

# Embrace Care Critical Illness Protector

All-in-One Critical Illness Protection Solution to Safeguard  
You and Your Loved Ones

CHUBB®  
安達人壽



# Embrace Care Critical Illness Protector

Chubb Life's Embrace Care Critical Illness Protector ("Embrace Care" or the "Basic Plan") provides comprehensive protection against critical illness as well as features benefiting you and your family.

## Product feature highlights for individuals



**Protection level can be restored back to 100% after claims**

**Distinctive in market\***

**4 additional claims for Cancer, Heart Attack and Stroke**



**Comprehensive coverage for Major Illnesses with additional 4 times' coverage for Cancer, Heart Attack and Stroke**



**Protection for illnesses due to undetected congenital conditions**



**Extra 50% protection within the first 10 policy years**

## Product feature highlights for family



**Protection for the insured's child up to 20% Sum Assured**

**First-in-market\***

**Family Premium Waiver for Major Illness**



**Premium will be waived up to 3 years if your spouse or child is diagnosed with Major Illness or passes away**

\* Based on available market information as of 30 September 2018.

"Chubb Life", the "Company", "we", "our" or "us" herein refers to Chubb Life Insurance Company Ltd. (Incorporated in Bermuda with Limited Liability).

## How Embrace Care can help individuals



### Protection against 134 illnesses through different stages

Embrace Care provides comprehensive protection by covering 134 illnesses through different stages, including 56 Early Stage Illnesses, 8 Juvenile Illnesses, 5 Special Illnesses (collectively “Minor Illnesses”) and 65 Major Illnesses.

Details of the protection provided by Embrace Care including the full list of covered illnesses, are listed out in the corresponding sections below in this product brochure. Please also refer to the “Remarks” section for further details.



### Coverage for Minor Illness Benefit

We will pay a Minor Illness Benefit if the insured is diagnosed with any of the covered Minor Illnesses and no Major Illness Benefit has been paid.

The benefit amount payable for a Minor Illness depends on its Group:

Minor Illness from the following Group:		Minor Illness Benefit will be equal to:
Group 1	➡	30% of the Sum Assured
Group 2	➡	50% of the Sum Assured

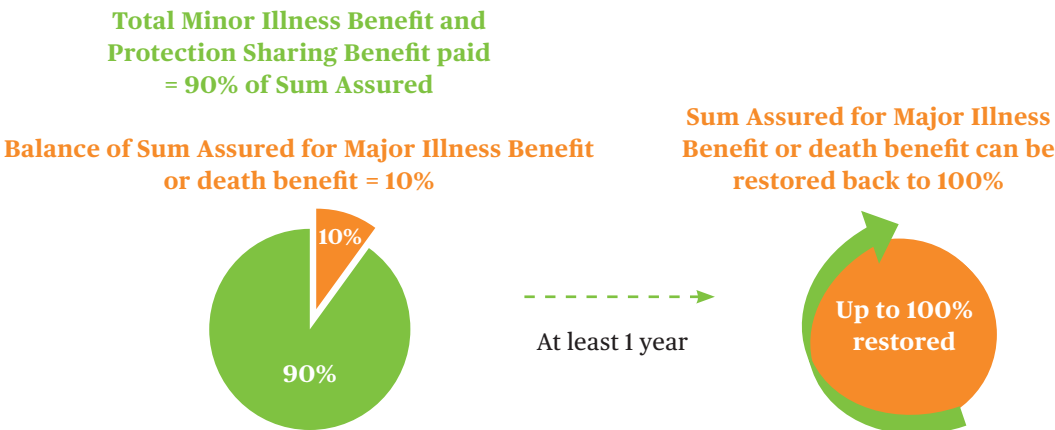
The maximum total benefit amount for all Minor Illnesses and Protection Sharing Benefit (see below) is up to 90% of the Sum Assured.

Please refer to the “List of Minor Illnesses” section in this product brochure for Minor Illnesses under Groups 1 and 2.



### Protection level can be restored back to 100% after claims

With Protection Revival Benefit, after paying Minor Illness Benefit and/or Protection Sharing Benefit and if the insured is diagnosed with a Major Illness or passes away at least 1 year later, Major Illness Benefit or death benefit will be restored back to 100%.



