

# Perpetual Life Series

CHUBB®

Chubb Life

Maintaining your wealth means keeping it safe and secure throughout your lifetime. With the Perpetual Life Series, Chubb Life offers the key to whole life protection for true lifelong insurance coverage, with no age limit.



### **True Lifelong Protection and Legacy Planning Tailored to Your Unique Needs**

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Most life insurance plans cut off protection at a certain age. However, advances in technology and infrastructure have brought about a significant rise in life expectancy, along with higher medical costs. To address the changing needs of the market, Chubb Life offers innovative lifelong protection for individuals or married couples under the same policy, catering to families with complex asset protection and estate planning needs.

The Perpetual Life Series (the “Basic Plan”) supports you in navigating the intricacies of creating and passing on your legacy without compromising on your present comfort and lifestyle. Whether you intend to address your long-term protection or legacy planning needs, we help you make the most of your assets with a plan tailored to you.

### **True Lifelong Protection**

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Under the Perpetual Life Series, you enjoy genuine lifelong protection, meaning that your policy will never expire.

### **Joint Life Option**

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Innovative in the Hong Kong market, the Joint Life Option offers insurance coverage to not one, but two insured individuals<sup>1</sup>. Only upon the passing of both insured individuals will the death benefit be paid, i.e. on a second death<sup>2</sup> basis.

This arrangement offers three key advantages:

- 1. True legacy planning:** Rest assured that your legacy will be passed directly to the next generation without disrupting financial stability.
- 2. Leveraging different underwriting factors:** The earning capacity and state of health of both individuals are underwritten in tandem, allowing a Joint Life policy to cover a couple with different financial and health conditions.
- 3. More economical premium rate:** The premium rate for two lives under one policy, on a second death basis, is lower than taking out two individual policies that equally share the same level of protection under the same plan.

The “Company”, “we”, or “our” herein refers to Chubb Life Insurance Company Ltd. (Incorporated in Bermuda with Limited Liability).

## **Annuity Payment Option (For Single Life Policy Only)**

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To address additional liquidity needs once you're into retirement, you can opt to receive the pay-out from your Perpetual Life Series policy in the form of annuity payments. You can convert all or part of the surrender value into annuity<sup>3</sup>, giving you a secure source of income should life take you by surprise during your golden years.

You can receive annuity payments in one of two ways, beginning from the time you specify:

**1. Fixed Income Life Annuity:** Fixed annuity payments (the amount of which is determined by the Company) will be made monthly for the remainder of your lifetime.

**2. Fixed Income Life Annuity with 20-Year Annuity Income Payment Guarantee Period:** Fixed annuity payments (the amount of which is determined by the Company) will be

made monthly for a fixed term of 20 years ("Guarantee Period") whether or not you are still living. If you survive the Guarantee Period, you will continue to receive the fixed annuity payments until your death. However, if you pass away during the Guarantee Period, your designated beneficiary(ies) will receive the fixed annuity payments until end of the Guarantee Period.

Annuity option can be exercised once only, and is irrevocable once selected. Once your request for exercising the annuity option is approved by the Company, death benefit, dividends, surrender value and cash value that correspond to the annuitized portion will no longer be available.

## **Death Benefit Settlement Arrangements**

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The Perpetual Life Series offers settlement options<sup>4</sup> for allocating the death benefit to your beneficiary(ies),

