LIFE PROTECTION

PROSPERLIFE INSURANCE PLAN (PL)

Your lifelong shield, your peace of mind



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AIA International Limited
(Incorporated in Bermuda with limited liability)

AIA HEALTHIER, LONGER, BETTER LIVES

WITH WHOLE LIFE COVERAGE AND THOUGHTFUL FEATURES – STAY CONFIDENT IN EVERY STEP

Securing the milestones that matter most for you and your loved ones

Reaching significant life milestones is a thrilling adventure, whether it is buying your first home, welcoming a newborn, or planning for retirement. Having the right support is essential along the way. **ProsperLife Insurance Plan** is a **participating whole life insurance plan** that offers life protection and potential long-term returns, supporting your evolving needs and empowering you to embrace life's adventures with confidence. Secure your future today and safeguard the moments that matter.



"AIA", "AIA Hong Kong", "AIA Macau", "the Company", "We", "our", or "us" herein refers to **AIA International Limited** (Incorporated in Bermuda with limited liability).

Be prepared against the unexpected



Prepare for longevity

Hong Kong has one of the world's **longest** life expectancies[1]. In 2024, the life expectancy at birth for females was **88.4 years** and for males was **82.8 years**[1]



Know your protection needs

The average mortality protection gap in Hong Kong was **HK$1.9 million** per working adult in 2021[2]

Plan Highlights

Whole Life Protection
to safeguard your loved ones

Accidental Death Benefit (ProsperLife) Rider® provides enhanced protection with up to 200% of the sum assured of the basic plan

Enjoy different choices of settlement options under the **Death Benefit Settlement Option** and First-in-market* **Beneficiary Flexi Option**

Potential long-term returns with **guaranteed and non-guaranteed returns**

1. Source: Website of Centre for Health Protection (https://www.chp.gov.hk/en/statistics/data/10/27/111.html) (data collection date: September 2025)
2. Source: Website of Insurance Authority (https://www.ia.org.hk/en/legislative_framework/Conduct_in_Focus_Issue_03_04.html) (data collection date: September 2025)

® Accidental Death Benefit (ProsperLife) Rider is subject to underwriting assessment, and its eligibility depends on the Company's underwriting decision. For details, please refer to "Cover at a glance" in this brochure.

* First-in-market refers to the Beneficiary Flexi Option's specific feature where the policy owner allows the beneficiary to choose to receive the death benefit payment in accordance with the beneficiary's selected settlement option when the beneficiary has attained the Designated Age selected by the policy owner or when the beneficiary is diagnosed with a Specified Illness under Beneficiary Flexi Option. This feature is first-in-market when compared with the savings insurance products and life insurance products provided by Hong Kong major insurance companies, pioneered by AIA in the FlexiAchiever Savings Plan on 8 January 2025.

Be protected at every life stage with whole life protection

In the face of evolving life transitions, **ProsperLife Insurance Plan** provides whole life protection. In the unfortunate event the insured passes away, we will pay the death benefit to your chosen beneficiary(ies), giving them a financial shield when they need it most.



Boosted support during difficult times

Add-on Plans

Accidental Death Benefit (ProsperLife) Rider[@]

In the unfortunate event the insured passes away due to a covered accident on or before the earlier of (i) the end of the 15th policy year and (ii) age 75 of the insured[▲], the Accidental Death Benefit (ProsperLife) Rider[@] provides extra support with accidental death benefit, which is equal to 200% of the sum assured of the basic plan, subject to the limit that no more than US$1,000,000 can be claimed for accidental death benefit with respect to the same insured under all Accidental Death Benefit (ProsperLife) Riders[@]. The Accidental Death Benefit (ProsperLife) Rider[@] is subject to underwriting assessment and exclusions, and its eligibility depends on the Company's underwriting decision.

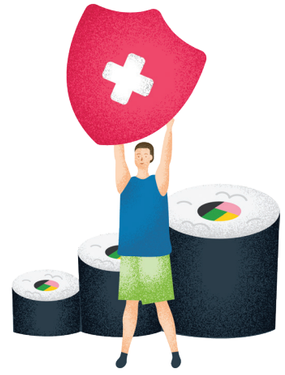
Waiver of Premium Rider (Basic Plan)[+]

To provide support in unfortunate circumstances, we will waive the future premiums for the **ProsperLife Insurance Plan** if the insured becomes totally and permanently disabled before the age of 60. The Waiver of Premium Rider (Basic Plan)[+] is subject to underwriting assessment and exclusions, and its eligibility depends on the Company's underwriting decision.