### Distinctive in market\*

#### 4 additional claims for Cancer, Heart Attack or Stroke

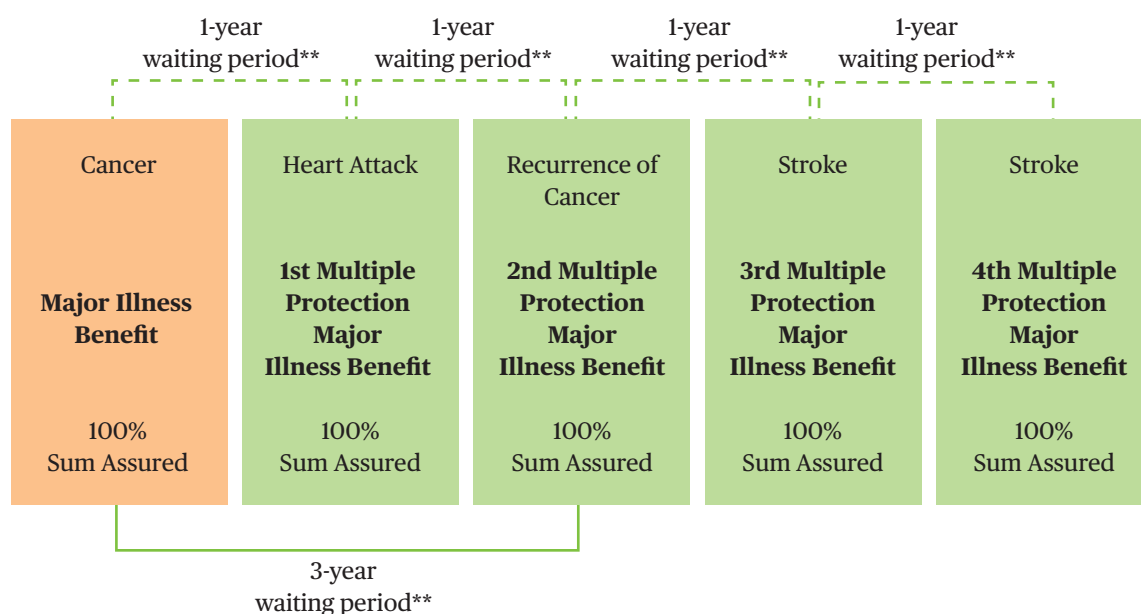


### Comprehensive coverage for Major Illnesses with additional 4 times' coverage for Cancer, Heart Attack and Stroke

If the insured is diagnosed with any one of the 65 covered Major Illnesses, you will receive a Major Illness Benefit equivalent to 100% of the Sum Assured. The Basic Plan will remain in force after the Major Illness Benefit is paid, and all future premiums of the Basic Plan since the date of diagnosis will be waived.

Protection against Major Illness by Embrace Care does not end here.

After the Major Illness Benefit is paid, Embrace Care allows 4 additional claims for Cancer (including continuation, metastasis or recurrence of a previous cancer and new cancer) / Heart Attack / Stroke, each claim with 100% of the Sum Assured payable. This Multiple Protection Major Illness Benefit will cover the insured up to age 100. Please refer to the illustration below for details.



\*\* Waiting period is at least one year between initial dates of diagnosis for Major Illness and the subsequent Cancer, Heart Attack or Stroke. For recurrence of Cancer, metastasis or continuation of relevant preceding Cancer, the waiting period is at least 3 years between the preceding Cancer claim and the current Cancer claim.



### Protection for illnesses due to undetected congenital conditions

Congenital conditions can go undetected until serious problem begins to impact health. With Embrace Care, you do not have to worry as there is protection for any Minor Illness or Major Illness arising from undetected congenital conditions.



**+50%**

### **Extra 50% protection within the first 10 policy years**

To boost up coverage for the insured, during the first 10 policy years, if the insured is diagnosed with a covered Major Illness or he/she passes away, a one-off Extra Coverage Benefit will be paid, which is equivalent to 50% of the Sum Assured.



### **100% life protection up to age 100**

If the insured passes away before age 100, Embrace Care will pay a death benefit equivalent to 100% of the Sum Assured.

If the insured passes away after the Major Illness Benefit is paid, we will also pay a Compassionate Death Benefit, which is equal to 5% of the Sum Assured.



### **Grow your wealth in long-term**

Embrace Care provides you with a guaranteed cash value, which will build up gradually in the policy over the long term.

As a participating insurance plan for long-term savings, Embrace Care provides a non-guaranteed Terminal Dividend after the Basic Plan has been in force for 5 years as well. Terminal Dividend is determined by us at our sole discretion from time to time. It does not accumulate and is not a permanent addition to other values or benefits under the policy.



### **Flexibility on premium payment**

For your easier financial planning, Embrace Care has 3 options of payment term: 10, 20 and 25 years.



### **Protection from optional riders**

The Company offers a wide range of riders (that provide accident, disability and medical protection) attachable to Embrace Care to meet your specific needs at different life stages. Further underwriting for riders is required, and extra premium applies.

Even if you have made a claim for any of the Major Illnesses, you have the option to continue with the riders (except for Waiver of Premium Benefit and Child's Protection Benefit) attached to the Basic Plan provided that the respective premium payments are paid.

## How Embrace Care can help the family

Family is always the greatest treasure one has. Embrace Care provides all-rounded support to you and your loved ones.



### Protection for the insured's child up to 20% Sum Assured

If the insured's child is diagnosed with Cancer before the policy anniversary on which the child's age is 18, a one-off Protection Sharing Benefit up to 20% of the Sum Assured will be paid.

The maximum total benefit amount for Minor Illness Benefit (see above) and Protection Sharing Benefit is up to 90% of the Sum Assured.

### First-in-market\*

#### Family Premium Waiver for Major Illness



### Premium will be waived up to 3 years if your spouse or child is diagnosed with Major Illness or passes away

With Family Premium Waiver, the premium of your Basic Plan will be waived for up to 36 months if the following events occur, relieving your financial burden through these difficult moments of your life:

If you're the policyowner and the insured, Family Premium Waiver is available if your spouse or child is diagnosed with Major Illness or passes away:

	Spouse		Child	
Diagnosed with Major Illness	✓	First-in-market*	✓	First-in-market*
Death	✓		✓	First-in-market*

If your child is the insured and you are the policyowner, Family Premium Waiver is available if you or your spouse is diagnosed with Major Illness or passes away:

	Parent of the insured	
Diagnosed with Major Illness	✓	First-in-market*
Death	✓	

To be eligible for Family Premium Waiver, diagnosis of Major Illness or death of you or your spouse must be before policy anniversary on which your age or your spouse's age is 75; diagnosis of Major Illness or death of your child must be before policy anniversary on which your child's age is 18.

Family Premium Waiver is only available once. To be eligible for Family Premium Waiver, you must be the insured, the insured's natural parent or the insured's spouse.

## Case 1 : Protection throughout different stages of critical illness

Eva is a health-conscious young lady and enrolls in Embrace Care for herself when she is aged 30.

