Manulife 宏利

La Vie
赤霞珠終身壽險計劃

Crystal Mark
Clarity approved by Plain English Campaign

Whether you want to create your ideal home, a worry-free retirement or perhaps welcome a baby, you'll need to be financially stable. To achieve your goals, take your first step now and build your financial reserve with La Vie.

La Vie provides guaranteed cash payments to help you increase your wealth steadily and build the life you want.

La Vie

Guaranteed cash payments to age 100

Four options for paying your premiums

Three ways to make potential long-term savings

Enjoy peace of mind with life protection and optional benefits

Guaranteed cash payments to age 100

Starting from your second policy anniversary, you will receive a guaranteed cash payment equal to 5% of the notional amount (see the 'Important Information' section below) every year until the life insured reaches age 100.

If you are planning for your retirement, La Vie will help protect and increase your savings now for a regular retirement income in the future.

Three ways for potential long-term savings

La Vie pays you annual dividends (see note 1) as well as the guaranteed cash payments. You can leave the dividends and the cash payments with us to earn interest (see note 1) and achieve your savings target.

La Vie also helps you save for your future by providing guaranteed cash value that will be paid when you cash in your policy. You may also apply for a loan if you need emergency cash during the policy term.

Four options for paying your premiums

You can pay for La Vie over 5, 8, 12 or 15 years. The premiums are fixed throughout the payment period, which allows you to meet your financial goals and better plan for your future.

Enjoy peace of mind with life protection and optional benefits

La Vie offers two death benefit options, as shown below (also see note 2), that can help relieve the financial hardship if the life insured passes away.

Option 1 – Basic death benefit

(available if you choose the premium payment period of 15 years)

We will pay a lump sum death benefit of:

- 350% of the basic plan notional amount, less the sum of the guaranteed cash payments; or
- the notional amount of the basic plan; or
- the guaranteed cash value;

whichever is higher.

Option 2 – Reduced death benefit

If the life insured passes away within the first five policy years, we will pay:

- the sum of the basic plan premiums paid, less the sum of the guaranteed cash payments, plus any interest which has built up on that net amount at an interest rate of 1.2% a year.

If the life insured passes away after the 5th policy year, we will pay:

- 110% of the basic plan premiums paid, less the sum of the guaranteed cash payments; or
- the notional amount of the basic plan; or
- the guaranteed cash value;

whichever is higher.

We will also pay any guaranteed cash payments and any non-guaranteed dividends that have built up under the policy at that time.

You may also add other benefits – accident, critical illness, disability and medical for more comprehensive cover.

Plan at a glance		
Premium payment period	5 / 8 / 12 / 15 years	
Issue age	**Premium payment period**	**Issue age**
	5 / 8 / 12 years	0 (15 days) – 65
	15 years	0 (15 days) – 60
Payment/ Policy currency	HKD / USD	
Minimum notional amount	HKD50,000 / USD6,250	

Example 1 – plan for your child's success (see note 3)

Mr and Mrs Tse welcome their new baby to the family. As new parents, they certainly want to give their child the best possible start in life. To fulfil this goal, Mr Tse decides to build an education fund with La Vie to help support the overseas tuition fee for his daughter in the future.

He buys a La Vie policy for his daughter with a notional amount of HK$500,000, paying HK$8,580 a month for 15 years. He chooses to keep all non-guaranteed annual dividends and guaranteed cash payments with us until his daughter reaches 18.

Age 0

Mr Tse starts La Vie plan for his daughter.

Age 2

Guaranteed cash payment starts and is left with us.

Age 15

Mr Tse finishes paying all premiums of HK$1,544,400.

Age 18

Mr. Tse's daughter starts her undergraduate degree .

Age 19

Age 20

Age 21

Mr Tse's daughter graduates from university.

