INTERIM POLICYOWNER ARRANGEMENT
Value-Added Service
Build Security for Future Generations | Achieve Policy Continuum with Ease

Interim Policyowner Arrangement (“IPA”)

A systematic planning approach aimed at facilitating effective management and secure transfer of wealth, while catering to the needs of both traditional and diverse families.

By specifying a Contingent Policyowner

1. Allows policy continuity, providing long-term financial stability.
2. Enables Policyowner to plan ahead, ensuring legacy preservation according to his / her wishes.

By designating an Interim Policyowner

1. Ensures a seamless and secure policy ownership transferal. It enables Policyowner to designate his / her heir under age 18 to be the Contingent Policyowner.

Scenario 1:

Designate a Contingent Policyowner without the Interim Policyowner Arrangement

Policyowner	Contingent Policyowner*
While the Policyowner is alive and the policy is in force	Upon the death of the Policyowner and the policy is in force
Designate a Contingent Policyowner	The Contingent Policyowner becomes the new Policyowner upon the approval of his / her application for change of ownership by Hong Kong Life

* The Contingent Policyowner must be Aged 18 or above at the time of application for designation of Contingent Policyowner

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Scenario 2:

Designate a Contingent Policyowner under the Interim Policyowner Arrangement

Policyowner	Interim Policyowner	Contingent Policyowner**
While the Policyowner is alive and the policy is in force - Designate a Contingent Policyowner and an Interim Policyowner under the Interim Policyowner Arrangement - Designate a date or age of the Contingent Policyowner to transfer the ownership of the policy to the Contingent Policyowner in the event of death of the Policyowner - Grant designated policy administration rights to the Interim Policyowner	Upon the death of the Policyowner (before the designated date or before the Contingent Policyowner reaches a designated age) - The Interim Policyowner will become the new Policyowner and may exercise the designated policy administration rights as granted by the Policyowner upon the approval of his / her application for change of ownership by Hong Kong Life.	Upon the designated date or the Contingent Policyowner reaches a designated age - Policy ownership will be transferred from the Interim Policyowner to the Contingent Policyowner under the Interim Policyowner Arrangement upon the approval of his / her application for change of ownership by Hong Kong Life.

** The Contingent Policyowner must be Aged 18 or above at the time of transferring the ownership of the policy.

The above scenario is for reference only, and it assumes the Policyowner and Life Insured are not the same person. If the Policyowner is also the Life Insured, the person designated as Contingent Policyowner under the Interim Policyowner Arrangement must also be designated as the Contingent Life Insured under the policy. If the Contingent Life Insured does not become the new Life Insured of the policy within 1 year after the death of the deceased Policyowner / Life Insured pursuant to the policy provisions, the Interim Policyowner Arrangement will be revoked automatically. The policy will terminate on the day the deceased Policyowner / Life Insured passes away, and death benefit will be paid to the beneficiary(ies) according to the policy provisions. For details, please refer to the Important Notes section.

Remarks:

(1) The “Contingent Policyowner” stated in Scenario 2 is designated under the Interim Policyowner Arrangement.

(2) For withdrawal of policy values, the Policyowner can designate the maximum percentage of reduction of the Principal Amount of the policy as a result of accumulated withdrawals. Such Principal Amount will be the amount as of the first day the Interim Policyowner takes up ownership of the policy. The maximum percentage of reduction of the Principal Amount is 75%. Cash withdrawal will be first deducted from Accumulated Dividends and Interest (non-guaranteed) (if any). If the withdrawal amount exceeds the amount of Accumulated Dividends and Interest (non-guaranteed) (if any), it will be withdrawn from Guaranteed Cash Value and Terminal Dividend (non-guaranteed) (if any) by reducing the Principal Amount of the policy. Hence, the Guaranteed Cash Value, Accumulated Dividends and Interest (non-guaranteed) (if any) and Terminal Dividend (non-guaranteed) (if any) thereafter, as well as the Total Premiums Paid used for calculating the Total Death Benefit will be adjusted according to the reduced Principal Amount.

