guaranteed cash value
Projected total death benefit
Projected total surrender value

Savings
When Quinton retires at the age of 65, the projected total surrender value will be **US$106,470**[2], up to **1.7 times** the total premiums paid. Quinton can surrender the policy to withdraw the total amount for his retirement, or simply continue to accumulate it under the policy for future use.

Savings
At the age of 85, the projected total surrender value under the policy will be **US$277,243**[2], up to **4.4 times** the total premiums paid. Quinton may choose to surrender the policy, withdraw the projected total surrender value and pass the full amount to his children. Alternatively, he may choose the Death Benefit Settlement Option[3], allowing his children to receive the death benefit amount in regular instalments.



Annual premium: **US$2,477**
Premium payment term: 25 years
Sum assured: **US$125,000**

Protection
At the age of 65, Quinton's projected total death benefit will be **US$165,937**[1], up to **2.6 times** the total premiums paid. This sum will help keep his family financially protected even if he passes away.

Protection
At the age of 85, Quinton's projected total death benefit will be **US$327,025**[1], up to **5.2 times** the total premiums paid. This sum will help provide security for his family in case anything happens to him.

Remarks: The figures in the above case may differ slightly from the actual amounts due to rounding differences.

1. If the insured passes away, we will pay the death benefit to the person whom the policy owner selects in the policy as the beneficiary. The death benefit will include the sum assured of the policy and any non-guaranteed Terminal Dividend. We will deduct all outstanding debt under your policy before we make the payment to the beneficiary.

2. The projected total surrender value illustrated is the sum of the policy's guaranteed cash value plus any non-guaranteed Terminal Dividend. The current dividend scale is neither indicative of future performance nor guaranteed. Past performance or current performance of our business should not be interpreted as a guide for future performance. The actual Terminal Dividend (if any) payable throughout the duration of the policy may vary at AIA's sole discretion, which may be less or more favourable than those illustrated. The above example assumes that no cash withdrawal or policy loans are taken throughout the term of the policy and that all premiums are paid in full when due. To receive the amounts illustrated, the policy owner must surrender his policy at the end of respective policy year. This policy will be terminated when the total surrender value has been withdrawn entirely.

3. The Death Benefit Settlement Option is subject to our approval. For details of the rules and regulations, please refer to Cover at a glance in this brochure.

Policy owner and insured:	Martin (Age 40, non-smoker)
Occupation:	Senior Human Resources Manager
Family status:	Married, with a newborn son Matthew

