



Vital

Sun Life Hong Kong Limited

(Incorporated in Bermuda with limited liability)

Policy Reverse Mortgage Programme - Eligible Life Insurance Plan



Wouldn't it be great if

you could create financial freedom for your loved ones

The esteemed tradition of estate planning has nurtured some of the most financially established families in the world, which is why it always pays to plan ahead and invest in a solid foundation of success for your loved ones – especially if you are not there to help.






This is where Sun Life steps in – your trusted partner for life's journey and achieving life's dreams. We designed **Vital** to safeguard your loved ones' financial freedom, so that they can live life as they envision it, for years to come.

How can Vital help you?

Vital is a participating insurance plan that offers whole-life protection, providing your loved ones with the financial means to pursue their dreams, in the event that you are no longer there to do so.

The plan provides the basis for a lasting financial foundation your loved ones can count on. With **Vital**, you can rest assured the future comfort and wellbeing of your loved ones are in good hands, whatever events may come your way.

Key Features

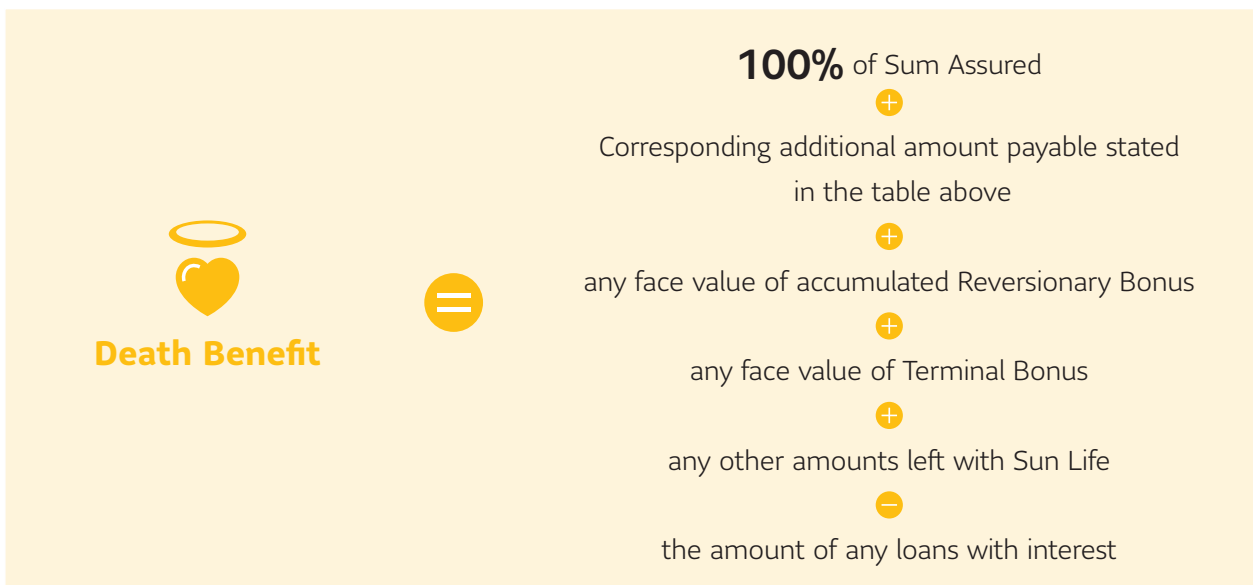
-  Guaranteed lifelong protection with a Death Benefit for your family should the worst happen
-  Guaranteed Cash Value and non-guaranteed bonuses add to your wealth
-  Additional cover following your key life events with Guaranteed Insurability Option
-  Protection even when you are unemployed with our Unemployment Benefit
-  Optional benefits to widen your safety net with add-on rider benefits

1. Guaranteed lifelong protection with a Death Benefit for your family should the worst happen

Without limiting the protection period, **Vital** allows you to set up true lifelong protection and lasting financial security for your loved ones. In the unfortunate event that the insured, who is the person protected under the policy, passes away, a Death Benefit which equals to 100% of Sum Assured will be paid to the beneficiaries in a lump-sum or by installments (either partially or in full)¹ to support and help them manage their financial needs. Once the Death Benefit has been paid out, the policy will be terminated.