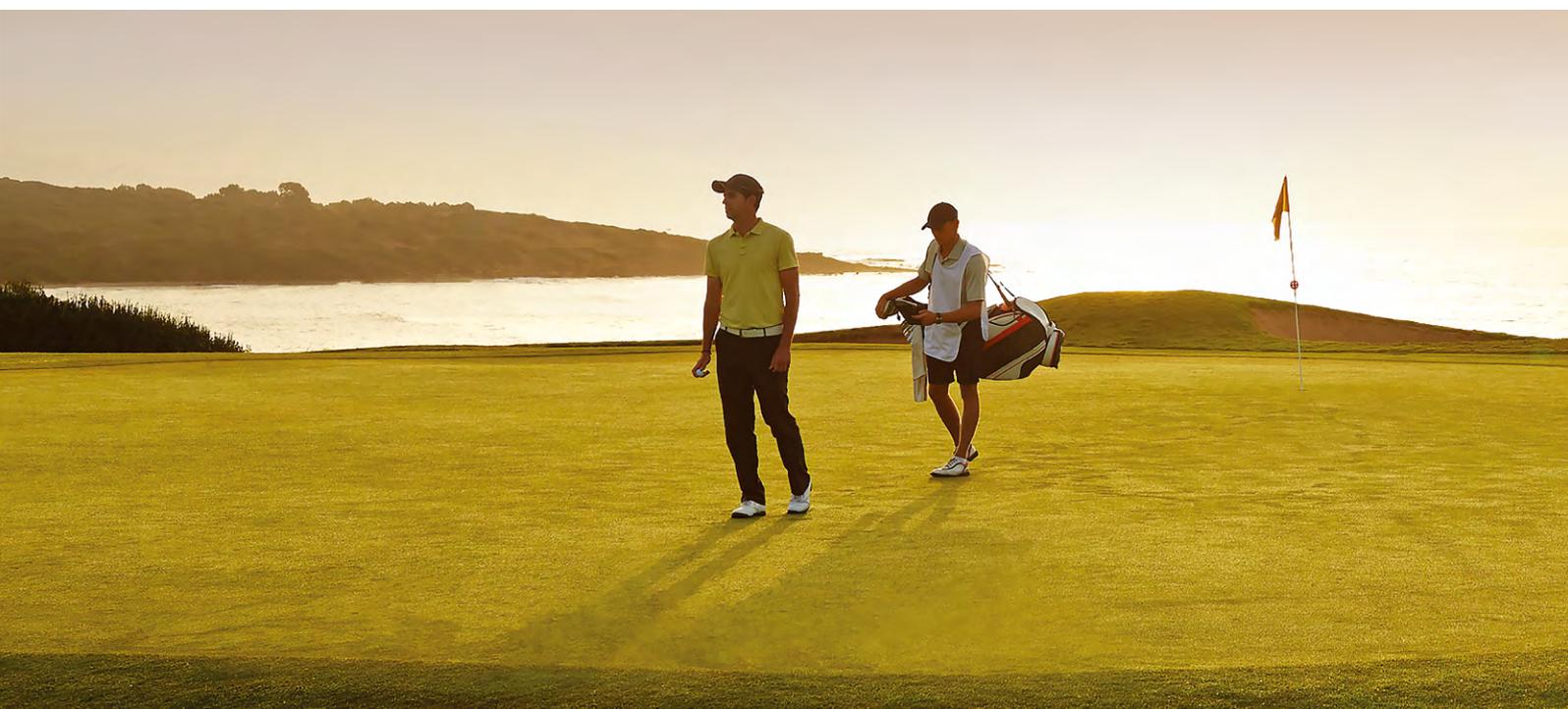
giving you a large degree of control over the management of your legacy. You can opt for the benefit payments to be made in regular instalments of your choice, in either a fixed percentage or a fixed amount of the death benefits, until the beneficiary reaches the predefined attained age.

## **Guaranteed Cash Value and Non-Guaranteed Participating Dividends**

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The Perpetual Life Series builds on your legacy through guaranteed cash value and non-guaranteed dividends<sup>5</sup>.