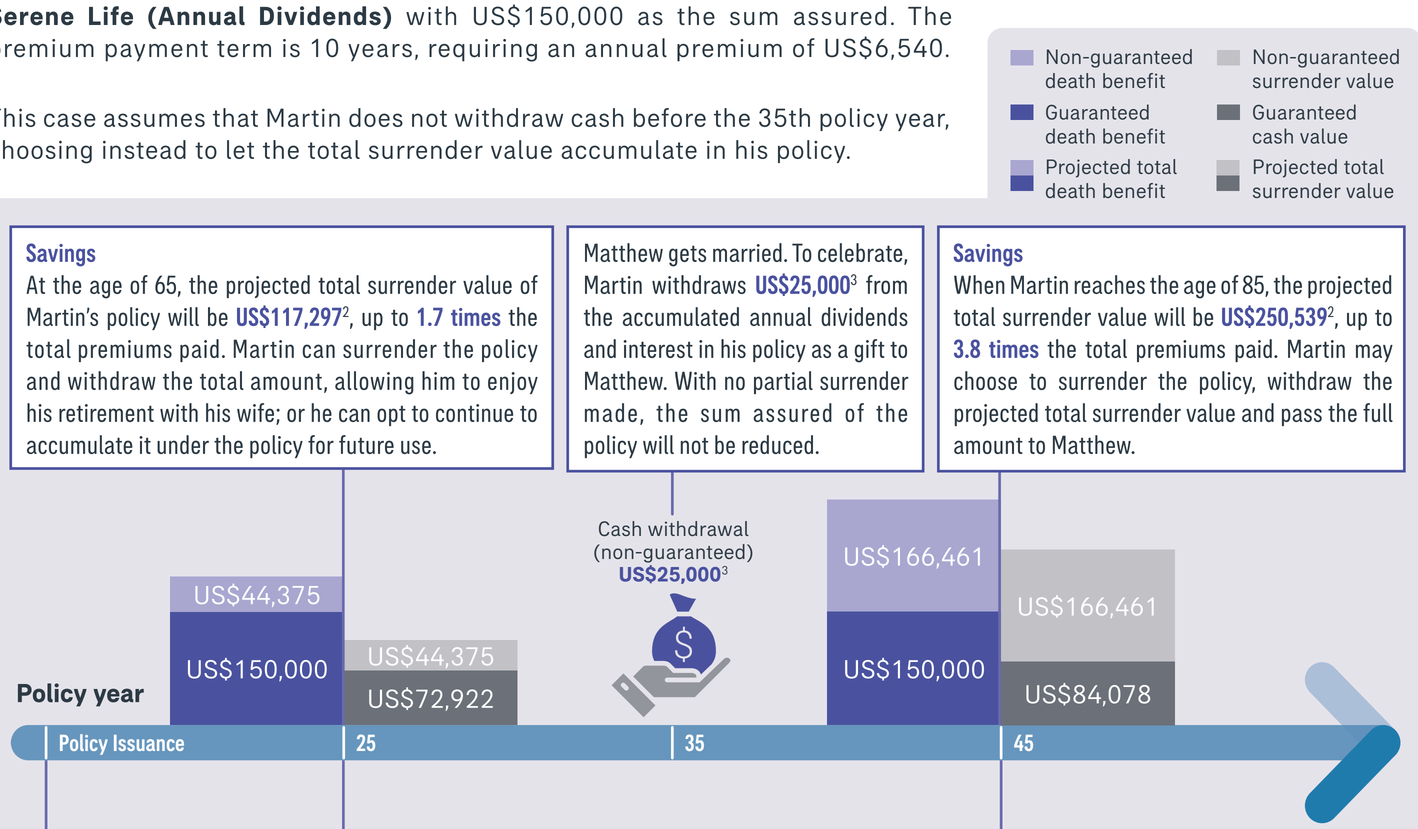
As a cautious investor and a new dad, Martin is looking for a plan that can provide higher liquidity and stable returns over the long term for his family, and protect them from financial uncertainty if the worst should happen. That is why Martin purchases **Serene Life (Annual Dividends)** with US$150,000 as the sum assured. The premium payment term is 10 years, requiring an annual premium of US$6,540.

This case assumes that Martin does not withdraw cash before the 35th policy year, choosing instead to let the total surrender value accumulate in his policy.

Savings
At the age of 65, the projected total surrender value of Martin's policy will be **US$117,297**[2], up to **1.7 times** the total premiums paid. Martin can surrender the policy and withdraw the total amount, allowing him to enjoy his retirement with his wife; or he can opt to continue to accumulate it under the policy for future use.

Matthew gets married. To celebrate, Martin withdraws **US$25,000**[3] from the accumulated annual dividends and interest in his policy as a gift to Matthew. With no partial surrender made, the sum assured of the policy will not be reduced.

Savings
When Martin reaches the age of 85, the projected total surrender value will be **US$250,539**[2], up to **3.8 times** the total premiums paid. Martin may choose to surrender the policy, withdraw the projected total surrender value and pass the full amount to Matthew.



Annual premium:
US$6,540
Premium payment term:
10 years
Sum assured:
US$150,000

Protection
At the age of 65, Martin's projected total death benefit will be **US$194,375**[1], up to **2.9 times** the total premiums paid. This sum can secure the financial future for his family if something unexpected happens.

Protection
At the age of 85, Martin's projected total death benefit will be **US$316,461**[1], up to **4.8 times** the total premiums paid. He can rest assured knowing that his family will be financially sound even if he passes away.

Remarks: The figures in the above case may differ slightly from the actual amounts due to rounding differences.

1. If the insured passes away, we will pay the death benefit to the person whom the policy owner selects in the policy as the beneficiary. The death benefit will include: i. the sum assured of the policy; plus ii. any non-guaranteed Annual Dividends that have accumulated with any interest under the policy; plus iii. any non-guaranteed Terminal Dividend. We will deduct all outstanding debt under the policy before we make the payment to the beneficiary.
2. The projected total surrender value illustrated is the sum of the policy's guaranteed cash value plus any non-guaranteed Annual Dividends that have accumulated with any interest under the policy, plus any non-guaranteed Terminal Dividend. The value is based on the current dividend scales and accumulation interest rate of 3.5% p.a. on Annual Dividends. The current dividend scales and interest rates are neither indicative of future performance nor guaranteed. Past performance or current performance of our business should not be interpreted as a guide for future performance. The actual Annual Dividends, accumulation interest rate and Terminal Dividend payable throughout the duration of the policy may vary at AIA's sole discretion, and may be less or more favourable than those illustrated. The above example assumes that no policy loans are taken throughout the term of the policy and that all premiums are paid in full when due. To receive the amounts illustrated, the policy owner must surrender his policy at the end of respective policy year. This policy will be terminated when the total surrender value has been withdrawn entirely.
3. The amount of cash withdrawal under Serene Life (Annual Dividends) is non-guaranteed. The actual amount of cash withdrawal may vary according to the actual non-guaranteed benefit payable. Please contact your financial planner or our Company to obtain illustrative documents for details on cash withdrawals in cases such as the above.

