

# Custom Whole Life

Personalize a Financial Plan that Meets  
Your Life Protection and Savings Needs

CHUBB®

Chubb Life

# Custom Whole Life



You have your own protection and savings needs. Custom Whole Life (the “Basic Plan”) is an insurance plan providing life protection up to age<sup>1</sup> 100 of the insured. With different combinations of life protection and savings, you can personalize a plan that meets your needs. In addition to guaranteed cash value, the Basic Plan offers non-guaranteed dividends and Terminal Dividend to help grow your wealth.

## **Tailor-made Solution to Suit Your Needs**

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Custom Whole Life is an insurance product consisting of life protection and savings elements. It provides a variety of combinations of life coverage and savings for you to decide what is best in your case that helps realize your dream.

## **Flexible Premium Payment Term for Better Financial Planning**

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Custom Whole Life has eight options of premium payment term ranging from five years to until the insured reaches age 100. The premium rate is guaranteed throughout the premium payment term selected.

## **Potential Growth for Wealth Accumulation**

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Custom Whole Life offers guaranteed cash value so that you can be assured of the progress of your savings even amidst market volatility.

What’s more, as a participating plan, Custom Whole Life provides dividends that may help you achieve your financial goals as well. Dividend is not guaranteed. The Company will determine the amount of dividend each year and allocate the dividend, if any, on policy anniversary.

## **Additional Terminal Dividend**

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Upon the death of the insured, policy surrender or policy maturity, a discretionary one-off Terminal Dividend<sup>2</sup> may be paid to increase your protection or return. Please note that Terminal Dividend does not accumulate within the policy, and does not form a permanent addition to the policy value.

The “Company”, “we”, “our”, or “us” herein refers to Chubb Life Insurance Hong Kong Limited.







### **Life Protection up to Age 100**

Custom Whole Life provides life protection up to age 100 of the insured. In the event of the insured's death, the death benefit<sup>3,4</sup> will be the Sum Assured of the Basic Plan. If the death of the insured occurs within the first 10 policy years and before age 65, an extra death benefit<sup>5</sup> equivalent to 10% of the Sum Assured will be payable.

Any accumulated dividends and interest and any Terminal Dividend will also be paid when death benefit is payable<sup>3,4</sup>.

### **Free Benefits to Expand Protection**

Custom Whole Life offers the following additional free benefits to the insured during the first policy year:

- **Personal Accident Coverage<sup>3,4,5,6</sup>**  
A free personal accident coverage equivalent to 10% of the Sum Assured of the Basic Plan will be payable for accidental death and dismemberment occurring to the insured during the first policy year. This free coverage will be offered to an insured aged between 0 and 34.
- **Term Life Coverage<sup>3,5,6</sup>**  
A free term life coverage equivalent to 10% of the Sum Assured of the Basic Plan will be payable for the death of the insured during the first policy year. This free coverage will be offered to an insured aged between 35 and 49.

### **Terminal Illness Benefit**

If the insured is diagnosed with a terminal illness and has a life expectancy of six months or less<sup>7</sup>, you can apply for the one-off advance payment of Terminal Illness Benefit while the policy is in force to help relieve the financial burden from medical expenses.

The Terminal Illness Benefit<sup>3</sup> will be the sum of the following:

- (i) 92.5% of an amount equivalent to:
  - 110% of the Sum Assured of the Basic Plan, if it is diagnosed within the first 10 policy years and before age 65 of the insured; or
  - 100% of the Sum Assured of the Basic Plan, if it is diagnosed at or after the 10th policy anniversary or at or after the age 65 of the insured, whichever is earlier; or
- (ii) 100% of the guaranteed cash value, whichever is higher; plus
- Any accumulated dividends and interest.

Once the Terminal Illness Benefit has been fully paid, the policy will be terminated.

### **Riders for Extra Protection**

The Company offers a wide range of riders (that provide accident, critical illness, disability and medical protection) attachable to Custom Whole Life to meet your specific needs at different life stages. Further underwriting for riders is required, and extra premium applies.

