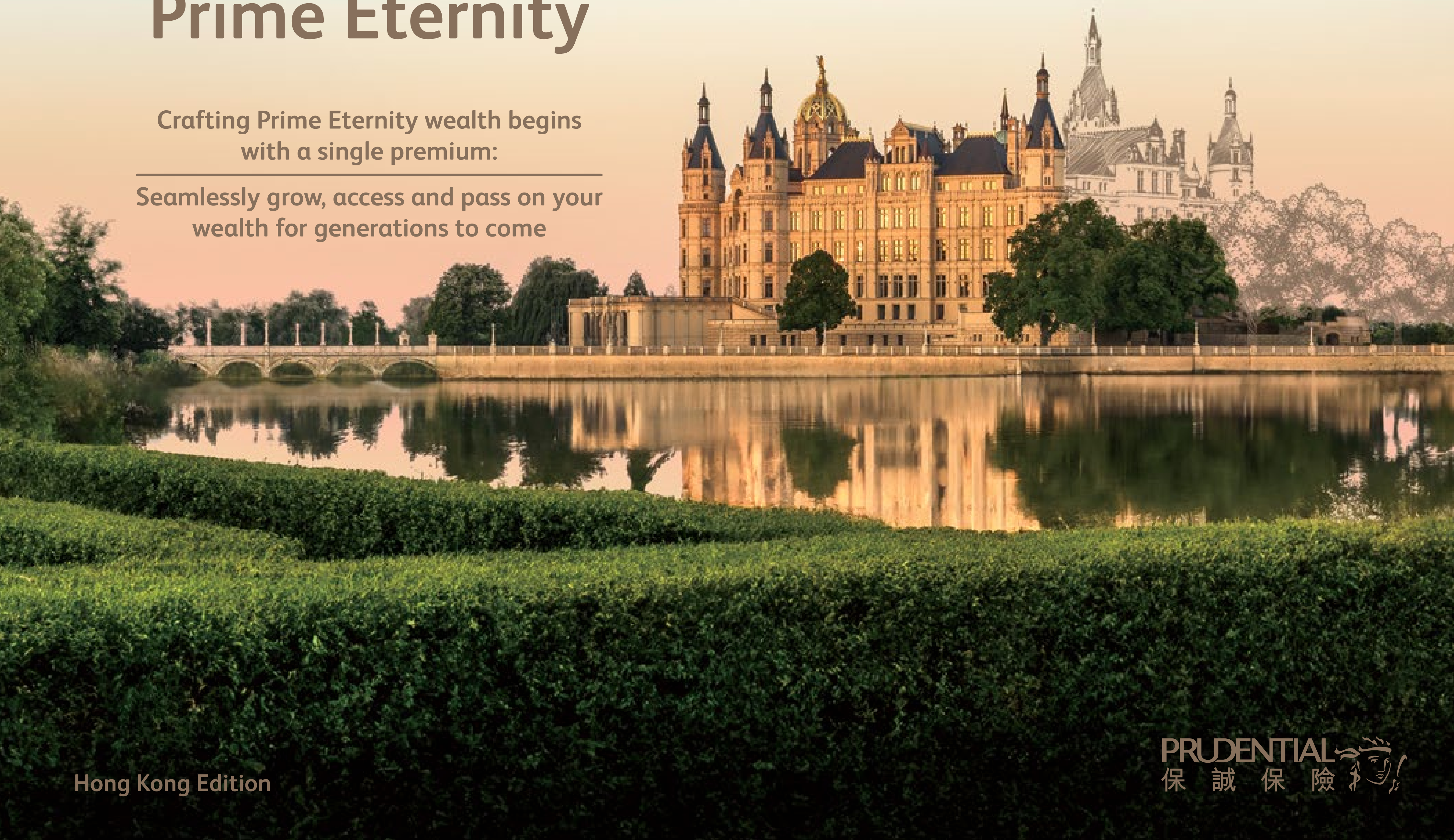
Prime Eternity

Crafting Prime Eternity wealth begins with a single premium:

Seamlessly grow, access and pass on your wealth for generations to come



Hong Kong Edition

PRUDENTIAL 保誠保險

What is Prime Eternity?

Your journey towards financial prosperity and leaving a legacy that stands the test of time begins with **Prime Eternity**. With just a **single premium**, you can enjoy **financial flexibility** through a **guaranteed cash value equal to 85% of your single premium when the policy starts**. The **guaranteed cash value** will **grow along the policy years** and **accumulate** your **wealth** along with a **non-guaranteed terminal dividend**. The plan also **optimises** your **wealth seamlessly** while holding the promise of **securing your family's future for generations** with unmatched flexibility. Ensure that the dreams you cherish today become reality for your loved ones tomorrow and for generations to come.

Enriched with features such as **policy split**, **unlimited change of life assured**, and the facility to **set up a backup policyholder** and **life assured** in case anything unfortunate happens, this plan provides you with the tools to **flexibly distribute** and **pass on your wealth across generations seamlessly** while also **keeping** your **accumulated wealth easily accessible**. It's a reflection on your commitment to **creating a lasting impact and preserving** your **family's prosperity** for the future.

Cultivate your infinite wealth with just a single premium: Seamlessly grow, access and pass it on across generations

Plan highlights

Infinite possibilities to grow and harness your wealth for your financial goals

Start growing your wealth with just **a single premium**

Take your money out from the plan through **cash value withdrawal** if you need it for **extra flexibility**

Lock-in your policy's gains by **realising** the **non-guaranteed Terminal Dividend** for **extra liquidity** with the **Dividend Lock-in Option**

Plan highlights

Pass on a lasting legacy seamlessly no matter what the future holds

Keep your policy **growing** and still **protect** your **legacy through the generations** by naming a **succeeding owner** and **contingent life assured** to **continue the policy** if the worst happens

Keep your family's **wealth growing across generations** as you hand it on by **changing the life assured as many times as you need**

Split your policy to spread your **wealth flexibly** as your **family grows** with the **Wealth-Split Option**

Safeguard your family if unfortunate events happen

New-to-market

Protect your family **flexibly** with a **death benefit settlement option** that lets you **advance future monthly instalments in a lump sum** when your **beneficiary reaches** a certain **age** or **life event such as getting married** or **giving birth**

A **lump-sum amount** paid to your **designated family member** for **immediate financial relief** through the **Incapacity Option** if you unfortunately become **mentally** or **physically incapacitated** through **any of the covered diseases**

Give back to society and amplify your love with Kindness Giving option

Nominate the **charities** you care about as **beneficiaries** and designate a percentage of the death benefit you wish to donate. When you do that, **we will pay an additional 1% of that amount** to further support your love

What benefits can you get from this plan?

Infinite possibilities to grow and harness your wealth for your financial goals

Start growing your wealth with just a single premium

Prime Eternity is a **whole life Shareholder-backed Participating Plan** offering **steady returns** as well as **life cover.** To start your plan, simply **pay a single premium** and **your wealth will grow straight through:**

1	+	2	=	3
Guaranteed cash value		Non-guaranteed Terminal Dividend		Total Cash Value

1. **Guaranteed cash value**

   When your policy starts, the **guaranteed cash value** of your policy will be **equal to 85% of your single premium** and it will **grow along the policy years**.

