

# Forever Diamond Plan

(Level Death Benefit Option)

Your Pathway to Wealth Accumulation  
and Long-term Protection

CHUBB®  
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# Forever Diamond Plan

(Level Death Benefit Option)

Forever Diamond Plan (Level Death Benefit Option) (“Forever Diamond” or the “Basic Plan”) is a long-term savings plan for wealth accumulation and life protection, ensuring a stable income to help you satisfy your needs at different life stages.

Forever Diamond has won the “Retirement Product - Outstanding Achiever” award at the Benchmark Wealth Management Awards 2016, and the “Retirement Plan - Outstanding Performance” award at the Bloomberg Businessweek Financial Institution Awards 2016, evidencing our superior craftsmanship in offering the best insurance products and services to cater for our customers’ needs.



## How Forever Diamond can help



**Guaranteed Lifetime Coupon**



**Great flexibility in managing savings**



**Life protection to ensure peace of mind**



**5 options of payment term available**


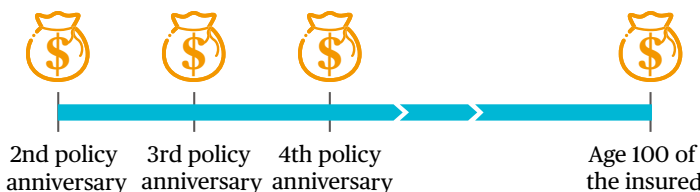




“Chubb Life”, the “Company”, “we”, or “our” herein refers to Chubb Life Insurance Company Ltd. (Incorporated in Bermuda with Limited Liability).

## What can you get during the policy term?

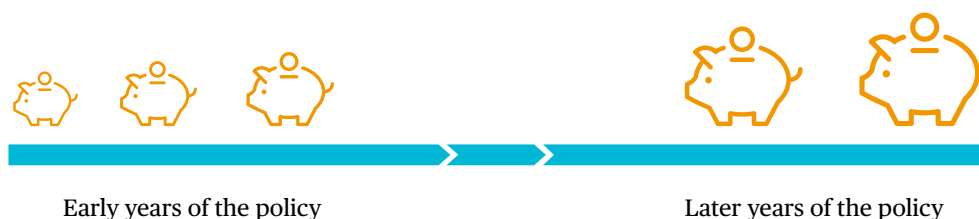


- Guaranteed Lifetime Coupon
- Guaranteed cash value
- Non-guaranteed annual dividend

<b>Guaranteed Lifetime Coupon</b> 	<p>Starting from the 2nd policy anniversary, you will receive a Guaranteed Lifetime Coupon<sup>1</sup> - equivalent to 2.5% of the latest Sum Assured - every policy year up till age<sup>2</sup> 100 of the insured, provided that all premiums due have been paid and the policy is still in force.</p> 
<b>Guaranteed cash value</b> 	<p>Builds up gradually throughout the policy term.</p>
<b>Non-guaranteed annual dividend</b> 	<p>The Company will determine the amount of dividend each year and allocate the dividend, if any, on policy anniversary.</p>

With the 3 sources of income above, your savings will increase gradually throughout the policy term and help you realize your aspirations:

Your savings will increase with the number of years the policy is in effect







## Great flexibility in managing savings



You may leave the Guaranteed Lifetime Coupons and the dividends (if any) in the policy to accumulate interest at an interest rate which is determined by the Company and subject to change from time to time. Or you may withdraw them to meet your needs without taking out policy loan or surrendering the policy.

## What protection will you have under Forever Diamond?

	<p>Life protection to ensure peace of mind:</p> <ul style="list-style-type: none"> <li>• Death benefit</li> <li>• Terminal Illness Benefit</li> <li>• Protection from optional riders</li> </ul>
<p><b>Death benefit</b></p> 	<p>Forever Diamond provides life protection up to age 100 of the insured. The death benefit will be the higher of:</p> <ul style="list-style-type: none"> <li>• The latest Sum Assured; or</li> <li>• The total basic premiums paid<sup>3</sup> less total Guaranteed Lifetime Coupon payment<sup>4</sup>.</li> </ul> <p>On top of the death benefit, at the death of the insured, the Company will also pay the sum of any accumulated Guaranteed Lifetime Coupons and interest and any accumulated dividends and interest<sup>1</sup>.</p>
<p><b>Terminal Illness Benefit</b></p> 	<p>If the insured is diagnosed with a terminal illness and has a life expectancy of 6 months or less<sup>5</sup>, the one-off advance payment of Terminal Illness Benefit<sup>1</sup> will be payable to help relieve the financial burden from medical expenses.</p> <p>The Terminal Illness Benefit will be the sum of the following:</p> <div data-bbox="643 1072 1410 1339" style="border: 1px solid #ccc; background-color: #e6f2ff; padding: 10px; text-align: center;"> <p>The higher of</p> <p>92.5% of the death benefit or</p> <p>100% of the guaranteed cash value</p> <p>+</p> <p>Any accumulated dividends and interest</p> <p>+</p> <p>Any accumulated Guaranteed Lifetime Coupons and interest</p> </div> <p>Once the Terminal Illness Benefit has been fully paid, the policy will be terminated.</p>
<p><b>Protection from optional riders</b></p> 	<p>The Company offers a wide range of riders (that provide accident, critical illness, disability and medical protection) attachable to Forever Diamond to meet your specific needs at different life stages. Further underwriting for riders is required, and extra premium applies.</p>