(3) The Interim Policyowner can deposit or withdraw amounts into / from the policy’s future premium deposit account. For the avoidance of doubt, withdrawals made by the Interim Policyowner are limited to the amounts that he / she deposited during the period in which he / she takes up ownership of the Policy.

(4) The Interim Policyowner can make and submit claims (other than death claims) under the policy. Once such claims have been approved by Hong Kong Life, the claim payments will be paid to the Interim Policyowner.

(5) The Interim Policyowner is not entitled to exercise the Restricted Actions (Please refer to Clause 10 of the Important Notes for details).

Example

As she was approaching her retirement age, Daphne hopes to ensure that her newborn grandson Brandon (Age 0) is financially equipped and secure when he grows up, and that her legacy is well-planned according to her wishes.

Since Brandon is a minor, Daphne designates her daughter, Irene (Age 30) as the Interim Policyowner to manage the policy until Brandon reaches a specified age. As the Interim Policyowner, Irene has been authorized by Daphne to withdraw policy values, subject to the maximum percentage of reduction of the Principal Amount of the policy as a result of accumulated withdrawals 75%. The amount withdrawn will be used to provide continuous financial support for the family and ensure that the policy aligns with Daphne's wishes.

Policyowner: Daphne (Age 65)

Married with a daughter Irene (Age 30) and grandson Brandon (Age 0)

Policyowner: Daphne (Age 65)
Life Insured: Brandon (Age 0)

Under the Interim Policyowner Arrangement

- Interim Policyowner: Irene (Age 30)
- Contingent Policyowner: Brandon (Age 0)

Policyowner selects the Interim Policyowner Arrangement and designates an Interim Policyowner and a Contingent Policyowner

Daphne purchases the policy with her grandson Brandon as the Life Insured.
Daphne designates Brandon to be the Contingent Policyowner under the Interim Policyowner Arrangement and specifies that Brandon may inherit the policy at age 20 ("specified age") after Daphne passes away.

End of Policy Year

Policy is transferred to the Interim Policyowner upon death of the Policyowner

Under the Interim Policyowner Arrangement

- Interim Policyowner: Irene (Age 35)
- Contingent Policyowner: Brandon (Age 5)
- Life Insured: Brandon (Age 5)

5 years later, Daphne passes away.

Irene's application for temporary policy ownership has been approved by Hong Kong Life and acts as the Interim Policyowner for the policy.

In accordance with the rights granted by Daphne, Irene exercises a one-off withdrawal to support Brandon's growth and education. The maximum percentage of reduction of the Principal Amount of the policy as a result of accumulated withdrawals is 75%.

Upon reaching the designated age, policy ownership is transferred from the Interim Policyowner to the Contingent Policyowner under the Interim Policyowner Arrangement

Under the Interim Policyowner Arrangement

- Policyowner: Brandon (Age 20)
- Life Insured: Brandon (Age 20)

Brandon attains Age 20. His application for policy ownership is approved by Hong Kong Life and he becomes the Policyowner.

The above example is for reference only. The "Contingent Policyowner" stated in this example is designated under the Interim Policyowner Arrangement. Designation of Contingent Policyowner and Interim Policyowner is subject to terms and conditions, and the administrative rules as determined by Hong Kong Life from time to time. For detailed terms and conditions, please refer to the relevant services form(s) and endorsement (if any) issued by Hong Kong Life.

Important Notes:

1. The Interim Policyowner Arrangement is a Policy Administration Service and not a product feature, therefore it does not form part of the policy contract of the policy. Hong Kong Life reserves the right to withdraw the Interim Policyowner Arrangement or change the terms and conditions of the Interim Policyowner Arrangement and / or related requirements of the Interim Policyowner Arrangement at any time with sole and absolute discretion (such changes will be reflected on the Hong Kong Life's prescribed form(s)), and without the obligation to provide any prior notice.
2. The Interim Policyowner Arrangement is only applicable to selected products (determined by Hong Kong Life from time to time) and it is not applicable to policies owned by corporate.
3. The acceptance of any Interim Policyowner Arrangement application is at Hong Kong Life's sole and absolute discretion, and is subject to appliable laws, regulations and the terms and conditions of the Interim Policyowner Arrangement (which may be amended by Hong Kong Life from time to time).
4. The Policyowner must make an application to designate the Interim Policyowner Arrangement using the Hong Kong Life's prescribed form(s) which includes application to designate the following persons and items:

   (i) ("Interim Policyowner"):
   who must be aged 18 or above. After the Policyowner passes away, the Interim Policyowner may become the owner of the policy for a designated period and is entitled to exercise the limited policy administrative rights as granted by the Policyowner **("Administrative Actions of Interim Policyowner")**. The Interim Policyowner is not entitled to exercise the restricted actions as described in Clause 10 below **("Restricted Actions")**.

   (ii) ("Contingent Policyowner under the Interim Policyowner Arrangement"):
   after the Policyowner passes away, the Contingent Policyowner under the Interim Policyowner Arrangement may become the owner of the policy upon reaching the Specified Age or the Specified Date. The Contingent Policyowner under the Interim Policyowner Arrangement shall be the same individual as the Life Insured or the Contingent Life Insured (as applicable) of the policy.

   (iii) ("Beneficiary under Interim Policyowner Arrangement"):
   who shall be the estate of the Contingent Policyowner under the Interim Policyowner Arrangement. The beneficiary of the policy will be automatically changed to the "Estate of the Contingent Policyowner under the Interim Policyowner Arrangement" when the Interim Policyowner or the Contingent Policyowner under the Interim Policyowner Arrangement takes on ownership of the policy (whichever is earlier).

   (iv) ("Specified Age") or ("Specified Date") (Either one Specified Age or one Specified Date can be assigned):
   ("Specified Age") means the age of the Contingent Policyowner under the Interim Policyowner Arrangement when he / she may take on ownership of the policy. The Specified Age must be Age 18 to 30 (both ages inclusive).

   ("Specified Date") means the date when the Contingent Policyowner under the Interim Policyowner Arrangement may take on ownership of the policy. The Contingent Policyowner under the Interim Policyowner Arrangement must be Aged 18 to 30 on the Specified Date (both ages inclusive).

   (v) ("Administrative Actions of the Interim Policyowner"):
   Specify the **("Administrative Actions of the Interim Policyowner")** which the Interim Policyowner is entitled to exercise.

   Note:

   - The Interim Policyowner must be a family member of the Contingent Policyowner under the Interim Policyowner Arrangement, and related to the Contingent Policyowner under the Interim Policyowner Arrangement as parent, spouse, child, sibling, grandparent, grandchild, niece, nephew, aunt, uncle or cousin.
   - The Contingent Policyowner under the Interim Policyowner Arrangement must be a family member of the Policyowner, and related to the policyowner as parent, spouse, child, sibling, grandparent, grandchild, niece, nephew, aunt, uncle or cousin.
   - If the Policyowner is also the Life Insured, it is required to designate a Contingent Life Insured who must be the same individual as the Contingent Policyowner under the Interim Policyowner Arrangement.
   - The acceptance of any of the applications listed above is at Hong Kong Life's sole and absolute discretion, and is subject to applicable laws, regulatory requirements and the terms and conditions of the Interim Policyowner Arrangement.
   - While the policy is in force and the Policyowner is alive, the Interim Policyowner Arrangement will be revoked automatically with immediate effect if there is any change of Policyowner, Contingent Policyowner under the Interim Policyowner Arrangement, Life Insured or Contingent Life Insured of the policy.

- Notwithstanding any provision to the contrary, in the event the current Policyowner passes away ("Deceased Policyowner") and the Deceased Policyowner is also the Life Insured of the policy, if the Contingent Life Insured (if any) or the Contingent Life Insured under the Interim Policyowner Arrangement does not become the new Life Insured of the policy within one year after the death of the Deceased Policyowner (also the Life Insured) pursuant to the policy provisions, the Interim Policyowner Arrangement will be revoked, the policy will terminate on the day the Deceased Policyowner (also the Life Insured) passes away and death benefit will be paid to the beneficiary(ies) according to the policy provisions.