Other Add-on Plans

In addition, you may also select from a range of optional add-on plans offering accident, medical, critical illness and disability protection if you want more cover. These optional add-on plans require additional premiums. Once the basic plan is paid up, you can renew these optional add-on plans until their expiry by continuing to pay their respective premiums.

Note: Add-on plans are subject to their availabilities, underwriting assessment, exclusions and the Company's approval. All benefits under all add-on plans will be terminated when your **ProsperLife Insurance Plan** terminates.



[@] Accidental Death Benefit (ProsperLife) Rider is subject to underwriting assessment, and its eligibility depends on the Company's underwriting decision. For details, please refer to "Cover at a glance" in this brochure.

[▲] For Accidental Death Benefit (ProsperLife) Rider, "age 75 of the insured" refers to the policy anniversary on or immediately following the insured's 75th birthday.

[+] Waiver of Premium Rider (Basic Plan) is subject to underwriting assessment, and its eligibility depends on the Company's underwriting decision. For details, please refer to "Cover at a glance" in this brochure.

Give your loved ones tailored support with a flexible settlement option

You can customise the Death Benefit Settlement Option to address the unique needs of each beneficiary in receiving the death benefit and accidental death benefit (if applicable). You have the flexibility to decide the amount of each instalment and the payment interval – including monthly, quarterly, semi-annually, or annually – and you may also specify the date of the first or last instalment payment.

If you have selected the Death Benefit Settlement Option, you may also select the Beneficiary Flexi Option. Under the Beneficiary Flexi Option, upon the beneficiary attaining the designated age selected by you ("Designated Age") or being diagnosed with a specified illness, including cancer, stroke, heart attack, terminal illness and kidney failure ("Specified Illness under Beneficiary Flexi Option"), such beneficiary can receive his / her share of the unpaid death benefit and accidental death benefit (if applicable) according to his / her selected settlement option※.

Craft the ideal settlement option

			First-in-market* Beneficiary Flexi Option	
			Before the beneficiary (i) has attained the Designated Age or (ii) is diagnosed with a Specified Illness under Beneficiary Flexi Option※	After the beneficiary (i) has attained the Designated Age or (ii) is diagnosed with a Specified Illness under Beneficiary Flexi Option※
			Payments will be made to the beneficiary according to the policy owner's request made under the Death Benefit Settlement Option	The beneficiary can receive payments according to his / her selected settlement option under the Beneficiary Flexi Option
A lump sum payment				
Fixed amount in regular instalments				
Fixed incremental percentage in regular instalments				
A lump sum payment followed by regular instalments				
Date of first instalment option	First payment at designated date	**Fixed amount in regular instalments** — OR — **Fixed incremental percentage in regular instalments**	**Fixed amount in regular instalments** — OR — **Fixed incremental percentage in regular instalments** — OR — **A lump sum payment followed by regular instalments** — OR — **Date of first instalment option**: First payment with fixed amount instalments / First payment with fixed incremental percentage instalments	**A lump sum payment** — OR — **Fixed amount in regular instalments** — OR — **Fixed incremental percentage in regular instalments** — OR — **A lump sum payment followed by regular instalments**
Date of last instalment option	**Fixed amount in regular instalments** — OR — **Fixed incremental percentage in regular instalments** — OR — **A lump sum payment followed by regular instalments**	Last payment based on the age of the beneficiary as specified by you		

* First-in-market refers to the Beneficiary Flexi Option's specific feature where the policy owner allows the beneficiary to choose to receive the death benefit payment in accordance with the beneficiary's selected settlement option when the beneficiary has attained the Designated Age selected by the policy owner or when the beneficiary is diagnosed with a Specified Illness under Beneficiary Flexi Option. This feature is first-in-market when compared with the savings insurance products and life insurance products provided by Hong Kong major insurance companies, pioneered by AIA in the FlexiAchiever Savings Plan on 8 January 2025.

※ If the insured passes away, the beneficiary may apply to select the settlement option for his / her unpaid share of the death benefit and accidental death benefit (if applicable), provided the beneficiary must be aged 18 or above when he / she applies to select his / her settlement option. The settlement options available for selection by the beneficiary will be subject to the settlement options made available by us under this Beneficiary Flexi Option at the time of the beneficiary's application and our prevailing rules and conditions. If the beneficiary's application is approved, his / her unpaid share of the death benefit and accidental death benefit (if applicable) will only be paid according to his / her selected settlement option when the beneficiary's selected settlement option becomes effective upon (i) the beneficiary has attained the Designated Age or (ii) the beneficiary is diagnosed with a Specified Illness under Beneficiary Flexi Option.