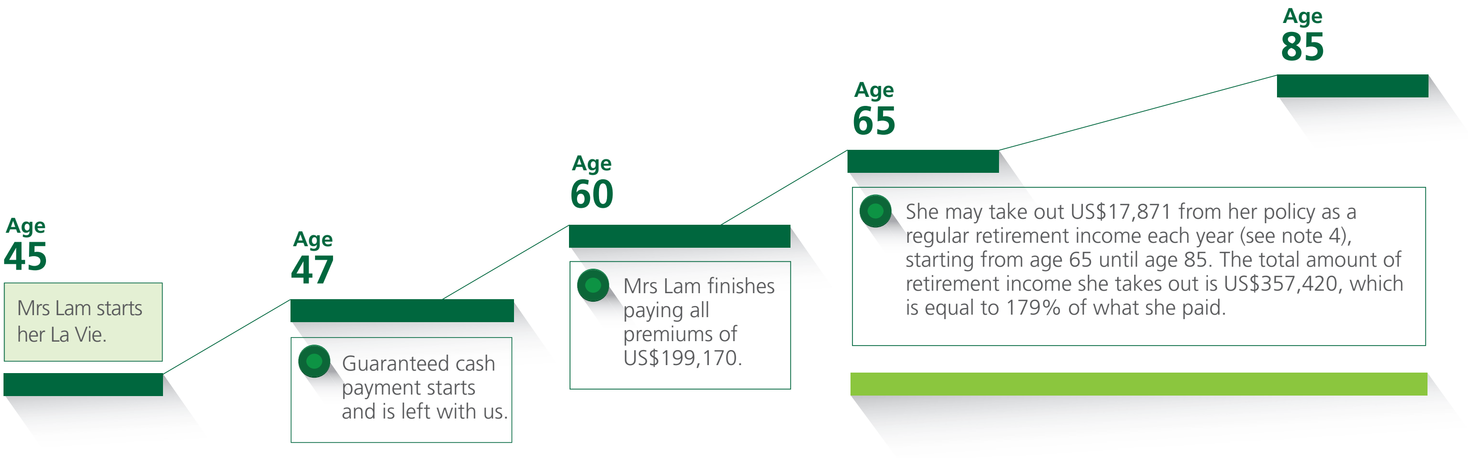
When Mr Tse's daughter reaches ages 18, 19, 20 and 21, Mr Tse may take out four cash payments from his policy, each of HK$282,045, to support the overseas tuition fee of his daughter (see note 4). The total amount of cash payments Mr Tse takes out would be HK$1,128,180, which is equal to 73% of what he paid.

Assuming Mr Tse continues to leave the other non-guaranteed annual dividends and guaranteed cash payments with us to earn interest (see note 1) after taking out the four cash payments, when his daughter reaches age 55 the amount built up would be HK$3,910,265, which is equal to 253% of what he paid (see note 3).

Example 2 – enjoy life after retirement (see note 5)

Mrs Lam is now 45 and starts planning for her retirement. She has decent retirement savings, but is worried about outliving her savings when she is no longer earning a salary.

To support the cost of daily expenses in retirement, Mrs Lam decides to set up a steady stream of retirement income with La Vie. She buys a La Vie with a notional amount of US$70,000, paying US$1,106.50 a month for 15 years. She chooses to keep all non-guaranteed annual dividends and guaranteed cash payments in the plan with us until she reaches 65.



Notes:

