

# Insurance Authority's Supervisory Standards and Key Requirements :

## Use of Premium Financing to take out Long Term Insurance Policies

HK Brokerage

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# Highlights of Supervisory Standards and Key Requirements on the Use of Premium Financing to Take Out Long Term Insurance Policies

# Insurance Authority (IA) Circular

- On 1 Apr 2022, IA issued a **circular on the supervisory standards and key requirements on the use of premium financing to take out long term insurance policies (“the Circular”)**.
- **Purpose** : Clarify the supervisory standards and key requirements in the existing codes of conduct and guidelines, for authorized long-term insurers and licensed insurance intermediaries when carrying out their insurance operations and regulated activities with respect to the use of premium financing by (potential) policy holders.
- The content covers:
  - ✓ Affordability assessment in respect of premium financing
  - ✓ Additional measures for customers with risk of over-leveraging
  - ✓ Disclosure
  - ✓ Sales practice, training and other aspects
  - ✓ Compliance with the supervisory standards and key requirements
  - ✓ Template of “Important Facts Statement – Premium Financing” together with its requirements (annex)

Full Requirements are shown at the links below:

[https://www.ia.org.hk/en/legislative\\_framework/circulars/reg\\_matters/files/Circular\\_01042022.pdf](https://www.ia.org.hk/en/legislative_framework/circulars/reg_matters/files/Circular_01042022.pdf)

[https://www.ia.org.hk/en/legislative\\_framework/circulars/reg\\_matters/files/Annex\\_01042022.pdf](https://www.ia.org.hk/en/legislative_framework/circulars/reg_matters/files/Annex_01042022.pdf)

# Effective Date & Scope of Application

<b>Effective Date</b>	<ul style="list-style-type: none"><li>• <b>1 January 2023</b> (no transitional period)</li><li>• Apply to all applications of life insurance policies received by the insurer on or after the effective date.</li></ul>
<b>Scope of Application</b>	<ul style="list-style-type: none"><li>• “<b>Premium Financing (“PF”)</b>”: an insurance funding arrangement whereby the customer, <u>borrow funds</u> from the lender to pay for the premiums of the life insurance policy and, in doing so, <u>assigns all or part of his/her rights</u> under the proposed policy to the lender.</li><li>• Apply to every application for a new life insurance policy to be acquired using premium financing (include <u>individual and corporate customers</u>)</li><li>• Not apply to policies which have been fully paid by the customers, but are subsequently assigned by the customers as collateral for loan facility</li></ul>

# 1. Affordability Assessment in Respect of Premium Financing

- Ascertain whether the customer has **sufficient financial resources** to pay the portion of premium not financed by premium financing, repay loan payments (principal and interests) **over the entire tenure\* of premium financing facility and repay the sum owed if demanded by the lender before policy maturity**;

*\* Where the premium financing facility tenor is not fixed (e.g. an overdraft facility which can be withdrawn and repaid at any time), the insurance intermediary should take a **prudent approach** in the affordability assessment by assuming that the premium financing facility would last throughout the entire policy term of the proposed policy.*

- Insurance intermediaries without the access to the information regarding the premium financing facility to **ask and obtain the premium financing information** from the customer; and if the customer refuses to disclose, insurance intermediaries have to perform affordability assessment as if no premium financing is used (i.e. the total premium is to be funded entirely by the customer's own funds), explain to the customer that, without the information, it would not be able to assess suitability and affordability of acquiring the policy using premium financing, and obtain customer's acknowledgement

*(the above alternative arrangement is not applicable to any insurance intermediaries with access to the information regarding the premium financing facility, e.g. banks which act in the dual capacity as both the insurance intermediary and the proposed premium financing facility provider.)*

# 1. Affordability Assessment in Respect of Premium Financing (cont'd)

- Internal control to check whether any of the **inforce policies has been assigned or pledged as collateral for a loan facility**;
- **FNA to explicitly ascertain:**
  - whether the customer has any **outstanding liabilities**; and
  - whether his/her **existing policies are used as collateral** for premium financing facilities or otherwise pledged or assigned as collateral for a loan facility;
- **Take the above information into account in affordability assessment**; and
- Insurance intermediaries to restrain from giving regulated advice involving the use of premium financing, unless **sufficient information** in relation to the customer's circumstances (including details of premium financing) is obtained and an appropriate suitability and affordability assessment has been carried out.

## 2. Additional measures for customers with risk of over-leveraging

- Assess whether customers using premium financing face a **risk of over-leveraging**
  - Risk of over-leveraging exists when loan repayment requested by the lender before policy maturity cannot be fully met by the customer's own funds and can only be met using surrender value of the proposed policy.
- Insurance intermediary should not recommend a policy that would amount to risk of over-leveraging unless there is **sufficient justification**.
  - Justification should be clearly explained to customer and documented as part of the reasons for recommendation of the policy.
- Perform **asset / income proof verifications** on customers facing risk of over-leveraging. Insurers and Insurance intermediaries should not solely rely on the customer declaration. Reasonable assessment on the declared income and asset should be performed. If in doubt, proof should be obtained for verification.
- Take into account the condition / state of assets (e.g. value should be adjusted to reflect the customer's portion of ownership, asset value should be adjusted to the net value if there are outstanding liabilities, not accept owner's occupied properties as asset proof, etc.)

*Note: The "Additional measures for customers with risk of over-leveraging" are not applicable if the customer has own funds available to pay the policy in full without the use of the premium financing facility.*



### 3. Minimum Disclosures

#### Important Facts Statement – Premium Financing (“IFS-PF”):

IFS-PF aims to help customers to understand the relevant risks and features by customers, for the purpose of making **informed decisions** by the customer.

- Insurance intermediaries to **fully explain** the contents of the “IFS-PF” to customers, as soon as they are made aware of the customers’ interest in the use of premium financing
- The insurance intermediary is required to go through the “IFS-PF” point-by-point with the customer
- The Licensed insurance intermediary should present and explain the “IFS-PF” if the customer has:
  - i. indicated his/her **preference** for the use of premium financing for his/her insurance application;
  - ii. indicated that part of his/her **source of premium payment** will come from premium financing; or
  - iii. submitted a **written consent to assign** all or part of his/her rights under the proposed policy to a lender prior to policy issuance.
- The “IFS-PF” should be completed and signed for policies acquired through the use of premium financing prior to policy issuance

## 4. Sales Practice and Other Aspects

The Circular does not prohibit insurance intermediaries from making recommendation or solicitation involving the use of premium financing, but any such recommendation or solicitation is subject to relevant requirements, including adherence to all of the following:

- (i) Once a customer indicates the **intention** to use premium financing, sufficient information (including details of the proposed premium financing facility) must be obtained and appropriate suitability and affordability assessments must be carried out;
- (ii) In making any recommendation or solicitation involving the use of premium financing, the insurance intermediary should ensure that he/she **complies with the Code of Conduct** for Licensed Insurance Agents or Code of Conduct for Licensed Insurance Brokers, as the case may be; and
- (iii) The insurance intermediary and the customer should **agree and sign in the IFS-PF** to confirm on whether or not the insurance intermediary has recommended or solicited the customer to use premium financing to fund the purchase of the policy.

If any of the items above is not fully met, the licensed insurance intermediary should not make any recommendation or solicitation involving the use of premium financing to customer.