## More about Custom Whole Life

Basic Information		
<b>Product Type</b>	Basic plan	
<b>Policy Term</b>	Up to age 100 of the insured	
<b>Premium Payment Term and Issue Age of the Insured</b>	<b>Premium Payment Term</b>	<b>Issue Age of the Insured</b>
	5 years	Age 0 (15 days) - 70
	10 years	Age 0 (15 days) - 70
	12 years	Age 0 (15 days) - 68
	15 years	Age 0 (15 days) - 65
	18 years	Age 0 (15 days) - 62
	20 years	Age 0 (15 days) - 60
	25 years	Age 0 (15 days) - 55
	Up to age 100 of the insured	Age 0 (15 days) - 70
<b>Premium Payment Mode</b>	Monthly / quarterly / semi-annual / annual	
<b>Premium Structure</b>	Premium rate is guaranteed and remains unchanged throughout the premium payment term. Please refer to the benefit illustration for the premium amount.	
<b>Currency</b>	HK Dollar / US Dollar	
<b>Sum Assured</b>	<p>The amounts listed below are valid as at the date of this product brochure.</p> <ul style="list-style-type: none"> <li>• Minimum amount: HK\$78,000 / US\$10,000</li> <li>• Maximum amount: Individual consideration, subject to the maximum limit determined by the Company.</li> </ul>	
Maturity Value and Surrender Value		
<b>Maturity Value<sup>3</sup></b>	It is the sum of any guaranteed cash value, any accumulated dividends and interest and any Terminal Dividend at the maturity date.	
<b>Surrender Value<sup>3</sup></b>	It is the sum of any guaranteed cash value, any accumulated dividends and interest and any Terminal Dividend upon policy surrender.	

### Remarks:

1. In this product brochure, "age" refers to the age at the nearest birthday.
2. Payment and amount of Terminal Dividend is not guaranteed. It is determined by the Company and subject to change from time to time.
3. Please note that we will deduct any outstanding premiums and loans with accrued interest before making any benefit payment under the Basic Plan.
4. If the insured is aged below one on the policy issue date and dies before the first policy anniversary, the sum of the death benefit (including any extra death benefit and any amount payable under the free Personal Accident Coverage) and any accumulated dividends and interest will be reduced by 70%.
5. Extra death benefit, free Personal Accident Coverage and free Term Life Coverage are not applicable for policy conversion and substandard-risk case.
6. The free coverage will cease on the 1st policy anniversary or upon policy termination, whichever is earlier. For the exact terms and conditions of the free coverage, please refer to the endorsement attached with your policy.
7. The Company must receive written notice within 60 days from the date after the initial diagnosis that the insured suffers from terminal illness and the insured has a life expectancy of no more than six months, together with evidence satisfactory to the Company. Such written notice must not be received less than six months prior to the maturity date of the policy.







## Important Information

**This product brochure is for general reference only and is not part of the policy. It provides an overview of the key features of this product and should be read along with other materials which cover additional information about this product. Such materials include, but not limited to, policy provisions that contain exact terms and conditions, benefit illustrations (if any) and other policy documents and other relevant marketing materials, which are all available upon request. You might also consider seeking independent professional advice if needed.**

Custom Whole Life is designed for individuals looking for long-term financial planning to meet their needs for financial protection against adversities and saving up for the future. Early surrender of this product may result in significant losses that the surrender value may be less than the total premiums paid.

### **Dividend Philosophy and Investment Philosophy, Policy and Strategy**

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#### **Dividend Philosophy**

Participating insurance plans are designed to be held long term. Through the policy dividends declaration, the policyowners can share the divisible surplus (if any) of the participating insurance plans. We aim to ensure a fair sharing of profits between policyowners and shareholders, and among different groups of policyowners.