   We pay:
   - it when your policy is **terminated**; or
   - part of it when you **withdraw some of the cash value** (a "partial surrender").

2. **Non-guaranteed Terminal Dividend**

   We may also pay:
   - it when your policy is **terminated**; or
   - part of it when you **withdraw some of the cash value**; **starting from the 3rd policy anniversary**.

Click here or scan the QR code for more information on our Shareholder-backed Participating Plans, including our investment and bonus philosophies and the operation of the Shareholder-backed Participating Fund.

Shareholder-par Plans

Take out your accumulated wealth flexibly

And, so you always retain control of your money and financial flexibility, you can **take your plan's Total Cash Value** through the **cash value withdrawal** or **borrow up to 80% of its guaranteed cash value** while **keeping the policy in force**.

Good to know – Backing your policy returns

We invest in various types of assets to back your policy returns. For equity-type securities, we invest globally with an aim to achieve diversification, and your policy values are subject to foreign exchange movements between the currency denominations of the equity-type securities and your policy currency. For fixed-income securities, we primarily invest in those denominated in USD, and currency hedging may be used if the currency of the fixed-income securities is different from the underlying policy denomination.

The amount of the non-guaranteed Terminal Dividend is subject to the performance of our investments, which include equity-type securities and fixed-income securities, and may move up or down over time. Returns from equity-type securities are generally more volatile than fixed-income securities, and foreign exchange movements can be large. For this plan, we will allocate a portion of our investments to equity-type securities (up to 55%; refer to "The investment mix of your plan" section below for details), and the movement of the amount of the non-guaranteed Terminal Dividend can be large. While smoothing may be applied to produce more stable returns over the long-term, investment returns will mostly be passed back to policyholders via adjustments in the Terminal Dividend in a timely manner. We may determine and declare the dividend more frequently than on an annual basis at our sole discretion. You should note the investment mix of this plan and more details in the "Investment philosophy" and "Key risks" sections below.

Lock-in your policy's gains by realising the non-guaranteed Terminal Dividend for extra liquidity

Opportunities in the financial markets can be fleeting, which is why you need the **flexibility** to **capture them at the right time**. To **lock-in your policy's gains**, we designed the **Dividend Lock-in Option** to **realise your Terminal Dividend** for your peace of mind. **Starting from** your plan's **10th policy anniversary**, you can **lock-in part of** your **non-guaranteed Terminal Dividend** to a Dividend Lock-in Account. **Your money earns interest** at a rate we determine from time to time. You can also **withdraw the money** from the account **anytime** you need it.

Once you have locked-in some of your **gains** to the Dividend Lock-in Account, we will **reduce** the **Terminal Dividend during that and all future policy years** accordingly.

What benefits can you get from this plan?

Pass on a lasting legacy seamlessly no matter what the future holds

What benefits can you get from this plan?

As long as your policy stays in force, you can **pass it down the generations simply by changing the person the plan covers** (the “life assured”), or **naming family members as a succeeding owner and contingent life assured**, so that even if the **current policyholder and life assured unfortunately pass away**, your **wealth** can still be **passing down without interruption**. This not only **protects your family’s wealth** and **keeps it growing** but makes sure your **legacy passes** on **seamlessly** and **effortlessly according to your wishes**.

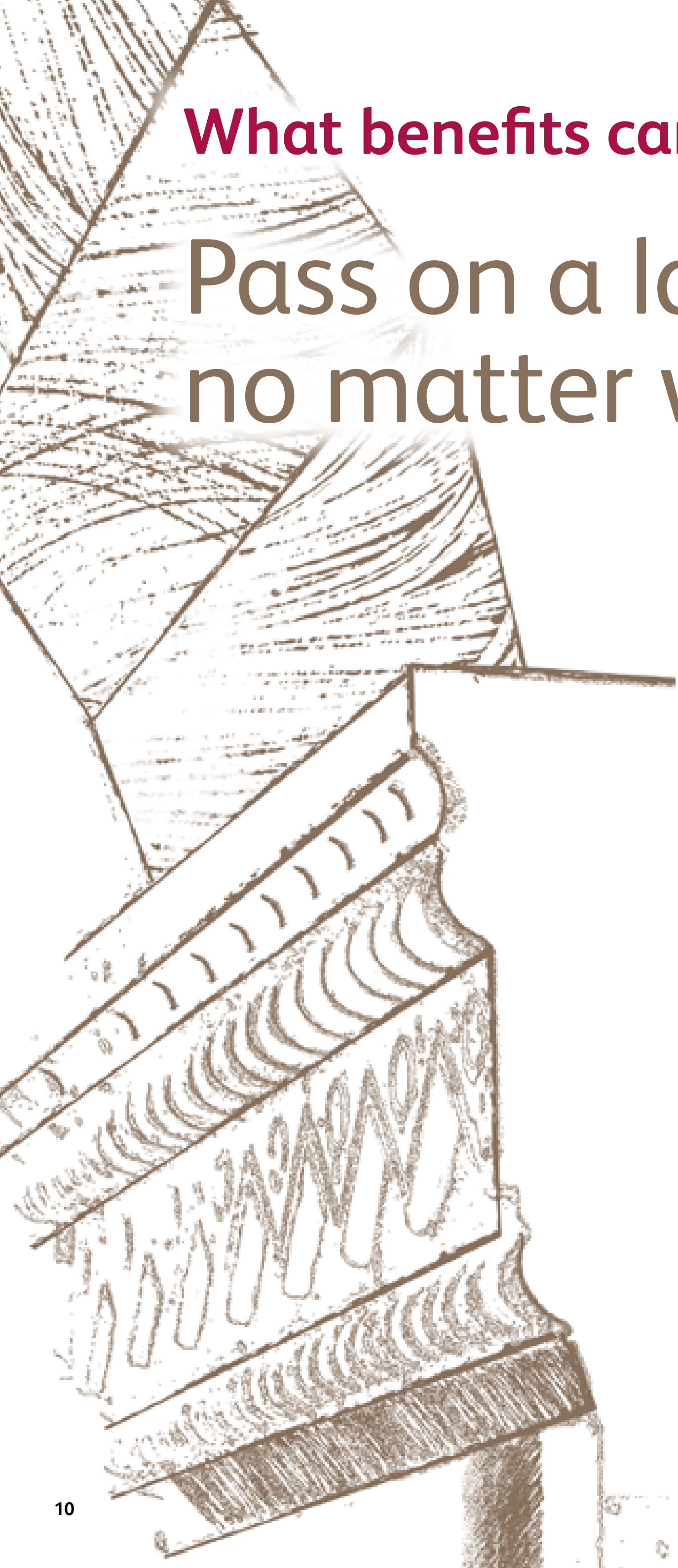
You can find more details for the “Succeeding owner”, “Contingent life assured” and “Change of life assured” in the below paragraphs as well as the “More about the plan” section below.

Make sure your policy keeps providing for your family if the worst happens by naming a succeeding owner

Starting from the 1st policy anniversary and during the lifetime of the current policyholder and current life assured, you can **choose a family member** to be your policy’s **succeeding owner**. This allows them to **take over the policy and become the new policyholder** if you **unfortunately pass away**.