Important Information

This brochure does not contain the full terms and conditions of the policy. It is not, and does not form part of, a contract of insurance and is designed to provide an overview of the key features of this product. The precise terms and conditions of this plan are specified in the policy contract. Please refer to the policy contract for the definitions of capitalised terms, and the exact and complete terms and conditions of cover. In case you want to read policy contract sample before making an application, you can obtain a copy from AIA. This brochure should be read along with the illustrative document (if any) and other relevant marketing materials, which include additional information and important considerations about this product. We would like to remind you to review the relevant product materials provided to you and seek independent professional advice if necessary.

This brochure is for distribution in Hong Kong only.

Dividend Philosophy

This is a participating insurance plan in which we share a portion of the profits earned on it and related participating insurance plans with the policy owners. It is designed to be held long term. The premiums of a participating insurance plan will be invested in a variety of assets according to our investment strategy. The cost of policy benefits (including guaranteed and non-guaranteed benefits as specified in your plan that may be payable on death or surrender, as well as charges we make to support policy guarantees (if applicable)) and expenses will be deducted as appropriate from premiums of the participating insurance plan or from the invested assets. We aim to ensure a fair sharing of profits between policy owners and shareholders, and among different groups of policy owners. For this plan's target profit sharing ratio between policy owners and shareholders, please visit our website at https://www.aia.com.hk/en/our-products/further-product-information/profit-sharing-ratio.html.

Divisible surplus refers to profits available for distribution back to policy owners as determined by us. The divisible surplus that will be shared with policy owners will be based on the profits earned from your plan and similar plans or similar groups of policies (as determined by us from time to time by considering factors such as benefit features, policy currencies and period of policy issuance). Divisible surplus may be shared with the policy owners in the form of annual dividends and terminal dividends as specified in your policy. A very significant proportion of such divisible surplus arising from the experience from your plan and similar plans or similar groups of policies will be shared with policy owners.

We review and determine the dividend amounts payable to policy owners at least once per year. Divisible surplus depends on the investment performance of the assets which we invest in and the amounts of benefits and expenses we need to pay for the plan. It is therefore inherently uncertain. Nevertheless, we aim to deliver relatively stable dividend payments over time through a smoothing process by spreading out the gains and losses over a period of time. The actual dividends declared may be different from those illustrated or projected in any insurance plan information provided (e.g. benefit illustrations) depending on whether the divisible surplus, past experience and/or outlook are different from what we expected. If dividends are different from our last communication, this will be reflected in the policy anniversary statement.

A committee has been set up to provide independent advice on the determination of the dividend amounts to the Board of the Company. The committee is comprised of members from different control functions or departments within the organisation both at the AIA Group level as well as Hong Kong local level, such as office of the Chief Executive of the Company, legal, compliance, finance, investment and risk management. Each member of the committee will endeavour to exercise due care, diligence and skill in the performance of his or her duties as a member. The committee will utilise the knowledge, experience, and perspectives of each individual member to assist the Board in the discharge of its duty to make independent decisions and to manage the risk of conflict of interests, in order to ensure fair treatment between policy owners and shareholders, and among different groups of policy owners. The actual dividends, which are recommended by the Appointed Actuary, will be decided upon the deliberation of the committee and finally approved by the Board of Directors of the Company, including one or more Independent Non-Executive Directors, and with written declaration by the Chairman of the Board, an Independent Non-Executive Director and the Appointed Actuary on the management of fair treatment between policy owners and shareholders.