We will review and determine the amounts of dividends at least once per year, and a smoothing process is applied when the actual dividends are

determined. The dividends declared may be higher or lower than those illustrated in any product information provided. The dividend review would be approved by the Chairman of the Board, one Independent Non-Executive Director and the Appointed Actuary of the Company. In case of any change in the actual dividends against the illustration or should there be a change in the projected future dividends, such change will be reflected in the policy annual statement and benefit illustration.

To determine the policy dividends, we may consider the past experience and future outlook of various factors such as:

- **Investment returns:** include both interest income and change in market value of the assets supporting the policies. The investment returns could also be subject to market risks such as change in interest rate, credit quality and default, equity price movement, as well as currency price of the backing assets against your policy currency etc.
- **Claims:** include the cost of providing death benefit and other insured benefits under the policies.
- **Surrenders:** include policy surrenders and withdrawals; and the corresponding impact on investment.
- **Expenses:** include both direct expenses which are directly related to the policies, such as commission, underwriting, issuance and premium collection expense etc., as well as indirect expenses such as general overhead costs allocated to the policies.

## Investment Philosophy, Policy and Strategy

The investment policy of the Company is formulated with the objective to achieve targeted long-term investment results, taking into account risk control and diversification, liquidity and relationship between assets/liabilities.

Our current long-term target asset mix attributed to Custom Whole Life is as follows:

Asset Class	Target Asset Mix (%)
Bonds and other fixed income instruments	75% - 85%
Equity-like assets	15% - 25%

The bonds and other fixed income instruments predominantly include government and corporate bonds (both investment grade and non-investment grade). Equity-like assets may include both listed equity, mutual fund and private equity. Investment assets are predominantly denominated in U.S. dollars and Hong Kong dollars, and are mainly invested in the United States and Asia. Derivatives may be used to manage our investment risk exposures.

We will pool the investment from other products together for actual investment and the returns will be allocated with reference to the target asset mix. Actual investments would depend on market opportunities at the time of purchase. Therefore, the actual asset mix may differ from the target.

The investment strategy may be subject to change depending on the market conditions and economic outlook. In case there are any material changes in the investment strategy, we will inform our policyowners for the changes, reasons for the changes and the impact to the policyowners.

For the historical fulfillment ratios of participating insurance plans, please visit the webpage of the Company at <https://www.chubbliife.com.hk/en/customer-service/fulfillment-ratios-of-dividend.html>.

Please note that historical fulfillment ratios should not be taken as indicator of the future performance of this product.

## Key Product Risks

The following information helps you better understand the key product risks associated with this product that you may need to pay attention before application.

### • Premium Payment Term

You should only apply for this product if you intend to pay the premium for the whole of the premium payment term. Should you cease paying premiums early, your policy may be terminated. You will lose your insurance coverage and even the premiums paid as a result.

Non-payment options available under your policy are intended to keep your policy in force for as long as possible during non-payment of premium. However, you should be aware that when non-payment option is in effect, your entitlement to the benefits provided under the policy may be affected. Please refer to the policy provisions for the exact terms and conditions.

### • Liquidity Risk/Early Surrender

If you have any unexpected liquidity needs, you may apply for cash withdrawal (if applicable) or surrender the policy for its surrender value (if any). Please note that making cash withdrawal (if applicable) will lead to a reduction in benefits payable under the policy. You are also reminded that if your policy is surrendered in early years, the surrender value payable may be less than the premiums paid by you.

### • Market Risk

The non-guaranteed benefits of this product are based on the Company's scales of dividends and terminal dividend, which are not guaranteed and are determined by the Company from time to time and based on the Company's experiences and expectation of a series of factors including but not limited to investment returns, claims, policy surrenders and expenses. The actual amount of non-guaranteed benefits payable may be higher or lower than the amount illustrated in any product information provided to you.

The interest earned on the accumulated dividends is calculated based on an interest rate determined by the Company. Interest rate is not guaranteed and subject to change from time to time.

### • Credit Risk

This product is issued and underwritten by the Company. Your policy is therefore subject to the credit risk of the Company. If the Company is unable to satisfy the financial obligation of the policy, you may lose your insurance coverage and the premiums paid.