You can **appoint**, **change** or **remove** the **succeeding owner** as **many times as you wish** as long as there is only 1 succeeding owner at a time.

When the **current policyholder passes away**, the succeeding owner will become the new policyholder and **take up the policy to carry it on seamlessly**.



What benefits can you get from this plan?

Pass on a lasting legacy seamlessly no matter what the future holds

Protect your legacy to last through the generations by naming a contingent life assured

Life can be full of uncertainty, which is why it is so important to plan for contingencies. Starting from the 1st policy anniversary and during the lifetime of the current life assured, **you can choose a family member** as your policy's **contingent life assured** to **ensure your legacy lasts**. You can **appoint**, **change** or **remove** the **contingent life assured as many times as you wish** as long as there is only 1 contingent life assured at a time.

When the **current life assured passes away,** the **contingent life assured may become the new life assured, letting you pass on your legacy seamlessly**.

Keep your family's wealth growing as you pass it down by changing the life assured as often as you need

To protect and provide for the people you love, you can **keep your wealth flowing down the generations** with our **Prime Eternity**. Once you **change the life assured**, we **cover the new life assured for life**. Starting from the 1st policy anniversary and during the lifetime of the current life assured, you can **change the life assured as many times as you wish**.

For example, you could make your son and then, later, your granddaughter the life assured under your policy. **Together with transferring the plan's ownership**, you can **pass the policy down through the generations** and **use the wealth** you have created to **help secure** their **financial future for life**.

As a **business owner**, you can also **change the plan's life assured to cover a new employee** as part of their employment benefits when the employee who was the original life assured leaves the firm, **letting the policy value grow continuously**.

What benefits can you get from this plan?

Split your policy to spread your wealth flexibly as your family grows with the Wealth-Split Option

As your family grows, you may want to include more loved ones in your legacy and distribute your wealth in the way you choose. Starting from the 5th policy anniversary, you can **separate your policy into several policies** by exercising the **Wealth-Split Option**. This lets you **set up different legacy planning arrangements** for **each split policy** and **pass on your wealth flexibly to your loved ones** as meaningful gifts that can **last for many generations**.

What benefits can you get from this plan?

Safeguard your family if unfortunate events happen

Did you know?

- **1** in every **10** people over **70** are affected by **Dementia**[1]
- About **30%** of **Dementia patients** have an **early onset before age 65**[2]
- The **mean age** of **early onset Dementia** was **58 years old**, with the **youngest** patient being only **38 years old**[2]

1 Dementia, Hong Kong Adventist Hospital (https://www.hkah.org.hk/en/conditions-and-treatments/dementia)

2 CUHK Sets up World's First Research Registry on Early Onset Dementia in Chinese Population The Youngest Age of Onset is 38 | CUHK Communications and Public Relations Office (https://www.cpr.cuhk.edu.hk/en/press/cuhk-sets-up-worlds-first-research-registry-on-early-onset-dementia-in-chinese-populationthe-youngest-age-of-onset-is-38/)

We gathered the above statistics from external sources for reference purposes only. We do not confirm or guarantee their accuracy or reliability and accept no liability, legal or otherwise, for any loss or damage incurred as a result of any inaccuracies or omissions.

What benefits can you get from this plan?

Whole-life death cover with flexible death benefit settlement options

We will pay a Death Benefit to the beneficiary you choose if the life assured unfortunately passes away while the plan is in force and there is no contingent life assured taking up the role of the life assured. We will pay at least **101% of your single premium** as a **Death Benefit**, less any outstanding loans and interest.

You can choose how you would like us to pay the Death Benefit while the life assured is still alive; as a **lump sum**, in **monthly instalments** or **a mix of both**. What's more, starting from the 1st policy anniversary, you can choose a *New-to-market* **Death Benefit Settlement Option** to **advance future monthly instalments in a lump sum** to your **beneficiary** when they reach **a certain age** or **life event** such as **getting married** or **giving birth**. These options allow you to **protect your family in a flexible and tailored way**.

A lump-sum amount for any of the covered diseases paid to your designated family member for immediate financial relief through the Incapacity Option

If you, as the plan's policyholder as well as its life assured, unfortunately become **mentally** or **physically incapacitated** through **any of the Covered Diseases** while the policy is in force, and **you are unable to manage the policy, we can help**. We will **pay** your designated family member **the percentage of the plan's surrender value (but before deducting any outstanding loans and interest) you choose as the claim under the Incapacity Option** to help you through such difficult times.

You will need to **appoint**, **in advance**, **a designated person to file and receive a claim** for this **Incapacity Option**. This means your family can **get money quickly** to meet your needs just by **making a simple application**; **no need for any legal processes**.

You can find the full list of our Covered Diseases in the "Incapacity Option – More about the plan" section below.

Other features

Give back to society and amplify your love with Kindness Giving option

Unlock the power to make a difference that goes beyond your family's financial security with the **Kindness Giving option** and leave a lasting impact on the world around you. When you successfully nominate a non-governmental organisation or charitable institution recognised by us as one of your beneficiaries and designate a percentage of the Death Benefit you wish to donate, **we will pay an extra 1% of that amount**, up to USD100,000 per policy.

No medical checks to enrol

You **do not need** to give us any **medical information** to take out a **Prime Eternity**, up to a certain total single premium that we set out in our administrative rules.

Good to know

Exercising the Wealth-Split Option or changing the life assured or policyholder will affect some of the plan's benefits or options. You can find more details in the relevant areas under "More about the plan" section below.

Remark:

- We base our statements about the option of our plan being "new-to-market" on our understanding and interpretation of current market information, by comparing with other publicly available life and savings plans providing lump sum benefits issued by major Hong Kong life insurance companies for individual customers as at 24 July 2024.

How does the plan work?

Growing wealth with flexible withdrawals and passing it on across generations

Finn is a 40-year-old successful founder of a well-known overseas supermarket chain.

Finn's policy details	
Policyholder and life assured	Finn
Benefit term	Whole-life
Single premium	USD 1,000,000

What he needs from this plan:

- **take some money** from his policy to **support his son's career;**
- make sure **his family** will be **well taken care of if the worst happens;** and
- utilise it as a tool to **plan his legacy.**

Age 40

Finn takes out **Prime Eternity** (No need for medical check)

Guaranteed cash value = USD 850,000 (85% of the single premium paid)

Age 44

The projected (non-guaranteed) Total Cash Value = USD 1,010,700, this is the breakeven year of Finn's policy

Age 50

Guaranteed cash value = USD 1,003,000

Non-guaranteed Terminal Dividend = USD 631,100

The projected (non-guaranteed) Total Cash Value = USD 1,634,100 (around **1.6 times** the single premium paid)

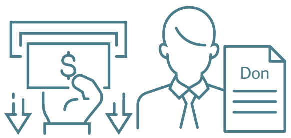
Projected (non-guaranteed) **total** Internal Rate of Return **(IRR)** = **5.03%** p.a.

Guaranteed IRR = 0.03% p.a.

Age 60

He chooses to **withdraw USD 200,000** from the policy to fund his son's (Don) start-up business.