Enjoy potential financial growth that empowers your life goals

ProsperLife Insurance Plan is a **participating whole life insurance plan** with guaranteed and non-guaranteed returns. The plan offers guaranteed cash value, and once the policy has been in force for 3 years, we may provide a non-guaranteed Terminal Dividend if you surrender the policy or the insured passes away. This enables you to prepare for each new stage of life with confidence.

Access your wealth with ease

You may request for partial surrender to access part of the guaranteed cash value and part of the non-guaranteed Terminal Dividend (if any) of your policy in the form of partial surrender benefit, however this will reduce the sum assured of your policy#. Under the Flexi Transfer Arrangement, you may apply to make such partial surrender benefit payments directly to your designated recipient, subject to our prevailing administrative rules which may be amended from time to time. For details on the Flexi Transfer Arrangement, please refer to "Cover at a glance" in this brochure.

Should you wish to fully surrender your policy, you will receive the sum of the guaranteed cash value and non-guaranteed Terminal Dividend (if any) as surrender benefit, and your policy will end upon such surrender. We will deduct all amount you owe us and all outstanding debt (if any) under your policy before we make any payments under your policy.

The subsequent guaranteed cash value, Terminal Dividend (if any) and the total premiums paid for the basic plan (as used in the calculation of the death benefit) will all be reduced based on the reduced sum assured, and that any Terminal Dividend which the Company may declare subsequently will be reduced accordingly. Therefore, partial surrender will reduce the death benefit, the accidental death benefit (if applicable), the surrender benefit and the value as well as the sustainability and potential growth of the value of your policy. The actual partial surrender benefit amount may vary according to the actual non-guaranteed Terminal Dividend (if any).



Example

(The following example is hypothetical and are for illustration purposes and reference only. Actual dividends are not guaranteed and are declared at the Company's sole discretion, and are subject to the terms of the policy.)

SECURE FINANCES FOR YOURSELF AND YOUR LOVED ONES

Jeremy, a senior financial director, who wants to save for a secure future, so he can enjoy a fulfilling retirement life and be well-prepared for unexpected events. Jeremy is also considering the possibility of earlier retirement and would like to plan ahead. Therefore, he purchases **ProsperLife Insurance Plan** to give him peace of mind knowing that his loved ones are taken care of should the worst happen.



Policy owner and insured

Jeremy (age 47, non-smoker)

Beneficiaries

Connie (age 42, Jeremy's wife)
Steven (age 6, Jeremy's son)

Purchased **ProsperLife Insurance Plan** with sum assured of US$50,000

5-year premium payment term, annual premium of US$4,962, total premiums of US$24,808

(All figures of this example are in US$)



Policy year

Policy Issuance — **15** — **37**

Guaranteed cash value[1]: 6,294

Non-guaranteed Terminal Dividend: 20,500

Projected total surrender value[2]: 26,794
1.08 times the total premiums paid

Connie's share of death benefit 84,255 payable in a lump sum

Steven's share of death benefit 84,255 payable in fixed monthly instalments

Projected death benefit payment[4]: 168,510
6.79 times the total premiums paid

Jeremy purchases **ProsperLife Insurance Plan** and allocates the amount of the death benefit equally among the 2 beneficiaries: Connie and Steven.

Jeremy decides to retire earlier.

For Steven, Jeremy selects the **Death Benefit Settlement Option** along with the **Beneficiary Flexi Option** and sets age 26 as the Designated Age under the Beneficiary Flexi Option[3].

If Jeremy passes away, Steven may have his share of any unpaid balance of the death benefit to be paid to him according to his selected settlement option once he attains the Designated Age of 26 under the Beneficiary Flexi Option[3]. Prior to Steven attains the Designated Age of 26, he will receive his share of the death benefit according to the settlement option selected by Jeremy under the Death Benefit Settlement Option.

For Connie, no **Death Benefit Settlement Option** and no **Beneficiary Flexi Option** have been selected.

Jeremy passes away due to illness and the policy is terminated.

Connie receives a lump sum payment for her share of the death benefit to support her immediate needs.

As Steven has attained the Designated Age of 26 under the **Beneficiary Flexi Option**, his share of the death benefit is paid to him according to his selected settlement option, whereby fixed monthly instalments of US$3,000 are paid to Steven until the full amount of his share of the death benefit has been paid to him.