### • Exchange Rate Risk

For the policy denominated in currencies other than local currency, you are subject to exchange rate risk. The political and economic environment can affect the currency exchange rate significantly. Exchange rate fluctuates and is determined by the Company from time to time. Any transaction in foreign currencies involves risk. You should take exchange rate risk into consideration when deciding the policy currency.



- **Inflation Risk**

Please note that the cost of living in the future is likely to be higher than it is today due to inflation. Hence, the insurance coverage planned today may not be sufficient to meet your future needs.

### **Termination**

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The Basic Plan and its coverage will be terminated automatically on the occurrence of the earliest of the following:

- Lapse or surrender of the policy;
- The insured's death;
- The maturity date of the Basic Plan, i.e. the policy anniversary on which the insured reaches the age of 100;
- Upon your written request for cancellation;
- The amount payable under the Terminal Illness Benefit has been fully paid; or
- If the unpaid loan together with accrued interest exceeds the sum of guaranteed cash value and any accumulated dividends and interest.

You may surrender your policy by submitting the form prescribed by us. You may contact your licensed insurance intermediary or contact our Customer Service Center at +852 2894 9833 to get a copy of the form.

### **Key Exclusions**

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- If the insured commits suicide, while sane or insane, within two years of the date of issue or any subsequent date of reinstatement of the policy, whichever is later, the insurance coverage will end and we will refund the total amount of premiums you paid without any interest, less any amount paid to you by the Company under the policy and any unpaid loan together with accrued interest.
- No Terminal Illness Benefit will be paid if the terminal illness of the insured is caused directly or indirectly by attempted suicide, or intentionally self-inflicted injury of the insured, while sane or insane.

### **Cooling-off Period**

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If you are not satisfied with your policy, you have the right to cancel it by submitting a signed notice and return the policy document (if any) to Chubb Life Insurance Hong Kong Limited at 35/F Chubb Tower, Windsor House, 311 Gloucester Road, Causeway Bay, Hong Kong within a period of 21 calendar days immediately following either the day of delivery of the policy or a notice informing you or your nominated representative about the availability of the policy and the expiry date of the cooling-off period, whichever is earlier. If the last day of the 21-calendar day period is not a working day, the cooling-off period shall include the next working day. Upon such cancellation

of the policy, we will refund the total amount of premiums you paid without any interest, less any amount paid to you by the Company under the policy, in the original currency paid by you subject to any fluctuation of exchange rate upon cancellation, provided that the amount refunded will not exceed the total amount you paid in the original currency under the policy.

### **Collection of Premium Levy by Insurance Authority**

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The Insurance Authority started collecting levy on insurance premiums from policyowners for policies issued in Hong Kong since January 1, 2018. For details of the levy and its collection arrangement, please visit our Company website at [life.chubb.com/hk](http://life.chubb.com/hk) or contact our Customer Service Center at +852 2894 9833. In the event that we refund your premiums, whether in full or in part, e.g. upon cancellation of your policy during the cooling-off period, the proportionate levy paid by you will also be refunded accordingly.

## U.S. Foreign Account Tax Compliance Act

Under the U.S. Foreign Account Tax Compliance Act (“FATCA”), a foreign financial institution (“FFI”) is required to report to the U.S. Internal Revenue Service (“IRS”) certain information on U.S. persons that hold accounts with that FFI outside the U.S. and to obtain their consent to the FFI passing that information to the IRS. An FFI which does not sign or agree to comply with the requirements of an agreement with the IRS (“FFI Agreement”) in respect of FATCA and/or who is not otherwise exempt from doing so (referred to as a “nonparticipating FFI”) will face a 30% withholding tax (“FATCA Withholding Tax”) on all “withholdable payments” (as defined under FATCA) derived from U.S. sources (initially including dividends, interest and certain derivative payments).