He chooses to **name** Don as the policy's **contingent life assured** and **succeeding owner** to ensure the **continuity of his policy** if the worst happens to Finn.



Guaranteed cash value = USD 1,064,000

Non-guaranteed Terminal Dividend = USD 2,152,800

The projected (non-guaranteed) Total Cash Value = USD 3,216,800 (around **3.2 times** the single premium paid)

Projected (non-guaranteed) **total IRR** = **6.02%** p.a.

Guaranteed IRR = 0.31% p.a.

Age 85

Finn unfortunately passes away; **Don becomes the life assured and policyholder of the policy**. He can **manage the policy seamlessly** and can choose to i) let the savings grow continually; or ii) withdraw all (the policy will then end) or part of the policy values; or iii) make Katie (his daughter) as the new life assured and transfer the policy ownership to her, passing his legacy down the generations.

After withdrawing USD 200,000:

Guaranteed cash value = USD 1,149,775

Non-guaranteed Terminal Dividend = USD 13,666,288

The projected (non-guaranteed) Total Cash Value = USD 14,816,063 (around **14.8 times** the single premium paid)

Projected (non-guaranteed) **total IRR** = **6.32%** p.a.

Guaranteed IRR = 0.45% p.a.

How does the plan work?

About Finn's policy:

- This example and all the figures mentioned here are for illustration only. Ages mentioned throughout this example refers to "age next birthday".
- The figures are only for illustration and we have calculated them with reference to the notional amount – an amount we use to calculate the policy's premium, guaranteed cash value, non-guaranteed Terminal Dividend and other policy values and benefits of the plan.
- The example is not an indicator of future performance and the actual return may be higher or lower depending on investment performance.
- The projected (non-guaranteed) Total Cash Values above are composed of a guaranteed cash value and non-guaranteed Terminal Dividend.
- We have estimated the non-guaranteed benefits based on our dividend scale considering the current assumed investment return. This is not an indicator of the future non-guaranteed benefits.
- The above calculations assume no other withdrawals except the amount stated in the example, no policy loan is made, and all the other options not stated in the above example are not exercised while the policy is in effect. The figures in the above case may differ slightly from the actual amounts due to rounding differences.
- The above IRRs are rounded to the nearest two decimal places and are for illustrative purposes only. We calculate the total IRRs by taking into account the single premium paid and any withdrawal amount taken, plus the guaranteed cash value and the non-guaranteed Terminal Dividend received if the policy is fully surrendered at the specific time illustrated in the example; while we calculate the guaranteed IRRs (excluding non-guaranteed benefits) by taking into account the single premium paid and guaranteed cash value taken from any withdrawal amount, plus the guaranteed cash value received if the policy is fully surrendered at the specific time illustrated in the example.
  The calculations of the guaranteed IRRs and the total IRRs do not include the effect of levy(ies) on your premiums.
- Applications for exercising the above-mentioned features are subject to our approval and you can find more details in the "More about the plan" section below.

More about the plan

Plan type

Basic plan

(When this plan is a basic plan, it means you can choose to take out this plan as a standalone plan without enrolling with other type(s) of insurance product at the same time.)

Benefit term

Whole life

Premium term/Issue age/Currency/Minimum notional amount

Premium term	Issue age (age next birthday [ANB])	Currency	Minimum notional amount
Single	1 – 75	USD	USD 10,000

- The life assured must be at least 15 days old when the proposal document is signed.

Premium structure

The same premium rate applies across all ages, genders, smoking classes and regions of residence.

Notional amount

- Your policy will have a "notional amount". This is equal to the single premium you need to pay. We use the notional amount to calculate the policy's premium, guaranteed cash value, non-guaranteed Terminal Dividend and other policy values and benefits of the plan. It does not represent the amount of Death Benefit we pay. Any change to this notional amount will lead to a corresponding change in the single premium used for calculating the Death Benefit, guaranteed cash value, non-guaranteed Terminal Dividend and other policy values and benefits of the plan.

Terminal Dividend

- This is a one-off non-guaranteed dividend.
- We normally declare the dividend annually and may change the dividend from time to time.
- We have the right to determine and declare the dividend more frequently than on an annual basis at our sole discretion.
- After each declaration of Terminal Dividend, the value may be adjusted and could be reduced compared to previous declarations. As a result, the Total Cash Value and Death Benefit may be lower than in previous years as well.
- Apart from the amount in the Dividend Lock-in Account (if applicable), the declared dividend may rise and fall and does not accumulate within the policy or form a permanent addition to the policy's value.
- From the 3rd policy anniversary, we will declare the dividend for your plan, and we may pay this dividend when your policy is terminated or part of it when you withdraw some of the cash value.

Death Benefit and its settlement option

- If the life assured passes away while the policy is still in force and there is no contingent life assured to take up the role of the life assured, we will pay the beneficiary a Death Benefit equal to:
  - the **higher** of:
    - the sum of guaranteed cash value and any Terminal Dividend; and
    - 101% of your single premium;
  - **plus** any amount in the Dividend Lock-in Account (if applicable);
  - **less** any outstanding loans and interest.
- Death Benefit Settlement Option:
  - You can decide, while the life assured is still alive, how we pay your beneficiary the Death Benefit in one of these ways:
    1. in a lump sum; or
    2. by monthly instalments; or
    3. part of it in a lump sum and the remaining amount by monthly instalments; or

4. by monthly instalments until your sole beneficiary:
    > reaches/has reached a certain age; or
    > gets married; or
    > gives birth (covering either your beneficiary or their spouse); or
    > graduates from university; or
    > receives a cancer, heart attack or stroke diagnosis,

    when the first of these happens after the death of the life assured, the beneficiary can receive the remaining amount in a lump sum. The beneficiary must submit the request for paying the remaining amount, along with the proof of the above events, to us for approval. You may choose this option starting from the 1st policy anniversary when your policy only has 1 designated beneficiary.

- If you choose to settle the Death Benefit by monthly instalments:
    - if the Death Benefit amount you opt to settle by monthly instalments is less than the amount we determine, we will only pay the Death Benefit in a lump sum.
    - you can choose to settle the monthly instalments over several year options we provide.
    - your beneficiary will receive the Death Benefit of a fixed amount monthly and earn interest on the remaining Death Benefit. We will pay the accumulated interest in the last instalment. We will determine the interest rate from time to time. This means the rate is not guaranteed and it depends on several factors including investment performance and the yields available in the market.
    - the remaining balance of the Death Benefit will not participate in the Shareholder-backed Participating Fund or benefit from its profits.
- The beneficiary cannot make any changes to the way we pay the benefits at any time.
- We will cancel any Death Benefit Settlement Option and pay the Death Benefit in a lump sum when you:
    - transfer the policy ownership (for the case of transferring the policy ownership to the succeeding owner, please refer to the "Succeeding owner" section below for details); or
    - assign the policy ; or
    - change the life assured; or
    - appoint the contingent life assured; or
    - have your beneficiary designation revoked; or
    - exercise the Wealth-Split Option.
- We will also cancel the above Death Benefit Settlement Option #4 and pay the Death Benefit in a lump sum when you change, cancel or revoke the sole beneficiary, or when you add any beneficiary.