<b>Policyowner and Insured:</b>	Eva
<b>Issue Age:</b>	30
<b>Premium Payment Term:</b>	20 years
<b>Premium Payment Mode:</b>	Annual
<b>Sum Assured:</b>	US\$ 80,000
<b>Annual Basic Premium:</b>	US\$ 2,025.8



If the following events occur in the following sequence before Eva reaches age 100, she can receive **610%** of Sum Assured:

Eva's diagnosis with  
recurrent, continuous, metastasis or new  
Cancer, Heart Attack or Stroke



2 times x  
Multiple Protection Major Illness Benefits  
(**2 x 100%** of the Sum Assured)

Total benefit already  
paid to Eva: **US\$ 328,000**,  
i.e. **410%** of the Sum Assured



Multiple Protection Major  
Illness Benefit:  
**200%** of the Sum Assured



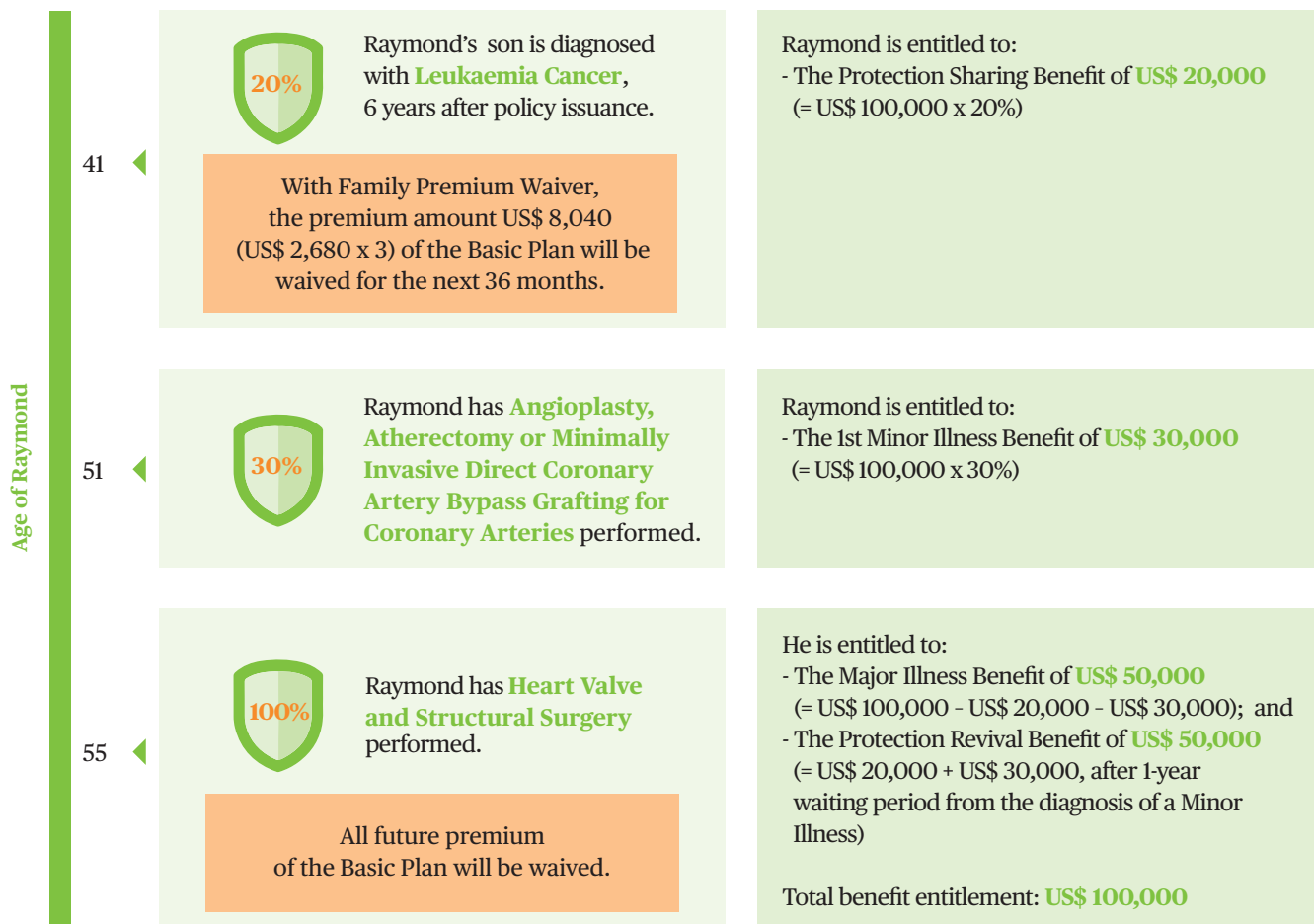
Total benefits payable:  
**610%** of the Sum Assured



## Case 2 : Peace of mind to the whole family

Raymond is happily married with one son. To protect himself, his wife and his son, he enrolls in Embrace Care when he is aged 35.

<b>Policyowner and Insured:</b>	Raymond (non-smoker)
<b>Issue Age:</b>	35
<b>Premium Payment Term:</b>	25 years
<b>Premium Payment Mode:</b>	Annual
<b>Sum Assured:</b>	US\$ 100,000
<b>Annual Basic Premium:</b>	US\$ 2,680
<b>Registered Covered Family Members at Policy Inception:</b>	The wife and the son



If the following events occur in the following sequence before Raymond reaches age 100, he can receive **550%** of Sum Assured:

Raymond's diagnosis with recurrent,  
continuous, metastasis or new Cancer,  
Heart Attack or Stroke



4 times x  
Multiple Protection Major Illness Benefits  
(**4 x 100%** of the Sum Assured)

Total benefits already paid to  
Raymond: **US\$ 150,000**,  
i.e. **150%** of the Sum Assured



