



Insurance Policy

Elite Term Plan Series – Basic Plan

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1. GENERAL PROVISIONS

1.1 The Contract

This Policy is issued in consideration of the application and payment of premiums as set out in the Policy Schedule. The application for this Policy, any medical evidence, written statements and declarations furnished as evidence of insurability, and the Policy documents (including but not limited to the Policy Schedule referred hereto) constitute the entire contract.

All statements made by or for the Insured and/or the Policy Owner shall be considered as representations and not warranties.

1.2 Alterations

No alterations in the terms and conditions and provisions of this Policy shall be valid unless it is in a written Endorsement to this Policy signed by an officer so authorized by the Company. No agent or other persons shall have the authority to change or waive any provision of this Policy.

1.3 Policy

Policy shall mean the terms and conditions of Elite Term Plan Series mentioned herein.

1.4 Effective Date

The Policy Date specified in the Policy Schedule or the date of reinstatement, whichever is later.

1.5 Expiry Date

The Policy Anniversary immediately preceding the ninety-fifth (95th) birthday of the Insured.

1.6 Policy Owner

The Policy Owner is the person designated in the Policy Schedule. Only the Policy Owner can exercise all rights, privileges and options provided under this Policy while the Insured is alive and this Policy is in force.

Notwithstanding anything contained in this Policy, if the Policy Owner holds this Policy in trust for the Beneficiary by virtue of an express trust, any rights, privileges and options to be exercised by the Policy Owner shall be deemed to be exercised by the Policy Owner with the consent of the Beneficiary and exercised for the sole benefit of the Beneficiary.

1.7 Beneficiary

The Beneficiary is the person or persons entitled to the proceeds of this Policy upon the death of the Insured. During the lifetime of the Insured, a Beneficiary has no right to deal in any way with this Policy.

The proceeds of this Policy shall be paid to the nominated Beneficiary or if there is no nominated Beneficiary, to the Policy Owner or, if the Policy Owner is deceased, to the appointed Executor(s) or Administrator(s) of the Policy Owner's estate, as the case may be.

The interest of any Beneficiary under this Policy who predeceases the Insured shall vest in the Policy Owner and the interest of any joint Beneficiary who predeceases the Insured

shall accrue to the surviving Beneficiaries in such proportion as they are nominated and if no nomination equally.

If any Beneficiary dies simultaneously with the Insured, the proceeds of this Policy shall, unless otherwise provided in the application or in a written request, be paid to the same payee or payees and in the same manner as if the person who is older by age had died before the person who is younger by age.

1.8 Changes of Policy Owner and Beneficiary

The Policy Owner may, while the Insured is alive and this Policy is in force, change the Policy Owner or the Beneficiary of this Policy by filing written request satisfactory to the Company. Once received and recorded by the Company, the change shall be effective as of the date the notice was signed, regardless of whether the Insured or the Policy Owner is living at the time the notice is received by the Company.

1.9 Assignment

The Policy Owner may assign this Policy as collateral for a loan. Any such assignment shall not be binding upon the Company unless and until written notice of the assignment is duly filed with the Company by the Policy Owner and recorded by the Company. The filing of the assignment shall be without prejudice to any payment made by the Company before such recording.

The Company assumes no responsibility for the validity of any assignment or in respect of any moneys or benefits paid pursuant to or under such assignment to the assignees. The rights of an assignee shall at all times be subject to any indebtedness by the Policy Owner to the Company.

1.10 Age and Sex

This Policy is issued at the Insured's age on the next birthday following the Commencement Date as set out in the Policy Schedule. If the age and/or sex of the Insured was misstated in the application for this Policy, any amount paid or payable or benefit accruing under the Policy shall be such as the premiums paid would have purchased at the time of the application on the basis of the correct age and/or sex, but not greater than the original benefit which is specified in the Policy Schedule or any subsequent Endorsement thereof. If the Insured's correct age when the Policy is issued is outside the age range pursuant to the Company's underwriting rules, this Policy shall be void.

1.11 Freedom from Restriction

Unless otherwise specified, this Policy contains no restrictions upon the Insured in respect of travel, residence, or occupation.

1.12 Incontestability

This Policy shall be incontestable after it shall have been in force during the lifetime of the Insured for two (2) years, from the Policy Date, except for fraud or non-payment of premiums.