Please also note

There is more information related to the restrictions applicable to the Death Benefit Settlement Option on the application form. We may change the administrative rules for this option from time to time.

Surrender value

When you surrender your policy, we will pay a surrender value equal to:

- the guaranteed cash value;
- **plus** any Terminal Dividend;
- **plus** any amount in the Dividend Lock-in Account (if applicable);
- **less** any outstanding loans and interest.

Incapacity Option

When you appoint a designated person for this option

- If you are also the life assured, you can designate the percentage (between 10% - 100%) of the plan's surrender value (but before deducting any outstanding loans and interest) as the amount we will pay under the Incapacity Option and appoint a designated person in advance to receive this amount while the policy is still in force. The designated person may receive this amount if you are unfortunately diagnosed with any of the Covered Diseases below.
- You can appoint, change or remove the designated person as many times as you wish while the policy is in force by completing and submitting an application form to us. However, you must meet our eligibility requirements, the applicable administrative rules and conditions and you will need our approval.
- There can be only 1 designated person under the policy, and the designated person must be:
  - your a) spouse, b) parent, c) child, d) sibling, e) grandparent, f) grandchild or g) any other relationship as mentioned on the application form; and
  - aged 18 (19 ANB) or above.
- You must declare the following on the application form:
  - you have not created any will or an enduring power of attorney ("EPA") over the policy;
  - no guardian or committee has been appointed in respect of the policyholder under the Mental Health Ordinance (Cap. 136 of the laws of Hong Kong) ("MHO") (or under similar laws in another jurisdiction); and
  - you are not insolvent and no bankruptcy proceeding has been (or will likely be) commenced against you.
- You should inform the designated person in advance of the application process for making this claim.
- Incapacity Option does not apply to:
  - assigned policies; or
  - business insurance; or
  - trust-owned policies, unless we approve it.

Grounds for cancelling this appointment

- We will cancel this appointment when the first of these happens:
  - your policy is terminated; or
  - you change the life assured; or
  - you transfer the policy ownership (for the case of transferring the policy ownership to the succeeding owner, please refer to the "Succeeding owner" section below for details); or
  - you assign the policy; or
  - you exercise the Wealth-Split Option; or
  - you inform us or we become aware that the policyholder has created an EPA or a will over the policy, and in the case of an EPA, the attorney does not provide their consent to our payment of Incapacity Option to the designated person; or
  - we are notified or become aware of a committee or guardian being appointed in respect of the policyholder under the MHO (or under similar laws in another jurisdiction), and such committee or guardian (as the case may be) does not provide their consent to our payment of Incapacity Option to the designated person; or
  - you have been adjudged bankrupt by any court of competent jurisdiction in or outside Hong Kong, or bankruptcy proceedings have been initiated against you.
- You must inform us if you have created an EPA or a will over the policy. If you do not inform us, we will make the payment to the designated person assuming there is no such EPA or will and we shall have no responsibility to you, the succeeding owner, your attorney or any other person.
- In addition, we may cancel the appointment of the designated person if:
  - such appointment will/may, constitute a breach of, or conflict with, any law, order, judgment, award, injunction or decree; or
  - such appointment will render us incurring or potentially incurring any liability; or
  - any court decides, or a guardian/committee decides pursuant to a court order, against the appointment of the designated person or the payment under the Incapacity Option.

At the point of claims

- For us to pay the amount under Incapacity Option:
  - you must be diagnosed with mental incapacity, terminal illness, coma, loss of independent existence, apallic syndrome, major head trauma or paralysis (the "Covered Diseases") while the policy is in force. There is more information on the claims requirements in the policy provisions; and
  - by the time we approve this claim, you must have appointed a designated person to file and receive the claim for this Incapacity Option and not have cancelled the appointment; both you and the designated person must be alive; and none of the grounds for cancellation of the appointment under Incapacity Option mentioned above can apply.
- We will pay the amount equal to the designated percentage of the surrender value (but before deducting any outstanding loans and interest) calculated on the date we approve the claim.
- If the designated percentage is less than 100%, we will take all or part of the amount from the Dividend Lock-in Account (if applicable) first, followed by cash value withdrawal. Withdrawing the cash value will reduce the subsequent guaranteed cash value, any Terminal Dividend, notional amount and the amount of single premium used to calculate the Death Benefit after we pay this claim.
- If the designated percentage is 100%, we will terminate the policy once we approve this claim.
- We will deduct any outstanding loans and interest from the amount we pay under this option.
- We will only pay the amount under this option once in a lump sum per policy.
- When submitting a claim, the designated person needs to complete and submit the application form, along with any other documents or evidence we may require from time to time, including the medical proof of your suffering from the Covered Diseases.
- If the life assured dies and the death claim or the request for change of the life assured to the contingent life assured is submitted before the date of approval for the Incapacity Option claim, we will pay the Death Benefit or continue the policy instead of paying the Incapacity Option claim.

Please also note

- The appointment of a designated person is an advanced policy instruction, and not an EPA or a guardianship/committee order under the MHO. The policy instruction does not appoint the designated person as your attorney or guardian/committee. If you have an EPA over the policy or a guardian/committee appointed, you must not appoint a designated person.
- If there is a dispute or we have reasonable belief that there may be a dispute between the designated person and anyone else (including the policyholder, the succeeding owner, the policyholder's guardian or committee, attorney or beneficiary(ies)), or if we may incur liability as a result of us making payment under this cover, we reserve the right to withhold the payment until we are satisfied that the dispute or matter is resolved.
- We may change the administrative rules for appointing, changing, and removing the designated person from time to time.

Succeeding owner

When you appoint a succeeding owner

- Starting from the 1st policy anniversary, subject to our approval, you can appoint, change or remove the succeeding owner as many times as you wish during the lifetime of the current policyholder and the current life assured while the policy is in force.
- At any time, there can be only 1 succeeding owner under the policy and the succeeding owner must be aged 18 (19 ANB) or above.
- If the current policyholder and the current life assured are the same person, that individual must appoint the succeeding owner and the contingent life assured at the same time.
- According to the existing administrative rules and other conditions,
  - the succeeding owner can only be the current policyholder's a) spouse, b) parent, c) child, d) sibling, e) grandparent or f) grandchild; and
  - the contingent life assured can only be the succeeding owner's a) self, b) spouse, c) child or d) grandchild.
- You should inform the succeeding owner in advance to submit the prescribed form and required documents to us within 180 days of your death.

- This does not apply to:
  - assigned policies; or
  - business insurance; or
  - policies where the life assured is aged below 18 (19 ANB) at the time we issue the policy or change of the life assured, unless you assign them the legal ownership of the policy when they reach age 18 (19 ANB) or above; or
  - trust-owned policies, unless we approve it.

Grounds for cancelling this appointment

- We will cancel the succeeding owner you have appointed earlier when the first of these happens:
  - you transfer the policy ownership; or
  - you assign the policy; or
  - there is a change of the life assured to a person aged below 18 (19 ANB) at the time of change; or
  - you change or cancel the appointment of succeeding owner; or
  - the succeeding owner dies; or
  - you exercise the Wealth-Split Option; or
  - if you are also the life assured, when you cancel the appointment of the contingent life assured or the appointment of the contingent life assured is revoked or becomes invalid for any reason.
- In addition, we may cancel the appointment of the succeeding owner if:
  - such appointment will/may, constitute a breach of, or conflict with, any law, order, judgment, award, injunction or decree; or
  - such appointment will render us incurring or potentially incurring any liability; or
  - any court decides, or a guardian/committee decides pursuant to a court order, against the appointment of the succeeding owner.