Multiple Protection Major  
Illness Benefit:  
**400%** of the Sum Assured



Total benefits payable:  
**550%** of the Sum Assured

**Table 1: List of Covered Illnesses**

**A. Minor Illnesses**

Group	Minor Illnesses	To Age	Minor Illnesses	To Age
1	Acute Necrohemorrhagic Pancreatitis	100	Moderately Severe Bacterial Meningitis	100
	Adrenalectomy for Adrenal Adenoma	100	Moderately Severe Brain Damage^	100
	Amputation of One Foot due to Complication from Diabetes	100	Moderately Severe Burns	100
	Angioplasty, Atherectomy or Minimally Invasive Direct Coronary Artery Bypass Grafting for Coronary Arteries	100	Moderately Severe Coma	100
	Angioplasty and Stenting for Carotid Arteries	100	Moderately Severe Crohn's Disease	100
	Aortic Aneurysm	100	Moderately Severe Encephalitis	100
	Biliary Tract Reconstruction Surgery	100	Moderately Severe Infective Endocarditis	100
	Carcinoma-In-Situ	100	Moderately Severe Muscular Dystrophy^	100
	Carotid Artery Surgery	100	Moderately Severe Paralysis	100
	Cerebral Aneurysm or Arteriovenous Malformation Requiring Surgery	100	Moderately Severe Parkinson's Disease	100
	Cerebral Shunt Insertion	100	Moderately Severe Pheochromocytoma	100
	Chronic Lung Disease	100	Moderately Severe Poliomyelitis	100
	Cochlear Implant Surgery	100	Moderately Severe Ulcerative Colitis	100
	Diabetic Retinopathy	100	Percutaneous Heart Valve Surgery	100
	Early Cardiomyopathy	100	Pericardiectomy	100
	Early Motor Neuron Disease	100	Secondary Pulmonary Hypertension	100
	Early Renal Failure	100	Severance of One Limb	100
	Early Stage Malignancy	100	Surgery for Subdural Haematoma	100
	Facial Burns due to Accident	100	Surgical Removal of One Kidney	100
	Hepatitis with Cirrhosis	100	Surgical Removal of One Lung	100
	Insertion of a Vena-cava Filter	100	Surgical Removal of Pituitary Tumour	100
	Insertion of Cardiac Defibrillator	100	Hemophilia A and B	22
	Insertion of Cardiac Pacemaker	100	Kawasaki Disease	22
	Less Severe Systemic Lupus Erythematosus (S.L.E.)	100	Rheumatic Fever with Valvular Impairment	22
	Liver Surgery	100	Severe Juvenile Rheumatoid Arthritis	22
	Loss of Hearing in One Ear	100	Still's Disease	22
	Loss of Sight in One Eye	100	Type I Diabetes Mellitus (Insulin Dependent Diabetes Mellitus)	22

Group	Minor Illnesses	To Age	Minor Illnesses	To Age
1	Loss of Speech due to Vocal Cord Paralysis	100	Corneal Transplant	100
	Major Organ Transplantation (on Waitlist)	100	Dengue Haemorrhagic Fever	100
	Minimally Invasive Surgery to Aorta	100	Small Bowel Transplant	100
	Moderately Loss of Independent Existence <sup>#</sup>	75	Surgery for Cerebral Aneurysm	100
	Moderately Severe Alzheimer's Disease	100	Severe Asthma	65
	Moderately Severe Aplastic Anaemia	100		
2	Early Progressive Bulbar Palsy	100	Juvenile Spinal Atrophy	22
	Early Progressive Supranuclear Palsy	100	Osteogenesis Imperfecta	22

<sup>^</sup> Coverage for Moderately Severe Brain Damage and Moderately Severe Muscular Dystrophy begins at age 5 of the insured.

<sup>#</sup> Coverage for Moderately Loss of Independent Existence begins at age 15 and is up to age 75 of the insured.

Please refer to the policy provisions for details of the covered illnesses.

## B. Major Illnesses

Major Illnesses	Coverage to age	Major Illnesses	Coverage to age
AIDS/HIV due to Blood Transfusion	100	Loss of Speech	100
AID/HIV due to Occupational Accident	100	Major Burns	100
Alzheimer's Disease	100	Major Head Trauma	100
Amputation of Feet due to Complication from Diabetes	100	Major Organ Transplant	100
Aplastic Anaemia	100	Medullary Cystic Disease	100
Bacterial Meningitis	100	Meningeal Tuberculosis	100
Benign Brain Tumour	100	Motor Neuron Disease	100
Blindness	100	Multiple Sclerosis	100
Brain Surgery	100	Muscular Dystrophy	100
Cancer	100	Myasthenia Gravis	100
Cerebral Metastasis	100	Myelofibrosis	100
Chronic Adrenal Insufficiency (Addison's Disease)	100	Necrotising Fasciitis (Flesh Eating Disease)	100
Chronic Relapsing Pancreatitis	100	Other Serious Coronary Artery Disease	100
Coma	100	Paralysis	100
Coronary Artery Bypass Surgery	100	Parkinson's Disease	100
Creutzfeldt-Jacob Disease (Mad Cow Disease)	100	Pheochromocytoma	100
Crohn's Disease	100	Poliomyelitis	100
Dissecting Aortic Aneurysm	100	Primary Pulmonary Arterial Hypertension	100
Ebola	100	Progressive Bulbar Palsy	100
Eisenmenger's Syndrome	100	Progressive Supranuclear Palsy	100
Elephantiasis	100	Progressive Systemic Sclerosis	100
Encephalitis	100	Renal Failure	100
End Stage Liver Disease	100	Rheumatoid Arthritis	100
End Stage Lung Disease	100	Severance of Limbs	100
Fulminant Hepatitis	100	Severe Osteoporosis	65
Heart Attack	100	Severe Ulcerative Colitis	100
Heart Valve and Structural Surgery	100	Stroke	100
Hemiplegia	100	Surgery to Aorta	100
Idiopathic Dilated Cardiomyopathy	100	Systemic Lupus Erythematosus	100
Infective Endocarditis	100	Terminal Illness	100
Loss of Hearing	100	Total and Permanent Disability <sup>△</sup>	65
Loss of Independent Existence	75	Vegetative State	100
Loss of One Eye and One Limb	100		

<sup>△</sup> Coverage for Total and Permanent Disability begins at age 16 of the insured.

Please refer to the policy provisions for details of the covered illnesses.