1. Annual dividends and the accumulation interest rates of dividends and guaranteed cash payments (in other words, interest rates for building up dividends and guaranteed cash payments left with us) are not guaranteed and we may change them from time to time. We will not pay any dividend until we receive the full premium for the second policy year.
2. The description aims to give you some general information on how the amount of the death benefit is worked out on the assumption that the notional amount and premium for the basic plan stay the same, and the guaranteed cash payments are paid when they fall due throughout the whole period when the policy is in force. Please see the policy proposal and the 'Death Benefit' provision in the policy provision for details of how the amount of the death benefit is worked out under different situations including, in particular, if the notional amount and the premium for the basic plan are reduced.
3. Figures in the example assume Mr Tse's daughter is age 0, in good health and currently lives in Hong Kong and he selects a basic death benefit option for the policy. The amount of non-guaranteed annual dividends in the example is only an estimate based on the current dividend scale. The guaranteed cash payments and non-guaranteed annual dividends are left with us at an interest rate of 3.50% a year for a policy in Hong Kong dollars (we may change the interest rate from time to time). The dividends and accumulation interest rate of the dividends and guaranteed cash payments left with us (which is the interest rate for building up the dividends and guaranteed cash payments) are not guaranteed and are for illustrative and example purposes only. The actual dividend amounts we will pay and accumulation interest rates may be lower or higher than those illustrated in the example. We also assume that Mr Tse makes withdrawals as shown in the example and all premiums are paid in full when due. This example is only a reference. For your own illustrations, please contact your Manulife insurance advisor.
4. The cash payments in example 1 and example 2 include the guaranteed cash payments, non-guaranteed annual dividends and non-guaranteed interests which have built up.
5. Figures in the example assume Mrs Lam is age 45, a non-smoker, in good health, currently lives in Hong Kong and selects a basic death benefit option for the policy. The amount of non-guaranteed annual dividends in the example is only an estimate based on the current dividend scale. The guaranteed cash payments and non-guaranteed annual dividends are left with us at an interest rate of 4.00% a year for a policy in United States dollars (we may change the interest rate from time to time). The dividends and accumulation interest rate of the dividends and guaranteed cash payments left with us (which is the interest rate for building up the dividends and guaranteed cash payments) are not guaranteed and are for illustrative and example purposes only. The actual dividend amounts we will pay and accumulation interest rates may be lower or higher than those illustrated in the example. We also assume that Mrs Lam makes withdrawals as shown in the example and all premiums are paid in full when due. This example is only a reference. For your own illustrations, please contact your Manulife insurance advisor.

Important Information

This plan is a participating plan. A participating plan provides you with non-guaranteed benefits, such as annual dividends.

Your policy will have a 'notional amount', which is an amount we use to work out the premium and other policy values and benefits of the plan such as guaranteed cash payments. This notional amount does not represent the amount of death benefit we will pay. Any change in this notional amount will lead to a corresponding change in the premiums and other policy values and benefits of the plan.

Dividend philosophy

Our participating plan aims to offer a competitive long-term return to policyholders and at the same time make a reasonable profit for shareholders. We also aim to make sure we share profits between policyholders and shareholders in a fair way. In principle, all experience gains and losses, measured against the best estimate assumptions, are passed on to the policyholders. These gains and losses include claims, investment return and persistency (the likelihood of policies staying in force), and so on. However, expense gains and losses measured against the best estimate assumptions, are not passed on to the policyholders. Shareholders will be responsible for any gains or losses when actual expenses are different from what was originally expected. Expenses refer to both expenses directly related to the policy (such as commission, the expenses for underwriting (reviewing and approving insurance applications), issuing the policy and collecting premiums) as well as indirect expenses allocated to the product group (such as general overhead costs).

To protect dividends from significant rises and falls, we use a smoothing process when we set the actual dividends. When the performance is better than expected, we do not immediately use the full amount we have made to increase dividends. And, when the performance is worse than expected, we do not pass back the full amount of losses immediately to reduce dividends. Instead, the gains or losses are passed back to the policies over a number of years to make sure we provide a more stable dividend year to year.

We share the gains and losses from the participating accounts among different classes and generations of policyholders, depending on the contribution from each class. When we manage dividends, we aim to pass back these gains and losses within a reasonable time, while making sure we treat policyholders fairly. When considering the fairness between different groups of policyholders, we will consider, for example, the following.

- Products (including supplementary benefits) that you bought
- Premium payment periods or policy terms or the currency of the plan
- When the policy was issued

The dividends each year are not guaranteed. We review and decide on the dividends at least every year.

Written declaration by our Chairman of the Board, an Independent Non-Executive Director and the Appointed Actuary is in place to confirm the mechanism manages fairness between different parties. You may browse the following website to learn more about your participating policy.

www.manulife.com.hk/link/par-en

Investment policy, objective and strategy

Our investment policy aims to achieve targeted long-term investment results based on the set amount of risk we are willing to take (‘risk tolerances’). It also aims to control and spread out risk, maintain enough assets that we can convert into cash easily (‘liquidity’) and manage assets based on our liabilities.

Our current long-term target asset mix of the product is as follows.