Succeeding owner becomes the new policyholder

- If the current policyholder unfortunately dies, the succeeding owner will automatically and immediately become the new policyholder provided that we reserve the right to revoke the transfer of policy ownership to the succeeding owner if any of following conditions is/are not satisfied:
  - the succeeding owner submits the prescribed form to us within 180 days from the death of the current policyholder together with the required documents. If you are also the life assured, such prescribed form must be submitted at the same time as the request to change the life assured of the policy from the deceased life assured to the contingent life assured; and
  - there is no unreasonable delay on the part of the succeeding owner in order that we are satisfied with the submission within 30 days thereof; and
  - other conditions that we may impose from time to time.
- If we exercise our right of revocation, the revocation will take retrospective effect from the date of death of the deceased policyholder.
- The arrangement with respect to succeeding owner is also subject to our administrative rules and other conditions at the relevant time.
- Before we decide whether to exercise the right of revocation, all rights and benefit entitlement of the succeeding owner as a policyholder under the policy will be suspended.
- The rights and benefit entitlement of the succeeding owner as the new policyholder shall be subject to other terms as set out in the policy provisions.
- There is no impact to the policy nor previous designations until we decide not to exercise the right of revocation, after which:
  - we will cancel any Death Benefit Settlement Option, nomination of the beneficiary and the designated person under the Incapacity Option you have appointed earlier.

Please also note

- If there is a dispute or we have reasonable belief that there may be a dispute between the succeeding owner and anyone else (including the designated person under the Incapacity Option, the policyholder's guardian or committee, attorney or beneficiary(ies)), or if we may incur liability as a result of processing the transfer of policy ownership to the succeeding owner, we reserve the right to revoke such change.
- We may change the administrative rules and other conditions for appointing, changing and removing the succeeding owner as well as transferring the policy ownership from the deceased policyholder to the succeeding owner from time to time.

Contingent life assured

When you appoint a contingent life assured

- Starting from the 1st policy anniversary, subject to our approval, you can appoint, change or remove the contingent life assured as many times as you wish during the lifetime of the current life assured while the policy is in force.
- At any time during the benefit term, there can be only 1 contingent life assured under the policy.
- If the current policyholder and the current life assured are the same person, you must appoint the succeeding owner and the contingent life assured at the same time.
- According to the existing administrative rules and other conditions:
  - if the current policyholder and the current life assured **are not the same person**, the contingent life assured can only be the policyholder's a) self, b) spouse, c) child, d) grandchild or e) great-grandchild.
  - regardless of whether the current policyholder and the current life assured are the same person or not, if a succeeding owner has been appointed, the contingent life assured can only be the succeeding owner's a) self, b) spouse, c) child or d) grandchild.
- You can either nominate a beneficiary or appoint a contingent life assured under the same policy, and can change your decision anytime.
- You cannot appoint a contingent life assured if the life assured is below age 18 (19 ANB) when we issued the policy or at the time you made them the life assured, unless you assign them the legal ownership of your policy when they reach age 18 (19 ANB) or above.
- This does not apply to business insurance.

Grounds for cancelling this appointment

- We will cancel the contingent life assured you have appointed earlier when:
  - you assign the policy; or
  - you change the life assured; or
  - you nominate a beneficiary; or
  - you change or cancel the appointment of the contingent life assured; or
  - the contingent life assured dies; or
  - if you are also the life assured, when you cancel the appointment of the succeeding owner or the appointment of the succeeding owner is revoked or becomes invalid for any reason; or
  - you exercise the Wealth-Split Option.

Contingent life assured becomes the policy's new life assured

- If the current life assured unfortunately dies, to change the life assured under this policy from the deceased life assured to the contingent life assured, you/the succeeding owner (if you are also the life assured or you and the current life assured die at the same time) must request this change by submitting the application form to us within 180 days from the death of the deceased life assured. Subject to the terms and conditions applicable to the change of life assured and given the contingent life assured is alive at the time of application, the contingent life assured will become the new life assured of the policy.
- After the contingent life assured becomes the life assured of the policy:
  - we will not pay the Death Benefit for the death of the deceased life assured; and
  - the coverage of the contingent life assured starts on the deceased life assured's date of death, and the coverage of the deceased life assured ends on the same date.
  - There is more information on the implications of your policy in the "Change of life assured" section below.

Please also note

We may change the administrative rules and other conditions for appointing, changing and removing the contingent life assured from time to time.

Change of life assured

When you change the life assured

- Starting from the 1st policy anniversary, you can change the life assured if:
  - during the lifetime of the current life assured while the policy is in force; or
  - after the death of the current life assured when there is a contingent life assured in place.
- You can change the life assured as many times as you wish.
- The approval of change of life assured is subject to our underwriting requirements.
- When you apply to change the life assured, the new life assured must fulfil the issue age requirements of this plan at the time of application.
- Changing the life assured will not affect the policy value under the plan, including the notional amount, guaranteed cash value, any Terminal Dividend and any amount in the Dividend Lock-in Account.
- Change of life assured also applies to business insurance (as part of the employment benefits) subject to our underwriting requirements, administrative rules and other conditions.
- According to the existing administrative rules and other conditions, the new life assured can only be the policyholder's a) self, b) spouse, c) child, d) grandchild, e) great-grandchild or f) employee.
- You cannot change the life assured if the life assured is below age 18 (19 ANB) when we issued the policy or at the time you made them the life assured, unless you assign them the legal ownership of your policy when they reach age 18 (19 ANB) or above.

Once you change the life assured, we will:

- alter the basic plan's benefit term to the whole life of the new life assured; and
- cancel any Death Benefit Settlement Option, nomination of the beneficiary, the designated person under Incapacity Option and contingent life assured you have appointed earlier.

Please also note

We may change the underwriting requirements, administrative rules and other conditions for changing the life assured from time to time.

Dividend Lock-in Option

- You can request to exercise the Dividend Lock-in Option once per policy year and within 30 days before the end of each policy year starting from the 10th policy anniversary.
- You can lock-in a certain percentage of your Terminal Dividend to a Dividend Lock-in Account. The lock-in amount is equal to the lock-in percentage times the Terminal Dividend applicable when the lock-in takes effect at the policy anniversary after your request. The percentage you lock-in each time cannot be less than 10% (subject to a minimum amount we determine) or more than 50%. The sum of the lock-in percentages of all the Dividend Lock-in Options ever exercised for each policy cannot be over 50%. We may change the percentage limits and the minimum amount for each application as well as the sum of the lock-in percentages limit from time to time.
- We may pay a **non-guaranteed interest rate** we determine on the amount in the Dividend Lock-in Account.
- Exercising the Dividend Lock-in Option will not reduce the notional amount of the policy.
- We will transfer the lock-in amount to your Dividend Lock-in Account once we have deducted anything you owe us.
- Once we have transferred the lock-in amount into your Dividend Lock-in Account, we will reduce your Terminal Dividend during that policy year and future Terminal Dividends accordingly.
- You cannot reverse the transfer of any lock-in amount once you have exercised the Dividend Lock-in Option.
- You can withdraw cash from the Dividend Lock-in Account anytime.
- We may change the administrative rules for this option from time to time.