The U.S. and Hong Kong have signed an inter-governmental agreement (“IGA”) to facilitate compliance by FFIs in Hong Kong with FATCA and which creates a framework for Hong Kong FFIs to rely on streamlined due diligence procedures to (i) identify U.S. indicia, (ii) seek consent for disclosure from its U.S. policyholders and (iii) report relevant tax information of those policyholders to the IRS.

FATCA applies to Chubb Life Insurance Hong Kong Limited. (the “Company”) and this Product. The Company is a participating FFI. The Company is committed to complying with FATCA. To do so, the Company requires you to:

- (i) provide to the Company certain information and documentation including, as applicable, your U.S. identification details (e.g. name, address, the US federal taxpayer identifying numbers, etc); and

- (ii) consent to the Company reporting this information and documentation and your account information (such as account balances, interest and dividend income and withdrawals) to the IRS.

If you fail to comply with these obligations (being a “Non-Compliant Accountholder”), the Company is required to report “aggregate information” of account balances, payment amounts and number of non-consenting US accounts to IRS.

The Company could, in certain circumstances, be required to impose FATCA Withholding Tax on payments made to, or which it makes from, your policy. Currently the only circumstances in which the Company may be required to do so are:

- (i) if the Inland Revenue Department of Hong Kong fails to exchange information with the IRS under IGA (and the relevant tax information exchange agreement between Hong Kong and the U.S.), in which case the Company may be required to deduct and withhold FATCA Withholding Tax on withholdable payments made to your policy and remit this to the IRS; and
- (ii) if you are (or any other account holder is) a nonparticipating FFI, in which case the Company may be required to deduct and withhold FATCA Withholding Tax on withholdable payments made to your policy and remit this to the IRS.

You should seek independent professional advice on the impact FATCA may have on you or your policy.



# Automatic Exchange of Financial Account Information

Automatic Exchange of Financial Account Information (“AEOI”) is an arrangement that involves the transmission of financial account information from Hong Kong to an overseas tax jurisdiction with which Hong Kong has entered into an AEOI agreement. In Hong Kong, the relevant legislative framework for implementation of AEOI is laid down in the Inland Revenue Ordinance.

The Inland Revenue (Amendment) (No. 3) Ordinance 2016 requires financial institutions in Hong Kong, to identify and report information relating to financial accounts held by customers that are tax residents of reportable jurisdictions to the Hong Kong Inland Revenue Department (“IRD”).

Chubb Life Insurance Hong Kong Limited. (“Chubb”) must comply with the following requirements of Inland Revenue Ordinance to facilitate the IRD automatically exchanging certain financial account information as provided for thereunder:

- (i) to identify certain accounts as “non-excluded financial accounts” (“NEFAs”);
- (ii) to identify the jurisdiction(s) in which NEFA-holding individuals and certain NEFA-holding entities reside for tax purposes;
- (iii) to determine the status of certain NEFA-holding entities as “passive NFEs” and identify the jurisdiction(s) in which their “controlling persons” reside for tax purposes;

(iv) to collect certain information on NEFAs (“Required Information”); and

(v) to furnish certain Required Information to the IRD (collectively, the “AEOI requirements”).

In order to comply with the AEOI requirement, from January 1, 2017, Chubb requires account holders (including individual, entities and controlling person) for all new accounts to complete and provide us with a self-certification for tax residence. As for pre-existing accounts, if Chubb has doubt about the tax residence of an account holder (including individual, entities and controlling person), it may require the account holder to provide a self-certification for tax residence.

As a financial institution, Chubb cannot provide you with any tax advice. If you have any doubts about your tax residence status and the impact of AEOI on your policy, you should seek independent professional advice.

It is an offence under section 80(2E) of the Inland Revenue Ordinance if any person, in making a self-certification, makes a statement that is misleading, false or incorrect in a material particular AND knows, or is reckless as to whether, the statement is misleading, false or incorrect in a material particular. A person who commits the offence is liable on conviction to a fine at level 3 (i.e. HK\$ 10,000).

# Every Way of Life —— Chubb Insured.

CHUBB®

## Contact Us

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