**Table 2: Benefits Schedule**

Benefit Type		Benefit (% of the Sum Assured)	Benefit Period	Maximum number of claims per policy
<b>Minor Illness Benefit</b>	Group 1	30%	Please refer to the “List of Covered Illnesses” section	<ul style="list-style-type: none"> <li>• 1 claim for each Minor Illness</li> <li>• Maximum 2 claims for each of: <ul style="list-style-type: none"> <li>- Angioplasty, Atherectomy or Minimally Invasive Direct Coronary Artery Bypass Grafting for Coronary Arteries; and</li> <li>- Carcinoma-In-Situ of Specific Organ</li> </ul> </li> </ul>
	Group 2	50%		
<b>Protection Sharing Benefit</b>		20%	Before the policy anniversary on which the insured's child is aged 18	1
<b>Major Illness Benefit</b>		100%	Please refer to the “List of Covered Illnesses” section	1
<b>Multiple Protection Major Illness Benefit</b>	<ul style="list-style-type: none"> <li>• Cancer</li> <li>• Heart Attack</li> <li>• Stroke</li> </ul>	100% for each valid claim	Up to age 100 of the insured	4
<b>Extra Coverage Benefit</b>		Additional 50%	The first 10 policy years	1
<b>Death Benefit</b>		100%	Up to age 100 of the insured	Not applicable
<b>Compassionate Death Benefit</b>		5%		
<b>Surrender Value or Maturity Value</b>		Guaranteed cash value		
<b>Non-guaranteed Terminal Dividend</b>		<ul style="list-style-type: none"> <li>• Available after the 5th policy anniversary.</li> <li>• Payable upon: <ul style="list-style-type: none"> <li>(i) valid claim for Minor Illness Benefit;</li> <li>(ii) valid claim for Protection Sharing Benefit; and</li> <li>(iii) valid claim for Major Illness Benefit or death benefit, or upon policy surrender or policy maturity, whichever is the earliest.</li> </ul> </li> </ul>		

## More about Embrace Care

Basic Information				
Product Type	Basic plan			
Policy Term	Up to age 100 of the insured			
Premium Payment Term and Issue Age of the Insured				
	10 years	Age 0 (15 days) - 65		
	20 years	Age 0 (15 days) - 60		
	25 years	Age 0 (15 days) - 55		
Premium Payment Mode	Monthly / quarterly / semi-annual / annual			
Premium Structure	Premium rates are not guaranteed, but will not increase due to age increase of the insured. Please refer to the “Key Product Risks - Premium Adjustment” under the “Important Information” section in this product brochure for premium adjustment factors. You should also refer to the benefit illustration for the premium calculated based on the current premium rates. The Company reserves the right to review and adjust the premium rates from time to time upon prior written notice to the policyowners.			
Currency	US dollars			
Sum Assured	The amounts listed below are valid as at the date of this product brochure. <ul style="list-style-type: none"><li>• Minimum amount: US\$ 15,000</li><li>• Maximum amount: US\$ 1,500,000</li></ul>			
Maturity Value	It is the sum of the following: <ul style="list-style-type: none"><li>(i) any Cash Value; plus</li><li>(ii) Terminal Dividend (if any); less</li><li>(iii) any outstanding premiums and loans together with accrued interest at the maturity date.</li></ul>			
Surrender Value	It is the sum of the following: <ul style="list-style-type: none"><li>(i) any Cash Value; plus</li><li>(ii) Terminal Dividend (if any); less</li><li>(iii) any outstanding premiums and loans together with accrued interest upon policy surrender.</li></ul>			
Charge				
Policy Fee	Premium Payment Mode			
	Monthly	Quarterly	Semi-annual	Annual
	US\$ 2.75	US\$ 8.50	US\$ 15.00	US\$ 25.00

Remarks:

#### **Minor Illness Benefit**

1. You can make one claim for each Minor Illness but up to two claims for Angioplasty, Atherectomy or Minimally Invasive Direct Coronary Artery Bypass Grafting for Coronary Arteries and Carcinoma-in-Situ of Specific Organ subject to limit of US\$50,000 respectively for all Embrace Care plans covering the same insured.
2. To be eligible for a second claim for:
  - (i) Angioplasty, Atherectomy or Minimally Invasive Direct Coronary Artery Bypass Grafting for Coronary Arteries, treatment must be performed on a location of stenosis or obstruction in a major coronary artery where no stenosis greater than 60% was identified in the medical examination report for the first claim.
  - (ii) Carcinoma-In-Situ of specific organ, a different organ group must be affected. Organs with left and right components (e.g. breast, fallopian tube and lung) will be considered as one organ group.
3. Payments for Minor Illness Benefit will reduce Major Illness Benefit, death benefit, surrender value and maturity value.

#### **Protection Sharing Benefit**

4. Insured's child(ren) must be registered with us and must be aged 15 or below at registration, policy issue date, policy endorsement or reinstatement (whichever is the latest) and diagnosis of Cancer must be at least 2 years later. More than one child(ren) can be registered with us but Protection Sharing Benefit will only be paid once.
5. Protection Sharing Benefit will be payable if the insured's child survives for at least 14 days after the diagnosis of Cancer.
6. Payments for Protection Sharing Benefit will reduce Major Illness Benefit, death benefit, surrender value and maturity value.

#### **Protection Revival Benefit**

7. The amount restored for Major Illness Benefit / death benefit is equivalent to:
  - (i) Total Minor Illness Benefit paid for any Minor Illness diagnosed at least 1 year prior to Major Illness / death; and
  - (ii) Protection Sharing Benefit paid for any Cancer of insured's child diagnosed at least 1 year prior to Major Illness / death.

8. Protection Revival Benefit will only restore benefits once for either Major Illness Benefit or death benefit. It does not affect any other values such as guaranteed cash value, surrender value, maturity value.

#### **Multiple Protection Major Illness Benefit**

9. Multiple Protection Major Illness Benefit will be payable if the insured survives for at least 14 days after diagnosis of Cancer, Heart Attack or Stroke.

#### **Guaranteed Cash Value and Terminal Dividend**

10. Guaranteed cash value is paid only if premium is paid in full when due and is determined based on the Sum Assured. When any Minor Illness Benefit or Protection Sharing Benefit has been paid or become payable, the guaranteed cash value of the Basic Plan will be determined based on the Sum Assured net of the amount paid or payable for the Minor Illness Benefit(s) or Protection Sharing Benefit. In the event that Major Illness Benefit has been paid or become payable, the guaranteed cash value of the Basic Plan will become zero.