1. The guaranteed cash value is calculated based on the projected sum assured at the end of the relevant policy year. Please note the actual sum assured for the relevant policy year after partial surrender will be less than the projected figures for the relevant policy year.
2. The projected total surrender value illustrated is the sum of the policy's guaranteed cash value plus the non-guaranteed Terminal Dividend (if any) and is based on the current projected surrender value and dividend scales. The projected surrender value and dividend scales are illustrative only, and are neither indicative of future performance nor are they guaranteed. Past performance or current performance of our business should not be interpreted as a guide for future performance. The actual Terminal Dividend payable throughout the duration of the policy may vary from year to year at the Company's sole discretion, which may be greater or less than the previously declared amounts based on a number of factors and may be less or more favourable than those illustrated. The above example assumes that no cash withdrawals and no policy loans are taken throughout the term of the policy, Flexi Transfer Arrangement is not exercised, and that all premiums are paid in full when due. In order to receive the projected total surrender value illustrated, the policy owner must surrender his / her policy at the end of the respective policy year. This policy will be terminated when the total surrender value has been withdrawn entirely.
3. Before you select the Beneficiary Flexi Option for the beneficiary, you must have firstly selected the Death Benefit Settlement Option for the beneficiary. The Death Benefit Settlement Option and the Beneficiary Flexi Option are subject to our approval and our prevailing rules and conditions. Any balance of death benefit and accidental death benefit (if applicable) yet to be paid will accumulate interest at a non-guaranteed rate to be determined by the Company from time to time. For details of the terms and conditions of the Death Benefit Settlement Option and the Beneficiary Flexi Option, please refer to "Cover at a glance" in this brochure.
4. If the insured passes away, we will pay the death benefit to the person(s) whom the policy owner selects in the policy as the beneficiary(ies). The death benefit will be the higher of (i) sum assured of the basic plan and (ii) 101% of the total premiums paid for the basic plan, together with the non-guaranteed Terminal Dividend (if any). We will deduct all amount you owe us and all outstanding debt (if any) under the policy before we make the payment to the beneficiary(ies).

All figures stated in the illustrative example are rounded to the nearest whole integer.

Cover at a glance

Premium Payment Term	5-year	30-year
Insured's Age at Application	15 days - age 75	15 days - age 55
Premium Payment Mode	Annually / Semi-annually / Quarterly / Monthly	
Benefit Term	Whole life	
Policy Currency	US$	
Minimum Sum Assured	US$10,000	

Non-Guaranteed Terminal Dividend

One-off non-guaranteed Terminal Dividend may be provided upon policy surrender or death of the insured after the policy has been in force for 3 years.

Terminal Dividend

- The non-guaranteed Terminal Dividend may be declared to your policy once per policy year starting from the end of the 3rd policy year.
- Non-cumulative, non-guaranteed dividend.
- Amount valid until next declaration.
- Amount in each declaration may be greater or less than the previous declared amount based on a number of factors, including but not limited to investment returns and general market volatility.

Surrender Benefit

The surrender benefit will include the sum of:

- guaranteed cash value; and
- non-guaranteed Terminal Dividend (if any).

We will deduct all amount you owe us and all outstanding debt (if any) under your policy before we make the payment.

Death Benefit

The death benefit will be the higher of:

i. sum assured of the basic plan; and

ii. 101% of the total premiums paid for the basic plan,

together with the non-guaranteed Terminal Dividend (if any).

We will deduct all amount you owe us and all outstanding debt (if any) under your policy before we make the payment to the beneficiary(ies).

Add-on Cover

You may select add-on plan(s) for extra protection, which may require additional premiums.

Add-on plans are subject to their availabilities, underwriting assessment, exclusions and the Company's approval. All benefits under all add-on plans will be terminated when your **ProsperLife Insurance Plan** terminates.

Cover at a glance (continued)

Add-on Cover (continued)

Note: The Accidental Death Benefit (ProsperLife) Rider and Waiver of Premium Rider (Basic Plan) are both subject to underwriting assessment including but not limited to provision of health information, and the eligibility of each rider depends on the Company's underwriting decision. For policy owners who wish to exercise any conversion privilege clause of their existing policies to convert their existing policies to **ProsperLife Insurance Plan**, (i) if no additional health information is provided, the Accidental Death Benefit (ProsperLife) Rider and Waiver of Premium Rider (Basic Plan) will not be available to such **ProsperLife Insurance Plan** policies after conversion; and (ii) if these policy owners wish to apply for the Accidental Death Benefit (ProsperLife) Rider and Waiver of Premium Rider (Basic Plan), application for the riders must be made at the same time when the policy owner requests to exercise the conversion privilege clause, and underwriting assessment including provision of health information will be required.