## 4. Sales practice and Other Aspects

- Insurance intermediary to **remind customer of the potential shortfall** that the actual net benefits receivable under the proposed policy financed by premium financing will be less than the amount indicated in relevant benefit illustration;
- Only use materials supplied or approved by the appointing insurer / appointing agency / appointing insurance broker company when advertising, marketing or promoting an insurance product;
- Clearly explain to customers the impacts of their use of premium financing on the customer's rights to cancel the policy within the Cooling-off Period, and update **cooling-off notice** accordingly;
- **On-going monitoring** should be implemented to identify any inappropriate sales practices, including conducting investigation for
  - (1) exceptionally high rate of customers refusing to provide details of premium financing facility, or
  - (2) high amount of insurance applications involving the use of premium financing yet customers had declared that no solicitation or recommendation on the use of premium financing had taken place.

# Process & Documents Update

# Process Update – Affordability Assessment

In addition to the current affordability assessment requirements, the following enhancements in respect of affordability assessment will be applied to customers indicating premium financing is intended to be used:

- Assess whether the customer has **sufficient financial resources** to
  - a) Pay the out-of-pocket premium (upfront payment)
  - b) Meet all scheduled repayments (including principal and interest repayments);and
  - c) Repay the sum owed under the PF facility before policy maturity upon lender's request
- The amount of liquid asset the customer is able and willing to use to pay premium must be sufficient to cover the full premium of the proposed policy (including the out-of-pocket premium and the portion of premium to be financed by the premium financing facility for the proposed new policy)
- For the assessment, the amount of liquid assets the customer is able and willing to pay premium as indicated in the FNA must exceed the full premium of the new policy applied, **AND** the remaining portion of the liquid asset must be adequate to cover the outstanding liabilities\* specified by the customer in the FNA and the interests required over the entire tenure of the PF facility for the new policy applied for.

\*Outstanding Liabilities includes:

1. Current amount of loan arising from the premium financing facility(ies) or the loan facility(ies) of any existing insurance policy(ies) that is/are used as collateral for premium financing facilities or otherwise pledged or assigned as collateral for a loan facility(Excluding loan amount and interest arising from the PF facility for the new policy applied)
2. Current amount of other outstanding liabilities (exclude point 1 & mortgage loan)

# Process Update – Affordability Assessment

- Where the premium financing facility tenor is not fixed (e.g. an overdraft facility which can be withdrawn and repaid at any time), the insurance intermediary should take **a prudent approach** in the affordability assessment by assuming that the premium financing facility would last throughout the entire policy term of the proposed policy,

## Example 1

Assumption : Client A's Insured Age is 40 years old.

His life insurance policy 's policy term is whole-life.

$\text{Age } 100^*(\text{Policy Term}) - \text{Age } 40(\text{Insured Age}) = 60 \text{ years}$

(\*if the policy offers lifetime coverage, we will use age 100 minus insured age.)

(In this example, the loan tenor used in assessing the customer affordability is 60 years.)

## Example 2

Assumption : Client B's Insured Age is 50 years old.

His life insurance policy 's policy term is until aged 85.

$\text{Age } 85(\text{Policy Term}) - \text{Age } 50(\text{Insured Age}) = 35 \text{ years}$

(In this example, the loan tenor used in assessing the customer affordability is 35 years.)

- MIL will **check internal system** to identify any existing policies used for PF or pledged for loan, Licensed Insurance Intermediary needs to follow up with customer if the checking result is inconsistent with the information disclosed in FNA.

# Process Update – Measures for Over-Leveraging

- Underwriting process will assess whether customers using premium financing face a risk of over-leveraging and will in addition perform **asset proof verifications** on these customers. Additional asset proof requirements include:
  - Suspicious case checking (e.g., information inconsistency);
  - Fixed assets such as applicant's properties are not treated as liquid asset and hence will not be used for the purpose of verifying asset proof;
  - Apply reasonable hair cut on asset where appropriate (e.g., adjust the value for joint holders bank account to reflect the customer's portion of ownership);
  - Checked whether the liquid asset disclosed in the FNA is reconcilable with the asset proof obtained;
  - Check whether there are any liabilities that are inconsistent or have not been disclosed in the FNA against the asset proof obtained; and
  - If there is any inconsistency between the asset/liability disclosed in the FNA and in the asset proof obtained, clarifications should be made with the customer to clear up any such inconsistency and, if needed, further asset proof may be obtained.

# Process Update – Sales Practice & Other Aspects

- Insurance intermediary is required to **re-assess suitability** if the terms and conditions of the premium financing facility eventually offered by the lender(the bank) are less favorable(e.g. a higher loan interest rate) and the updated forms (IFS-PF, etc) with the updated loan information should be submitted to MIL before policy issuance for further assessment.
- Insurance intermediary to **remind customer of the potential shortfall** that the actual net benefits receivable under the proposed policy financed by premium financing will be less than the amount indicated in relevant benefit illustration;
- **On-going monitoring controls** with a view to identifying whether any inappropriate sales practice
- Mystery shopping programs (if applicable) to cover regulated activities involving premium financing



# Financial Needs Analysis Form (FNA)

# Financial Needs Analysis Form

In addition to the existing requirements for affordability assessment, the intermediary should assess the following details for the customers at the FNA in terms of his/her affordability .

- (a) the customer's ability and willingness in paying the full premiums throughout the entire term of the policy;
- (b) the customer's outstanding liability;
- (c) the customer's outstanding loan for existing policies that are used as collateral for premium financing facility;
- (d) the customer's outstanding loan for existing policies that are pledged or assigned as collateral for loan facility;
- (e) the customer's ability in paying future living expenses;
- (f) the customer's ability in repaying loan and interests arising from the proposed premium financing facility for the policy(ies) that the customer is currently applying for.
- (g) the customer's intention on using PF as the means to pay all or part of the premium for the policy that currently applying for.

# Financial Needs Analysis Form

- Update description of the question in Q3.4

Old

**Liquid Asset** (You can skip this section if you are not willing to use **Liquid Asset** to pay for premium)

3.4 Your current accumulative amount of liquid asset is not less than approximately

HK\$ .

Note: Liquid assets are assets which may be easily turned into cash: (Cash, bank and security accounts, and foreign currency etc.)



State the current accumulative amount of liquid asset after deducting capital reserves for living expenses to be paid from the liquid asset (if any)

New

**Liquid Asset** (You can skip this section if you are not willing to use **Liquid Asset** to pay for premium)

3.4 After deducting capital reserves for living expenses to be paid from your liquid asset (if any), your current accumulative amount of liquid asset is not less than approximately HK\$ .

Note: Liquid assets are assets which may be easily turned into cash: (Cash, bank and security accounts, and foreign currency etc.)

# Financial Needs Analysis Form

- Add Q3.6 related to customer's intention of using premium financing and further questions relating to any outstanding liabilities and whether his/her existing insurance policies are used as collateral for premium financing facilities or otherwise pledged or assigned as collateral for a loan facility.
- This new section is mandatory for all insurance applications using premium financing.

## Premium financing

**Note: All information provided below will be taken into account in the assessment of your financial affordability (regardless whether or not the recommended and selected insurance product is eligible for premium financing, and whether or not premium financing is used)**

**3.6** Do you intend to use premium financing as the means for paying all or part of the premium for the insurance policy you are applying for<sup>1</sup> if the recommended and selected insurance product is eligible for premium financing?