1.13 Suicide

If the Insured dies by suicide, whether sane or insane, within thirteen (13) calendar months from the Policy Date or the date of reinstatement, whichever is later, the Company's liability shall be limited to the amount of the premiums paid without interest, less any indebtedness and any benefit which has been paid under this Policy.

1.14 Currency of Payment

All amounts payable either to or by the Company shall be payable in the Currency specified in the Policy Schedule.

1.15 Cooling-off Period

The Policy Owner has the right to cancel this Policy by notice and obtain a refund of any premium(s) paid less any market value adjustment where applicable, by giving a written notice to the Company. Such notice must be signed by the Policy Owner and received directly by the Company within the period as specified by the current prevailing industry guideline.

1.16 Sum Insured

Sum Insured is as specified in the Policy Schedule or the latest Sum Insured attached as an Endorsement to the Policy.

1.17 Protection Against Creditors

To the extent allowed by law and subject to this Policy, all benefits and money payable under this Policy shall be exempt and free from claims, attachments or levies of any of the Policy Owner's creditors.

1.18 Interpretation

Throughout this Policy, where the context so admits, words embodying the masculine gender shall include the feminine gender, and words indicating the singular case shall include the plural and vice-versa.

Should any conflict arise in respect of the interpretation of any provisions in this Policy and any other material otherwise produced by the Company, then the provisions of this Policy shall prevail.

1.19 Language

This Policy appears in the Chinese and English languages. In the event of any conflict between these two versions, the English language version shall govern and prevail.

1.20 Governing Law

This Policy shall be governed by and construed in accordance with the laws of the Hong Kong Special Administrative Region.

2. PREMIUMS AND REINSTATEMENT PROVISIONS

2.1 Payment of Premiums

Premiums are payable during the term of this Policy. Premiums for the first twenty (20) Policy years are specified in the Policy Schedule. They shall be paid on a yearly basis or in such other frequency as the Company permits. Premiums once paid are fully earned. Premium due dates, Policy anniversaries and Policy years are determined from the Commencement Date as shown in the Policy Schedule. The first premium is due on the Commencement Date.

After the payment of the first premium, failure to pay a premium on or before its due date shall constitute default in payment of premiums.

2.2 Renewal

This Policy shall be automatically renewed at each Policy anniversary for another Policy year until the Expiry Date provided that premiums under this Policy are paid when due. The premiums for this Policy remain level and are guaranteed for the first twenty (20) Policy years. Starting from the twenty first (21st) Policy year, the premium rates will be determined annually at the sole discretion of the Company based on the age of the next birthday of the Insured at the time of renewal.

2.3 Grace Period

The Company shall allow a Grace Period of thirty (30) days after the premium due date for payment of each premium after the first. If a premium is still unpaid at the expiration of the Grace Period, the Policy shall cease to be in force from the date of the first unpaid premium. Any due and unpaid premiums shall be deducted from a benefit otherwise payable.

2.4 Deduction of Unpaid Premium

Upon the death of the Insured or the payment of the Advanced Death Benefit to the Policy Owner and while this Policy is in force, in the event of the premiums being paid by installments other than yearly, the Company shall deduct from any amount payable under this Policy the amount of unpaid premiums (if any) for the whole of the then current year of insurance, together with any other indebtedness which may be owing under this Policy.

2.5 Reinstatement

Within one (1) year from the date of a default in payment of premiums pursuant to which this Policy was terminated, this Policy may be reinstated at the Company's absolute discretion, provided that the Insured is still alive and insurable by the Company's underwriting rules.

Subject to the terms of this Policy and the Company's rules and regulations from time to time, the Policy Owner may apply for reinstatement of this Policy if:

- (i) a written application for reinstatement is furnished to the Company; and
- (ii) the Policy Owner provides evidence of insurability satisfactory to the Company that the Insured is insurable on the same basis as when this Policy was issued; and
- (iii) the Policy Owner pays all the unpaid premiums with interest, at a rate determined by the Company from time to time, from the date of the default in payment of premiums.

This Policy will be reinstated only from such date as notified in writing by the Company ('date of reinstatement'). The reinstated Policy shall cover only the Insured's death or the advent of death after the date of reinstatement.

3. BENEFIT PROVISIONS

3.1 Death Benefit

While this Policy is in force and subject to the other terms of this Policy, if the Insured dies before the Expiry Date, the Company shall upon receipt of due proof of the death and any other documents as required by the Company, pay to the Beneficiary the Sum Insured as set out in the Policy Schedule or the latest Sum Insured attached as an Endorsement to the Policy.