11. Terminal Dividend is not guaranteed and depends on various factors including investment returns. Please refer to the “Key Product Risks - Dividend Philosophy and Investment Philosophy Policy and Strategy” under the “Important Information” section in this product brochure for premium adjustment factors. Terminal Dividend is determined by the Company as follows:
- (i) Upon policy surrender, policy maturity, valid claim for death benefit or valid claim for Major Illness Benefit, Terminal Dividend (if any) payable will be determined based on the Sum Assured of the Basic Plan net of any amount paid or payable for Minor Illness Benefit and/or Protection Sharing Benefit; and
  - (ii) Upon valid claim for Minor Illness Benefit or Protection Sharing Benefit, Terminal Dividend (if any) payable will be determined based on the amount paid or payable for Minor Illness Benefit and Protection Sharing Benefit.

#### **Family Premium Waiver**

12. Policyowner, policyowner’s spouse and policyowner’s child(ren) must be registered with us. Policyowner’s child(ren) must be aged 15 or below and policyowner, policyowner’s spouse must be aged 50 or below at registration, policy issue date, policy endorsement or reinstatement (whichever is latest) and diagnosis of Major Illness or death must be at least 2 years later.

#### **The Cases**

13. Each of the cases is purely fictional and is for illustrative purposes only. Any relation to or reference to any actual person, party or event is purely coincidental. The nature of the cases herein (if any) should not be interpreted as any comment on, or confirmation or extension of, insurance coverage for any past, present or future case. Furthermore, this case should not be relied upon to predict the outcome of any actual case as all cases are evaluated on their own individual merits and subject to the actual terms and conditions of the relevant policy. It is important to note that each actual case is unique.
14. Each of the 2 cases involves some assumptions, including the following:
- (i) throughout the policy term,
    - All basic premiums are paid in full when due;
    - No policy loans are taken out; and
  - (ii) the requirements of a claim to be successful are fulfilled, including the definition of the respective covered illness and of the respective benefit, as well as the corresponding waiting period(s).

#### **Other Information**

15. We will deduct any outstanding premiums and loans together with accrued interest before making any benefit payment under the Basic Plan.
16. In this product brochure, “age” refers to age at the nearest birthday unless otherwise specified.

## Important Information

**This product brochure is for general reference only and is not part of the policy. It provides an overview of the key features of this product and should be read along with other materials which cover additional information about this product. Such materials include, but not limited to, policy provisions that contain exact terms and conditions, benefit illustrations (if any) and other policy documents and other relevant marketing materials, which are all available upon request. You might also consider seeking independent professional advice if needed.**

Embrace Care is designed for individuals looking for long-term financial planning to meet their needs for financial protection against adversities, preparation for health care needs and saving up for the future. Early surrender of this product may result in significant losses that the surrender value may be less than the total premiums paid.

### **Dividend Philosophy and Investment Philosophy, Policy and Strategy**

#### **Dividend Philosophy**

Participating insurance plans are designed to be held long term. Through the policy dividends declaration, the policyowners can share the divisible surplus (if any) of the participating insurance plans. We aim to ensure a fair sharing of profits between policyowners and shareholders, and among different groups of policyowners.

We will review and determine the amounts of dividends at least once per year, and a smoothing process is applied when the actual dividends are determined. The dividends declared may be higher or lower than those illustrated in any product information provided. The dividend review would

be approved by the Chairman of the Board, one Independent Non-Executive Director and the Appointed Actuary of the Company. In case of any change in the actual dividends against the illustration or should there be a change in the projected future dividends, such change will be reflected in the policy annual statement and benefit illustration.

To determine the policy dividends, we may consider the past experience and future outlook of various factors such as:

- Investment returns: include both interest income and change in market value of the assets supporting the policies. The investment returns could also be subject to market risks such as change in interest rate, credit quality and default, equity price movement, as well as currency price of the backing assets against your policy currency etc.
- Claims: include the cost of providing death benefit and other insured benefits under the policies.
- Surrenders: include policy surrenders and withdrawals; and the corresponding impact on investment..
- Expenses: include both direct expenses which are directly related to the policies, such as commission, underwriting, issuance and premium collection expense etc., as well as indirect expenses such as general overhead costs allocated to the policies.

### **Investment Philosophy, Policy and Strategy**

The investment policy of the Company is formulated with the objective to achieve targeted long-term investment results, taking into account risk control and diversification, liquidity and relationship between assets/liabilities.

Our current long-term target asset mix attributed to Embrace Care is as follows:

Asset Class	Target Asset Mix (%)
Bonds and other fixed income instruments	40% - 60%
Equity-like assets	40% - 60%

The bonds and other fixed income instruments predominantly include government and corporate bonds (both investment grade and non-investment grade). Equity-like assets may include both listed equity, mutual fund and private equity. Investment assets are predominantly denominated in U.S. dollars and Hong Kong dollars, and are mainly invested in the United States and Asia. Derivatives may be used to manage our investment risk exposures.

We will pool the investment from other products together for actual investment and the returns will be allocated with reference to the target asset mix. Actual investments would depend on market opportunities at the time of purchase. Therefore, the actual asset mix may differ from the target.

The investment strategy may be subject to change depending on the market conditions and economic outlook. In case there are any material changes in the investment strategy, we will inform our policyowners for the changes, reasons for the changes and the impact to the policyowners.

For the historical fulfillment ratios of participating insurance plans, please visit the webpage of the Company at [https://www.chubb.com/HK-EN/\\_Assets/documents/Historical-Fulfillment-Ratios\\_Eng.pdf](https://www.chubb.com/HK-EN/_Assets/documents/Historical-Fulfillment-Ratios_Eng.pdf). Please note that historical fulfillment ratios should

not be taken as indicator of the future performance of this product.



### Key Product Risks

The following information helps you better understand the key product risks associated with this product that you may need to pay attention before application.

