

# PRUlife prestige wealth planner

Life Insurance

A single premium gives you premier whole life protection and long-term savings to pass on your assets



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**Prudential Hong Kong Limited**  
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Policy Reverse Mortgage Programme – Eligible Life Insurance Plan

### ◆ Important notes ◆

This product is a life insurance plan and is not a bank deposit. Prudential Hong Kong Limited (A member of Prudential plc group) (“Prudential” or “we”) is the underwriter of this plan.

Standard Chartered Bank (Hong Kong) Limited (“Standard Chartered”) is an insurance agent of Prudential.

### ◆ Key risks ◆

#### How may our credit risk affect your policy?

The guaranteed cash value (if applicable) and insurance benefit of your plan are subject to our credit risk and are not guaranteed by Standard Chartered Bank (Hong Kong) Limited, Standard Chartered Bank or any of their subsidiaries or affiliates. If we become insolvent, you may lose the value of your policy and its coverage.

#### How may currency exchange rate risk affect your return?

Foreign currency exchange rates may fluctuate. As a result, you may incur a substantial loss when you choose to convert your benefits to other currencies. Additionally, the conversion of your benefits to other currencies is subject to exchange restrictions applicable at the time when the benefits are paid. You have the sole responsibility to decide if you want to convert your benefits to other currencies.

#### What are the risks of surrendering your plan or withdrawing money from your plan?

The liquidity of an insurance policy is limited. You are strongly advised to reserve adequate liquid assets for emergencies. For any surrender/withdrawal especially at the early stage upon policy inception, you may receive an amount considerably less than the premiums you paid.

#### How may inflation affect the value of your plan?

We expect the cost of living to rise in the future because of inflation. That means the insurance you take out today will not have the same buying power in the future, even if the plan offers increasing benefit intended to offset inflation.

#### What influences non-guaranteed assurance charge?

We set the assurance charge rate based on our claims experience at our discretion. We may review and adjust the rate for any particular risk classes at any time without prior notice.

### ◆ Investment philosophy ◆

#### Investment strategy

We aim to protect the rights and manage the reasonable expectations of all Shareholder-backed Participating policyholders. Our investment objective is to maximise policyholders’ returns with an acceptable level of risk. We do this through a broad mix of investments.

The Shareholder-backed Participating Fund invests in various types of assets, such as equity-type securities and fixed-income securities to diversify investment risks. The equity-type securities aim to provide policyholders with the potential for a higher long-term return.

We adopt an actively managed investment strategy, which we adjust in response to changing market conditions. Under normal circumstances, our experts allocate a smaller proportion of higher-risk assets, such as equities, to insurance plans with a higher guarantee and a larger proportion of higher-risk assets to insurance plans with lower guarantees. In doing so, we aim to match the level of risk to the risk profiles of our products. We may utilise derivatives to manage risks or improve returns. We may also make use of securities-lending to enhance returns.

The following paragraphs explain the current investment mix according to our investment strategy. Should there be any material changes in the investment strategy, we will inform you of the changes and explain the reasons behind and their implications.

#### The investment mix of your plan

The current long-term target asset allocation is as follows:

Asset type	Allocation (%) USD-denominated policies
Fixed-income securities	80%
Equity-type securities	20%

Our guaranteed liabilities to the policyholders are mainly supported by fixed-income securities.

We primarily invest in fixed-income securities rated at least investment-grade. A small portion of high-yield and emerging-market bonds may be included to improve yield and diversification.

For equity-type securities, most of the investments are in stocks listed on major international exchanges.

Our currency strategy is to broadly match the fixed-income securities to the underlying policy denomination, while we allow more flexibility for equity-type securities for diversification. Subject to market availability and opportunity, we may invest fixed-income securities in a currency other than the underlying policy denomination and currency hedging will be used to reduce the currency risk.

We invest globally to achieve diversification benefits and we currently have a higher relative allocation in the US and Asia which will be reviewed regularly.