To determine the dividends of a participating policy, we consider both past experience and the future outlook of all factors including, but not limited to, the following:

Investment returns: include interest earnings, dividends and any changes in the market value of the backing assets, i.e. the assets in which we invest your premiums (after deducting the cost of policy benefits and expenses). Depending on the asset allocation adopted for the insurance plan, investment returns could be affected by fluctuations in interest income (both interest earnings and the outlook for interest rates) and various market risks, including interest rate risk, credit spread and default risk, fluctuations in listed and private equity prices, real estate prices as well as foreign exchange rates if the currency of the backing assets is different from the policy currency, etc.

Claims: include claims for death benefits and any other insured benefits under the insurance plan.

Surrenders: include policy surrenders, partial surrenders and policy lapses; and their corresponding impact on the backing assets.

Expenses: include both expenses directly related to the policy (e.g. commission, underwriting, issue and premium collection expenses) and indirect expenses allocated to the insurance plan (e.g. general administrative costs).

Some participating insurance plans allow the policy owners to place their annual dividends, guaranteed and non-guaranteed cash payments, guaranteed and non-guaranteed incomes, guaranteed and non-guaranteed annuity payments with us, earning interest at a non-guaranteed interest rate. To determine such non-guaranteed interest rate, we consider the returns on the pool of assets in which these amounts are invested with reference to the past experience and future outlook. This pool of assets is segregated from other investments of the Company and may include bonds and other fixed income instruments. You have the right to request for historical accumulation interest rates before committing the purchase.

For dividend philosophy and dividend history, please visit our website at https://www.aia.com.hk/en/dividend-philosophy-history.html

Investment Philosophy, Objective and Strategy

Our investment philosophy aims to deliver sustainable long-term returns in line with the insurance plan's investment objectives and the Company's business and financial objectives.

Our aforementioned objectives are to achieve the targeted long-term investment results while minimising volatility in investment returns to support the liabilities over time. They also aim to control and diversify risk exposures, maintain adequate liquidity and manage the assets with respect to the liabilities.

Our current long-term target strategy is to allocate assets attributed to this insurance plan as follows:

Asset Class	Target Asset Mix (%)
Bonds and other fixed income instruments	50% - 100%
Growth assets	0% - 50%

The bonds and other fixed income instruments predominantly include government and corporate bonds and are mainly invested in the United States and Asia-Pacific. Growth assets may include listed equity, equity mutual funds, physical real estate, real estate funds, private equity funds and private credit funds, and are mainly invested in the United States, Asia-Pacific and Europe. Growth assets generally have a higher long-term expected return than bonds and fixed income assets but may be more volatile in the short term. The range of target asset mix may be different for different participating insurance plans. Our investment strategy is to actively manage the investment portfolio i.e. adjust the asset mix dynamically over a range that can be wider than the target range in response to the external market conditions and the financial condition of the participating business. For example, there may be a smaller proportion of growth assets when interest rates are low and a larger proportion of growth assets when interest rates are high. When interest rates are low, the proportion of growth assets may be even smaller than the long-term target strategy, so as to allow us to minimise volatility in investment returns and to protect our ability to pay the guaranteed benefits under the insurance plans, whereas the proportion of the growth assets may be even larger than the long-term target strategy when interest rates are high to allow for the possibility that we may share more investment opportunities in growth assets with the policy owners.

Subject to our investment objectives, we may use a material amount of derivatives (such as through pre-investing partly or fully expected future premiums) to manage our investment risk exposure and for matching between assets and liabilities, for example, the effects of changes in interest rates may be moderated while allowing for more flexibility in asset allocation.

Our general currency strategy is to minimise currency mismatches for bonds and other fixed income instruments. For these investments, our current practice is to endeavour to currency-match asset purchases with the currency of the underlying policy (e.g. US Dollar assets will be used to back US Dollar insurance plans). However, subject to market availability and opportunity, bonds or other fixed income instruments may be invested in a currency other than the currency of the underlying policy and currency swaps may be used to minimise the currency risks. Currently assets are mainly invested in US Dollar. Growth assets may be invested in a currency other than the currency of the underlying policy and the selection of the currency is made according to our investment philosophy, investment objectives and mandate.

We will pool similar participating insurance plans for investment to determine the return and we will then allocate the return to specific participating insurance plans with reference to their target asset mix. Actual investments (e.g. geographical mix, currency mix) would depend on market opportunities at the time of purchase, hence may be different from the target asset mix.

The investment strategy is subject to change depending on the market conditions and economic outlook. Should there be any material changes in the investment strategy, we will inform policy owners of the changes, with underlying reasons and expected impact to the dividends.