We understand that your family is your priority especially when you are the primary breadwinner in your prime. Therefore, an additional amount will be paid according to the table below as part of the Death Benefit if the insured unfortunately passes away before the policy anniversary on or immediately following the insured's 69th birthday or the 34th policy anniversary (whichever is earlier), providing extra support to tide your loved ones over this difficult period.

| Occurrence of the insured's death | Additional amount payable |
|---|---------------------------|
| Before the 30 th policy anniversary or the policy anniversary on or immediately following the insured's 65 th birthday, whichever is earlier ("Designated Anniversary") | 70% of Sum Assured |
| Within the 1 st policy year from the Designated Anniversary | 56% of Sum Assured |
| Within the 2 nd policy year from the Designated Anniversary | 42% of Sum Assured |
| Within the 3 rd policy year from the Designated Anniversary | 28% of Sum Assured |
| Within the 4 th policy year from the Designated Anniversary | 14% of Sum Assured |
| Within the 5 th policy year from the Designated Anniversary and thereafter | 0% of Sum Assured |



Remark:

1 The Death Benefit Settlement Option may be exercised subject to a minimum amount of Death Benefit and the then current administrative rules determined by Sun Life Hong Kong Limited ("Sun Life") from time to time.

2. Guaranteed Cash Value and non-guaranteed bonuses add to your wealth

We make your wealth work for you, offering 2 ways to help grow your savings. Firstly, the plan provides a Guaranteed Cash Value that will accumulate in your policy. It is payable upon policy surrender.

Secondly, we boost your wealth by adding the following 2 types of non-guaranteed bonuses to your policy:

Annual Reversionary Bonus²

Beginning from the 3rd policy anniversary, we will declare a Reversionary Bonus (if any) at least once a year. Once it is declared, the face value of the Reversionary Bonus becomes guaranteed and accumulates with your policy.

A One-time Terminal Bonus²

The one-time Terminal Bonus only comes into effect when the policy comes to an end. The Terminal Bonus will be declared at least once a year starting from the 10th policy anniversary, and is adjusted at each declaration, increasing or decreasing according to rules set by Sun Life from time to time.

To cater for your unique financial needs at different life stages, you can have the flexibility of withdrawing the cash value of accumulated Reversionary Bonus, if any. Alternatively, you may apply for a policy loan³ against the Guaranteed Cash Value, if any, when you need it most.

The face values of the accumulated Reversionary Bonus and the Terminal Bonus (if any) will be paid out upon the death of the insured. If the policy is surrendered, the cash values of the accumulated Reversionary Bonus and the Terminal Bonus (if any) will be paid out instead.

Remarks:

- 2 The Reversionary Bonus and Terminal Bonus are non-guaranteed and are determined in accordance with the rules set out by Sun Life from time to time. The Reversionary Bonus and Terminal Bonus may vary based on the performance of a number of experience factors, with the investment return normally being the main determinant. Other factors include, but are not limited to, claim experience, policy expenses, taxes, and policy owner termination experience. The cash value of Reversionary Bonus and Terminal Bonus might not be equal to their own face value. For details of bonuses, please refer to Bonus Philosophy under section Important Information and Sun Life's website (www.sunlife.com.hk).
- 3 Approval of such application is subject to the then current administrative rules determined by Sun Life from time to time. Interest is charged on loans at rates determined at the Sun Life's sole discretion. Any outstanding policy loan and loan interest will be deducted from benefits payable under the policy. When accumulated loans and interest exceed the Guaranteed Cash Value, the policy will terminate automatically.



3. Additional cover following your key life events with Guaranteed Insurability Option

Each milestone in life brings new opportunities and responsibilities, as well as greater protection needs. When the insured encounters any of the following key life events, you can boost the protection by purchasing a new Sun Life whole life insurance policy⁴ for the insured under the Guaranteed Insurability Option, meaning that the insured will not be required to undergo medical underwriting.

- First wedding anniversary
- Birth of a child
- Adoption of a child in Hong Kong by Hong Kong residents
- University graduation (bachelor's degree or above)
- Accidental death of a spouse, parent or child
- Emigration from Hong Kong to a selected country

This is a one-time option that may be exercised after the 1st policy anniversary, before the insured reaches the age of 65.

Remark:

⁴ Subject to the then current administrative rules determined by Sun Life from time to time.

4. Protection even when you are unemployed with our Unemployment Benefit

We keep you protected in the unfortunate event such as out of work. Under the Unemployment Benefit, if you remain unemployed⁵ for at least 30 consecutive days, you can apply to extend your premium grace period from 31 days to 365 days if you are between the age of 18 and 65. Any pay-out from the policy during the extended grace period may be reduced by any outstanding premium payments. Your cover will stay in effect throughout this period, enabling you to focus on your next career move.