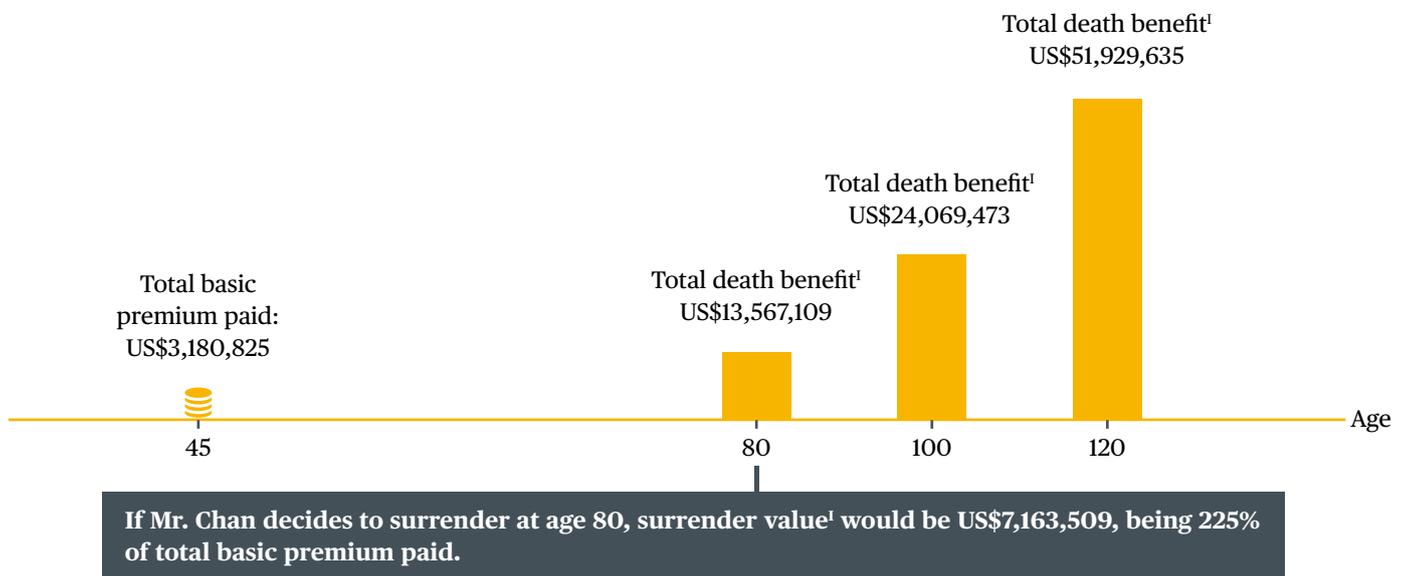
You can opt to withdraw your non-guaranteed dividends as and when you need them, or leave them with us for interest accumulation at an interest rate determined by us from time to time, giving you the potential to accumulate your wealth further.