Key Product Risks

1. You should pay premium(s) on time and according to the selected premium payment schedule. If you stop paying the premium before completion of the premium payment term, you may elect one of the non-forfeiture options to surrender the policy or convert the policy to a non-participating insurance plan with life protection only. Compared with the original plan, such a plan will have less cover or a shorter term.

   If no non-forfeiture option has been elected, the premium will be covered by a loan taken out on the policy automatically for one year as long as the guaranteed cash value of the basic plan is sufficient to cover the premium in default and any outstanding debt. Afterwards, we will use the remaining cash value to convert to a non-participating insurance plan with life protection only.

2. The plan may make certain portion of its investment in growth assets. Returns of growth assets are generally more volatile than bonds and other fixed income instruments, you should note the target asset mix of the product as disclosed in this product brochure, which will affect the dividend on the product. The savings component of the plan is subject to risks and possible loss. Should you surrender the policy early, you may receive an amount considerably less than the total amount of premiums paid.

3. You may request for the termination of your policy by notifying us in written notice. Also, we will terminate your policy and you / the insured will lose the cover when one of the following happens:

   - the insured passes away;
   - you do not pay the premium within 31 days of the due date and the policy has no cash value;
   - the end of the benefit term if basic policy has been continued as a non-participating insurance plan;
   - any benefit is paid under an add-on plan that triggers termination of the policy; or
   - the outstanding debt exceeds the guaranteed cash value of the policy. Where the premium is covered by a loan taken out on the policy automatically, the outstanding debt exceeds the guaranteed cash value of your policy (applicable to Serene Life) / the sum of guaranteed cash value and accumulated Annual Dividends with interest (if any) of your policy (applicable to Serene Life (Annual Dividends)).

4. We underwrite the plan and you are subject to our credit risk. If we are unable to satisfy the financial obligations of the policy, you may lose your premium paid and benefits.

5. You are subject to exchange rate risks for plans denominated in currencies other than the local currency. Exchange rates fluctuate from time to time. You may suffer a loss of your benefit values and the subsequent premium payments (if any) may be higher than your initial premium payment as a result of exchange rate fluctuations. You should consider the exchange rate risks and decide whether to take such risks.

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

6. Your current planned benefit may not be sufficient to meet your future needs since the future cost of living may become higher than they are today due to inflation. Where the actual rate of inflation is higher than expected, you may receive less in real terms even if we meet all of our contractual obligations.

Policy Reverse Mortgage Programme ('PRMP')

Please note that Serene Life series are the eligible life insurance plan under PRMP, but it does not necessarily mean that your PRMP application will be approved. The eligibility of this product under the PRMP is based on the features of the product. Therefore, you and your life insurance policy are still required to meet all the eligibility requirements under PRMP before you apply for the policy reverse mortgage loan.

Any general information provided on PRMP is for your reference only, and you should not make any decisions based on such information alone. You should always seek for advice from professional bodies if you have any doubts. Please note that the information provided is subject to change including the eligibility criteria for PRMP. We do not take any responsibility to inform you about any changes and how they may affect you. The Policy Reverse Mortgage Programme is operated by HKMC Insurance Limited, a wholly-owned subsidiary of The Hong Kong Mortgage Corporation Limited. For further information, please refer to The Hong Kong Mortgage Corporation Limited website: www.hkmc.com.hk.

Claim Procedure

If you wish to make a claim, you must send us the appropriate forms and relevant proof. You can get the appropriate claim forms in www.aia.com.hk, from your financial planner, by calling the AIA Customer Hotline (852) 2232 8888 in Hong Kong, or by visiting any AIA Customer Service Centre. For details related to making a claim, please refer to the policy contract. If you wish to know more about claim related matter, you may visit "File A Claim" section under our company website www.aia.com.hk.

Suicide

If the insured commits suicide within one year from the date on which the policy takes effect, our liability will be limited to the refund of premiums paid (without interest) less any outstanding debt.

Incontestability

Except for fraud or non-payment of premiums, we will not contest the validity of this policy after it has been in force during the lifetime of the insured for a continuous period of two years from the date on which the policy takes effect. This provision does not apply to any add-on plan providing accident, hospitalisation or disability benefits.

Cancellation Right

You have the right to cancel and obtain a refund of any premiums and any levy paid by giving written notice to us. Such notice must be signed by you and submitted to the Customer Service Centre of AIA International Limited at 12/F, AIA Tower, 183 Electric Road, North Point, Hong Kong within 21 calendar days immediately following either the day of delivery of the policy or the Cooling-off Notice to you or your nominated representative, whichever is the earlier.