

Policy Custody Value-added Service

**Achieve Policy
Succession With Ease,
Plan Well For Your
Next Generation**



To help you achieve your wealth legacy plan with peace of mind and plan ahead for the next generation, Chow Tai Fook Life Insurance Company Limited ("CTF Life"/ "the Company") is pleased to introduce the new **Policy Custody Value-added Service¹**. With this service, you can transfer your policy to your beloved family member (the "Successive Policy Owner"³) after your passing, enabling him/her to become the Policy Owner upon reaching your specified age. You can **designate the Successive Policy Owner³ as the designated beneficiary ("Continued New Insured") through the Policy Continuation Option²**; or designate the Insured as **the Successive Policy Owner³. By the Policy Custody Value-added Service¹, you may appoint an adult family member of the Successive Policy Owner³ as the Contingent Owner with Restricted Rights⁴** until the Successive Policy Owner³ reaches the specified age to become the new Policy Owner, thereby passing on your policy.

Policy Custody Value-added Service¹

- To designate an adult family member as the Contingent Owner with Restricted Rights^{1,4} until the Successive Policy Owner³ reaches the specified age
- The Policy Owner can designate an aggregate amount up to the maximum withdrawal percentage of the Total Premiums Paid⁵ that the Contingent Owner with Restricted Rights^{1,4} can withdraw annually
- When the Successive Policy Owner³ reaches the specified age, the ownership of the policy will be transferred to the Successive Policy Owner³ automatically

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Policy Continuation Option² (if applicable)

- Policy Owner can only assign one designated beneficiary while the Insured is alive and the policy is in force
- The designated beneficiary becomes the new Insured ("Continued New Insured") and the new Policy Owner (i.e., the "Successive Policy Owner"³) (if applicable) upon the unfortunate death of the Insured, thereby passing on the policy

Advantages:

- ✓ Effective estate management, reducing potential problems and disputes during estate settlement
- ✓ Pre-set instructions allow the Contingent Owner with Restricted Rights^{1,4} to access the policy's value⁵, ensuring proper care for the next generation's needs
- ✓ Pre-determined age for Successive Policy Owner³ to take up the policy ownership, providing flexibility in achieving inheritance goals

Policy Custody Value-added Service¹ is applicable to the following eligible plans⁶:

"MyWealth" Series	"Fortune Saver" Series
"Regent Premier / Prestige" Series	"Value Plus" Series
"Regent" Series	Prime Treasure




Detailed list of eligible plans




For any enquiry, please contact your financial consultant / call CTF Life Customer Service Hotline at 2866 8898, Partnership Concierge Hotline at 3192 8333 or Premier Business Hotline at 3192 8388.

Example: Mrs. Chan enrolled in an eligible savings insurance plan


In the 1st Policy Year:



Mrs. Chan (Age: 61)
Policy Owner & the Insured



Grandson Liam (Age: 0)
Designated Beneficiary & the Successive Policy Owner^{2,3}




Liam's Mother (Mrs. Chan's daughter-in-law)
Contingent Owner with Restricted Rights⁴


Upon policy enrolment, Mrs. Chan exercised the following policy option and service:

1. Policy Continuation Option²: Designated her grandson, Liam, as the designated beneficiary; and
2. Policy Custody Value-added Service¹:
 - (1) Designated Liam's mother as the Contingent Owner with Restricted Rights^{1,4}, with annual withdrawal of up to 15% of the Total Premiums Paid⁵;
 - (2) Designated her grandson, Liam, as the Successive Policy Owner^{2,3}, and set an instruction for Liam to become the Policy Owner at age 25 to succeed the policy.


In the 10th Policy Year:



Mrs. Chan (Age:71)
Passed away



Grandson Liam (Age: 10)
Continued New Insured & Successive Policy Owner^{2,3}




Liam's Mother
Contingent Owner with Restricted Rights⁴

Mrs. Chan unfortunately passed away due to illness, the Policy Continuation Option² and Policy Custody Value-added Service¹ she had previously established automatically executed:

1. Liam automatically became the Continued New Insured and Successive Policy Owner^{2,3}.
2. Liam's mother automatically became the Contingent Owner with Restricted Rights^{1,4}, allowing her to withdraw up to 15% of the Total Premiums Paid⁵ annually as specified by Mrs. Chan to support Liam's living expenses.

In the 25th Policy Year:



Grandson Liam (Age: 25)
Became the Policy Owner and the Insured

Policy ownership automatically transferred to the Successive Policy Owner, Liam, on his 25th birthday, in accordance with Mrs. Chan's wishes. Liam thereby became the new Policy Owner and the Insured. The withdrawal instructions designated by Mrs. Chan prior to her passing terminated accordingly.