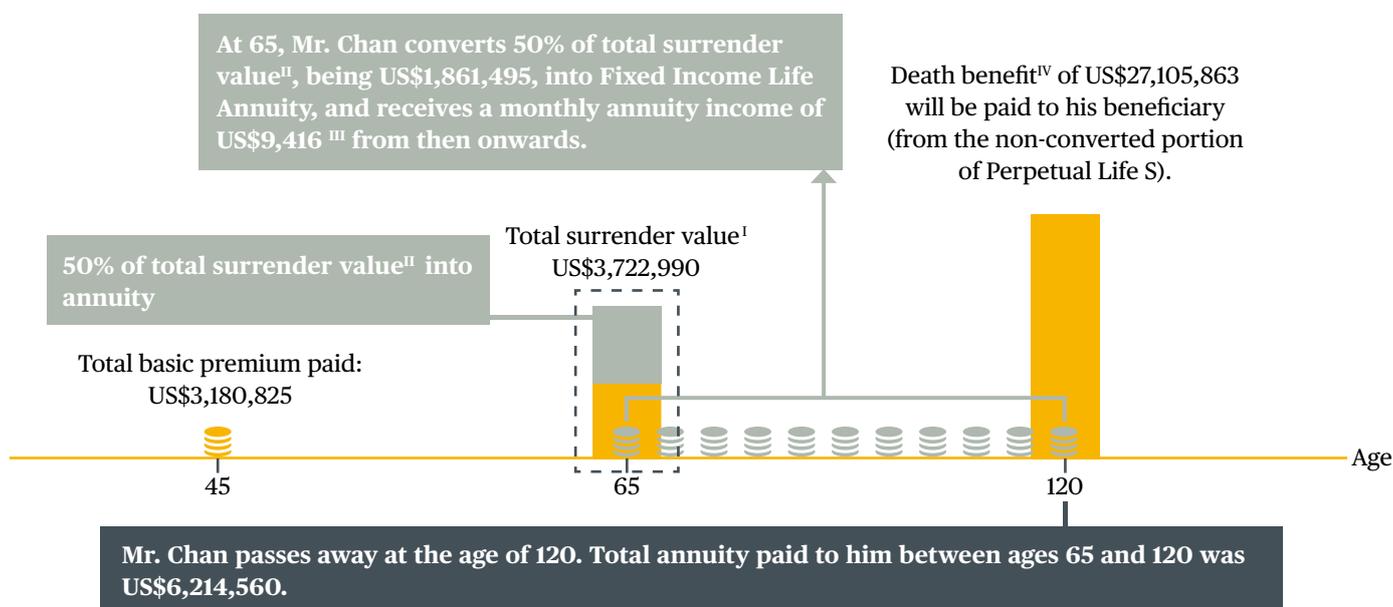
**Example 1 :**

Assumptions			
Policyowner and Insured	Mr. Chan (Non-smoker)	Sum Assured	US\$10,000,000
Issue Age <sup>6</sup>	45	Underwriting Class	Standard
Premium Payment Term	Single Payment	Total Basic Premium Paid	US\$3,180,825

**A. Mr. Chan, a Hong Kong resident, starts his estate planning with Perpetual Life S (Single Life Option) at the age of 45.**



**B. Mr. Chan later decides to convert 50% of the total surrender value of Perpetual Life S into annuity for additional income at the age of 65.**



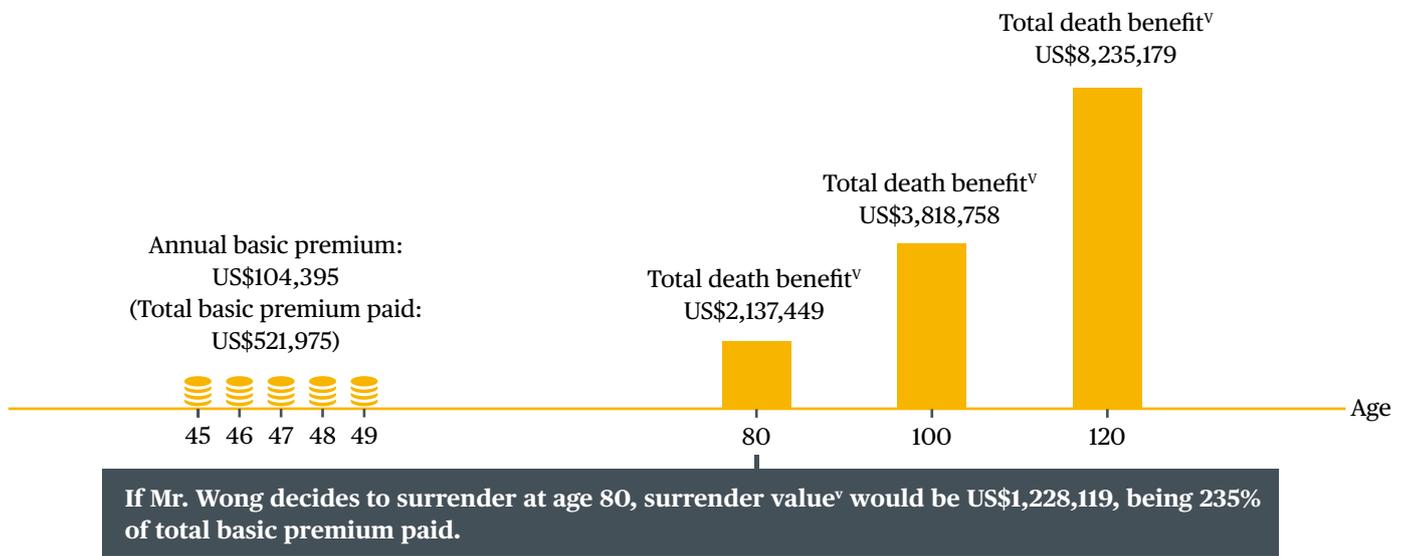
- I. Death benefit and surrender value illustrated above assume that (i) the current dividend scales remain unchanged; (ii) dividend has been accumulated at the interest rate of 4.5% per annum (which is non-guaranteed, determined by the Company and subject to change from time to time); and (iii) the projections of both death benefit and surrender value also assume that during the policy term, there has been no change in the Sum Assured and no loan and no withdrawal has been made, and all premiums have been paid in full.
- II. It is assumed that annuitization of 50% of total surrender value will be first converted from the accumulated dividends and interest, then the remaining balance from the guaranteed cash value. Please also note that the Sum Assured will be reduced accordingly after the partial conversion to annuity.
- III. It is based on the assumed annuity interest rate of 5% per annum. The actual rate applied is determined by the Company and may change from time to time with the rate being higher or lower than the one used in this example.
- IV. The amount of the death benefit assumes that (i) the Sum Assured has been changed upon partial conversion into annuity; (ii) no loan and no withdrawal has been made thereafter; and (iii) the assumptions (i) and (ii) mentioned in I. above remain unchanged.