☐ Yes ☐ No

If "yes", please fill out the following questions

If "no", please go to Question 4

**Note:** Product(s) meeting your needs and circumstances may not be eligible for premium financing. If the product(s) selected by you is/are not eligible for premium financing, you should ensure that your own funds are sufficient for paying premium for the entire term of the insurance policy(s) you are applying for.

All questions under this section Q3.6 are not required to be answered for Policy Maintenance (i.e. NOT New Business) .

# Financial Needs Analysis Form

MIL will check internal system to identify any existing policies used for PF or pledged for loan, customer is required to provide clear explanation and update if the checking result is inconsistent with the information given.

If these questions are answered, the relevant information provided will be taken into account for the affordability assessment, even if it is a non-premium financing policy, regardless of whether it is new business, top-up or increasing protection (increase sum insured or add riders, etc).

**3.6.1** Do you have any existing insurance policy(ies) that is/are used as collateral for premium financing facilities or otherwise pledged or assigned as collateral for a loan facility?

☐ Yes ☐ No

If "yes", please fill out the following questions

If "no", please skip question 3.6.2, answer question 3.6.3 and question 3.6.4, and go to Question 4

**3.6.2** Your current amount of loan arising from the premium financing facility(ies) or the loan facility(ies) as stated in your answer to question 3.6.1 is not more than HK\$ .

If this answer is "0", please explain the reason (select one option only)

☐ a) Because the loan arising from the premium financing facility(ies) or the loan facility(ies) as stated in the answer to question 3.6.1 is arranged by way of stand-by credit facility, and the granted amount is not being used.

☐ b) Others: Please specify .

**3.6.3** Your current amount of other outstanding liabilities<sup>2</sup> (excluding question 3.6.2 and mortgage loan) is not more than

HK\$ .

**3.6.4** Your current amount of the outstanding mortgage loan is not more than HK\$ .

Note:

1. The loan amount and interest arising from the proposed premium financing facility for this insurance policy that you are applying for should be excluded from your answers for question 3.6.2 and question 3.6.3.
2. Other outstanding liabilities include but not limited to personal loan and credit card balance (but exclude the loan amount and interest arising from the proposed premium financing facility for this insurance policy that you are applying for).

# Financial Needs Analysis Form

This option should match with the answer of Q3.6 about customer's intention to use premium financing.

- Update option 6 content under “Advisor’s reason(s) for the recommendation” section

Old

- ☐ 6) The applicant intends to finance the premium for the insurance policy through premium financing and is able and willing to pay for the premium for the entire premium payment term of the policy by his/her income/liquid asset as indicated in Part 3 of this form. The applicant is aware his/her obligation in repaying the loan and any associated interests and has set aside funds for repayment of such amounts. Advisor has fully considered the information collected in the FNA process, explained the impact and related factors of premium financing in affordability consideration, and highlighted general associated risk regarding this arrangement to the applicant.

Note: “Premium Financing” involves a facility granted to a customer for paying the premium of his/her insurance policy (i.e. a certain percentage of the premium of the insurance policy), and the lending of funds will be secured by the life insurance policy as a collateral.



New

- ☐ 6) As the applicant intends to fund the purchase of the proposed policy using premium financing if the recommended and selected insurance product is eligible for premium financing, the advisor has presented the Important Facts Statement – Premium Financing (“IFS-PF”) and fully explained the important notes and implications covered in the IFS-PF, including the implications and associated risks, to the applicant. The applicant also confirms understanding of his/her obligations in repaying the loan and any associated interests and agrees that he/she should set aside funds for repayment of such amounts should he/she proceed with the application for premium financing.

# **Important Facts Statement - Premium Financing (IFS-PF)**

# Important Facts Statement – Premium Financing



Policy No. 保單編號:

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(For office use only 公司專用)

## IMPORTANT FACTS STATEMENT – PREMIUM FINANCING 《重要資料聲明書 – 保費融資》

This "Important Facts Statement – Premium Financing" ("IFS-PF") aims to help you understand the factors to be considered and the risks involved in funding the purchase of your life insurance policy using premium financing. Your licensed insurance intermediary should fully explain to you the implications and associated risks involved in the use of premium financing to pay for the premium of a life insurance policy. 本《重要資料聲明書 – 保費融資》(《聲明書》)旨在幫助閣下瞭解,使用保費融資以資助貴金購買人壽保險保單時所考慮的因素以及所涉及的風險。閣下的授權保險中介人應向閣下充分解釋,使用保費融資支付人壽保險保單的保費所涉及之影響及相關風險。

If you do not understand any of the following paragraphs or the advice or information provided to you by the licensed insurance intermediary is different from the information in this IFS-PF, please **do not sign** this IFS-PF and **do not proceed** with the application for premium financing. In addition, you should make sure that you are fully aware of your rights and responsibilities under the loan contract and policy assignment agreement between you and the lender (usually a financial institution) that providing you with the premium financing facility (also known as loan facility). 若閣下不明白以下任何一段,或該保險中介人向閣下提供的建議或資料與本《聲明書》的內容有異,請勿簽署本《聲明書》,以及請勿繼續申請保費融資。此外,就閣下與提供保費融資的貸款方(通常為金融機構)所簽訂的貸款合約和保單轉讓協議,閣下應確保自己已完全瞭解其中的權利和責任。

SOME IMPORTANT FACTS YOU SHOULD KNOW 此乃重要資料 閣下必須細閱 Please read carefully before signing. 簽署前請仔細閱讀 Your licensed insurance intermediary should clearly explain the following to you. 閣下的授權保險中介人應清楚地向閣下解釋以下內容。	
<b>Important Notes &amp; Implications 重要說明及影響</b>	
1.	<b>What premium financing is about:</b> Premium financing is an insurance funding arrangement whereby you, as the policyowner, borrow funds from the lender to pay for the premium of the proposed life insurance policy (the "Policy") and in doing so, you would assign all or part of your rights under the Policy to the lender as collateral. <b>什麼是保費融資:</b> 保費融資是一種保單融資安排,閣下作為保單持有人,向貸款方借款以支付人壽保險保單(「保單」)的保費,同時將閣下所擁有的全部或部分保單權利作為抵押品轉讓予貸款方。
2.	<b>Stand-alone arrangement/contract:</b> Premium financing is a stand-alone arrangement between you and the lender. It is <u>not</u> , and does <u>not</u> form part of the insurance contract between you and Manulife (International) Limited (the "Insurer"). The Insurer is not a party to the loan contract or policy assignment agreement and is therefore not governed by the terms and conditions (including dispute resolution) of these contract and agreement you enter into with the lender. In case you have any questions about the terms and conditions, you should contact the lender. <b>獨立安排/合約:</b> 保費融資是閣下與貸款方之間的獨立安排,既不屬也不構成閣下與宏利人壽保險(國際)有限公司(「保險公司」)之間的保險合約的一部分。保險公司不是貸款合約和保單轉讓協議的合約方之一,因此不受閣下與貸款方所簽訂的合約和協議的條款及細則(包括爭議解決)約束。如果閣下對相關條款及細則有任何疑問,應聯絡貸款方。
3.	<b>Restriction of rights under the Policy:</b> All or part of your rights under the Policy will be assigned to the lender as collateral via a deed of assignment. Subject to the terms and conditions of the loan contract and policy assignment agreement, the lender will be entitled to exercise all or part of the rights under your Policy, and you will not be able to exercise those rights unless the lender's approval is obtained. Examples of these rights include: <ul style="list-style-type: none"><li>• receive any benefits (including surrender value, death benefit, etc.) payable by the insurer under your Policy;</li><li>• cancel your policy within the cooling off period, surrender the policy, or make withdrawals;</li><li>• apply for policy loan, or exercise any options under the policy; and</li><li>• make certain changes or amendments to your Policy (e.g. appointment of new beneficiary, further pledge or assign the policy).</li></ul> You should therefore carefully read the terms and conditions of the loan contract and policy assignment agreement, and consider how these potential adverse impacts may affect the outcome of the Policy and whether the Policy is still suitable for you. <b>保單權利受限:</b> 保單轉讓協議將透過受讓形式將閣下所擁有的全部或部分保單權利作為抵押品轉讓予貸款方。根據貸款合約和保單轉讓協議的條款及細則,貸款方將有權行使閣下保單的全部或部分保單權利,而閣下在未經貸款方批准前不能行使這些權利。這些保單權利可能包括: <ul style="list-style-type: none"><li>• 收取保險公司根據保險合約應支付的任何利益(包括退保價值、身故賠償等);</li><li>• 在冷靜期內取消保單、在冷靜期後退保或提取保單價值;</li><li>• 申請保單貸款或行使保單內的任何選擇;及</li><li>• 更改或修訂保單(例如更改受益人、將保單再次抵押或轉讓)。</li></ul> 因此,閣下應仔細閱讀貸款合約和保單轉讓協議的條款及細則,考慮相關條款及細則對閣下的保單可能造成的潛在不利影響,並考慮該保單是否仍然適合閣下。