- **Premium Payment Term**  
You should only apply for this product if you intend to pay the premium for the whole of the premium payment term. Should you cease paying premiums early, your policy may be terminated. You will lose your insurance coverage and even the premiums paid as a result.

Non-payment options available under your policy are intended to keep your policy in force for as long as possible during non-payment of premium. However, you should be aware that when non-payment option is in effect, your entitlement to the benefits provided under the policy may be affected. Please refer to the policy provisions for the exact terms and conditions.

- **Premium Adjustment**  
The Company reserves the right to review and adjust the premium rates of this product based on our expectation and experience of a series of factors including but not limited to investment returns, claims, policy surrenders and expenses. The Company will give prior written notice of any adjustment in premium rates.

- **Liquidity Risk/Early Surrender**  
If you have any unexpected liquidity needs, you may surrender the policy for its surrender value (if any). You are reminded that if your policy is surrendered in early years, the surrender value payable may be less than the premiums paid by you.

- **Market Risk**  
The non-guaranteed benefits of this product are based on the Company's terminal dividend scales, which are not guaranteed and are determined by the Company from time to time and based on the Company's experiences and expectation of a series of factors including but not limited to investment returns, claims, policy surrenders and expenses. The actual amount of non-guaranteed benefits payable may be higher or lower than the amount illustrated in any product information provided to you.

- **Credit Risk**  
This product is issued and underwritten by the Company. Your policy is therefore subject to the credit risk of the Company. If the Company is unable to satisfy the financial obligation of the policy, you may lose your insurance coverage and the premiums paid.

- **Exchange Rate Risk**  
For the policy denominated in currencies other than local currency, you are subject to exchange rate risk. The political and economic environment can affect the currency exchange rate significantly. Exchange rate fluctuates and is determined by the Company from time to time. Any transaction in foreign currencies involves risk. You should take exchange rate risk into consideration when deciding the policy currency.

- **Inflation Risk**

Please note that the cost of living in the future is likely to be higher than it is today due to inflation. Hence, the insurance coverage planned today may not be sufficient to meet your future needs.

## **Termination**

The Basic Plan and its coverage will be terminated automatically on the occurrence of the earliest of the following:

- Lapse or surrender of the policy;
- Upon the date of initial diagnosis of the relevant Major Illness for which the 4th claim of Multiple Protection Major Illness Benefit has been paid or become payable;
- The insured's death;
- The maturity date of the Basic Plan, i.e. the policy anniversary on which the insured reaches the age of 100;
- Upon your written request for cancellation; or
- If the unpaid loan together with accrued interest exceeds the sum of guaranteed cash value.

You may surrender your policy by submitting the form prescribed by us. You may contact your licensed insurance intermediary or contact our Customer Service Center at +852 2894 9833 to get a copy of the form.

## **Key Exclusions**

- If the insured commits suicide, while sane or insane, within 1 year of the date of issue or the date of last reinstatement of the policy, whichever is later, the insurance coverage will end and we will refund the total amount of premiums you paid without any interest, less any amount paid to you by the Company under the policy and any unpaid loan together with accrued interest.
- No benefits will be payable under Major Illness Benefit, Minor Illness Benefit, Multiple Protection Major Illness Benefit, Protection Sharing Benefit and Family Premium Waiver will not be granted if the relevant illness is a direct or indirect consequence of any of the following:
  - Attempted suicide or self-inflicted injury;
  - Military activities;
  - AIDS (except where such virus is due to medical misadventure or AIDS/HIV due to Blood Transfusion or AIDS/HIV due to Occupational Accident);
  - Influence of drugs, alcohol or narcotics; or
  - Pre-malignant tumours, polyps or Carcinoma-In-Situ of any organ (except specified Carcinoma-In-Situ).
- No benefits will be payable under Major Illness Benefit, Minor Illness Benefit and Multiple Protection Major

Illness Benefit for any pre-existing condition which existed or was existing prior to or within 60 days from the date of issue of the policy or the date of issue of the latest endorsement (if applicable) or the date of last reinstatement of the policy, whichever is the latest.

- No benefits will be payable under Protection Sharing Benefit and Family Premium Waiver will not be granted for any pre-existing condition which existed or was existing prior to or within 2 years from the date of issue of the policy or date of registration or the date of issue of the latest endorsement (if applicable) or the date of last reinstatement of the policy, whichever is the latest.

## **Medically Necessary**

Any operative procedure, treatment and surgery to be received by the insured in relation to the covered illnesses under this product must be certified by a registered specialist or registered medical practitioner, as the case may be, as Medically Necessary.

“Medically Necessary” means a medical service which is:

- consistent with the diagnosis and customary western medical treatment for the condition;
- in accordance with standards of good medical practice;

- not for the convenience of the insured or the registered medical practitioner;
- for which the charges are fair and reasonable for such illness and /or disability, and medically necessary shall be construed accordingly; and
- not experimental in nature.

## Claims

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We must be notified in writing within 60 days from the date after the initial diagnosis of the illness in the event of any claim other than the claim for the death benefit and failure to do so may invalidate a claim unless it can be shown that it was not reasonably possible to give such notice and that notice was given as soon as was reasonably possible. Admission of any claim will be subject to the proof as required to be provided by you or the insured within 180 days from the date of the initial diagnosis.

At time of claiming Protection Sharing Benefit or requesting for Family Premium Waiver, proof of identification, relationship, Major Illness / death of policyowner, policyowner's spouse, policyowner's child, insured's child (as case may be) will be required together with any other documents required by the Company.

The claimant should submit a claim to us in the form prescribed by us and shall at his/her own expense provide to us all necessary information, documents, medical evidence as we may from time

to time require in connection with the claim. You may contact your licensed insurance intermediary or contact our Customer Service Center at +852 2894 9833 to get a copy of the form, or you can download it from our Company website at [life.chubb.com/hk](http://life.chubb.com/hk).

## Disclosure

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In the event of material misrepresentation, fraud or non-disclosure, we will contest the policy and all the monies paid to us under the policy will be forfeited.