## 5 options of payment term available



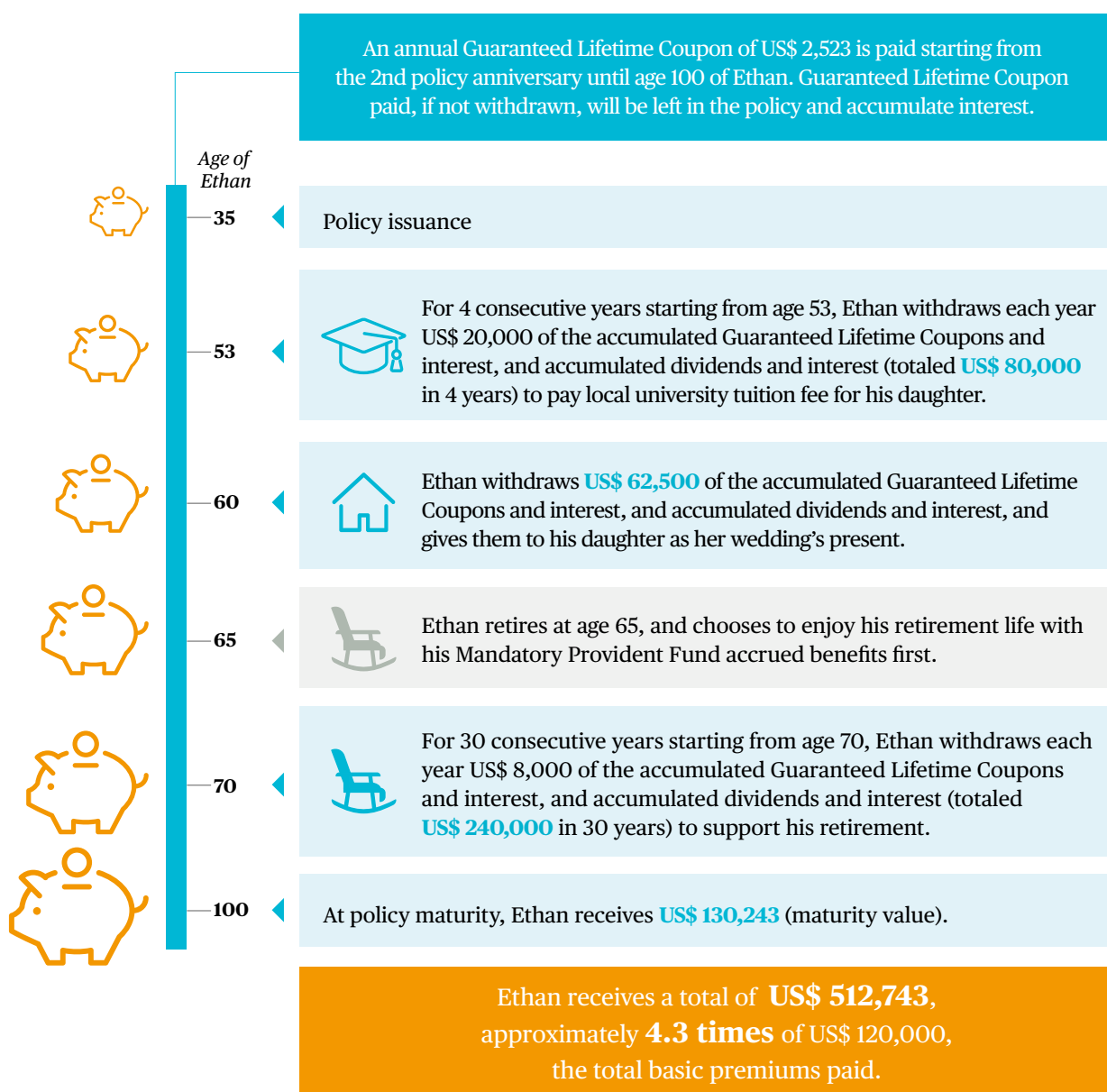
For your easier financial planning, Forever Diamond has 5 options of payment term: 3, 5, 8, 12 and 18 years.

## Case: Funding your children's education and retirement income<sup>6,7</sup>

Ethan's daughter is born when he is aged 35. He enrolls in Forever Diamond in the same year to plan ahead for her future and for his own retirement.