**We actively manage and adjust actual exposure in response to changing market conditions and opportunities. Given asset values may vary due to changes in the economic environment and investment performance, the actual allocation may vary from the target allocation above. On a regular basis, we review the investment mix to be in line with our investment objectives and risk appetite. For more information on the investment mix, please refer to [www.prudential.com.hk/investmentmix\\_en](http://www.prudential.com.hk/investmentmix_en).**

After successfully building your wealth, it is natural for you to use it to safeguard your loved ones' long-term financial security. But successfully preserving and passing on all you have created needs careful and thoughtful planning. With just a single premium payment, **PRU**life prestige wealth planner provides premier whole life financial protection as well as the potential to grow wealth, helping you to pass on your assets for future generations.

## How it works?

**PRU**life prestige wealth planner is a whole life insurance plan with 2 elements: "**PRU**life prestige wealth planner – Savings" and "**PRU**life prestige wealth planner – Protection". Both elements safeguard your loved ones against the financial impact of mishap while **PRU**life prestige wealth planner – Savings gives you the potential to grow your wealth through our Shareholder-backed Participating Fund.

The 1<sup>st</sup> step in taking out your plan is deciding how much wealth you would like to pass on to future generations.

## Plan highlights



Lifelong, premier protection with just a single premium payment



Your protection adapts to meet the changes in your life



Leave a lasting legacy



Grow, preserve and pass on your assets



Ensure the continuity of your business

## The benefits

### Lifelong, premier protection with just a single premium payment



With just one, single premium payment, you can secure high-value whole life cover to protect your family's financial future should anything happen.

We will pay a death benefit to the beneficiary you choose if the person covered by the policy (the "life assured") passes away while the policy is in force.

## Your protection adapts to meet the changes in your life



As your life changes, so do your financial focus. We have designed your plan so that it automatically adjusts its protection and savings elements to provide life cover and potential growth in wealth to suit your needs as your life and responsibilities change.

In younger years, starting a family and the financial demands and responsibilities it brings may need a greater level of protection. To give the loved ones that protection and help secure their way of life from financial worry, we will pay at least 100% of the sum assured as a death benefit if the life assured passes away **before** the policy anniversary following age 80 (age next birthday [ANB]).

As the years go by, children become independent and family financial commitments decrease, the plan automatically adjusts its protection and savings elements to match the need for protection, moving the focus to growing wealth. Despite the adjustment, if the life assured passes away **on or after** the policy anniversary following age 80 (ANB), we will still pay at least 70% of the sum assured as a death benefit.

There is more information in the “Death benefit and its settlement option” section under “**PRU**life prestige wealth planner product summary”.





## Leaving a lasting legacy



The plan gives you control over your estate and how you pass on your legacy for your family. You can choose how you would like us to pay the plan's death benefit while the life assured is still alive.

You can opt to pay the death benefit to your beneficiary in a lump sum or in monthly instalments or a mix of both. That gives you the flexibility to ensure that your estate is passed on just as you would wish to secure your loved ones' financial future.

## Grow, preserve and pass on your assets



**PRU**life prestige wealth planner is a Shareholder-backed Participating Plan that helps you protect your loved ones should the worst happen. It also enables you to preserve your assets and enjoy potential growth in your wealth, forming a solid financial foundation for your children or grandchildren. This could assist them to pursue a top-flight education or even help them start their first business.

The plan not only offers a guaranteed cash value, but also allows your money to grow through a non-guaranteed terminal bonus.

We will pay the guaranteed cash value when you surrender the policy. We may also pay the non-guaranteed one-off terminal bonus when you surrender the policy or claim for the death benefit on or after the 10<sup>th</sup> policy anniversary.

Please also refer to our brochure on Shareholder-backed Participating Plans available at [www.prudential.com.hk/shareholderpar](http://www.prudential.com.hk/shareholderpar) for more information (such as investment philosophy and bonus philosophy) on your Shareholder-backed Participating Plan and the operation of the Shareholder-backed Participating Fund.





## Ensure the continuity of your business



The impact of a key employee's death can be huge. Even if you are able to recruit a replacement, this takes time – and that affects profitability.