Notes: The example stated herein is purely fictional and is for illustrative purposes only. Any relation to or reference to any actual person, party or events is purely coincidental. It is important to note that each actual case is unique. The nature of the example 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 example should not be relied upon to predict the outcome of any actual cases as all cases are evaluated on their own individual merits and subject to the actual terms and conditions of the relevant policy.

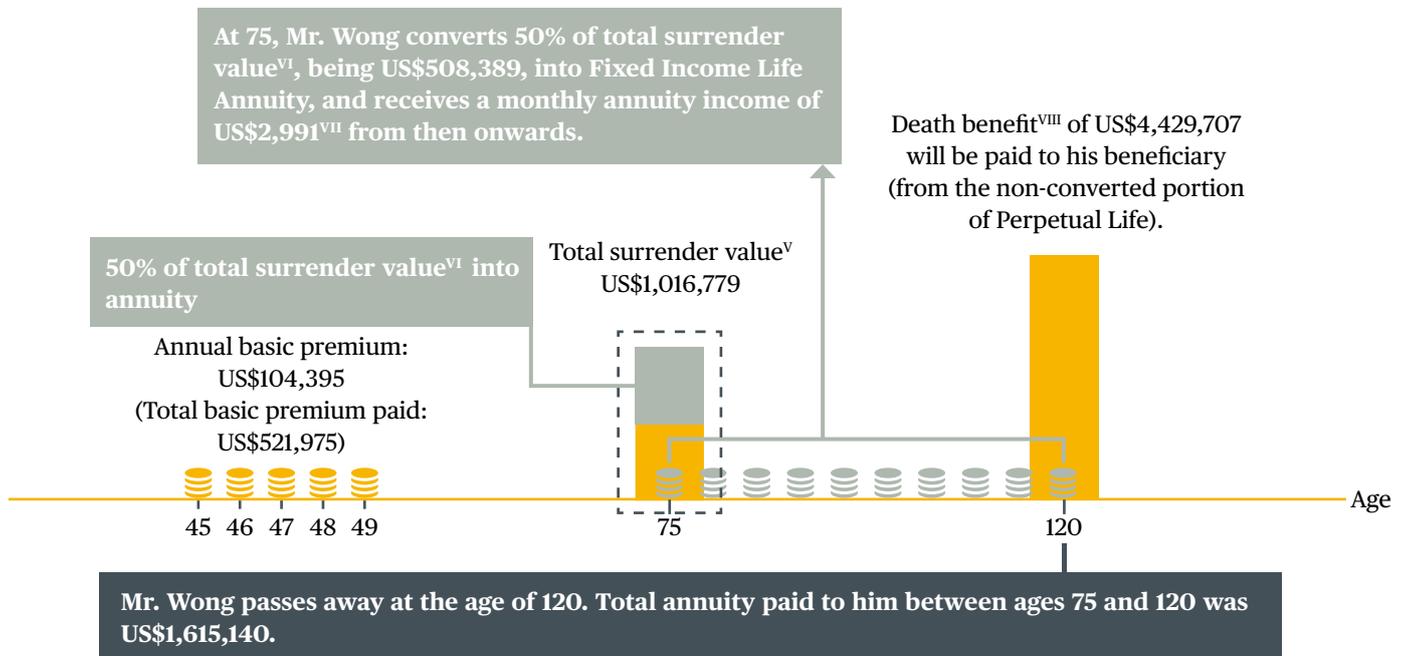
**Example 2 :**

Assumptions			
Policyowner and Insured	Mr. Wong (Non-smoker)	Sum Assured	US\$1,500,000
Issue Age <sup>6</sup>	45	Underwriting Class	Standard
Premium Payment Term	5 years	Annual Basic Premium	US\$104,395

**A. Mr. Wong, a Hong Kong resident, starts his estate planning with Perpetual Life (Single Life Option) at the age of 45.**



**B. Mr. Wong later decides to convert 50% of the total surrender value of Perpetual Life into annuity for additional income at the age of 75.**



- V. Death benefit and surrender value illustrated above assume that (i) the current dividend scales remain unchanged; (ii) dividend has been accumulated at the interest rate of 4.5% per annum (which is non-guaranteed, determined by the Company and subject to change from time to time); and (iii) the projections of both death benefit and surrender value also assume that during the policy term, there has been no change in the Sum Assured and no loan and no withdrawal has been made, and all premiums have been paid in full.
- VI. It is assumed that annuitization of 50% of total surrender value will be first converted from the accumulated dividends and interest, then the remaining balance from the guaranteed cash value. Please also note that the Sum Assured will be reduced accordingly after the partial conversion to annuity.
- VII. It is based on the assumed annuity interest rate of 5% per annum. The actual rate applied is determined by the Company and may change from time to time with the rate being higher or lower than the one used in this example.