<b>Policyowner and Insured:</b>	Ethan (non-smoker)
<b>Issue Age:</b>	35
<b>Sum Assured:</b>	US\$ 100,921
<b>Premium Payment Term:</b>	12 years
<b>Premium Payment Mode:</b>	Annual
<b>Annual Premium:</b>	US\$ 10,000
<b>Total Basic Premiums Paid:</b>	US\$ 120,000



## More about Forever Diamond Plan (Level Death Benefit Option)

Basic Information	
<b>Product Type</b>	Basic plan
<b>Policy Term</b>	Up to age 100 of the insured
<b>Issue Age of the Insured</b>	Age 0 (15 days) - 70
<b>Premium Payment Term</b>	3 / 5 / 8 / 12 / 18 years
<b>Premium Payment Mode</b>	Monthly / quarterly / semi-annual / annual
<b>Premium Structure</b>	Premium rate is guaranteed and remains unchanged throughout the premium payment term. Please refer to the benefit illustration for the premium amount.
<b>Currency</b>	HK\$ / US\$
<b>Sum Assured</b>	<p>The amounts listed below are valid as at the date of this product brochure.</p> <ul style="list-style-type: none"> <li>• Minimum amount: <ul style="list-style-type: none"> <li>Issue Age 0 - 45: HK\$ 78,000 / US\$ 10,000</li> <li>Issue Age 46 - 70: HK\$ 58,500 / US\$ 7,500</li> </ul> </li> <li>• Maximum amount: Individual consideration, subject to the maximum limit determined by the Company.</li> </ul>
<b>Maturity Value<sup>1</sup></b>	<p>It is the sum of the following:</p> <ul style="list-style-type: none"> <li>(i) any guaranteed cash value,</li> <li>(ii) any accumulated dividends and interest, and</li> <li>(iii) any accumulated Guaranteed Lifetime Coupons and interest at the maturity date.</li> </ul>
<b>Surrender Value<sup>1</sup></b>	<p>It is the sum of the following:</p> <ul style="list-style-type: none"> <li>(i) any guaranteed cash value,</li> <li>(ii) any accumulated dividends and interest, and</li> <li>(iii) any accumulated Guaranteed Lifetime Coupons and interest upon policy surrender.</li> </ul>

Remarks:

1. We will deduct any outstanding premiums and loans together with accrued interest before making any benefit payment under the Basic Plan.
2. In this product brochure, "age" refers to the age at the nearest birthday.
3. The "total basic premiums paid" means total premiums of the Basic Plan paid to the Company excluding any extra premiums and any surplus of premiums of the Basic Plan paid for the period after the date of death of the insured to the date preceding the next premium due date. If the Sum Assured of the Basic Plan is reduced under any circumstances, total basic premiums paid during the period since the date of issue of the policy till the effective date of the most recent Sum Assured reduction shall be reduced on a pro-rata basis.
4. The "total Guaranteed Lifetime Coupon payment" means the number of Guaranteed Lifetime Coupon paid by the Company times 2.5% of the latest Sum Assured.
5. The Company must receive written notice within 60 days from the date after the initial diagnosis that the insured suffers from terminal illness and the insured has a life expectancy of no more than 6 months, together with evidence satisfactory to the Company. Such written notice must not be received less than 6 months prior to the maturity date of the policy.
6. This case 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 case 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.
7. This case involves some assumptions, including the following:
  - a. Throughout the policy term,
    - All basic premiums are paid in full when due;
    - The Sum Assured of the Basic Plan and the premium payment mode remain unchanged;
    - No policy loans are taken out;
  - b. Cash withdrawals are made when the insured is aged between 53 and 56, 60, and between 70 and 99 respectively. The withdrawal amount will be firstly paid by accumulated Guaranteed Lifetime Coupons, followed by the interest of accumulated Guaranteed Lifetime Coupons and then the accumulated dividends and interest if more funds are needed. No other cash withdrawals are made;
  - c. The projected values shown are based on current scale of non-guaranteed dividend; and
  - d. Except for the cash withdrawals made, the projected dividends and those Guaranteed Lifetime Coupons not withdrawn are left with the Company for interest accumulation. The interest rate used to illustrate the effect of accumulation is 4.5% 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 4.5% per annum.



## 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.**

Forever Diamond 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**

#### **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 Forever Diamond 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://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.

- **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 and Guaranteed Lifetime Coupons 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 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;
- The amount payable under the Terminal Illness Benefit has been fully paid; or
- If the unpaid loan together with accrued interest exceeds the sum of guaranteed cash value, any accumulated dividends and interest and any accumulated Guaranteed Lifetime Coupons and interest.

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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- If the insured commits suicide, while sane or insane, within 2 years of the date of issue or any subsequent date of 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 Terminal Illness Benefit will be paid if the terminal illness of the insured is caused directly or indirectly by attempted suicide, or intentionally self-inflicted injury of the insured, while 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, 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)

22/F, Chubb Tower, Windsor House,  
311 Gloucester Road, Causeway Bay,  
Hong Kong

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

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

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