Through the **Policy Continuation Option²** and **Policy Custody Value-added Service¹**, Mrs. Chan **secured financial support for her grandson Liam's upbringing** even after her passing. This enabled a **seamless transfer of the policy ownership according to her plan when Liam reached a more mature age (25 years old)**, allowing for an **extended accumulation of returns** while **avoiding the complex procedures of estate settlement**.

Remarks:

1. The designation of a Contingent Owner with Restricted Rights is not applicable to policy(ies) that is(are) (i) under declaration of trust, (ii) Investment-Linked Assurance Scheme, and/or (iii) Qualifying Deferred Annuity Policy. Policy Owner can designate one Contingent Owner with Restricted Rights by submitting a written request by our prescribed form. If the Policy Owner passes away while the policy remains in force, while the Insured is still alive, and the Insured has not yet reached the specified age(which is the Insured's age specified by the Policy Owner at which the Insured can take the ownership of the policy), the designated Contingent Owner with Restricted Rights will become the Policy Owner with Restricted Rights. Upon exercising this instruction, the Contingent Owner with Restricted Rights will assume all obligations stipulated in the policy general policy administration services, including without limitation, change in payment frequency, payment method, subject to the Company's final approval. The Contingent Owner with Restricted Rights will not be authorized to exercise any policy administration rights that would (i) result in changes to in any person concerned in the policy, that is, the Policy Owner, the Insured, the beneficiary, the Contingent Insured, or the Successive Policy Owner; and (ii) result in changes to the policy values (exclude policy administration right(s) granted by the Policy Owner). If no Contingent Owner with Restricted Rights is named by the Policy Owner, or if the Contingent Owner with Restricted Rights is unable or unwilling to take up the ownership of the policy, then ownership of the policy shall vest in the Policy Owner's estate. A transfer of ownership of the Policy will automatically revoke the existing Contingent Owner with Restricted Rights. For details, please refer to "Designation / Change of Contingent Owner with Restricted Rights/ Policy Custody Value-added Service Request Form" and the "Notification of Policy Service Confirmation".
2. Policy Custody Value-added Service is only applicable when there is only one designated beneficiary under the Policy Continuation Option. Upon the death of the Insured, if the Policy Owner (still alive) is different from the Insured, the designated beneficiary becomes the Continued New Insured; However, if the Policy Owner also dies at the same time as the Insured, or if the Policy Owner and the Insured are the same person, the designated beneficiary will become both the new Policy Owner and the Continued New Insured, while the designated beneficiary shall conform to the prevailing administrative rules of the Company. For details of the Policy Continuation Option, please refer to the policy document and product brochure of the relevant eligible plans.
3. The Successive Policy Owner is defined as below: (i) the designated beneficiary, Continued New Insured, and new Policy Owner under the Policy Continuation Option; or (ii) the designated Insured who is not the same as the Policy Owner (at the time of the Policy Owner's death). When designating a Contingent Owner with Restricted Rights, the Policy Owner shall also designate the age of Successive Policy Owner (which must be 18 years old or above) at which the policy ownership transfers to the Successive Policy Owner at the same time.
4. The Contingent Owner with Restricted Rights must be a family member of the Successive Policy Owner who has reached 18 years old or above (at the time of application), and related to the Successive Policy Owner as parent, spouse, child, sibling, grandparent, grandchild, parent-in-law, son-in-law, daughter-in-law, uncle, niece, nephew, cousin or any other relationship approved by us.
5. The Policy Owner can designate an aggregate amount that the Contingent Owner with Restricted Rights can be withdrawn in each Policy Year, up to the maximum withdrawal percentage (designated by the Policy Owner and must be an integer) to be multiplied by the Total Premiums Paid of the basic plan of the policy in that particular Policy Year until (1) the remaining units fall below the minimum requirement as specified by the Company from time to time; or (2) when the Successive Policy Owner attains the designated age (whichever is earlier). If the withdrawal will reduce the unit to below the minimum requirement, such withdrawal request will not be approved.
6. Eligible plans include but are not limited to "MyWealth" Series, "Regent Premier / Prestige" Series, "Regent" Series, "Fortune Saver" Series, "Value Plus" Series and Prime Treasure. For a detailed list of eligible plans, please refer to: <https://www.ctflife.com.hk/pdf/en/policy-custody-service-eligible-plan-list.pdf>. Please note that the list of eligible plans may be updated from time to time. For any enquiries, please contact CTF Life or your financial consultant.

Designation of the Contingent Owner with Restricted Rights is an administrative arrangement and not a product feature. Please refer to "Designation / Change of Contingent Owner with Restricted Rights/ Policy Custody Value-added Service Request Form" and the "Notification of Policy Service Confirmation" for the detailed terms and conditions.

A person who is not a party to the policy (including but not limited to the Insured and the beneficiary) has no right to enforce any terms of the policy. The Contracts (Rights of Third Parties) Ordinance does not apply to the policy nor any document issued pursuant to the policy.

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