Manulife (International) Limited (Incorporated in Bermuda with limited liability)  
宏利人壽保險(國際)有限公司(於百慕大註冊成立之有限責任公司)  
IFS-PF\_B (1/1/2022)

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# Important Facts Statement – Premium Financing

- In the following circumstances, the IFS-PF should be presented and explained to the customers. It is not an exhaustive list. Authorised insurers and licensed insurance intermediaries should adopt a **prudent approach** in assessing whether the customers are interested in the use of premium financing.
  - i. The customer has indicated his/her **preference** for the use of premium financing for his/her insurance application;
  - ii. The customer has indicated that part of his/her **source of premium payment** will come from premium financing; or
  - iii. The customer has submitted a **written consent to assign** all or part of his/her rights under the proposed policy to a lender prior to policy issuance.
- A licensed insurance intermediary is required to **go through the IFS-PF point-by-point** with a customer who intends to use premium financing. Prior to policy issuance, the IFS-PF must be completed and signed. The customer cannot opt out of this requirement.
- Authorized insurers must not issue any life insurance policies that are acquired through the use of premium financing unless they have received the IFS-PF **duly completed by the proposed policy holder and the relevant licensed insurance intermediary**.

# Important Facts Statement – Premium Financing



Policy No. 保單編號:

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(For office use only 公司專用)

## IMPORTANT FACTS STATEMENT – PREMIUM FINANCING 《重要資料聲明書 — 保費融資》

This “Important Facts Statement – Premium Financing” (“IFS-PF”) aims to help you understand the factors to be considered and the risks involved in funding the purchase of your life insurance policy using premium financing. Your licensed insurance intermediary should fully explain to you the implications and associated risks involved in the use of premium financing to pay for the premium of a life insurance policy. 本《重要資料聲明書 — 保費融資》(《聲明書》)旨在幫助閣下瞭解，使用保費融資以獲取資金購買人壽保險保單時須考慮的因素以及所涉及的風險。閣下的持牌保險中介人應向閣下充分解釋，使用保費融資支付人壽保險保單的保費所涉及的影響及相關風險。

If you do not understand any of the following paragraphs or the advice or information provided to you by the licensed insurance intermediary is different from the information in this IFS-PF, please **do not sign** this IFS-PF and **do not proceed** with the application for premium financing. In addition, you should make sure that you are fully aware of your rights and responsibilities under the loan contract and policy assignment agreement between you and the lender (usually a financial institution) that providing you with the premium financing facility (also known as loan facility). 若閣下不明白以下任何一段，或認為持牌保險中介人向閣下提供的建議或資料與本《聲明書》的內容有異，請勿簽署本《聲明書》，以及請勿繼續申請保費融資。此外，就閣下與提供保費融資的貸款方（通常為金融機構）所簽訂的貸款合約和保單轉讓協議，閣下應確保自己已完全瞭解其中的權利和責任。

# Important Facts Statement – Premium Financing

## Important Notes & Implications

### SOME IMPORTANT FACTS YOU SHOULD KNOW

此乃重要資料 閣下必須細閱

Please read carefully before signing.

簽署前請仔細閱讀。

Your licensed insurance intermediary should clearly explain the following to you.

閣下的持牌保險中介人須清晰地向你解釋以下內容。

## Important Notes & Implications 重要說明及影響

1. **What premium financing is about:** Premium financing is an insurance funding arrangement whereby you, as the policyowner, borrow funds from the lender to pay for the premium of the proposed life insurance policy (the “**Policy**”) and in doing so, you would assign all or part of your rights under the Policy to the lender as collateral.

**什麼是保費融資：**保費融資是一種保單融資安排，指閣下作為保單持有人，向貸款方借款以支付人壽保險保單（「保單」）的保費，同時將閣下所擁有的全部或部分保單權利作為抵押品轉讓予貸款方。

2. **Stand-alone arrangement/contract:** Premium financing is a stand-alone arrangement between you and the lender. It is not, and does not form part of the insurance contract between you and Manulife (International) Limited (the “**Insurer**”). The Insurer is not a party to the loan contract or policy assignment agreement and is therefore not governed by the terms and conditions (including dispute resolution) of these contract and agreement you enter into with the lender. In case you have any questions about the terms and conditions, you should contact the lender.

**獨立的安排/合約：**保費融資是閣下與貸款方之間的獨立安排，既不是也不構成閣下與宏利人壽保險（國際）有限公司（「保險公司」）之間的保險合約的一部分。保險公司不是貸款合約和保單轉讓協議的合約方之一，因此不受閣下與貸款方所簽訂的合約和協議的條款及細則（包括糾紛調解）約束。如果閣下對相關條款及細則有任何疑問，應聯絡貸款方。

# Important Facts Statement – Premium Financing

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3. **Restriction of rights under the Policy:** All or part of your rights under the Policy will be assigned to the lender as collateral via a deed of assignment. Subject to the terms and conditions of the loan contract and policy assignment agreement, the lender will be entitled to exercise all or part of the rights under your Policy, and you will not be able to exercise those rights unless the lender's approval is obtained. Examples of those rights include:

- receive any benefits (including surrender value, death benefit, etc. ) payable by the insurer under your Policy;
- cancel your policy within the cooling off period, surrender the policy, or make withdrawals;
- apply for policy loan, or exercise any options under the policy; and
- make certain changes or amendments to your Policy (e.g. appointment of new beneficiary, further pledge or assign the policy).

You should therefore carefully read the terms and conditions of the loan contract and policy assignment agreement, and consider how these potential adverse impacts may affect the outcome of the Policy and whether the Policy is still suitable for you.