The Accidental Death Benefit (ProsperLife) Rider and Waiver of Premium Rider (Basic Plan) are subject to underwriting assessment and exclusions, and the eligibility of each rider depends on the Company's underwriting decision. The underwriting decision shall be determined by the Company at its sole discretion.

Please refer to the policy contract of the Accidental Death Benefit (ProsperLife) Rider and the Waiver of Premium Rider (Basic Plan) for the complete list and details of exclusions.

Accidental Death Benefit (ProsperLife) Rider

If the insured passes away due to a covered accident on or before the earlier of (i) the end of the 15th policy year; and (ii) age 75 of the insured▲, we will pay the accidental death benefit which is equal to 200% of the sum assured of the basic plan, subject to the limit that no more than US$1,000,000 can be claimed for accidental death benefit with respect to the same insured under all Accidental Death Benefit (ProsperLife) Riders. If accidental death benefit is covered under more than one of these riders, such limit will be prorated among all of these riders according to the proportion of the sum assured of the basic plan which each of these riders are attached to.

We will deduct all amount you owe us and all outstanding debt (if any) under your policy before we make the payment to the beneficiary(ies).

If accidental death benefit is payable, and if you have selected the Death Benefit Settlement Option and if applicable, the Beneficiary Flexi Option, the selected settlement option(s) under the Death Benefit Settlement Option and the Beneficiary Flexi Option will also apply to the accidental death benefit payable.

Death Benefit Settlement Option

- During the lifetime of the insured, you can select part or all of the death benefit and accidental death benefit (if applicable) to be paid to your beneficiary(ies) at regular intervals during a period specified by you, provided that the total annual payment is equal to at least 2% of the sum of the death benefit and accidental death benefit (if applicable). You can choose the first instalment payment date^ and / or the beneficiary's age to receive the last instalment payment^.
- The remaining amount of the death benefit and accidental death benefit (if applicable) will be left with our Company to accumulate interest at a non-guaranteed interest rate determined by us, until the full amount of the death benefit and accidental death benefit (if applicable) has been paid to the beneficiary(ies).
- The Death Benefit Settlement Option is not available if the sum of the death benefit and accidental death benefit (if applicable) payable under the policy is less than US$50,000.

▲ For Accidental Death Benefit (ProsperLife) Rider, "age 75 of the insured" refers to the policy anniversary on or immediately following the insured's 75th birthday.

^ If the insured passes away after your selected first instalment payment date, the first instalment payment of death benefit and accidental death benefit (if applicable) will be paid immediately after the death claim is approved. If the insured passes away after your specified beneficiary's age to receive the last instalment payment, the death benefit and accidental death benefit (if applicable) will be paid immediately after the death claim is approved in a lump sum.

Cover at a glance (continued)

First-in-market*

Beneficiary Flexi Option

Beneficiary Flexi Option

- Provided you have already selected the Death Benefit Settlement Option, you may also select the Beneficiary Flexi Option during the lifetime of the insured, which will allow the beneficiary to receive his / her share of any unpaid balance of the death benefit and accidental death benefit (if applicable) in accordance with the settlement option selected by such beneficiary, upon the earlier of (a) the beneficiary has attained the Designated Age selected by you; and (b) the beneficiary has attained age 18 and has been diagnosed with a Specified Illness under Beneficiary Flexi Option, subject to our approval and our prevailing rules and conditions.
- The Designated Age selected by you must be 18 years or older.
- "Specified Illness under Beneficiary Flexi Option" means any of the following illnesses: cancer, stroke, heart attack, terminal illness, kidney failure, and any other illnesses which we may determine at our discretion from time to time. We shall assess the beneficiary's request according to our prevailing rules and conditions and the procedures set out in our prescribed forms, and we reserve the right to reject the beneficiary's request if satisfactory medical proof of the beneficiary's Specified Illness under Beneficiary Flexi Option has not been provided to us or has not been accepted by us.