At the end of the extended grace period, unpaid premiums during the grace period will need to be repaid, with no interest. This is a one-time option that may be exercised after the 2nd policy anniversary⁶.

5. Optional benefits to widen your safety net with add-on rider benefits⁷

For affordable additional premiums, you can enhance your plan with medical, accident, critical illness, and disability protection by attaching your choice of a range of rider benefits, for just the right cover to suit you. Please contact your Advisor to find out more.

Remarks:

- 5 The unemployment is not caused by resignation, retirement, voluntary redundancy or termination by the employer due to misconduct, negligence of duties, dishonesty or commitment of any unlawful act and you are not self-employed or employed by relatives.
- 6 Subject to other terms and conditions. Please refer to Policy Document for details.
- 7 Rider benefits are subject to additional premium and terms and conditions of the relevant rider benefits.

Key Product Information

| Plan | Vital | | | | | | | | | | | | | | | | |
|---|--|----------|----------|-----------------------------------|---------------------------|---|--------------------|--|--------------------|--|--------------------|--|--------------------|--|--------------------|---|-------------------|
| Minimum Sum Assured | HKD160,000/USD20,000 | | | | | | | | | | | | | | | | |
| Premium Payment Term | 15 years | 20 years | 25 years | | | | | | | | | | | | | | |
| Issue Age | Age 0-60 | Age 0-55 | Age 0-50 | | | | | | | | | | | | | | |
| Benefit Term | Whole life | | | | | | | | | | | | | | | | |
| Premium Payment Mode | Annually/Semi-annually/Monthly | | | | | | | | | | | | | | | | |
| Currency | HKD/USD | | | | | | | | | | | | | | | | |
| Premium Structure | Premium is level and guaranteed, calculated based on the Sum Assured | | | | | | | | | | | | | | | | |
| Death Benefit | <p>100% of Sum Assured</p> <p>+</p> <p>Corresponding additional amount payable stated in the table below</p> <p>+</p> <p>any face value of accumulated Reversionary Bonus</p> <p>+</p> <p>any face value of Terminal Bonus</p> <p>+</p> <p>any other amounts left with Sun Life</p> <p>-</p> <p>the amount of any loans with interest</p> <table border="1"> <thead> <tr> <th>Occurrence of the insured's death</th> <th>Additional amount payable</th> </tr> </thead> <tbody> <tr> <td>Before the 30th policy anniversary or the policy anniversary on or immediately following the insured's 65th birthday, whichever is earlier ("Designated Anniversary")</td> <td>70% of Sum Assured</td> </tr> <tr> <td>Within the 1st policy year from the Designated Anniversary</td> <td>56% of Sum Assured</td> </tr> <tr> <td>Within the 2nd policy year from the Designated Anniversary</td> <td>42% of Sum Assured</td> </tr> <tr> <td>Within the 3rd policy year from the Designated Anniversary</td> <td>28% of Sum Assured</td> </tr> <tr> <td>Within the 4th policy year from the Designated Anniversary</td> <td>14% of Sum Assured</td> </tr> <tr> <td>Within the 5th policy year from the Designated Anniversary and thereafter</td> <td>0% of Sum Assured</td> </tr> </tbody> </table> | | | Occurrence of the insured's death | Additional amount payable | Before the 30 th policy anniversary or the policy anniversary on or immediately following the insured's 65 th birthday, whichever is earlier ("Designated Anniversary") | 70% of Sum Assured | Within the 1 st policy year from the Designated Anniversary | 56% of Sum Assured | Within the 2 nd policy year from the Designated Anniversary | 42% of Sum Assured | Within the 3 rd policy year from the Designated Anniversary | 28% of Sum Assured | Within the 4 th policy year from the Designated Anniversary | 14% of Sum Assured | Within the 5 th policy year from the Designated Anniversary and thereafter | 0% of Sum Assured |
| Occurrence of the insured's death | Additional amount payable | | | | | | | | | | | | | | | | |
| Before the 30 th policy anniversary or the policy anniversary on or immediately following the insured's 65 th birthday, whichever is earlier ("Designated Anniversary") | 70% of Sum Assured | | | | | | | | | | | | | | | | |
| Within the 1 st policy year from the Designated Anniversary | 56% of Sum Assured | | | | | | | | | | | | | | | | |
| Within the 2 nd policy year from the Designated Anniversary | 42% of Sum Assured | | | | | | | | | | | | | | | | |
| Within the 3 rd policy year from the Designated Anniversary | 28% of Sum Assured | | | | | | | | | | | | | | | | |
| Within the 4 th policy year from the Designated Anniversary | 14% of Sum Assured | | | | | | | | | | | | | | | | |
| Within the 5 th policy year from the Designated Anniversary and thereafter | 0% of Sum Assured | | | | | | | | | | | | | | | | |
| Surrender Value | <p>Guaranteed Cash Value</p> <p>+</p> <p>any cash value of accumulated Reversionary Bonus</p> <p>+</p> <p>any cash value of Terminal Bonus</p> <p>+</p> <p>any other amounts left with Sun Life</p> <p>-</p> <p>the amount of any loans with interest</p> | | | | | | | | | | | | | | | | |
| Free Rider Benefit | Worldwide Emergency Assistance Benefit ⁸ | | | | | | | | | | | | | | | | |