Wealth-Split Option

- You can request to separate your policy into several policies once per policy year and within 30 days before the end of each policy year starting from the 5th policy anniversary, without affecting the calculation of your policy years.
- We will split the notional amount and policy values (including guaranteed cash value, Terminal Dividend and the amount in the Dividend Lock-in Account) according to the ratio of the notional amount.
- You cannot reverse or withdraw an application once we approve your application.
- You will need to repay any money you owe us under the plan before we approve your application.
- The notional amount of your policies after you have exercised this option must not be less than the minimum notional amount we set.
- When we approve your application, we will cancel:
  - any Death Benefit Settlement Option;
  - the nomination of the beneficiary;
  - the succeeding owner;
  - the designated person under Incapacity Option; and
  - the contingent life assured you have appointed earlier.
- There is **no cooling-off period** for the separated policies.
- We may change the administrative rules for this option from time to time.

Cash value withdrawal

- You can choose to withdraw the Total Cash Value from the policy by reducing the notional amount.
- If the notional amount reduces, the subsequent guaranteed cash value, any Terminal Dividend and your single premium used for calculating the Death Benefit will also be reduced. Therefore, any cash value you withdraw will reduce the Death Benefit and surrender value payable.

Policy loan

- To offer you extra financial flexibility in times of need, you can borrow up to 80% of your plan's guaranteed cash value, while keeping the policy in force, as a policy loan.
- We will charge interest on policy loans from the date you take them out until they are fully repaid.
- We calculate interest at a rate we determine, which we may change from time to time, and it is compounded annually (in other words, generating "interest on interest").
- If you have taken out a loan on your policy, we will deduct any outstanding loans and interest from all applicable insurance benefits before we pass the remaining money to you. This means your insurance benefits may be lower than the amounts available without taking out a policy loan.
- If at any time the total outstanding amount (including interest) you owe us under the policy equals to or exceeds 100% of the guaranteed cash value of the policy, we will terminate the policy immediately and pay you the surrender value less any outstanding loans and interest, you may receive an amount considerably less than the premium you paid, as well as losing the policy's coverage.
- There is more information on the policy loan and the interest rate we charge at https://pruhk.co/cs-policy-payment-en.

Termination of this plan

- We will terminate this plan when the first of these happens:
  - we pay the Death Benefit; or
  - you surrender the policy; or
  - the designated percentage under Incapacity Option is 100% and once we approve this claim; or
  - once the total outstanding loans and interest are equal to or more than 100% of the guaranteed cash value of this policy.
- We will also terminate the original plan when you exercise the Wealth-Split Option as your policy value of the original plan will be transferred to your separated policies.

Bonus philosophy

Policyholders of the Shareholder-backed Participating Plans shall enjoy a fair share of the relevant experience of the Shareholder-backed Participating Fund (the "Fund") through the addition of non-guaranteed bonus. We aim to protect all policyholders' respective rights and reasonable expectations by providing payments that are fair across different groups of policyholders. The value of the plan is mostly affected by the overall performance of the Fund. While smoothing may be applied to produce more stable returns over the long-term, investment returns will mostly be passed back to policyholders via adjustments in the Terminal Dividend in a timely manner. For this plan, changes in Terminal Dividend rates may closely follow changes in the value of the Fund.

Factors affecting the bonuses

The non-guaranteed bonus of the plan includes a Terminal Dividend. We may review and adjust the Terminal Dividend at our discretion. Factors that may affect it include (but are not limited to):

- Investment performance factors – Your plan's performance will be affected by the return on the plan's underlying investment portfolio and the Dividend Lock-in Account. This could be driven by:
  - capital gains and losses from investment assets;
  - interest earnings from fixed-income securities and dividend from equity-type securities (if any);
  - counterparty default risk of fixed-income securities (such as bonds);
  - investment outlook; and
  - external market risk factors such as recessions and changes in monetary policies and foreign exchange rates.

For this plan, we will allocate a portion of our investment to equity-type securities. Returns from equity-type securities are generally more volatile than fixed-income securities and foreign exchange movements can be large. Therefore, the movement of the amount of the non-guaranteed Terminal Dividend can be large and may move up or down over time.

- Claims factors – Our historical claims experience on death and/or other covered benefits, and projected future costs of providing Death Benefit and/or other covered benefits.
- Expense factors – These include direct expenses associated with issuing and maintaining your policy, such as commissions, overrides, underwriting and policy administration expenses. They may also include indirect expenses (such as general overheads) allocated to your policy.
- Persistency factors – Policy persistency (a measure of how long policyholders keep their policies) and any cash value withdrawal of a group of policies may impact the dividend we pay to the continuing policies.

The actual future amounts of benefits and/or returns may be higher or lower than the values currently presented in the marketing materials. Our website at https://pruhk.co/bonushistory-SHPAR-en explains the bonus history.

Investment philosophy

Investment strategy

We aim to protect the rights and manage the reasonable expectations of all Shareholder-backed Participating policyholders. Our investment objective is to maximise policyholders' returns with an acceptable level of risk. We do this through a broad mix of investments.

The Shareholder-backed Participating Fund invests in various types of assets, such as equity-type securities and fixed-income securities to diversify investment risks. The equity-type securities aim to provide policyholders with the potential for a higher long-term return.

We adopt an actively managed investment strategy, which we adjust in response to changing market conditions. Under normal circumstances, our experts allocate a smaller proportion of higher-risk assets, such as equities, to insurance plans with a higher guarantee and a larger proportion of higher-risk assets to insurance plans with lower guarantees. In doing so, we aim to match the level of risk to the risk profiles of our products. We may utilise derivatives to manage risks or improve returns. We may also make use of securities-lending to enhance returns.

The following paragraphs explain the current investment mix according to our investment strategy. Should there be any material changes in the investment strategy, we will inform you of the changes and explain the reasons behind and their implications.

The investment mix of your plan

The current long-term target asset allocation is as follows:

Asset type	Allocation (%) USD-denominated policies
Fixed-income securities	45%
Equity-type securities	55%

Our guaranteed liabilities to the policyholders are mainly supported by fixed-income securities. The proportion of equity-type securities is also adjusted with reference to market environment. For example, the proportion of equities is generally lower when the interest rate level is low, and higher when interest rates rise (subject to the long-term target equity allocation).

We primarily invest in fixed-income securities rated at least investment-grade. A small portion of high-yield and emerging-market bonds may be included to improve yield and diversification.

For equity-type securities, most of the investments are in stocks listed on major international exchanges.

Our currency strategy is to broadly match the fixed-income securities to the underlying policy denomination, while we allow more flexibility for equity-type securities for diversification. Subject to market availability and opportunity, we may invest fixed-income securities in a currency other than the underlying policy denomination and currency hedging will be used to reduce the currency risk.

We invest globally to achieve diversification benefits and we currently have a higher relative allocation in the US and Asia which will be reviewed regularly.