If you own a business, you can use the plan as a keyman insurance plan to reduce the loss of profits, using its death benefit, if a key employee unfortunately passes away.

# PRUlife prestige wealth planner product summary

## Plan type

Basic plan

## Benefit term

Whole life

## Premium term/Issue age/Currency option

Premium term	Issue age (ANB)	Currency option
Single	19 – 70	USD

## Terminal Bonus

- The Terminal Bonus is a one-off non-guaranteed bonus.
- We normally declare bonus annually and according to our declared bonus rates. We may change the bonus rates from time to time. The bonus is not guaranteed. We will declare the bonus for your plan from its 10<sup>th</sup> policy anniversary.
- The declared bonus may rise and fall and does not accumulate within the policy or form a permanent addition to the policy's value.
- The declared bonus has a face value which we may pay out if the life assured passes away.
- The bonus also has a non-guaranteed cash value which we determine by a variable cash value discount factor. If you surrender or terminate your policy (other than when the life assured passes away), we will pay the bonus's non-guaranteed cash value – not its face value.
- We have the right to determine bonus rates, cash values and frequency of declaration at our sole discretion.

## Factors affecting the Terminal Bonus

- The bonus we pay is not guaranteed and is subject to review and adjustment at our discretion. Factors that may affect it include (but not limited to):
  - Investment performance factors – Your plan's performance will be affected by the return on its underlying investment portfolio. This could be driven by:
    - interest earnings from fixed-income securities and dividend from equity-type securities (if any);
    - capital gains and losses from investment assets;
    - counterparty default risk of fixed-income securities (such as bonds);
    - investment outlook; and
    - external market risk factors such as recessions and changes in monetary policies and foreign exchange rates.
  - Claims factors – Our historical claims experience on death and/or other covered benefits, and projected future costs of providing death benefit and/or other covered benefits.
  - Expense factors – These include direct expenses associated with issuing and maintaining your policy, such as commissions, overrides, underwriting and policy administration expenses. They may also include indirect expenses (such as general overheads) allocated to your policy.
  - Persistency factors – Policy persistency and any partial surrenders of a group of policies may impact the bonus we pay to the continuing policies.

- The actual future amounts of benefits and/or returns may be higher or lower than the values currently presented in the marketing materials. Our website at [www.prudential.com.hk/bonushistory\\_SHPAR\\_en](http://www.prudential.com.hk/bonushistory_SHPAR_en) explains the bonus history.

## Surrender value

When you surrender your policy, we will pay a surrender value equal to:

- the guaranteed cash value;
- plus** the cash value of the Terminal Bonus (if any);
- less** any outstanding loans and interest.

## Death benefit and its settlement option

- If the life assured unfortunately passes away while both PRUlife prestige wealth planner – Savings and PRUlife prestige wealth planner – Protection are in force, we will pay a death benefit as follows:

Death benefit	
If the life assured passes away <b>before</b> the policy anniversary following age 80 (ANB)	the <b>higher</b> of: <ul style="list-style-type: none"> <li><b>100%</b> of sum assured; and</li> <li><b>70%</b> of the sum assured <b>plus</b> the face value of the Terminal Bonus (if any)</li> </ul>
If the life assured passes away <b>on or after</b> the policy anniversary following age 80 (ANB)	<b>70%</b> of the sum assured <b>plus</b> the face value of the Terminal Bonus (if any)

- We guarantee that the death benefit amount of the plan will be no less than the total premium paid, subject to the deduction of any assurance charge in respect of PRUlife prestige wealth planner – Protection we refunded to you under the basic plan.
- In addition, any outstanding loans and interest will be deducted from the death benefit amount.
- Death benefit settlement option:
  - You can decide, while the life assured is still alive, whether we pay your beneficiary the death benefit in a lump sum or as a series of monthly instalments or a mix of the 2. If the death benefit amount you opt to settle by monthly instalments is less than a certain amount, as determined by us, we will only pay the death benefit in a lump sum.
  - You can choose to settle the monthly instalment in a certain number of year options provided by us.
  - If you choose the monthly instalment option, your beneficiary will receive the death benefit of a fixed amount on a monthly basis and earn an interest on the remaining death benefit amount. We will pay the accumulated interest in the last instalment. We will determine the interest rate from time to time. This means the rate is not guaranteed and it depends on several factors including investment performance and the yields available in the market.