Remark:

8 The Worldwide Emergency Assistance Benefit is provided by a third party company, Inter Partner Assistance Hong Kong Limited. This benefit is not guaranteed to be renewable. Please refer to a sample endorsement, which will be provided upon request, for details including definitions, full terms and conditions, and exclusions.

Important Information:**Bonus Philosophy**

Life insurance involves the transfer of risk from an individual to a life insurer, and the pooling of risks across large groups of policies. With participating insurance, a portion of these risks is borne by the policyholders or shared between the policyholders and the insurer. In return, policyholders may receive policyholder bonuses in the form of reversionary/terminal/special bonuses. These bonuses are not guaranteed and can vary from year to year.

In general, bonuses on these policies reflect the experience, over time, of the group to which they belong. Bonuses will typically vary based on the performance of a number of factors, with the investment return*, including the impact of asset defaults and investment expenses, normally being the main determinant of bonus performance. Other factors[^] include, but are not limited to, claims experience, taxes, expenses and policyholder persistency experience.

Favourable and unfavourable experiences may be smoothed out over time to provide more stable bonuses to policyholders. For products with a terminal/special bonus feature, adjustments to terminal/special bonus scales pass through experience normally with less smoothing applied.

The bonus allocation process seeks to achieve reasonable equity among groups of policies and among policies issued at different times, to the extent practicable. Upon declaration of reversionary bonus or pay-out of terminal/special bonus to policyholders, shareholders will also be entitled to a share of the distribution.

At least annually, the Board of Directors of Sun Life Hong Kong Limited determines the amount of bonus to be declared or paid to participating policyholders. This determination is based on the advice of Sun Life Hong Kong Limited's appointed actuary, who applies accepted actuarial principles and practices. Management of participating business is also governed by Sun Life Hong Kong Limited's internal policies, as well as advice by the internal Par Governance Committee.

* *Investment return includes investment income and changes in asset value of the backing portfolio. Performance of the investment return is affected by interest earnings and other market risk factors including, but not limited to, interest rate or credit spread movements, credit events, price fluctuations in non-fixed income assets, and foreign exchange fluctuations. Please see the Investment Philosophy for more details on the investment policies, objectives and strategy in relation to the investments of the backing portfolio.*

[^] *Claims experience represents the experience of mortality and morbidity. Persistency experience includes policy lapse/maturity and partial surrender experience; and the corresponding impact on investments. The expense factor includes maintenance expenses only, where it is charged to the participating fund at the level Sun Life Hong Kong Limited expects to be required over the foreseeable future. Policyholders will share the impact of any changes, over time, to the expected level of expenses required for the then foreseeable future. Any deviations on a year to year basis of the expenses actually incurred from the then expected level required, will be absorbed by the shareholders.*

Please refer to Sun Life Hong Kong Limited's website (www.sunlife.com.hk/dividendhistory_eng) for bonuses fulfillment ratios details.

Investment Philosophy (Policies, Objectives, and Strategy)

The investment strategy supporting this product is intended to optimize long-term value to the policyholders with a suitable level of risk; and to achieve the main objective of delivering a fair chance of meeting the illustrated non-guaranteed benefits in addition to the guaranteed benefits.

The assets supporting the investment strategy span a diversified range of fixed income assets such as sovereign bonds, corporate bonds and corporate loans; as well as non-fixed income assets which are equity-like investments and may include public equities, private equities and so on. The credit portfolio largely invests in investment grade fixed income instruments. A small quantity of below investment grade assets may be present in the portfolio due to unexpected credit rating downgrades. However, exposure to below investment grade assets is controlled by the credit risk limits and investment policies.

