

## Policy split service

As your life stage changes, your financial goals or protection needs may also change.

To give you greater flexibility in managing your policy, we offer a **policy split** (see note 1) service for designated plans. Starting from the 5th policy anniversary or the end of the premium payment period (whichever is later), you may choose to split your policy – whether it is to set aside funds to meet a different objective, initiate legacy planning, or meet other needs.

**How does it work?** Based on the split percentage you requested on the notional amount, you will have the notional amount, policy values and benefits under your policy transferred to the split policy(ies) subject to rounding differences, with commencement date same as that of your policy.

### Take Paul’s case below as an example (see note 2):

#### Age 40

#### Securing a future for the family

Paul is a successful entrepreneur. As he enters the prime of his career, he decides to take up a designated plan to build his wealth to secure the family’s future, naming himself as the life insured and his wife (Jane) as the beneficiary (Policy A).

What’s in his mind is that if any mishap happens to him, Jane can at least have the death benefit, which includes any saving elements that have built up (if applicable), paid to her to help support the raising of their son (Carl).

#### Age 70

#### Planning the legacy for his child

With good financial planning, Paul and Jane are now living a comfortable retirement. His financial obligations to the family have also been eased; for example, his mortgage has been paid up and Carl has started a family of his own!

He decides to use this policy as part of his legacy planning. He then makes use of the **policy split** service (see note 1) to split 80% of his policy’s (Policy A) notional amount out to a separate policy (Policy B) with Carl named as the beneficiary, while keeping 20% in Policy A as travel fund for himself and Jane.

### Assuming Paul’s policy has the following amounts/values (see note 2) upon the policy split:

	Before policy split	After policy split	
	Policy A	Policy A (Travel fund)	Policy B (Split policy) (Legacy for Carl)
<b>% of Notional amount</b>	<b>100%</b>	<b>20%</b>	<b>80%</b>
Notional amount	US\$200,000	US\$40,000	US\$160,000
Guaranteed cash value	US\$200,000	US\$40,000	US\$160,000
Non-guaranteed terminal bonus (see note 3)	US\$400,000	US\$80,000	US\$320,000
Accumulated realized terminal bonus (see note 3)	US\$50,000	US\$10,000	US\$40,000
Total surrender value	US\$650,000	US\$130,000	US\$520,000
<b>Beneficiary</b>	<b>Jane</b> (Paul’s wife)	<b>Jane</b> (Paul’s wife)	<b>Carl</b> (Paul’s son)
		In the unfortunate event of Paul’s demise, Jane and Carl will be paid the death benefit, which includes any saving elements that have built up (if applicable), under Policy A and B respectively.	

Please note that all policies after splitting must fulfill the minimum notional amount and minimum premium requirement of the designated plan. All outstanding debts (if any) must be settled before we approve the application for a policy split.

## What if the realization option is available under your policy and has been exercised under your policy before the policy split?

The aggregate realization percentage under your policy before the policy split will be applied to the split policy(ies) upon the split.

Back to Paul's case as an example, if Paul has realized 10% of the terminal bonus before the policy split, the aggregate percentage of 10% under Policy A will also be applied to Policy B upon the split.

	Policy A (Travel fund)	Policy B (Split policy) (Legacy for Carl)
<b>Before policy split</b>		
Aggregate realization % used	10%	N/A
<b>Upon policy split</b>		
Aggregate realization % used	10% 	10%
Aggregate realization % available (assuming maximum aggregate realization % is 50%)	40%	40%

Assuming Paul's designated plan offers a maximum of 50% for an aggregate realization percentage, Paul can still lock in up to 40% of the terminal bonus amount under Policy A and Policy B individually to meet his future needs.

### Notes

- Policy split service is only offered to designated plans as determined by us from time to time.** It is an administrative arrangement and is not part of the designated plans' feature. **The acceptance of any policy split application is at our sole and absolute discretion subject to the policyowner's fulfillment of our prevailing administrative rules which shall be determined and modified by us from time to time without prior notice.**
- It is assumed that Paul's policy fulfils all our prevailing requirements of the policy split service. Figures shown in this case are hypothetical and are for illustrative purpose only. **Actual figures under your policy upon policy split may vary significantly depending on the designated plan you are holding.** For your own illustrations, please contact your Manulife insurance advisor.
- Please refer to the relevant product leaflet(s) for details on terminal bonus and terminal bonus realization, if applicable.

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