Beneficiary's application to select settlement option

- If the insured passes away, the beneficiary may apply to select the settlement option for his / her unpaid balance of the death benefit and accidental death benefit (if applicable), provided the beneficiary must be at least 18 years old at the time he / she applies to select the settlement option. The beneficiary's selection will be subject to the settlement options made available by us under this option at the time of the beneficiary's application ("Beneficiary's Settlement Option"). The beneficiary can apply to change the Beneficiary's Settlement Option once a year.
- Subject to our prevailing rules and conditions:
  (i) if the beneficiary's share of the unpaid balance of the death benefit and accidental death benefit (if applicable) is at least US$50,000, the settlement options available for selection by the beneficiary include the following: (a) in a lump sum payment; (b) fixed amount in regular instalments; (c) fixed incremental percentage in regular instalments; and (d) a lump sum payment followed by regular instalments;
  (ii) if the beneficiary's share of the unpaid balance of the death benefit and accidental death benefit (if applicable) is less than US$50,000, the settlement options available for selection by the beneficiary include the following: (a) in a lump sum payment; and (b) payment in accordance with your request made under the Death Benefit Settlement Option for such beneficiary until the full amount has been paid.

Payments made according to the Beneficiary's Settlement Option

- The beneficiary will only start to receive his / her unpaid balance of the death benefit and accidental death benefit (if applicable) according to his / her selected Beneficiary's Settlement Option when the Beneficiary's Settlement Option becomes effective upon the beneficiary (i) has attained the Designated Age or (ii) has been diagnosed with a Specified Illness under Beneficiary Flexi Option.
- Before the Beneficiary's Settlement Option becomes effective, we will pay the beneficiary's share of the death benefit and accidental death benefit (if applicable) to him / her according to your request made under the Death Benefit Settlement Option. Once the Beneficiary's Settlement Option becomes effective, we will pay the beneficiary's share of the unpaid balance of the death benefit and accidental death benefit (if applicable) to him / her according to his / her selected Beneficiary's Settlement Option.
- Payments made according to the Beneficiary's Settlement Option are subject to our prevailing rules and conditions, and if the beneficiary's share of the unpaid balance of the death benefit and accidental death benefit (if applicable) is less than US$50,000 when we process the first payment under the Beneficiary Flexi Option, the entire remaining unpaid balance of the death benefit and accidental death benefit (if applicable) will be paid to the beneficiary in a lump sum.
- The remaining amount of the beneficiary's share of the death benefit and accidental death benefit (if applicable) will be left with our Company to accumulate interest at a non-guaranteed interest rate determined by us, until the full amount has been paid to the beneficiary.
- If your beneficiary has not selected any settlement option, or if the Beneficiary's Settlement Option does not become effective for whatever reason, we will continue to pay the beneficiary's share of the unpaid balance of the death benefit and accidental death benefit (if applicable) to him / her according to your request made under the Death Benefit Settlement Option until the full amount has been paid.

* First-in-market refers to the Beneficiary Flexi Option's specific feature where the policy owner allows the beneficiary to choose to receive the death benefit payment in accordance with the beneficiary's selected settlement option when the beneficiary has attained the Designated Age selected by the policy owner or when the beneficiary is diagnosed with a Specified Illness under Beneficiary Flexi Option. This feature is first-in-market when compared with the savings insurance products and life insurance products provided by Hong Kong major insurance companies, pioneered by AIA in the FlexiAchiever Savings Plan on 8 January 2025.

Cover at a glance (continued)

Flexi Transfer Arrangement

From the earlier of (i) the end of the 10th policy year and (ii) the end of the premium payment term of your basic plan, provided there is no outstanding debt under your policy, you can apply to set up instruction to withdraw policy values from your policy on a regular basis during a period as specified by you ("Withdrawal Instruction"), and to designate a payments recipient ("Payments Recipient") to receive such withdrawal payments. Your application is subject to our approval at our sole and absolute discretion, applicable laws and our prevailing rules and conditions.

- Your request to withdraw policy values from your policy for payment to the Payments Recipient (including but not limited to the amount of each withdrawal payment, the frequency of payments and the method of payment) is subject to the choices made available by us under this Flexi Transfer Arrangement and our prevailing rules and conditions at the time of your application. We shall determine the actual dates we pay the withdrawal payments to the Payments Recipient at our sole discretion. We may change the method of payment with prior notification to you.
- The Payments Recipient must meet our eligibility requirements as determined by us from time to time at our sole discretion, and must satisfy our due diligence requirements, the Anti-Money Laundering and Counter-Terrorist Financing Ordinance and any other applicable laws and guidelines.
- You can remove your Withdrawal Instruction at any time in writing using our prescribed form.
- Your Withdrawal Instruction and your designation of the Payments Recipient will both be revoked automatically if (i) we have approved the application for change of ownership of your policy; (ii) we are notified of the death of the policy owner or the insured; (iii) the accumulated values of your policy are insufficient to pay the requested withdrawal payment amount; (iv) withdrawal of policy values under this Flexi Transfer Arrangement will have the effect of reducing the sum assured of your policy below the minimum sum assured we permit at the time of such withdrawal; or (v) your policy has any outstanding debt.
- We shall have the right to suspend and / or revoke your Withdrawal Instruction or to revoke your designation of the Payments Recipient at any time at our sole and absolute discretion.
- We reserve the right to change the administrative rules applicable to the Flexi Transfer Arrangement from time to time.

