

Premium Financing Underwriting Manual

(for Insurance Intermediaries)

保費融資核保指引

(供富衛保險中介人)

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FWD Life Insurance Company (Bermuda) Limited (incorporated in Bermuda with limited liability)

富衛人壽保險（百慕達）有限公司（於百慕達註冊成立之有限責任公司）

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A. Introduction 引言:

In view of the growing popularity of the use of **premium financing** to fund premium payment when taking out long term insurance policies in the market, the Insurance Authority issued a guidance for the supervisory standards and key requirements on the use of premium financing to take out long term insurance policies, for **authorized long term insurers (Insurers)** and **licensed insurance intermediaries (Insurance Intermediaries)** when carrying out their insurance operations and regulated activities with respect to the use of **premium financing by (potential) policy holders (Customers)**

鑑於市場上投保長期保單時以**保費融資**為繳付保費的方式日益普及, 保險業監管局就使用保費融資購買長期保險的監管標準及主要規定發出本指引給獲授權的**長期保險公司**、**持牌保險中介人**(進行保險營運和受監管活動時) 及**潛在保單持有人/客戶**(使用**保費融資**時) 。

B. Eligible products 適用產品:

1. High net worth products 高端業務產品:	Fortune series products 致富系列產品
2. Other products 其他產品:	Saving Products, such as Max Focus Series & WealthIcon Series 儲蓄產品, 例如盈聚優裕系列產品及智盈匯聚系列產品

C. Mandatory Requirement for Premium Financing 保費融資的必須文件

Total Premium Deposit / Total Dump-In (including premium financing amount) 總存款/ 總躉繳保費 (包括保費融資)	
HKD 400,001 - HKD 4,000,000 (USD 50,001 - USD 500,000)	1) Financial Needs and Investor Profile Analysis Form (FNA) 財務需要及投資取向分析表格 2) Important Facts Statement – Premium Financing (IFS-PF) 重要資料聲明書 - 保費融資 3) Special Financial Questionnaire for Large Amount Premium Case (SFQ) 大額保費問卷
HKD 4,000,001 - HKD 5,000,000 (USD 500,001 - USD 625,000)	1) Financial Needs and Investor Profile Analysis Form (FNA) 財務需要及投資取向分析表格 2) Important Facts Statement – Premium Financing (IFS-PF) 重要資料聲明書 - 保費融資 3) Special Financial Questionnaire for Large Amount Premium Case (SFQ) 大額保費問卷 4) Financial Analysis Questionnaire (FAQ) 財務分析問卷
Over HKD 5,000,000 (Over USD 625,000)	1) Financial Needs and Investor Profile Analysis Form (FNA) 財務需要及投資取向分析表格 2) Important Facts Statement – Premium Financing (IFS-PF) 重要資料聲明書 - 保費融資

	3) Special Financial Questionnaire for Large Amount Premium Case (SFQ) 大額保費問卷 4) Financial Analysis Questionnaire (FAQ) 財務分析問卷 5) Solid income and asset proof @* 固定入息及資產證明
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@Acceptable proof of Liquid asset 可接受的資產證明文件:

- Cash 現金
- Money in bank accounts 銀行存款
- Money market accounts 貨幣市場帳戶
- Actively traded stock 交投活躍的股票
- Bonds 債券
- Mutual Funds 基金

Examples of Financial / Income / Asset Proof 入息及資產證明文件例子

- Latest tax return for the last 2 years 個人稅收評估表(最近 2 年)
- Proof of rental income 租金收入證明
- If applicant is an employer, copy of the audited financial statements (for example Balance Sheet, P&L account) for the past 2 years. 如果申請人是僱主, 最近 2 年經審計的財務報表 (例如資產負債表、損益表)
- Company search if necessary, which will show detailed information of the company including ownership and voting right % of individual stakeholder(s) 公司查冊包括公司的詳細資料, 包括擁有權和投票權個人利益相關者的百分比
- Asset proofs 資產證明**
 - Bank letter confirming duration of banking relationship, aggregate assets like savings, deposits, bonds, stocks, certificates, investment funds etc.
銀行信(銀行關係年期, 儲蓄、存款、債券、股票、證書、投資基金等總資產等)
 - Bank consolidated account statement for the last 2 years 最近 2 年銀行綜合月結單
 - Bank passbook for the last 2 years 最近 2 年銀行存接紀錄
 - Proof of other asset like vehicles, properties (excluding owner-occupied properties), and land with information to show proportion of ownership 其他資產的證明, 如車輛、物業(不包括自住物業)和土地 (** i.e. reasonable haircut may apply where appropriate, based on the condition / state of assets. 根據資產的狀況, 在適當的情況下可能會進行合理的扣減。)

Remarks 備註:

1. All of the above information is for reference only. New Business Department reserves the right to make the FINAL DECISION subject to the risk identified. Depending on the applicant's background (such as occupation, deposit / premiums, property, etc.), the underwriter may require additional underwriting requirements.
以上所有資料僅供參考。新生意部將根據已知風險保留最終核保結果的權利。核保員會根據申請人的背景 (如職業、支付金額/保費、物業等) , 可能需要額外的核保要求。

2. All applications (not just HKD 5,000,000 or above) is required to provide asset / income proof, subject to underwriting assessment. ** For those cases which may face a risk of over-leveraging, asset / income proof will also be required.