- VIII. The amount of the death benefit assumes that (i) the Sum Assured has been changed upon partial conversion into annuity; (ii) no loan and no withdrawal has been made thereafter; and (iii) the assumptions (i) and (ii) mentioned in V. above remain unchanged.

Notes: The example stated herein is purely fictional and is for illustrative purposes only. Any relation to or reference to any actual person, party or events is purely coincidental. It is important to note that each actual case is unique. The nature of the example 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 example should not be relied upon to predict the outcome of any actual cases as all cases are evaluated on their own individual merits and subject to the actual terms and conditions of the relevant policy.

## More about Perpetual Life Series

	Perpetual Life S	Perpetual Life		
Product Type	Basic plan			
Policy Term	Whole Life			
Issue Age of the Insured	Ages 18 - 70			
Premium Payment Term	Single payment	5 years		
Premium Payment Mode	N / A	Annual		
Premium Structure	N / A	Premium rate is guaranteed and remains unchanged throughout the premium payment term. Please refer to the benefit illustration for the premium amount.		
Currency	US Dollar			
Sum Assured	<p>The amounts listed below are valid as at the date of this product brochure.</p> <p>Minimum amount</p> <table border="1"> <tr> <td>US\$1,000,000</td> <td>US\$500,000</td> </tr> </table> <p>Maximum amount</p> <p>Individual consideration, subject to the maximum limit determined by the Company.</p>		US\$1,000,000	US\$500,000
US\$1,000,000	US\$500,000			
Underwriting Class	<p><b>Single Life Option</b></p> <p>Super Preferred, Preferred, Standard, Sub-standard</p> <p><b>Joint Life Option</b></p> <p>Super Preferred, Preferred, Standard, Sub-standard &amp; Special Risk (one of the insureds must be Super Preferred, Preferred or Standard)</p>			
Death Benefit <sup>7</sup>	<p><b>Death benefit</b></p> <p>It is the sum of the latest Sum Assured and any accumulated dividends and interest.</p> <p><b>Payment of death benefit</b></p> <ul style="list-style-type: none"> <li>• Single Life: On death of the insured</li> <li>• Joint Life: On second death basis</li> </ul>			
Surrender Value <sup>7</sup>	It is the sum of any guaranteed cash value and any accumulated dividends and interest upon policy surrender.			