Exercising the Flexi Transfer Arrangement will reduce the value as well as the sustainability and potential growth of the value of your policy.

Note: Any withdrawal payment(s) paid by us to the Payments Recipient pursuant to the Flexi Transfer Arrangement during the period from the date of the insured's death to the date we approve the death claim, shall be deducted from the death benefit and accidental death benefit (if applicable) payable under your policy.

Policy Loan

- You can borrow up to the guaranteed cash value of the policy.
- Interest on a policy loan will be charged at a rate solely determined by us.

Important Information

This brochure does not contain the full terms and conditions of the policy. It is not, and does not form part of, a contract of insurance and is designed to provide an overview of the key features of this product. The precise terms and conditions of this plan are specified in the policy contract. Please refer to the policy contract for the definitions of capitalised terms, and the exact and complete terms and conditions of cover. In case you want to read policy contract sample before making an application, you can obtain a copy from AIA. This brochure should be read along with the illustrative document (if any) and other relevant marketing materials, which include additional information and important considerations about this product. We would like to remind you to review the relevant product materials provided to you and seek independent professional advice if necessary.

This brochure is for distribution in Hong Kong only.

Dividend Philosophy

This is a participating insurance plan in which we share a portion of the profits earned on it and related participating insurance plans with the policy owners. It is designed to be held long term. The premiums of a participating insurance plan will be invested in a variety of assets according to our investment strategy. The cost of policy benefits (including guaranteed and non-guaranteed benefits as specified in your plan that may be payable on death or surrender, as well as charges we make to support policy guarantees (if applicable)) and expenses will be deducted as appropriate from premiums of the participating insurance plan or from the invested assets. We aim to ensure a fair sharing of profits between policy owners and shareholders, and among different groups of policy owners. For this plan's target profit sharing ratio between policy owners and shareholders, please visit our website at https://www.aia.com.hk/en/our-products/further-product-information/profit-sharing-ratio.html.

Divisible surplus refers to profits available for distribution back to policy owners as determined by us. The divisible surplus that will be shared with policy owners will be based on the profits earned from your plan and similar plans or similar groups of policies (as determined by us from time to time by considering factors such as benefit features, policy currencies and period of policy issuance). Divisible surplus may be shared with the policy owners in the form of terminal dividends as specified in your policy. A very significant proportion of such divisible surplus arising from the experience from your plan and similar plans or similar groups of policies will be shared with policy owners.

We review and determine the dividend amounts payable to policy owners at least once per year. Divisible surplus depends on the investment performance of the assets which we invest in and the amounts of benefits and expenses we need to pay for the plan. It is therefore inherently uncertain. Nevertheless, we aim to deliver relatively stable dividend payments over time through a smoothing process by spreading out the gains and losses over a period of time. The actual dividends declared may be different from those illustrated or projected in any insurance plan information provided (e.g. benefit illustrations) depending on whether the divisible surplus, past experience and / or outlook are different from what we expected. If dividends are different from our last communication, this will be reflected in the policy anniversary statement.

A committee has been set up to provide independent advice on the determination of the dividend amounts to the Board of the Company. The committee is comprised of members from different control functions or departments within the organisation both at the AIA Group level as well as Hong Kong local level, such as office of the Chief Executive of the Company, legal, compliance, finance, investment and risk management. Each member of the committee will endeavour to exercise due care, diligence and skill in the performance of his or her duties as a member. The committee will utilise the knowledge, experience, and perspectives of each individual member to assist the Board in the discharge of its duty to make independent decisions and to manage the risk of conflict of interests, in order to ensure fair treatment between policy owners and shareholders, and among different groups of policy owners. The actual dividends, which are recommended by the Appointed Actuary, will be decided upon the deliberation of the committee and finally approved by the Board of Directors of the Company, including one or more Independent Non-Executive Directors, and with written declaration by the Chairman of the Board, an Independent Non-Executive Director and the Appointed Actuary on the management of fair treatment between policy owners and shareholders.