- The beneficiary cannot make any changes to the way we pay the benefits at any time.
- The remaining balance of the death benefit, which we pay by monthly instalments, will not participate in the Shareholder-backed Participating Fund or benefit from its profits.
- The assurance charge of PRUlife prestige wealth planner – Protection (where the assurance charge rate is subject to review and adjustment by us at any time without prior notice) will be deducted from your share of the Shareholder-backed Participating Fund in each calendar month during the term of the policy.

Note: You can terminate PRUlife prestige wealth planner – Protection on or after the 1<sup>st</sup> policy anniversary, but the death benefit will be reduced afterwards. For more details, please refer to the policy documents.

## Policy loan

- You can borrow up to 80% of your plan's guaranteed cash value while keeping the policy in force.
- We will charge interest on policy loans from the date you take them out until they are fully repaid.
- We calculate interest at a rate we determine.
- If the total outstanding loan amount (including interest) owed to us under the policy exceeds 90% of your plan's guaranteed cash value, we will terminate the policy immediately.

## Termination of this plan

We will terminate this plan when the first of these happens:

- the death of the life assured; or
- you surrender the policy; or
- once the total outstanding loans and interest are more than 90% of the guaranteed cash value.

## Additional Information

### ◆ Premium structure ◆

- We will determine the premium based on the risk class (including but not limited to age, gender, smoking status and country of residence) of the life assured.

## Important information

### ◆ Important notes for Policy Reverse Mortgage Programme (“PRMP”) ◆

Please note that this product is an eligible life insurance plan under PRMP, but it does not necessarily mean that your PRMP application will be approved. The eligibility of this product under the PRMP is based on the features of the product. Therefore, you and your life insurance policy are still required to meet all the eligibility requirements under PRMP before you apply for the policy reverse mortgage loan.

Any general information provided on PRMP is for your reference only, and you should not make any decisions based on such information alone. You should always seek for advice from professional bodies if you have any doubts. Please note that the information provided is subject to change including the eligibility criteria for PRMP. We do not take any responsibility to inform you about any changes and how they may affect you. The Policy Reverse Mortgage Programme is operated by HKMC Insurance Limited, a wholly-owned subsidiary of The Hong Kong Mortgage Corporation Limited. For further information, please refer to The Hong Kong Mortgage Corporation Limited website: [www.hkmc.com.hk](http://www.hkmc.com.hk).

### ◆ Suicide clause ◆

If the life assured commits suicide regardless of sane or insane within 1 year from the effective date of the policy, the death benefit will be limited to a refund of the premiums paid without interest subject to the deduction of any amounts we have already paid and any indebtedness you owe us under the policy.

### ◆ Cancellation right ◆

A customer who has bought the life insurance plans has a right to cancel the policy within the cooling-off period and obtain a refund of any premium(s) and levy(ies) paid less any withdrawals. Provided that no claim has been made, the customer may cancel the policy by giving written notice to us within 21 calendar days immediately following either the day of delivery of (1) the policy or (2) the notice (informing the availability of the policy and expiry date of the cooling-off period) to the customer or his/her nominated representative, whichever is earlier. Such notice must be signed by the customer and received directly by Prudential Hong Kong Limited at 8/F, Prudential Tower, The Gateway, Harbour City, 21 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong within the cooling-off period.

The premium and levy will be refunded in the currency of premium and levy payment at the time of application for this policy. If the currency of premium and levy payment is not the same as the plan currency, the refundable premium and levy amount in plan currency under this policy will be converted to the currency of premium and levy payment at the prevailing currency exchange rate as determined by us in our absolute discretion from time to time upon payment. After the cooling-off period expires, if a customer cancels the policy before the end of benefit term, the actual cash value (if applicable) may be substantially less than the total amount of premiums paid.

