

Dear Customer,

Important Information about the Insurance Authority Collecting Levy on Insurance Premiums of Individual Insurance Policies

Since January 1, 2018, the Insurance Authority (“IA”) has imposed a prescribed levy, payable by the policy owner, on insurance premiums in accordance with the Insurance (Levy) Regulation and the Insurance (Levy) Order under the Insurance Ordinance (Cap. 41). In this regard, a policy owner is required to pay the levy to the IA through the relevant authorized insurer each time when a premium is paid, and then the insurer will remit the levy payment to the IA. As stated in the law, if a policy owner does not pay the levy as required, the IA may impose on the policy owner a penalty of up to HK\$5,000, and may recover the outstanding levy as a civil debt due to the IA.

The levy is calculated as a percentage of premiums on insurance policies. The levy rate starts at 0.04% of the insurance premium per policy year and will adjust gradually to 0.1% according to legislation. Generally, the amount of levy payable for each policy is subject to a cap per policy year.

Details of the levy rates and levy caps are set out below:

Policy Year Date / Policy Anniversary Date	Levy Rate	Levy Cap (HK\$)
1 January 2018 to 31 March 2019 (both dates inclusive)	0.040%	\$40
1 April 2019 to 31 March 2020 (both dates inclusive)	0.060%	\$60
1 April 2020 to 31 March 2021 (both dates inclusive)	0.085%	\$85
1 April 2021 onwards (date inclusive)	0.100%	\$100

As an interim measure since the introduction of this new requirement, Manulife has been paying the levy on behalf of our policy owners. As this interim measure is going to cease, we are writing to inform you of our new arrangements as follows.

Starting from the policy year commencing on or after January 1, 2019, Manulife will collect levy from policy owners in accordance with the prescribed arrangements, and the following arrangements will be applied to your policy(ies) where applicable:

1. Levy payment will be collected at the same time when premium is paid.
2. If you have set up autopay arrangement to settle premium, the corresponding levy will be collected along with the premium via autopay.
3. Where prepayment or premium offset applies, the levy will be collected along with the premium upon the premium due date from the relevant accounts such as Premium Dump-in Facility / Dividend Account / Coupon Account.
4. For any premium that is paid by automatic premium loan and/or other automatic premium payment options, the corresponding levy will be collected at the same time and in the same manner, and applicable interests, fees or charges (if any) will apply accordingly.
5. For reinstatement, the levy on the overdue premium will be collected at the time of reinstatement based on the applicable levy rate and cap.
6. For investment-linked assurance scheme (ILAS) products, levy on insurance premiums will be deducted from the payment amount prior to investment.
7. In the event of claim / maturity / surrender, any outstanding levy will be deducted from the benefit proceeds.

Individual Financial Products

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The above arrangements apply to you and any of your successor(s), assignee(s) and/or beneficiary(ies).

Should you have any enquiries or any other arrangements that you wish to make, please contact our customer service hotline at (852) 2510 3941 or refer to the FAQ on our website at www.manulife.com.hk/link/levy-en.

Thank you.

Yours faithfully,
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This computer generated letter requires no signature.

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