## Cooling-off Period

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If you are not satisfied with your policy, you have the right to cancel it by submitting a signed notice and return the policy document (if any) to Chubb Life Insurance Company Ltd. at 33/F Chubb Tower, Windsor House, 311 Gloucester Road, Causeway Bay, Hong Kong within a period of 21 calendar days immediately following either the day of delivery of the policy or a notice informing you or your nominated representative about the availability of the policy and the expiry date of the cooling-off period, whichever is earlier. If the last day of the 21-calendar day period is not a working day, the cooling-off period shall include the next working day. Upon such cancellation of the policy, we will refund the total amount of premiums you paid without any interest, less any amount paid to you by the Company under the policy, in the original currency paid by you

subject to any fluctuation of exchange rate upon cancellation, provided that the amount refunded will not exceed the total amount you paid in the original currency under the policy.

## Collection of Premium Levy by Insurance Authority

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The Insurance Authority started collecting levy on insurance premiums from policyowners for policies issued in Hong Kong since January 1, 2018. For details of the levy and its collection arrangement, please visit our Company website at [life.chubb.com/hk](http://life.chubb.com/hk) or contact our Customer Service Center at +852 2894 9833. In the event that we refund your premiums, whether in full or in part, e.g. upon cancellation of your policy during the cooling-off period, the proportionate levy paid by you will also be refunded accordingly.

## U.S. Foreign Account Tax Compliance Act

Under the U.S. Foreign Account Tax Compliance Act (“FATCA”), a foreign financial institution (“FFI”) is required to report to the U.S. Internal Revenue Service (“IRS”) certain information on U.S. persons that hold accounts with that FFI outside the U.S. and to obtain their consent to the FFI passing that information to the IRS. An FFI which does not sign or agree to comply with the requirements of an agreement with the IRS (“FFI Agreement”) in respect of FATCA and/or who is not otherwise exempt from doing so (referred to as a “nonparticipating FFI”) will face a 30% withholding tax (“FATCA Withholding Tax”) on all “withholdable payments” (as defined under FATCA) derived from U.S. sources (initially including dividends, interest and certain derivative payments).

The U.S. and Hong Kong have signed an inter-governmental agreement (“IGA”) to facilitate compliance by FFIs in Hong Kong with FATCA and which creates a framework for Hong Kong FFIs to rely on streamlined due diligence procedures to (i) identify U.S. indicia, (ii) seek consent for disclosure from its U.S. policyholders and (iii) report relevant tax information of those policyholders to the IRS.

FATCA applies to Chubb Life Insurance Company Ltd. (the “Company”) and this Product. The Company is a participating FFI. The Company is committed to complying with FATCA. To do so, the Company requires you to:

- (i) provide to the Company certain information and documentation including, as applicable, your U.S. identification details (e.g. name, address, the US federal taxpayer identifying numbers, etc); and

- (ii) consent to the Company reporting this information and documentation and your account information (such as account balances, interest and dividend income and withdrawals) to the IRS.

If you fail to comply with these obligations (being a “Non-Compliant Accountholder”), the Company is required to report “aggregate information” of account balances, payment amounts and number of non-consenting US accounts to IRS.

The Company could, in certain circumstances, be required to impose FATCA Withholding Tax on payments made to, or which it makes from, your policy. Currently the only circumstances in which the Company may be required to do so are:

- (i) if the Inland Revenue Department of Hong Kong fails to exchange information with the IRS under IGA (and the relevant tax information exchange agreement between Hong Kong and the U.S.), in which case the Company may be required to deduct and withhold FATCA Withholding Tax on withholdable payments made to your policy and remit this to the IRS; and
- (ii) if you are (or any other account holder is) a nonparticipating FFI, in which case the Company may be required to deduct and withhold FATCA Withholding Tax on withholdable payments made to your policy and remit this to the IRS.

You should seek independent professional advice on the impact FATCA may have on you or your policy.



## Automatic Exchange of Financial Account Information

Automatic Exchange of Financial Account Information (“AEOI”) is an arrangement that involves the transmission of financial account information from Hong Kong to an overseas tax jurisdiction with which Hong Kong has entered into an AEOI agreement. In Hong Kong, the relevant legislative framework for implementation of AEOI is laid down in the Inland Revenue Ordinance.

The Inland Revenue (Amendment) (No. 3) Ordinance 2016 requires financial institutions in Hong Kong, to identify and report information relating to financial accounts held by customers that are tax residents of reportable jurisdictions to the Hong Kong Inland Revenue Department (“IRD”).

Chubb Life Insurance Company Ltd. (“Chubb”) must comply with the following requirements of Inland Revenue Ordinance to facilitate the IRD automatically exchanging certain financial account information as provided for thereunder:

- (i) to identify certain accounts as “non-excluded financial accounts” (“NEFAs”);
- (ii) to identify the jurisdiction(s) in which NEFA-holding individuals and certain NEFA-holding entities reside for tax purposes;
- (iii) to determine the status of certain NEFA-holding entities as “passive NFEs” and identify the jurisdiction(s) in which their “controlling persons” reside for tax purposes;

(iv) to collect certain information on NEFAs (“Required Information”); and

(v) to furnish certain Required Information to the IRD (collectively, the “AEOI requirements”).

In order to comply with the AEOI requirement, from January 1, 2017, Chubb requires account holders (including individual, entities and controlling person) for all new accounts to complete and provide us with a self-certification for tax residence. As for pre-existing accounts, if Chubb has doubt about the tax residence of an account holder (including individual, entities and controlling person), it may require the account holder to provide a self-certification for tax residence.

As a financial institution, Chubb cannot provide you with any tax advice. If you have any doubts about your tax residence status and the impact of AEOI on your policy, you should seek independent professional advice.

It is an offence under section 80(2E) of the Inland Revenue Ordinance if any person, in making a self-certification, makes a statement that is misleading, false or incorrect in a material particular AND knows, or is reckless as to whether, the statement is misleading, false or incorrect in a material particular. A person who commits the offence is liable on conviction to a fine at level 3 (i.e. HK\$10,000).