### ◆ Automatic Exchange of Financial Account Information ◆

Over 100 countries and jurisdictions around the world have committed to adopt new rules for automatic exchange of financial account information (“AEOI”). Under the new rules, financial institutions are required to identify account holders who are foreign tax residents and report certain information regarding their investment income and account balance to the local tax authority where the financial institution operates. When countries or jurisdictions start exchanging information on an automatic basis, the relevant local tax authority where the financial account is maintained will then provide this information to the tax authority of the account holder’s country of tax residence. This information exchange will be conducted on a regular, annual basis.

Hong Kong has adopted the new rules into its legislation (please see the Inland Revenue (Amendment) (No. 3) Ordinance 2016 ("the Amendment Ordinance") which came into effect on 30 June 2016). Therefore, the above requirements will be applicable to financial institutions in Hong Kong including Prudential. Under these rules, certain policyholders of Prudential are considered as "account holders". Financial institutions in Hong Kong including Prudential are required to implement due diligence procedures to identify account holders (i.e. policyholders in case where the financial institution is an insurance company) and in the case where the account holder is an entity, its "controlling persons", who are foreign tax residents, and report this information to the Inland Revenue Department ("IRD") if required. The IRD may transfer this information to the country of tax residence of such account holders.

In order to comply with the law, Prudential may require you, the account holder, to:

- (1) complete and provide us with a self-certification form with information regarding your tax residence status, your tax identification number in your country or countries of tax residence, your date of birth, and in the case where the policyholder is an entity (for example, a trust or a company), the classification of the entity that holds the policy and information regarding "controlling persons" of such entities;
- (2) provide us all required information and documentation for complying with Prudential's due diligence procedures; and
- (3) advise us of any change in circumstances which affect your tax residence status and provide us with a suitably updated self-certification form within 30 days of such change in circumstances.

According to the due diligence procedures set out in the Amendment Ordinance, self-certifications are required from account holders for all new accounts. As for pre-existing accounts, if a reporting financial institution has doubts about the tax residence of an account holder, it may require a self-certification from the account holder to verify its tax residence.

Prudential cannot provide you with any tax or legal advice. If you have doubts about your tax residence you should seek professional advice. You should seek independent professional advice on the impact that AEOI may have on you or your policy.

An account holder who knowingly or recklessly provides a statement that is misleading, false or incorrect in a material particular in making a self-certification to a reporting financial institution is liable on conviction to a fine at level 3 (HKD 10,000).

For further information on the implementation of the Common Reporting Standard and AEOI in Hong Kong, please refer to the IRD website: [www.ird.gov.hk/eng/tax/dta\\_aeoi.htm](http://www.ird.gov.hk/eng/tax/dta_aeoi.htm).

#### Need more details? Get in touch

Please contact your consultant or call our Customer Service Hotline at 2281 1333 for more details.

#### Notes

**PRUlife prestige wealth planner is underwritten by Prudential Hong Kong Limited ("Prudential"). You can always choose to take out this plan as a standalone plan without enrolling with other type(s) of insurance product at the same time, unless such plan is only available as a supplementary benefit which needs to be attached to a basic plan. This brochure does not contain the full terms and conditions of this plan and is for reference only. It does not represent a contract between Prudential and anyone else. You should read carefully the risk disclosures and key exclusions (if any) contained in this brochure. Whether to apply for insurance coverage is your own individual decision. For further details and the full terms and conditions of this plan, please ask Prudential for a sample of the policy document.**

Prudential has the right to accept or decline any application based on the information provided by the policyholder and/or life assured in the application.

Some life insurance plans may have a savings element, in which case, part of the premium will be used to pay for the insurance and related costs.

As the issuer of the life insurance plans, Prudential will be responsible for all protection and claims issues. Prudential is not an associate or subsidiary company of Standard Chartered. This brochure is not a contract of insurance and is intended to be a general summary for reference purpose only. Please refer to the policy for full terms and conditions. Standard Chartered does not accept any responsibility regarding any statements provided by Prudential or any discrepancies or omissions in the contract of insurance nor shall Standard Chartered be held liable in any manner whatsoever in relation to your contract of insurance.

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