The current long-term target mix for the assets supporting this product is shown below:

| Asset Class | Target Asset Mix |
|-------------------------|------------------|
| Fixed Income Assets | 60%-80% |
| Non-Fixed Income Assets | 20%-40% |

We invest globally to achieve geographical diversification benefits and intend to have a higher relative allocation in the US and Asia-Pacific. Diversifying between asset classes results in a more stable investment return over the long term. The actual asset mix percentages and geographical allocation may fluctuate depending on market conditions, diversification needs and economic outlook.

We may pool the investment returns with other long term insurance products with similar plan features (excluding investment linked assurance schemes and pension schemes) to optimize the investment performance and the return will subsequently be allocated with reference to the target asset mix of each products.

If the currency of the fixed income assets is not in the same currency as the underlying policies, appropriate hedging instruments (where available) is generally used to minimise impacts from fluctuating foreign exchange rates. For non-fixed income assets, there is greater investment flexibility to invest in those assets that are not denominated in the same currency as the underlying policies thereby providing diversification in risks and markets. Derivatives may be used to hedge against market risks but are not intended to bring the risk profile beyond established risk tolerances.

The investment strategy noted above may be subject to change, subject to a rigorous internal review and approval process. We will notify the policyholders upon any material changes.

Key Product Risks:

1. You need to pay the premium for this basic plan according to the selected premium payment term. If you do not pay a premium on or before the Premium Due Date, a grace period of 31 days from its due date will be allowed for the payment, during which time this policy will continue in effect. Any unpaid premium by the date on which the grace period (as extended under Unemployment Benefit, where applicable) expires will be paid automatically by a loan from us. If the amount available for a loan under this policy is less than the unpaid premium, the policy will lapse automatically on the due date.
2. Please note that if you terminate this policy early or cease paying premiums early, you may receive an amount significantly less than the total premiums paid towards your policy.
3. Any transaction involving conversion between policy currency and other currencies would be exposed to foreign exchange risks such as the fluctuation in exchange rate against policy currency.
4. This basic plan may make certain portion of its investment in non-fixed income assets. Returns of non-fixed income assets are generally more volatile than fixed income assets, you should note the target mix for the assets supporting this basic plan as disclosed in this brochure, which will affect the bonus on this basic plan. The savings component of this basic plan is subject to risks and possible loss.
5. The cost of living in the future is likely to be higher than it is today due to inflation, so the benefit may be insufficient to meet your needs even if we meet our contractual obligation. You should hence consider the impact of inflation when you plan the benefit.
6. This basic plan is an insurance policy issued by Sun Life Hong Kong Limited and your benefits are subject to the paying ability of Sun Life Hong Kong Limited. In the event that we become insolvent and unable to meet the contractual obligation under the policy, you may lose all or part of your premiums paid and benefits.
7. We have the right to terminate the basic plan upon the earliest of the following:
 - a. accumulated policy loans and interest exceeds the sum of Guaranteed Cash Value and any other amounts left with us;
 - b. neither premium is paid nor loanable by us and the grace period (as extended under Unemployment Benefit, where applicable) expires; or
 - c. the insured passes away.

Guaranteed Insurability Option

1. This option can only be exercised once per policy.
2. This option will be terminated automatically when the insured attains age 65.

Unemployment Benefit

1. This benefit is only available once per policy.
2. This benefit will be terminated automatically upon the earliest of the following:
 - a. the insured attains age 65;
 - b. the policy owner is employed again during the extended grace period;
 - c. the end of premium payment term of the basic plan;
 - d. the policy owner applies for a new policy or any increase in the Sum Assured or addition of rider benefit on any policy with us during the extended grace period; or
 - e. the ownership of this policy is changed or the policy is assigned during the extended grace period.

Important Note:

Effective from January 1, 2018, all policy owners are required to pay a levy on their insurance premium for all new and inforce policies collected by the Insurance Authority through insurance companies. The applicable levy rate will be determined by reference to the policy date or policy anniversary date. For levy details, please visit our website at www.sunlife.com.hk/levy_eng or Insurance Authority's website at www.ia.org.hk.

This brochure is for reference only. Please refer to a sample Policy Document for details including definitions of capitalized terms and full terms and conditions of coverage.