We invest the amount in the Dividend Lock-in Account mainly in fixed-income securities.

We actively manage and adjust actual exposure in response to changing market conditions and opportunities. Given asset values may vary due to changes in the economic environment and investment performance, the actual allocation may vary from the target allocation above. On a regular basis, we review the investment mix to be in line with our investment objectives and risk appetite. For more information on the investment mix, please refer to https://pruhk.co/investmentmix-en.

Key risks

- **How may our credit risk affect your policy?**
  The guaranteed cash value (if applicable) and insurance benefit of your plan are subject to our credit risk. If we become insolvent, you may lose the value of your policy and its coverage.

- **How may currency exchange rate risk affect your return?**
  Foreign currency exchange rates may fluctuate. As a result, you may incur a substantial loss when you choose to convert your benefits to other currencies. Additionally, the conversion of your benefits to other currencies is subject to currency exchange restrictions applicable at the time when the benefits are paid. You have the sole responsibility to decide if you want to convert your benefits to other currencies.

- **How may long-term target asset allocations affect the value of your plan?**
  You should note that the current long-term target asset allocation of this plan, as disclosed in "The investment mix of your plan" section above, will affect the non-guaranteed Terminal Dividend of your plan. The amount of the non-guaranteed Terminal Dividend is subject to the performance of our investments, which include equity-type securities and fixed-income securities, and may move up or down over time. Returns from equity-type securities are generally more volatile than fixed-income securities, and foreign exchange movements can be large. For this plan, we will allocate a portion of our investments to equity-type securities, and the movement of the amount of the non-guaranteed Terminal Dividend can be large.

- **What are the risks of surrendering your plan or withdrawing money from your plan?**
  The liquidity of an insurance policy is limited. You are strongly advised to reserve adequate liquid assets for emergencies. For any surrender/withdrawal especially at the early stage upon policy inception, you may receive an amount considerably less than the premiums you paid.

- **How may inflation affect the value of your plan?**
  We expect the cost of living to rise in the future because of inflation. That means the insurance you take out today will not have the same buying power in the future (i.e. the benefit payouts might not be able to cover your future needs), even if the plan offers increasing benefit intended to offset inflation.

Important information

Suicide clause

If the life assured commits suicide, whether sane or insane, within 1 year from the effective date of the policy, we will limit the death benefit to a refund of the premium paid without interest. We will deduct any amounts we have already paid and any amounts you owe us under the policy.

After the life assured is changed, if the new life assured commits suicide, whether sane or insane, within 1 year from the effective date of the change of life assured, we will limit the death benefit to a refund of (i) your premium paid without interest less any amounts we have already paid and any amounts you owe us under the policy, or (ii) the surrender value, whichever is higher.

Cancellation right

A customer who has bought the life insurance plans has a right to cancel the policy within the cooling-off period and obtain a refund of any premium(s) and levy(ies) paid less any withdrawals. Provided that no claim has been made, the customer may cancel the policy by giving written notice to us within 21 calendar days immediately following either the day of delivery of (1) the policy or (2) the notice (informing the availability of the policy and expiry date of the cooling-off period) to the customer or his/her nominated representative, whichever is earlier. Such notice must be signed by the customer and received directly by Prudential Hong Kong Limited at 8/F, Prudential Tower, The Gateway, Harbour City, 21 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong within the cooling-off period.

The premium and levy will be refunded in the currency of premium and levy payment at the time of application for this policy. If the currency of premium and levy payment is not the same as the plan currency, the refundable premium and levy amount in plan currency under this policy will be converted to the currency of premium and levy payment at the prevailing currency exchange rate as determined by us in our absolute discretion from time to time upon payment. After the cooling-off period expires, if a customer cancels the policy before the end of benefit term, the actual cash value (if applicable) may be substantially less than the total amount of premiums paid.

Automatic Exchange of Financial Account Information

Over 100 countries and jurisdictions around the world have committed to adopt new rules for automatic exchange of financial account information ("AEOI"). Under the new rules, financial institutions are required to identify account holders who are foreign tax residents and report certain information regarding their investment income and account balance to the local tax authority where the financial institution operates. When countries or jurisdictions start exchanging information on an automatic basis, the relevant local tax authority where the financial account is maintained will then provide this information to the tax authority of the account holder's country of tax residence. This information exchange will be conducted on a regular, annual basis.

Hong Kong has adopted the new rules into its legislation (please see the Inland Revenue (Amendment) (No. 3) Ordinance 2016 (“the Amendment Ordinance”) which came into effect on 30 June 2016). Therefore, the above requirements will be applicable to financial institutions in Hong Kong including Prudential. Under these rules, certain policyholders of Prudential are considered as "account holders". Financial institutions in Hong Kong including Prudential are required to implement due diligence procedures to identify account holders (i.e. policyholders in case where the financial institution is an insurance company) and in the case where the account holder is an entity, its "controlling persons", who are foreign tax residents, and report this information to the Inland Revenue Department ("IRD") if required. The IRD may transfer this information to the country of tax residence of such account holders.

In order to comply with the law, Prudential may require you, the account holder, to:

(1) complete and provide us with a self-certification form with information regarding your tax residence status, your tax identification number in your country or countries of tax residence, your date of birth, and in the case where the policyholder is an entity (for example, a trust or a company), the classification of the entity that holds the policy and information regarding "controlling persons" of such entities;

(2) provide us all required information and documentation for complying with Prudential's due diligence procedures; and

(3) advise us of any change in circumstances which affect your tax residence status and provide us with a suitably updated self-certification form within 30 days of such change in circumstances.

According to the due diligence procedures set out in the Amendment Ordinance, self-certifications are required from account holders for all new accounts. As for pre-existing accounts, if a reporting financial institution has doubts about the tax residence of an account holder, it may require a self-certification from the account holder to verify its tax residence.

Prudential cannot provide you with any tax or legal advice. If you have doubts about your tax residence you should seek professional advice. You should seek independent professional advice on the impact that AEOI may have on you or your policy.

An account holder who knowingly or recklessly provides a statement that is misleading, false or incorrect in a material particular in making a self-certification to a reporting financial institution is liable on conviction to a fine at level 3 (HKD 10,000).

For further information on the implementation of the Common Reporting Standard and AEOI in Hong Kong, please refer to the IRD website: www.ird.gov.hk/eng/tax/dta_aeoi.htm.

Need more details? Get in touch

Please contact your consultant or call our Customer Service Hotline at 2281 1333 for more details.

Notes

Prime Eternity is underwritten by Prudential Hong Kong Limited ("Prudential"). You can always choose to take out this plan as a standalone plan without enrolling with other type(s) of insurance product at the same time, unless such plan is only available as a supplementary benefit which needs to be attached to a basic plan. This brochure does not contain the full terms and conditions of this plan and is for reference only. It does not represent a contract between Prudential and anyone else. You should read carefully the risk disclosures and key exclusions (if any) contained in this brochure. For further details and the full terms and conditions of this plan, please ask Prudential for a sample of the policy document.

Prudential has the right to accept or decline any application based on the information provided by the policyholder and/or life assured in the application.

Please cross your cheque and make it payable to "Prudential Hong Kong Limited".

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