5. Once Hong Kong Life has approved the application for designation of the Interim Policyowner Arrangement, all designations and instructions made by the Policyowner previously regarding the Contingent Policyowner(s), Contingent Life Insured(s) and the Incapacity Benefit (if applicable) will be revoked simultaneously. While the Interim Policyowner Arrangement is designated for the policy, no designation or instruction can be made under the Incapacity Benefit (if applicable) by the Policyowner.
6. The Contingent Policyowner under the Interim Policyowner Arrangement as previously recorded and endorsed will be automatically cancelled and removed once a new application for the designation of Contingent Policyowner(s) is accepted and approved.
7. Once Hong Kong Life has accepted and approved the application for designation of the Interim Policyowner Arrangement, the Policyowner can only designate one Contingent Life Insured in the policy. Besides, the Policyowner cannot designate other Contingent Policyowner(s) and their sequence to become the new Policyowner.
8. After the Policyowner has designated the Interim Policyowner Arrangement, while the policy is in force and provided the Life Insured is alive, the Policyowner can make an application to change or cancel the Interim Policyowner Arrangement at any time using the Hong Kong Life's prescribed form(s). The application is subject to the relevant terms and conditions and Hong Kong Life's approval.
9. If the Deceased Policyowner passes away before (i) the Specified Date, or (ii) the Contingent Policyowner under the Interim Policyowner Arrangement has attained the Specified Age: the Interim Policyowner will become the owner of the policy (with limited policy administrative rights as specified by the Policyowner in the Administrative Actions of the Interim Policyowner section of the relevant form(s)) for a designated period if the interim policyowner gives Hong Kong Life satisfactory proof of death of the Deceased Policyowner and his/her application for change of ownership (including meeting Hong Kong Life's customer due diligence requirements) has been approved by Hong Kong Life within 1 year from the date of the Deceased Policyowner's death. If the Interim Policyowner fails to become the owner of the policy within 1 year from the date of the Deceased Policyowner's death, ownership of the policy may transfer to (i) the Contingent Policyowner under the Interim Policyowner Arrangement if he / she has attained the age of 18 or (ii) legal guardian of the Contingent Policyowner under the Interim Policyowner Arrangement if the Contingent Policyowner under the Interim Policyowner Arrangement is below age 18 or if he / she fails to become the owner of the policy within the specified period, subject to relevant terms and conditions and Hong Kong Life's approval. Please see the relevant form(s) for further details on the requirements and the terms and conditions.

   When the Interim Policyowner has taken up ownership of the policy, ownership of the policy will be changed from the Interim Policyowner to the Contingent Policyowner under the Interim Policyowner Arrangement after the Contingent Policyowner under the Interim Policyowner Arrangement has reached the Specified Date or the Specified Age, on the condition that Hong Kong Life has approved the Contingent Policyowner under the Interim Policyowner Arrangement's application for change of ownership (including meeting Hong Kong Life's customer due diligence requirements) within 1 year from (i) the Specified Date or (ii) the first day the Contingent Policyowner under the Interim Policyowner Arrangement attains the Specified Age. If the Contingent Policyowner under the Interim Policyowner Arrangement fails to become the owner of the policy within 1 year from (i) the Specified Date or (ii) the first day the Contingent Policyowner under the Interim Policyowner Arrangement attains the Specified Age, ownership of the policy may transfer to successor to the Deceased Policyowner's estate.

   If the Deceased Policyowner passes away on or after (i) the Specified Date, or (ii) the Contingent Policyowner under the Interim Policyowner Arrangement has attained the Specified Age: the Contingent Policyowner under the Interim Policyowner Arrangement will become the owner of the policy if he / she gives Hong Kong Life satisfactory proof of death of the Deceased Policyowner and his/her application for change of ownership (including meeting Hong Kong Life's customer due diligence requirements) has been approved by Hong Kong Life within 1 year from the date of the Deceased Policyowner's death. If the Contingent Policyowner under the Interim Policyowner Arrangement fails to become the owner of the policy within 1 year from the date of the Deceased Policyowner's death, ownership of the policy may transfer to successor to the Deceased Policyowner's estate.