Cancellation Right:

By giving us a written request, your policy will then be cancelled and any premium and levy paid will be refunded, provided that: (1) your written request for cancellation must be signed by you and received directly by our office (G/F, Cheung Kei Center Tower B, No. 18 Hung Luen Road, Hunghom, Kowloon) or through email (hk_csd@sunlife.com) within 21 calendar days after the delivery of the policy or issue of a notice informing you/your representative about the availability of the policy and the expiry date of the cooling-off period, whichever is the earlier; and (2) no refund can be made if any payment from the Company under the policy has been made prior to your request for cancellation.

Policy Reverse Mortgage Programme ("PRMP"):

Please note that Vital 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.

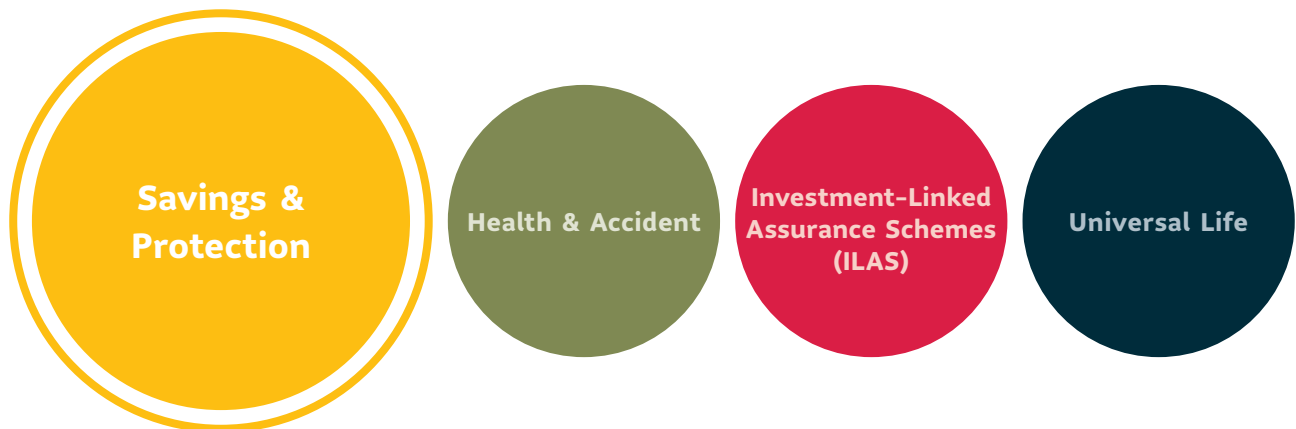
Welcome to the World of Sun Life Hong Kong

Sun Life Hong Kong is a wholly owned subsidiary of Sun Life Assurance Company of Canada. Since February 22, 1892, Sun Life Hong Kong has been here to helping Hong Kong shine brighter over 125 years by providing excellent products and services.

Sun Life Hong Kong is a leading international financial services organization providing a diverse range of products and services to individuals and corporate clients through our professional and experienced distributors. We provide total solutions to address your life and health protection, wealth management, and retirement planning needs. Besides offering a wide range of products, we are also an experienced group benefit and third party administrator in the pension administration business.

We truly understand the needs of your various life stages, and offer a wide range of products including Savings & Protection, Health & Accident, Universal Life, and Investment-Linked Assurance Schemes. **Vital** is part of Sun Life's Savings & Protection series, providing comprehensive life protection for you.

Sun Life Product Portfolio



What's next?
You can find out more:

- ▶ Website: sunlife.com.hk
- ▶ Client Service Hotline: **2103 8928**
- ▶ Please contact **your Advisor**

This brochure is intended to be distributed in Hong Kong only and shall not be construed as an offer to sell or a solicitation to buy or provision of any products of Sun Life Hong Kong Limited outside Hong Kong. Please refer to a sample Policy Document, which will be provided upon request, for details including definitions and full terms and conditions. If there is any conflict between the Policy Document and this brochure, the Policy Document shall prevail.

Sun Life Hong Kong Limited

(Incorporated in Bermuda with limited liability)

Client Service Centre

G/F, Cheung Kei Center Tower B,
No. 18 Hung Luen Road, Hunghom, Kowloon

Client Service Hotline: 2103 8928

Fax: 2103 8938
sunlife.com.hk

*A member of the Sun Life group of companies.
Head Office in Toronto, Canada.*

Printed in July 2021
Issued by Sun Life Hong Kong Limited