所有申請（不只是 5,000,000 港元或以上）需提供資產 / 收入證明，以核保評估為準。** 對於可能面臨過度槓桿風險的申請，亦需提供資產/收入證明。

D. Related Questions to Mandatory Requirement for Premium Financing 保費融資的必須文件的相關問題

Applicant needs to pay attention to the following sections of the respective documents referred to and complete properly if **Premium Financing** is intended to be used:

如果打算使用**保費融資**，申請人需注意以下表格部分及正確填寫：

1. Financial Need Analysis Question 4(e)(i)-(iii) [refer to appendix 1];

財務需求分析表問題四(e)(i)-(iii)的答案 [參考附件 1];

- (e) (i) Are you funding or intend to fund this application using premium financing ?
閣下是否會或打算以保費融資貸款支付保費？
☐ Yes 是 ☐ No 否
- (ii) What are your total liability and estimated final expense including but not limited to the outstanding mortgage loan, loans/debts and emergency funds (excluding premium financing loans)?
閣下的總負債及預算最後支出為，包括但不限於未償還按揭貸款，貸款 / 債務和應急款項 (保費融資貸款除外)?
Amount 金額: HK\$ 港幣 _____
- (iii) Do you have any existing policy with premium / policy financing loans ?
閣下現有保單是否有保費/保單融資貸款？
☐ Yes 有 : please state total outstanding loan amount 請註明總尚欠貸款金額: HKD 港幣 _____
☐ No 無

2. Important Facts Statement - Premium Financing (IFS-PF) Option [refer to appendix 2]

重要事實聲明 - 保費融資 (IFS-PF) 的 選項 [參考附件 2]

Declaration by the Applicant / Proposed Policy Holder
I confirm that the above "Important Notes & Implications" have been explained to me by the Licensed Insurance Intermediary, and I have read and understood its contents. Recommendation or solicitation involving the use of premium financing (Please check <u>either</u> one of the following boxes) <input type="checkbox"/> I confirm that the Licensed Insurance Intermediary <u>HAS NOT</u> recommended or solicited me to use premium financing to fund the purchase of the Policy. OR <input type="checkbox"/> I confirm that the Licensed Insurance Intermediary <u>HAS</u> recommended or solicited me to use premium financing to fund the purchase of the Policy. (Note to insurers and insurance intermediaries: The following section regarding information on the proposed premium financing facility is not applicable and can be removed in cases where the licensed insurance intermediaries already has access to the information on the proposed premium financing facility)
Information on the proposed premium financing facility (Please check <u>either</u> one of the following boxes) Note to Applicant / Proposed Policy Holder: The information on the proposed premium financing facility would be used by the Licensed Insurance Intermediary to assess your suitability and affordability to use premium financing to fund the purchase of the Policy. You are strongly advised to provide the information on the facility to the best of your knowledge. If the terms and conditions of the premium financing facility eventually offered by the lender are <u>less favorable</u> (e.g. a higher loan interest rate) than the information you provide below, you should contact your Licensed Insurance Intermediary immediately so that he / she can re-assess your suitability and affordability to use premium financing to fund the purchase of the Policy. <input type="checkbox"/> I am willing to provide to the best of my knowledge the information on the proposed premium financing facility below: Name of lender: _____ Loan amount (Please specify the currency): _____ Loan interest rate (e.g. Reference Rate + x%): _____ Loan tenor (e.g. 120 monthly installments): _____ Repayment amount for each installment (e.g. HKDxx,xxx per month): _____ OR <input type="checkbox"/> I do not wish to provide information on the proposed premium financing facility. I understand that the Licensed Insurance Intermediary would not be able to assess my suitability and affordability to use premium financing without the information and would perform the suitability assessment and affordability assessment as if I am not acquiring the Policy using premium financing (i.e. the total premium is to be funded entirely by my own funds). Warning: you must read all items carefully and check that the licensed insurance intermediary has explained all the information in this IFS-PF before you sign this statement.
Signature of the Applicant / Proposed Policy Holder _____ Full Name of the Applicant / Proposed Policy Holder _____ Date: (DD/MM/YYYY) _____

3. Special Financial Questionnaire for Large Amount Premium Case Question 8 [refer to appendix 3]

大額保費問卷第八題 [參考附件 3]

8. Does the premium payment of the FWD insurance product which you are currently applying for involves premium financing?