10. During the period the Interim Policyowner has taken up ownership of the policy, the Interim Policyowner shall assume all obligations of the policy as the owner (including but not limited to meeting the premium payment obligations and settling all Policy Loans) and be bound by and subject to the terms and conditions of the policy. The Interim Policyowner is entitled to exercise the Administrative Actions of the Interim Policyowner, but he / she is not entitled to exercise the Restricted Actions, which include the following:
    (i) change the Policyowner, Life Insured, Contingent Policyowner, Contingent Life Insured or beneficiary of the policy;
    (ii) change any of the designations or instructions made by the Policyowner under the Interim Policyowner Arrangement.
    (iii) apply, make designations or exercise any options under the policy that would result in change in policy values of the policy values including but not limited to apply for a policy split (if applicable), change of policy currency (if applicable), applying for policy loan or partial surrender, or withdrawal of any policy values of the policy (except those policy administration right granted by the Policyowner);
    (iv) apply or make designations under the Death Benefit Settlement Option (if applicable) or Incapacity Beneficiary (if applicable); and
    (v) assign the policy.
11. When the Interim Policyowner has taken up ownership of the policy, if Hong Kong Life is aware that the Interim Policyowner passes away or he / she is incapable of continue to take up the ownership of the policy or he / she provides written confirmation to Hong Kong Life refuses to continue to take up the ownership of the policy, then ownership of the policy may transfer to (i) the Contingent Policyowner under the Interim Policyowner Arrangement if he / she has attained the age of 18 or (ii) legal guardian of the Contingent Policyowner under the Interim Policyowner Arrangement if the Contingent Policyowner under the Interim Policyowner Arrangement is below age 18 or if he / she fails to become the owner of the policy within the specified period, subject to relevant terms and conditions and Hong Kong Life's approval. Please see the relevant form(s) for further details on the requirements and the terms and conditi.
12. Hong Kong Life shall not assume any duty or be responsible to verify or be responsible for the validity, legality, capability or suitability of any designation of the Interim Policyowner, Contingent Policyowner under the Interim Policyowner Arrangement and the Specified Age / Specified Date, and the specification of the Administrative Actions of the Interim Policyowner. The Policyowner should consider all relevant factors and make his/her own independent assessment of the Interim Policyowner's eligibility, suitability and capability to act in such role.

    IMPORTANT:
    If the Interim Policyowner becomes bankrupt, the policy will be vested in the Trustee-in-Bankruptcy of the Interim Policyowner, and the proceeds of the policy will be used to pay the debts of the Interim Policyowner. In the event of a divorce of the Interim Policyowner, the policy may become the matrimonial asset of the Interim Policyowner and may be transferred or allocated to the former spouse of the Interim Policyowner. When the Interim Policyowner takes up ownership of the policy, if the policy is not yet fully paid, the Interim Policyowner has the obligations to meet the premiums payment requirement. If the premium is not paid within the grace period, the policy will terminate.
13. In no circumstances shall Hong Kong Life be liable to the Policyowner, the Interim Policyowner, the Contingent Policyowner under the Interim Policyowner Arrangement, or any other person as a result of change of ownership or execution of the Interim Policyowner Arrangement in accordance with the instructions provided by the Policyowner.
14. The Policyowner shall procure the Interim Policyowner and the Contingent Policyowner under the Interim Policyowner Arrangement to carefully study the terms and conditions of the policy and the Interim Policyowner Arrangement and make their own independent assessment on their ability to meet their obligations under the policy and the Interim Policyowner Arrangement. The Policyowner, Interim Policyowner and Contingent Policyowner under the Interim Policyowner Arrangement should consult their own independent legal, accounting and / or tax advisors as appropriate.

    Please see the relevant forms for further details on the terms and conditions applicable to the Interim Policyowner Arrangement. Hong Kong Life reserves the right to change or update the terms and conditions and related requirements of the Interim Policyowner Arrangement at any time with absolute discretion without any obligation to provide prior notice.

In the event of conflict between the Chinese and English versions, the English version shall prevail.

Issued by Hong Kong Life Insurance Limited

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