**保單權利受限：**保單轉讓協議將通過契據形式將閣下所擁有的全部或部分保單權利作為抵押品轉讓予貸款方。根據貸款合約和保單轉讓協議的條款及細則，貸款方將有權行使閣下保單的全部或部分保單權利，而閣下在未經貸款方批准前不能行使這些權利。這些保單權力可能包括：

- 收取保險公司根據保險合約應支付的任何利益（包括退保價值、身故賠償等）；
- 在冷靜期內取消保單、在冷靜期後退保或提取保單價值；
- 申請保單貸款或行使保單內的任何選項；及
- 更改或修訂保單（例如更改受益人、將保單再次抵押或轉讓）。

因此，閣下應仔細閱讀貸款合約和保單轉讓協議的條款及細則，考慮相關條款及細則對閣下的保單可能造成的潛在不利影響，並考慮該保單是否仍然適合閣下。

# Important Facts Statement – Premium Financing

## Important Notes & Implications

4. **Shortfall in actual benefits receivable:** The actual net benefits receivable under the proposed policy financed by premium financing will be less than the amount indicated in the relevant Benefit Illustration, as part of the benefit payments would be offset by the repayment of the loan facility (including the principal amount of the loan and the relevant interest). This shortfall may be significant especially if you intend to pay a substantial portion of the premium using premium financing.

**實際利益不足:**由於部分保單利益將被用於支付保費融資的欠款(包括貸款本金及相關利息),保費融資保單的實際淨利益將少於相關利益說明文件中所顯示的金額。如果閣下打算使用保費融資支付大部分所需保費,此差額可能非常顯著。

5. **Release and access of information:** The lender will be given rights to access your policy information and may from time to time instruct the Insurer to release information relating to your Policy, for example, surrender value, cash value, and any loans or advances on the Policy.

**保單資料的發放及查閱:**貸款方將有權查閱閣下的保單資料,保險公司可能須按貸款方的指示不時將閣下的保單資料發放予貸款方,例如退保價值、現金價值以及保單的任何貸款或墊款資料。

6. **Risk of collateral top-up and repayment on demand:** Your loan facility may be subject to review by the lender and the lender has the right to restructure or terminate the loan facility at any time. The lender may request you to provide additional collateral, or partially or fully repay the outstanding loan, under particular circumstances stated in the loan contract. If you fail to meet the request(s), the lender may restructure or terminate the loan facility or exercise its rights on the Policy such as surrendering the policy.

You should read the terms and conditions of the loan contract, for example the frequency of review, the circumstances that may trigger the request(s) and the relevant arrangements of the request(s). You should consider your financial affordability in meeting the particular circumstances stated in the loan contract before purchasing life insurance products through the use of premium financing.

**提供額外抵押品及按貸款方要求還款的風險:**貸款方可能有權不時重新檢視閣下的貸款,並有權隨時重組或終止該貸款。在貸款合約中訂明的特定情況下,貸款方可能會要求閣下提供額外的抵押品,或即時償還部分或全部欠款。如閣下無法滿足貸款方的要求,貸款方可能會重組或終止該貸款,或行使貸款方所擁有的保單權利,例如退保以收回欠款。

閣下應仔細閱讀貸款合約的條款及細則,例如貸款檢視頻率和次數、可能引致上述情況的條件及相關安排等。閣下在使用保費融資購買保單之前,應考慮自己的財務負擔能力是否能夠滿足貸款合約中訂明的各種特定情況。



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7. **Consequence of late repayment and default of loan facility:** If the Policy is funded by a loan facility, you are obligated to repay the outstanding loan amount and interest payments according to the repayment schedule under the terms and conditions of the loan contract. Any late or default of loan repayment over the course of the loan facility, including interest payment and principal repayment, may trigger the lender to demand the repayment of the loan immediately. The lender may surrender the policy and recover the defaulted payment, causing you significant financial losses and loss of insurance coverage. You may not be able to obtain the same insurance coverage for reasons such as changes in health conditions. You shall remain liable for any shortfall between the amounts of the proceeds of the policy and the outstanding amount of the loan facility.

In addition, the lender may set off any obligation under the loan facility owed by you to the lender against any obligation owed by the lender to you (including credit balances in any account you maintain with the lender).

**逾期還款及拖欠還款的後果:**如閣下以保費融資貸款支付保費,閣下須根據貸款合約的條款及細則和還款時間表依期償還貸款本金及利息。如有任何逾期或拖欠還款(包括利息和本金),貸款方可能會要求閣下立即償還所有欠款。貸款方亦可能會將閣下的保單退保以收回拖欠款項,從而導致閣下失去保單提供的保障並蒙受重大財務損失。閣下往後亦可能因某些轉變(例如健康狀況)而不能重新投保以獲得相同的保險保障。如保單退保後取回的金額不足以支付欠款,閣下仍須為相關差額負責。

此外,閣下於貸款方的其他結餘(包括任何類型的戶口餘額)有可能被用作支付閣下所拖欠的保費融資貸款。

8. **Impact of early termination/surrender/withdrawal:** If the lender exercises its right under the terms and conditions of the policy assignment agreement to terminate or surrender the policy, or withdraw cash value before the end of policy term:
- the amount of benefits receivable under the policy may be substantially less than the sum of total premium paid, interest expenses incurred and early repayment penalty imposed (if applicable) under the loan contract, especially in the early years of the policy;
  - you may partially or fully lose the insurance coverage and may not be able to obtain the same insurance coverage;
  - you may lose the entitlement to dividends, bonuses, etc. under the policy;
  - the lender may apply all or part of the benefits receivable under the policy against the outstanding amounts owed by you (whether or not the outstanding amounts are under the loan facility); and
  - in cases where the policy is required as part of conditions in your business or other arrangements, the termination of the policy may trigger further events of defaults in these arrangements with adverse consequences.

**提前終止保單/退保/提取保單價值的影響:**如果貸款方根據保單轉讓協議的條款及細則在保單期滿前終止保單、退保或提取保單價值:

- 保單利益可能會遠低於已繳交的總保費、貸款合約下的利息支出和提前還款罰款(如適用)的總和,尤其是在保單生效後的最初幾年;
- 閣下可能會失去部份或全部保單提供的保障,而閣下將來未必能夠重新投保以獲得相同的保險保障;
- 閣下可能會失去保單應得的各種紅利;
- 貸款方可能會取用閣下的全部或部分保單利益以支付閣下於貸款方的其他欠款(不論是否與保費融資貸款有關);及
- 如閣下同時使用該保單作為業務或其他安排的條件或擔保,保單被終止後可能會導致相關安排違約並帶來不利後果。

# Important Facts Statement – Premium Financing

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9. **Impact of death of insured:** In the event of the death of the insured, the amount of death benefit receivable under the policy may be substantially less than the sum of total premium paid, interest expenses incurred and early repayment penalty imposed (if applicable) under the loan contract, and you may suffer a significant financial loss.