Asset class	Target asset mix
Bonds and other fixed income assets	50% to 75%
Non-fixed income assets	25% to 50%

The bonds and other fixed income assets include mainly government and corporate bonds, and are mainly invested in Hong Kong, the United States and Asia. Non-fixed income assets may include, for example, public and private equities and real estate and so on, and are mainly invested in Hong Kong, the United States, Europe and Asia. Derivatives may be used mainly for hedging purposes.

For bonds and other fixed-income assets, if the currency of the asset is not in the same currency as the policies, we use currency hedges. These are a way of counteracting the effect of any fluctuations in the currency. However, we give more flexibility to non-fixed-income assets where those assets can be invested in other currencies not matching the policy currency. This is to benefit from diversifying our investment (in other words, spreading the risk).

Actual investments would depend on market opportunities at the time of buying them. As a result, they may differ from the target asset mix.

The investment strategy may change depending on the market conditions and economic outlook. If there are any significant changes in the investment strategy, we would tell you about the changes, with reasons and the effect on the policies.

Dividend and bonus history

You may browse the following website to understand our dividend and bonus history. This is only for reference purposes. Dividend history or past performance is not a guide for future performance of the participating products.

www.manulife.com.hk/link/div-en

Other product disclosures

1. **Nature of the product**
   The product is a long-term participating life-insurance policy with a savings element. Part of the premium pays for the insurance and related costs. The savings element is reflected in the cash value and may not be guaranteed. The product is aimed at customers who can pay the premiums for the whole of the premium payment period. As a result, you are advised to save enough money to cover the premiums in the future. You should be prepared to hold this product for the long term to achieve the savings target.

2. **Cooling-off period**
   If you are not happy with your policy, you have a right to cancel it within the cooling-off period and get a refund of any premiums (and any levy paid, if the policy is issued in Hong Kong). To do this, you must give us, within the cooling-off period, your written notice signed by you at Individual Financial Products, Manulife (International) Limited, 22/F, Tower A, Manulife Financial Centre, 223-231 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong (if the policy is issued in Hong Kong) or at Avenida De Almeida Ribeiro number 61, Circle Square, 14 andar A, Macau (if the policy is issued in Macau). In other words, your written notice to cancel your policy must reach us at the relevant address within 21 days after we have delivered the policy or sent you or your representative a notice telling you about the availability of the policy and the expiry date of the cooling-off period, whichever is the earlier.

3. **Premium term and result of not paying the premium**
   You should pay the premium (or premiums) on time for the whole of the premium payment period. If you do not pay a premium on time, you have 31 days from the due date to pay it, during which the policy will continue in force. If we do not receive the premium after the 31-day period ends and as long as there is enough cash value, the 'automatic premium loan' (see point 11 below) will apply and the policy will continue in force. If there is not enough cash value in the policy, the policy will end without further notice and the life insured will not be covered. In this case, we will not pay any amount to you.

4. **The main risks affecting the dividends and accumulation interest rate of the non-guaranteed dividends and guaranteed cash payments (see note 1)**
   The dividends each year are not guaranteed. Factors that may significantly affect the dividends include, but are not limited to, the following:

   Claims – our experience on insurance claims such as paying death benefit.
   Investment return – includes both interest income, dividend income, the outlook for interest rates and any changes in the market value of the assets backing the product. Investment returns could be affected by a number of market risks, including but not limited to credit spread and default risk, and the rise and fall in share and property prices.

   Persistency – includes other policy owners voluntarily ending their insurance policies (premiums not being paid, cashing in all or part of the policy), and the corresponding effects on investments.

   You can leave your non-guaranteed annual dividends and guaranteed cash payments with us to earn interest. The rate of interest that we can pay is based on the investment performance, market conditions and the expected length of time you leave your non-guaranteed annual dividends or guaranteed cash payments with us. This rate is also not guaranteed and may change from time to time due to changes in the investment environment.

5. **Credit risk**
   Any premiums you paid would become part of our assets and so you will be exposed to our credit risk. Our financial strength may affect our ability to meet the ongoing obligations under the insurance policy.