3.2 Advanced Death Benefit

While the Policy is in force and the Insured's advent of death is highly likely within twelve (12) months as certified by a Registered Medical Specialist and is accepted by the Company, the Advanced Death Benefit in the sum equivalent to the Sum Insured as set out in the Policy Schedule or the latest Sum Insured as set out in the Endorsement to the Policy (as the case may be) will be payable to the Policy Owner subject to the maximum of USD125,000 or HKD1,000,000 per Insured. Upon payment of such benefit to the Policy Owner, the Sum Insured and the premiums of the Policy will be reduced accordingly.

Registered Medical Specialist shall mean any person other than the Policy Owner, the Insured, an insurance agent, business partner(s), employee/employer or a relative of any of them (unless approved in advance by the Company in writing) who is licensed and registered under the Medical Registration Ordinance of the Hong Kong Special Administrative Region or otherwise legally authorized and entitled to practice western medicine in any country in accordance with the laws of that country, and who is acceptable to the Company.

No Advanced Death Benefit will be paid where the Insured's advent of death is highly likely within twelve (12) months and caused directly or indirectly from any of the following:-

- (i) intentional self-inflicted injury, or attempted suicide, while sane or insane and while intoxicated or not; or
- (ii) Human Immunodeficiency Virus (HIV) related illness, including Acquired Immunization Deficiency Syndrome (AIDS) and/or any mutations, derivations or variations thereof, which is derived from an HIV infection; or
- (iii) intoxication caused by alcohol or narcotics or drugs or agents unless taken in accordance with the lawful directions and prescription of a Registered Medical Specialist.

3.3 Conversion Privilege

Subject to the Company's relevant rules at the time of conversion, the entire amount or any portion of the Sum Insured remaining under the Policy may be converted to any permanent plan of life insurance without the requirement of evidence of insurability, if (1) the Policy is in force and the Insured is alive; and (2) it is no later than the Policy anniversary immediately preceding the seventieth (70th) birthday of the Insured.

The premiums for the new policy shall be determined in accordance with the Company's rules applicable on the date of conversion provided always that to the extent (if any) that this policy was granted on special terms or issued at an increased premium, the new policy shall be subject to such terms and conditions as the Company may require.

If only a portion of the Sum Insured is converted, the Policy may be continued for the remaining years and the premiums shall be reduced accordingly provided always that the Policy meets the Company's rules then in effect, including but not limited to the minimum Sum Insured and premiums then in effect.

3.4 Non-Participating

This Policy is non-participating and shall not share in the divisible surplus of the Company's life insurance funds.

4. TERMINATION PROVISIONS

4.1 Termination

This Policy shall terminate on the earliest of the following:

- (i) The death of the Insured.
- (ii) The Expiry Date of this Policy.
- (iii) The termination date of this Policy. Such date is determined in accordance with the Company's applicable rules and regulations.
- (iv) The Sum Insured is reduced to zero or below upon payment of the Advanced Death Benefit under this Policy.
- (v) The end of the Grace Period of any premiums due and not received by the Company.

5. POLICY SETTLEMENT PROVISIONS

5.1 Policy Settlement

Payment by the Company of any benefit(s) under this Policy is subject to the terms of the Policy and the following requirements being met to the satisfaction of the Company:

- (i) Production of the original of this Policy;
- (ii) Production of evidence of the legal entitlement of the person or persons claiming payment;
- (iii) Production of evidence of the death of the Insured upon which the Death Benefit of the Policy becomes payable;
- (iv) Production of evidence of the date of birth of the Insured;
- (v) Production of all necessary medical records, certificates and completion of all relevant forms required by the Company; and
- (vi) The Company reserves the right to call for any other document(s).

The receipt of the Policy proceeds by the payee shall constitute full and final discharge of all the Company's obligations under this Policy and shall be conclusive evidence that all claims under this Policy have been duly satisfied.

5.2 Settlement Options

When a benefit becomes payable under this Policy, subject to the Company's rules and regulations, the person entitled to payment may request the Company to retain the amount payable, or may use the amount to provide an annuity. Settlement options may be changed by the Company from time to time. Minimum amount limits as determined by the Company from time to time must be met.