**受保人身故的影響:**若受保人身故,保單所支付的身故賠償金額可能會遠低於已繳交的總保費、貸款合約下的利息支出和提前還款罰款(如適用)的總和,閣下可能因此蒙受重大財務損失。

10. **Exposure to interest rate fluctuation:** The interest payment of the loan facility for premium financing will affect the net rate of return (i.e. net of interest payment) you plan to achieve in your Policy with the use of premium financing. You may be exposed to significant interest rate risk if the interest rate of the loan facility is not fixed (i.e. floating rate subject to changes from time to time). Even in the case of fixed interest rate, the lender may have discretion to adjust the interest rate on the loan facility from time to time. Any increase in interest rates applicable to the loan facility will increase the cost of servicing the loan facility (i.e. increase in regular interest payments.). You may not be able to service the loan facility and may hence default when there is a substantial increase in the interest rate. Also, in cases where the interest rate of the loan facility is substantially higher than the returns received from the policy, you will suffer a significant financial loss.

**利率波動風險:**保費融資貸款的利息支出會影響閣下以保費融資購買保單的預期淨回報率(即扣除利息支出後的回報)。若貸款利率並非固定(即是會不時變動的浮息),閣下可能需承受重大利率風險。即使貸款利率以定息計算,貸款方亦可能有權根據貸款合約不時調整貸款利率。貸款利率上升會增加閣下的償債成本(即定期須支付的利息有所增加)。若貸款利率大幅上升,可能導致閣下未能如數還款而因此違約。此外,若貸款利率遠高於保單的回報,閣下將蒙受重大財務損失。

11. **Exposure to risk of non-guaranteed benefits fluctuation:** If your Policy includes non-guaranteed benefits, the projected non-guaranteed benefits shown in the Benefit Illustration are determined under the assumed investment return and are not guaranteed. If the investment return assumed for your Policy is not achieved, your non-guaranteed benefits may be lower than those illustrated or substantially lower than the interest applicable to the loan facility, and in certain circumstances, may even be zero.

If the total return generated by the Policy is substantially lower than the interest payable under the loan facility, you will suffer a significant financial loss.

**非保證利益波動風險:**若閣下的保單包含非保證利益,利益說明文件中顯示的非保證利益乃基於投資回報的假設,並不保證可以實現。若閣下保單的投資回報未能達到該假設,閣下可獲得的非保證利益則可能低於利益說明文件中顯示的金額,或大幅低於閣下須支付的貸款利息;在某些情況下,非保證利益甚至可能為零。

如果保單的總回報遠低於閣下須支付的貸款利息,閣下將蒙受重大財務損失。

# Important Facts Statement – Premium Financing

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12. **Exposure to exchange rate fluctuation:** Exchange rate exposure arises when the loan currency differs from the policy currency. In the case of premium financing, you may be required to convert the proceeds received under your Policy into the loan currency, under the prevailing exchange rate, before being able to settle the loan repayments. In cases where the proceeds received from the policy is substantially lower than the outstanding loan amount due to adverse fluctuation in the exchange rate, you will suffer a significant financial loss.

**匯率波動風險：**若貸款貨幣與保單貨幣不相同，便會出現匯率風險。在保單融資的情況下，閣下可能需要先將保單收益按當時的匯率由保單貨幣兌換至貸款貨幣，才能償還貸款。若匯率出現不利波動導致閣下的保單收益大幅低於未償還的貸款金額，閣下將蒙受重大財務損失。

13. **Exposure to credit risk:** You are subject to the credit risk of the Insurer. In the event that the Insurer becomes default on its obligations or an adverse change in its credit rating, the lender may, at its discretion, ask for additional collateral, adjust your credit limit, restructure or even terminate the loan facility. You may be obligated to repay the loan, the interest and administrative fee accrued immediately, and you shall remain liable for any shortfall between the amounts of the proceeds of the policy and the outstanding amount of the loan facility.

**信貸風險：**閣下須承受保險公司的信貸風險。若保險公司未能履行其於保單的責任，或其信貸評級有不利變化，貸款方可能有權要求閣下提供額外的抵押品、調整閣下的信貸限額、重組甚至終止貸款。閣下可能須立即償還所有貸款本金、利息及行政費用。如閣下從保單中獲得的收益不足以支付欠款，閣下則仍須為相關差額負責。



# Important Facts Statement – Premium Financing

## Important Notes & Implications

14. **Payment timing mismatch:** There is a possibility that the proceeds from your Policy will not be remitted to the lender on or before the repayment date as specified in the loan contract (e.g. due to loan facility maturity date being earlier than your policy maturity date, or turn-around-time for policy benefits disbursement), resulting in the default of loan repayment by you. You will be solely liable for any late penalty interest or defaulting interest imposed by the lender under the terms and conditions of the loan contract.

**付款時間落差：**閣下可能因為保單收益未能在貸款合約規定的還款日或之前匯至貸款方（例如貸款到期日早於閣下的保單期滿日，或保險公司需時處理保單利益發放），而導致閣下拖欠還款而違約。閣下將要全數承擔貸款方根據貸款合約的條款及細則所徵收的任何逾期罰息或違約利息。

15. **Impacts on cooling-off right:** Your right to cancel this Policy within the cooling-off period may be assigned to the lender, and therefore any cancellation request may be subject to the lender's consent. For a policy acquired through the use of premium financing and cancelled within the cooling-off period, you may be obligated to repay the loan principal, early repayment penalty (if applicable), interest and other administrative fee accrued under the premium financing facility.

**對冷靜期權利的影響：**由於閣下在冷靜期內取消保單的權利可能因保單轉讓協議而被轉讓予貸款方，故此任何取消保單的要求均可能須先徵得貸款方同意。即使閣下已在冷靜期內取消保單，閣下可能仍須償還保費融資貸款的本金、提前還款罰款（如適用）、利息及其他行政費用。

# Important Facts Statement – Premium Financing

Separate declaration for the proposed policyowner and the intermediary to avoid dispute and increase customer awareness .

## Declaration by the Policyowner

### Declaration by the Policyowner 保單持有人聲明

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. 本人確認持牌保險中介人已向本人解釋上述「重要說明及影響」，而本人亦已閱讀並明白其內容。

#### Recommendation or solicitation involving the use of premium financing 保費融資的建議或招攬

(Please check either one of the following boxes 請在適當的方格內填上剔號，只可選擇一項)

☐ I confirm that the Licensed Insurance Intermediary **HAS NOT** recommended or solicited me to use premium financing to fund the purchase of the Policy. 本人確認持牌保險中介人沒有建議或招攬本人使用保費融資以獲取資金購買此保單。

OR 或

☐ I confirm that the Licensed Insurance Intermediary **HAS** recommended or solicited me to use premium financing to fund the purchase of the Policy. 本人確認持牌保險中介人有建議或招攬本人使用保費融資以獲取資金購買此保單。

# Important Facts Statement – Premium Financing

## Information on the proposed premium financing facility

(Please check either one of the following boxes 請在適當的方格內填上劃號，只可選擇一項)

*Note to Policyowner: 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 less favorable (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.*

保單持有人請注意：持牌保險中介人將使用閣下擬申請的保費融資貸款預估資料，以評估閣下是否適合及是否有負擔能力使用保費融資以獲取資金購買此保單。我們強烈建議閣下盡閣下所知而提供相關資料。如貸款方最終提供的貸款條款及細則遜於以下資料（例如較高的貸款利率），閣下應立即聯絡持牌保險中介人以重新評估閣下是否適合及是否有負擔能力使用保費融資以獲取資金購買此保單。

☐ I am willing to provide to the best of my knowledge the information on the proposed premium financing facility below:

本人願意盡本人所知而提供的保費融資貸款預估資料如下：

Name of lender :  
貸款方名稱

Loan amount (Please specify the currency) :  
貸款金額（請註明貨幣）

Loan Interest rate (Annualized rate) :  
貸款利率（年利率）

Loan tenor<sup>^</sup> (e.g. 10 yearly installments) :  
貸款期<sup>^</sup>（如分期十年）

Repayment amount for each installment 每期還款金額：

☐ I plan to repay the required interest (Loan amount x Loan interest rate) for each installment according to the loan tenor and repay the total principal (Loan amount) together with the required interest for that installment in the last installment. 我計劃按照貸款期償還每期所需利息（貸款金額 x 貸款利率）並於最後一期一併償還總本金（貸款金額）及該期所需的利息。

☐ Others (Please specify, e.g. HKD xx,xxx per annum) :  
其他（請註明，例如每年xx,xxx港元）

<sup>^</sup> Remarks: If the loan tenor is not fixed (e.g. an overdraft facility which can be withdrawn and repaid at any time), we will assume that the premium financing facility would last throughout the entire policy term of the proposed policy (if the policy offers lifetime coverage, we will use age 100 minus Insured age) in assessing your affordability in paying the insurance premiums.

備註：若貸款期並非固定（例如：可供隨時提取和償還的透支服務），在評估閣下支付保費的負擔能力時，我們將假設保費融資貸款會持續至擬投保保單的整個保單年期（如保單提供終生保障，我們將以100歲扣減受保人之年齡）。

**OR 或**

☐ 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). 本人不願意提供保費融資貸款的預估資料。本人明白持牌保險中介人將無法評估本人是否適合及是否有負擔能力使用保費融資，並將假設不使用保費融資以評估本人是否適合及是否有負擔能力購買此保單（即全部所需保費均由本人承擔）。

If customer choose “do not wish to provide information” on the proposed premium financing facility, please be reminded to supplement the percentage of premium to be paid out-of-pocket by the customer by broker memo (e.g. Out-of-pocket 30% from customer).

# Important Facts Statement – Premium Financing

## Declaration by the Policyowner

**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.

**忠告：**簽署本《聲明書》前，閣下必須仔細閱讀所有項目，並確保持牌保險中介人已解釋本《聲明書》中的所有資料。

Policyowner sign here

X

Signature of the Policyowner  
保單持有人簽署

Full Name of the Policyowner  
保單持有人姓名

Declaration by the Licensed Insurance Intermediary

## Declaration by the Licensed Insurance Intermediary 持牌保險中介人聲明

I declare that I have discussed and fully explained the Important Notes & Implications covered in this IFS-PF, including the implications and associated risks, to the Policyowner regarding his/her decision to use premium financing to fund the purchase of the Policy. 本人聲明，本人已與保單持有人就其使用保費融資以獲取資金購買此保單的決定，進行了討論並充分解釋了本《聲明書》中的重要說明及影響，包括潛在影響和相關風險。

I further declare that I have not made any inaccurate or misleading statements or representations, or withheld any information which may affect the decision of the Policyowner. 本人進一步聲明，本人並沒有作出任何不準確或誤導的陳述或聲明，或隱瞞任何可能影響保單持有人決定的資料。

Licensed Insurance Intermediary sign here

X

Signature of the Licensed Insurance Intermediary  
持牌保險中介人簽署

Full Name of the Licensed Insurance Intermediary  
持牌保險中介人姓名

IA License No.  
保監局牌照號碼

Date (DD / MM / YYYY)  
日期(日 / 月 / 年)

**Welcome Letter**

**Cooling-Off Reminder**

**Application Form**

# Welcome Letter and Cooling-off Reminder

## Welcome Letter

Policyowner name

Address  
Address  
Address  
Address

Policy Number 保單編號 : <Policy no.>  
Policyowner 保單持有人 : <Policyowner name>  
Life Insured 受保人 : <Insured name>  
Financial Advisor 理財顧問 : <Agent name>  
Contact Number 聯絡電話 : <Agent contact no.>  
Date of Issue of this letter 本函發出日 : <Letter issue date>

Dear (Sample),

Thank you for choosing Manulife.

We are pleased to tell you that your policy has been issued and will be delivered soon. If you would like access to policy details online, we have made it easy. Simply register at [www.manulife.com.hk](http://www.manulife.com.hk). If you have already registered, you can start managing your policy today.

### Cooling-off Notice - Your Right to Change Your Mind

We trust that this policy will satisfy your financial needs, but if you are not fully satisfied with this policy, you have the right to change your mind and request for cancellation of your policy within the Cooling-off Period as stated below. The Cooling-off Period is the period of **21 calendar days** immediately following the day of the delivery to the policy holder or the nominated representative of the policy holder, of (a) the life insurance policy; or (b) this letter, whichever is the earlier.

If you would like to exercise your cancellation right, please return the policy and attach a letter of cancellation signed by you directly to our office at 22/F., Manulife Financial Centre, 223-231 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong on or before <<Cooling-off Expiry Date (e.g. May 1, 2018)>>. If aforementioned date is not a working day, the period shall include the next working day. We will also honor you the cooling-off right.

Upon receiving your request, the policy will then be cancelled and any premium(s)^ and any levy paid will be returned. However no refund can be made if a claim payment has been made.

When the purchase of this policy is funded using premium financing, your right to cancel this policy within the cooling-off period may be assigned to the lender, and therefore any cancellation request may be subject to the lender's consent. For a policy acquired through the use of premium financing and cancelled within the cooling-off period, you may be obligated to repay the loan principal, early repayment penalty (if applicable), interest and other administrative fee accrued under the premium financing facility.

If you have any questions, or you do not receive your policy within 9 calendar days after delivery of this letter, please do not hesitate to contact us via 1) Customer Service Hotline: (852) 2510 3941; 2) Email: [service\\_hk@manulife.com](mailto:service_hk@manulife.com); 3) Address: 22/F., Manulife Financial Centre, 223-231 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong.

Yours sincerely,

## Cooling-Off Reminder

### "Your Right to Change Your Mind"

**If you are not fully satisfied with this policy, you have the right to change your mind.**

We trust that this policy will satisfy your financial needs. However, if you are not fully satisfied then you should:

- (a) return the policy, if applicable, and
- (b) provide us with a letter signed by you requesting cancellation.

The policy will then be cancelled and the premium(s) paid^ and any levy paid will be refunded.

These cancellation rights are subject to the following conditions:

- (a) Your request to cancel the policy must be signed by you and received directly by our office at 22/F, Manulife Financial Centre, 223-231 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong **within 21 calendar days** immediately following the day of delivery of this policy or the Cooling-off Notice to you or your nominated representative (whichever is earlier). The Cooling-off Notice is a notice embedded in the welcome letter sent to you or your nominated representative (separate from the policy) notifying you of your right to cancel within the stated 21 calendar days period.
- (b) No Refund can be made if a claim payment under the policy has been made prior to your request for cancellation.
- (c) When the purchase of this policy is funded using premium financing, your right to cancel this policy within the cooling-off period may be assigned to the lender, and therefore any cancellation request may be subject to the lender's consent. For a policy acquired through the use of premium financing and cancelled within the cooling-off period, you may be obligated to repay the loan principal, early repayment penalty (if applicable), interest and other administrative fee accrued under the premium financing facility.