閣下目前申請的富衛保險產品的保費支付是否涉及保費融資？

☐ Yes, please state : 是 · 請列出

(i) the name of bank for applying / arranging premium financing:

申請 / 安排保費融資的銀行名稱 :

(ii) percentage of the premium or the exact premium amount financed by the Bank :

銀行保費融資所佔保費的百分比或確切的金額 :

☐ No 不是

E. Affordability assessment criteria for premium financing 保費融資的負擔能力的評估準則:

Applicant should have sufficient net liquid asset to 申請人應擁有足夠的淨流動資產以支付:

- (a) pay at the outset the portion of the premium not financed by the premium financing facility
非保費融資的部分保費；
- (b) meet all scheduled repayments (including principal and interest repayments) over the entire tenure of premium financing facility; and 保費融資的所有預定還款（包括本金和利息）；及
- (c) repay the sum owed under the premium financing facility if demanded by the lender before maturity of the policy 如保費融資機構要求在保單期滿前要求償還所有預定還款（包括本金和利息）

F. Approach and examples of the affordability assessment 負擔能力評估的方法及例子：

Liquid Asset + Monthly loan repayment Approach 流動資產+每月借貸還款	
For IFS-PF Option showed willing to provide information on the proposed premium financing facility	Validate the affordability [refer to appendix 4] with the assumption of repaying “principal + interest” per month (disregarding to the monthly repayment amount captured). The First Installment + Monthly repayment amount x Loan Tenor (Principal and Total interest expense) + Outstanding Liabilities (FNA Question – Premium Financing / Policy Financial Loan) should not exceed Liquid assets as declared in FNA.
IFS-PF 選項顯示願意提供保費融資貸款的預估資料)	<p>驗證負擔能力[參考附件 4]：</p> <p>假設每月償還 “本金 + 利息”（不計算每月還款金額）。</p> <p>首期 + 每月還款額 x 貸款期限（本金和總利息費用）+ 未償債務（FNA 問題 - 保費融資/保單金融貸款）不應超過 FNA 中聲明的流動資產。</p> <p>Formula of installment Loan (i.e. the calculation of mortgage): Monthly repayment = $P * (r * 1 + r)^n / (1 + r)^{n-1}$</p> <p>分期貸款公式（即按揭計算）：每月還款 = $P * (r * 1 + r)^n / (1 + r)^{n-1}$</p>

	<p>Where 而</p> <p>P = loan amount 貸款金額</p> <p>r = monthly interest rate (i.e. interest rate / 12) 貸款利率 (貸款利率/12)</p> <p>n = tenor 貸款年期</p> <p><u>Example of affordability checking 計算負擔能力例子:</u></p> <ul style="list-style-type: none"> a. Premium 保費 = HKD 10,000,000 b. First installment 首期保費 = HKD 3,000,000 (30% of premium 保費, i.e. premium 保費 – loan amount 貸款金額) c. Loan amount 貸款金額 = HKD 7,000,000 (70% of premium 保費) d. Loan interest 貸款利率 = 1.5% p.a. e. Loan Tenor 貸款期 = 120 month 月 (10 years 年) f. Monthly repayment amount 每月還款額 = HKD 62,854 g. Principal + Total interest expense 本金+總利息支出 = HKD 62,854 x 120 = HKD 7,542,480 h. Liabilities as declared in FNA (FNA 中聲明的負債) = HKD 1,000,000 <p>Therefore, the customer should have liquid asset of at least HKD 11,542,480 (b+g+h) to pass the affordability. Otherwise, affordability will not be passed/overleveraging of premium financing.</p> <p>因此，客戶應擁有至少 HKD 11,542,480 (b+g+h) 的流動資產才能通過負擔能力。否則，負擔能力將不獲通過 / 過度槓桿化保費融資。</p>
<p>For IFS-PF Option showed unwilling to provide information on the proposed premium financing facility **</p> <p>IFS-PF 選項顯示不願意提供保費融資貸款的預估資料**</p>	<p>Total premium cannot exceed 90% of Net asset (FNA liquid asset – FNA Premium Financing/ policy loan liability).</p> <p>總保費不能超過淨資產的 90% (FNA 流動資產 – FNA 保費融資 / 保單貸款負債) 。</p> <p><u>Net Liquid Asset Approach 淨流動資產法</u></p> <p>Total planned premium : Total Net Liquid Asset = 0.9 : 1</p> <p>總計劃保費：總淨流動資產 = 0.9 : 1</p> <p>*Total Net Liquid Asset = Total liquid asset – Total Liability</p> <p>* 總淨流動資產 = 總流動資產 - 總負債</p>

**** If applicant refuses to disclose premium financing information, we will perform the affordability assessment as if applicant is not acquiring the proposed policy using premium financing (i.e the total premium is to be funded entirely by applicant's own funds), and may decline assessment due to suspicious non-disclosure or doubtful information**

**** 如果申請人拒絕披露保費融資的資料，負擔能力計算將會以沒有使用保費融資的方式進行評估 (即總保費全部由申請人資金支付)及可能會因可疑而未披露或可疑資料而拒絕評估**

G. Appendix 附件:

Financial Needs and Investor Profile Analysis Form 財務需要及投資取向分析表格



Financial Needs
and Investor Profi

Important Facts Statement – Premium Financing 重要資料聲明書 - 保費融資



[L-UW107-JUL20
22]_IFS_PF_Form_1

Special Financial Questionnaire for Large Amount Premium Case 大額保費問卷



大額保費問卷
(Special Financial Q

Affordability Calculator 負擔能力計算表



Affordability
Calculator v5 .xlsm