6. **Currency risk**
   This plan is available in foreign currency. You should consider the potential currency risks when deciding which policy currency you should take. The foreign-currency exchange rate may fall as well as rise. Any change in the exchange rate will have a direct effect on the amount of premium you need to pay and the value of your benefits in your local currency. The risk of changes in the exchange rate may cause a financial loss to you. This potential loss from the currency conversion may wipe out the value of your benefits under the policy or even be more than the value of benefits under your policy.

7. **Inflation risk**
   The cost of living in the future is likely to be higher than it is today due to inflation. As a result, your current planned benefits may not be enough to meet your future needs.

8. **Risk from cashing in (surrender) early**
   If you cash in the policy, the amount we will pay is the cash value worked out at the time you cash in the policy, less any amount you owe us. Depending on when you cash in your policy, this may be considerably less than the total premiums you have paid. You should refer to the proposal for the illustrations of the cash value we project.

9. **Liquidity and withdrawal risk**
   You can make withdrawals from guaranteed cash payments or non-guaranteed dividends which have built up, take a policy loan or even cash in the policy to get the cash value. You may make partial withdrawals from the guaranteed cash value but it would reduce the notional amount and the subsequent guaranteed cash payments, cash value, death benefit and other policy values and benefits. However, the notional amount after the reduction cannot be smaller than the minimum notional amount which we will set from time to time without giving you notice. Taking a policy loan will reduce your cash value and death benefit.

10. Policy loan

You can take a policy loan of up to 90% (we will decide this figure and may change it from time to time without giving you notice) of the policy cash value, less any amount you owe us. The interest we charge on the policy loan is compounded every year (in other words, interest will generate further interest on it) at the rate we set and we may change the rate from time to time. If at any time the amount you owe us equals or is more than the cash value, the policy will end and we will not pay any amount to you. Any policy loan will reduce the policy's death benefit and cash value. For details, please see the loan provisions in the policy provision.

11. Automatic premium loan

We will provide an automatic premium loan to keep the policy in force if you fail to pay the premium on time (see point 3 above), as long as there is enough cash value in the policy. If the cash value less any amount you owe is not enough to pay the premium you have missed, we can change how often you pay premiums. If the cash value less any amount you owe is less than a monthly premium, the policy will end and we will not pay any amount to you. The interest we charge on the automatic premium loan is compounded every year (in other words, interest will generate further interest on it) at the rate we set and we may change the rate from time to time. The automatic premium loan will reduce the policy's death benefit and cash value. For details, please see the loan provisions in the policy provision.

12. Condition for ending the policy

This policy will end if:

i. you fail to pay the premium within 31 days after the due date and your policy does not meet the requirements of an automatic premium loan;
ii. we have paid the death benefit;
iii. you cash in the policy; or
iv. the amount you owe us is equal to or more than the cash value;

whichever happens first.

13. Suicide

If the life insured commits suicide, whether sane or insane, within one year from the date of issue of the policy, our liability will be limited to a refund of the premium paid less any amount paid by us under the policy. For detailed terms and conditions including reinstatement, please refer to the policy provisions.

14. Exclusions and limitations

What we have said are an outline of the product features and risks. You should see the policy provision for the exact terms and conditions and pay particular attention to those terms where we will not pay the policy benefits.

In this product leaflet, 'you' and 'your' refer to the policyowner. 'Manulife', 'we', 'us' and 'our' refer to Manulife (International) Limited (incorporated in Bermuda with limited liability).

La Vie is an insurance product provided and underwritten by Manulife. For the exact terms and conditions of this product, please see the policy provision. You can ask us for a copy.

You should not buy this product unless you fully understand the product features and risks. For more information, please contact your Manulife insurance advisor or call our customer service hotline on (852) 2510 3383 (if you are in Hong Kong) or (853) 8398 0383 (if you are in Macau). If you have any doubts, please get professional advice from independent advisors.

From January 1, 2018, the Insurance Authority starts collecting levy on insurance premiums from policyowners for policies issued in Hong Kong. For details of the levy and its collection arrangement, please visit our website at www.manulife.com.hk/link/levy-en.

To view our Privacy Policy, you can go to our website at www.manulife.com.hk. You may also ask us not to use your personal information for direct marketing purposes by writing to us. You can find our address on our website. We will not charge you a fee for this.

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