Remarks:

1. The Joint Life Option is available to married couples only; other applicants will be considered by the Company on an individual basis.
2. "Second death" means the death of the last surviving insured.
3. You may exercise annuity option by converting all or part of the surrender value into annuity income payment provided that:
  - You are the policyowner and the insured of the policy;
  - The policy has been in force for over 10 years;
  - You exercise the annuity option after the paid-up date of the Basic Plan;
  - Your age shall be between 55 and 85 when you exercise the annuity option (the minimum and maximum age requirements are determined by the Company from time to time);
  - All loans together with accrued interest thereof or indebtedness that is owed by you to the Company up to the date of annuitization has been repaid; and
  - The amount of surrender value that you apply for annuitization shall not be less than the minimum requirement as determined by the Company from time to time. The current minimum amount of surrender value for annuitization is 10% of the surrender value or US\$500,000, whichever is higher.
4. The exact terms and conditions of the settlement options shall be provided to you upon request.
5. The Basic Plan is a participating insurance plan and your policy is eligible to receive dividend. Dividend is not guaranteed. The Company will determine the amount of dividend each year and allocate the dividend, if any, on policy anniversary.
6. In this product brochure, "age" refers to the age at the nearest birthday (unless otherwise specified).
7. Please note that we will deduct any outstanding premium and loans together with accrued interest before making any benefit payment under the Basic Plan.

# 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.**

The Perpetual Life Series is designed for individuals looking for long-term financial planning to meet their needs for financial protection against adversities, receiving regular income 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**

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### **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 the Perpetual Life Series is as follows:

Asset Class	Target Asset Mix (%)
Bonds and other fixed income instruments	90% - 100%
Equity-like assets	0% - 10%

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://www2.chubb.com/HK-EN/Assets/documents/Historical-Fulfillment-Ratios\\_Eng.pdf](https://www2.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** (applicable to policies with a 5-year 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.

- **Liquidity Risk/Early Surrender**  
If you have any unexpected liquidity needs, you may apply for cash withdrawal (if applicable) or surrender the policy for its surrender value (if any). Please note that making cash withdrawal (if applicable) will lead to a reduction in benefits payable under the policy. You are also 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 dividends 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.

The interest earned on the accumulated dividends is calculated based on an interest rate determined by the Company. Interest rate is not guaranteed and subject to change from time to time.

- **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**

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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;
- The death of the insured (for Single Life Option), or the death of the last surviving insured (for Joint Life Option);
- Upon your written request for cancellation; or
- If the unpaid loan together with accrued interest exceeds the sum of guaranteed cash value and the accumulated dividends and interest (if any).

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**

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The insurance coverage under the policy will end in the following circumstances, 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:

- For Single Life Option  
If the insured commits suicide, while sane or insane, within one year of the date of issue or any subsequent date of reinstatement of the policy (applicable to policies with a 5-year premium payment term), whichever is later.
- For Joint Life Option
  - If either one or both of the insureds commit(s) suicide, while sane or insane, within one year of the date of issue or any subsequent date of reinstatement of the policy (applicable to policies with a 5-year premium payment term), whichever is later; or
  - If the death of either insured is solely caused by the act (except for accidental death event) of the other insured regardless of whether he is sane or insane.

## **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 and any loans together with accrued interest, 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).

## Contact Us

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Chubb Life Insurance Company Ltd.  
(Incorporated in Bermuda with Limited Liability)

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 [life.chubb.com/hk](https://life.chubb.com/hk)

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## Chubb. Insured.<sup>SM</sup>

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