Should you have any further queries, you may contact us by the following means and we will be happy to explain your cancellation rights further.

- 1. Customer Service Hotline: (852) 2510 3941 ;
- 2. Email: [service\\_hk@manulife.com](mailto:service_hk@manulife.com) ;
- 3. Address: 22/F, Manulife Financial Centre, 223-231 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong.



# Welcome Letter

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We are pleased to tell you that your policy has been issued and will be delivered soon. If you would like access to policy details online, we have made it easy. Simply register at [www.manulife.com.hk](http://www.manulife.com.hk).<sup>\*</sup> If you have already registered, you can start managing your policy today.

## **Cooling-off Notice - Your Right to Change Your Mind**

We trust that this policy will satisfy your financial needs, but if you are not fully satisfied with this policy, you have the right to change your mind and request for cancellation of your policy within the Cooling-off Period as stated below. The Cooling-off Period is the period of **21 calendar days** immediately following the day of the delivery to the policy holder or the nominated representative of the policy holder, of (a) the life insurance policy; or (b) this letter, whichever is the earlier.

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Upon receiving your request, the policy will then be cancelled and any premium(s)<sup>A</sup> and any levy paid will be returned. However no refund can be made if a claim payment has been made.

When the purchase of this policy is funded using premium financing, your right to cancel this policy within the cooling-off period may be assigned to the lender, and therefore any cancellation request may be subject to the lender's consent. For a policy acquired through the use of premium financing and cancelled within the cooling-off period, you may be obligated to repay the loan principal, early repayment penalty (if applicable), interest and other administrative fee accrued under the premium financing facility.

If you have any questions, or you do not receive your policy within 9 calendar days after delivery of this letter, please do not hesitate to contact us via 1) Customer Service Hotline: (852) 2510 3941; 2) Email: [service\\_hk@manulife.com](mailto:service_hk@manulife.com); 3) Address: 22/F., Manulife Financial Centre, 223-231 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong.  
Yours sincerely,

When the purchase of this policy is funded using premium financing, your right to cancel this policy within the cooling-off period may be assigned to the lender, and therefore any cancellation request may be subject to the lender's consent. For a policy acquired through the use of premium financing and cancelled within the cooling-off period, you may be obligated to repay the loan principal, early repayment penalty (if applicable), interest and other administrative fee accrued under the premium financing facility.

# Application Form

## Premium Financing Section

### 25. Premium Financing 保費融資 (Only applicable to premium-financing-eligible product 只適用於可申請保費融資之產品)

Apply Premium Financing 申請保費融資

- ☐ Yes 是 (If you, the policyowner, have not indicated your intention to use premium financing in the Financial Needs Analysis (FNA) Form, by checking this box, you, the policyowner, confirm that you have changed your preference after FNA was conducted and you fully understand and accept the relevant impact of the change, and are able and willing to pay for the premium for the entire premium payment term of the policy by your income/liquid asset as indicated in the FNA Form, and are aware of your obligation in repaying the loan and any associated interests and have set aside funds for repayment of such amounts. By signing the application form, the advisor also confirms that he/she has fully considered the information collected in the FNA process, explained the impact and related factors of premium financing in affordability consideration, and highlighted general associated risk regarding this arrangement to the policyowner. 如閣下(保單持有人)於財務需要分析表格上並未表示打算使用保費融資,若剔此方格即代表閣下(保單持有人)確認於財務需要分析完成後改變選擇並充分明白及接受此改變之相關影響,亦確認能夠及願意以閣下的收入及流動資產(根據財務需要分析表格所示)來支付在整個保費繳付期內的保費,及明白需償還貸款和任何相關利息的義務,並已預留資金償還該等款項。顧問簽署此投保申請書即表示顧問確認已充分考慮到財務需要分析過程中收集到的所有資料,並為閣下解釋保費融資在負擔能力考慮中的影響及相關因素,亦向閣下披露有關此安排的一般相關風險。)

~~If you intend to use premium financing, are you able to provide the approved premium financing facility information including but not limited to interest, repayment amount and schedule, consequences of default, etc. for assessment of your affordability? 如閣下打算使用保費融資,閣下能否提供已批核的保費融資安排之詳情包括但不限於利息、還款金額、還款期、違約後果等以用於負擔能力評估?~~

☐ Able to provide approved premium financing facility information 能夠提供已批核的保費融資安排之詳情

☐ Unable to provide approved premium financing facility information 無法提供已批核的保費融資安排之詳情

Remove

- ☐ No 否 (If you, the policyowner, have indicated your intention to use premium financing in the FNA Form, by checking this box, you, the policyowner, confirm that you have changed your preference after FNA was conducted and you fully understand and accept the relevant impact of the change. 如閣下(保單持有人)於財務需要分析表格上表示打算使用保費融資,若剔此方格即代表閣下(保單持有人)確認於財務需要分析完成後改變選擇並充分明白及接受此改變之相關影響。)



# Application Form

## Points to Note about Collateral Assignment

NEW  
Wordings

### PART XI: POINTS TO NOTE ABOUT COLLATERAL ASSIGNMENT 第十一部份：有關抵押轉讓的注意事項

In the event the policy will be assigned as collateral for premium financing facility, I/we confirm that I/we shall fully understand the associated risks, including but not limited to those listed under the "Important Notes & Implications" section of the Important Facts Statement - Premium Financing ("IFS-PF") before proceeding to use premium financing. I/We also understand that premium financing is an option available to me/us, but not a requirement nor a product feature of the policy, and it is entirely up to me/us whether to seek premium financing in relation to the policy. Manulife is not the provider of such premium financing and shall not be liable or responsible in any respect of any loss, damage, expense, suit, action or proceedings suffered or incurred by me/us, whether directly or indirectly, arising from or in connection with premium financing provided by the provider and/or its agents, or the availability of premium financing.

如本保單因保費融資用途將被用作抵押品，本人/吾等確認本人/吾等在採用保費融資前須充分明白相關風險，包括但不限於在《重要資料聲明書—保費融資》中「重要說明及影響」部分所提及的風險。本人/吾等亦明白保費融資是一個選項可供本人/吾等選擇，並非保單的規定或產品特點，而就保單尋求保費融資與否完全取決於本人/吾等。宏利不是保費融資的提供者及不會就本人/吾等因保費融資的提供者及/或其代理所提供之保費融資或保費融資之供應而直接或間接蒙受或招致之任何損失、損害、費用、起訴、訴訟或法律程序，向本人/吾等承擔任何責任。

# Implementation Schedule and Arrangement

# Implementation Schedule and Arrangement

Important Dates	Arrangement
7 Nov 2022	<ul style="list-style-type: none"><li>- Roll out new premium financing related requirements (new forms, processes, procedures and controls)</li></ul>
7 Nov 2022 to 31 Dec 2022	<ul style="list-style-type: none"><li>- Transition period: Application in either <b>whole set</b> of old forms or <b>whole set</b> of new forms (“whole set” refers to FNA, App form, and IFS-PF for intended use of premium financing) are acceptable</li></ul>
1 Jan 2023	<ul style="list-style-type: none"><li>- Regulatory effective date</li><li>- All applications must be submitted in new forms; otherwise the applications will be declined</li></ul>

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**Manulife 宏利**