To determine the dividends of a participating policy, we consider both past experience and the future outlook of all factors including, but not limited to, the following:

Investment returns: include interest earnings, dividends and any changes in the market value of the backing assets, i.e. the assets in which we invest your premiums (after deducting the cost of policy benefits and expenses). Depending on the asset allocation adopted for the insurance plan, investment returns could be affected by fluctuations in interest income (both interest earnings and the outlook for interest rates) and various market risks, including interest rate risk, credit spread and default risk, fluctuations in listed and private equity prices, real estate prices as well as foreign exchange rates if the currency of the backing assets is different from the policy currency, etc.

Claims: include claims for death benefits and any other insured benefits under the insurance plan.

Surrenders: include policy surrenders, partial surrenders and policy lapses; and their corresponding impact on the backing assets.

Expenses: include both expenses directly related to the policy (e.g. commission, underwriting, issue and premium collection expenses) and indirect expenses allocated to the insurance plan (e.g. general administrative costs).

Some participating insurance plans allow the policy owners to place their annual dividends, guaranteed and non-guaranteed cash payments, guaranteed and non-guaranteed incomes, guaranteed and non-guaranteed annuity payments, and / or bonus and terminal dividend lock-in accounts with us, earning interest at a non-guaranteed interest rate. To determine such non-guaranteed interest rate, we consider the returns on the pool of assets in which these amounts are invested with reference to the past experience and future outlook. This pool of assets is segregated from other investments of the Company and may include bonds and other fixed income instruments. You have the right to request for historical accumulation interest rates before committing the purchase.

For dividend philosophy and dividend history, please visit our website at https://www.aia.com.hk/en/dividend-philosophy-history.html.

Investment Philosophy, Objective and Strategy

Our investment philosophy aims to deliver sustainable long-term returns in line with the insurance plan's investment objectives and the Company's business and financial objectives.

Our aforementioned objectives are to achieve the targeted long-term investment results while minimising volatility in investment returns to support the liabilities over time. They also aim to control and diversify risk exposures, maintain adequate liquidity and manage the assets with respect to the liabilities.

Our current long-term target strategy is to allocate assets attributed to this insurance plan as follows:

Asset Class	Target Asset Mix (%)
Bonds and other fixed income instruments	25% - 100%
Growth assets	0% - 75%

The bonds and other fixed income instruments predominantly include government and corporate bonds and are mainly invested in the United States and Asia-Pacific. Growth assets may include listed equity, equity mutual funds, physical real estate, real estate funds, private equity funds and private credit funds, and are mainly invested in the United States, Asia-Pacific and Europe. Growth assets generally have a higher long-term expected return than bonds and fixed income assets but may be more volatile in the short term. The range of target asset mix may be different for different participating insurance plans. Our investment strategy is to actively manage the investment portfolio i.e. adjust the asset mix dynamically over a range that can be wider than the target range in response to the external market conditions and the financial condition of the participating business. For example, there may be a smaller proportion of growth assets when interest rates are low and a larger proportion of growth assets when interest rates are high. When interest rates are low, the proportion of growth assets may be even smaller than the long-term target strategy, so as to allow us to minimise volatility in investment returns and to protect our ability to pay the guaranteed benefits under the insurance plans, whereas the proportion of the growth assets may be even larger than the long-term target strategy when interest rates are high to allow for the possibility that we may share more investment opportunities in growth assets with the policy owners.

Subject to our investment objectives, we may use a material amount of derivatives (such as through pre-investing partly or fully expected future premiums) to manage our investment risk exposure and for matching between assets and liabilities, for example, the effects of changes in interest rates may be moderated while allowing for more flexibility in asset allocation.

Our general currency strategy is to minimise currency mismatches for bonds and other fixed income instruments. For these investments, our current practice is to endeavour to currency-match asset purchases with the currency of the underlying policy (e.g. US Dollar assets will be used to back US Dollar insurance plans). However, subject to market availability and opportunity, bonds or other fixed income instruments may be invested in a currency other than the currency of the underlying policy and currency swaps may be used to minimise the currency risks. Currently assets are mainly invested in US Dollar. Growth assets may be invested in a currency other than the currency of the underlying policy and the selection of the currency is made according to our investment philosophy, investment objectives and mandate.

We will pool similar participating insurance plans for investment to determine the return and we will then allocate the return to specific participating insurance plans with reference to their target asset mix. Actual investments (e.g. geographical mix, currency mix) would depend on market opportunities at the time of purchase, hence may be different from the target asset mix.

The investment strategy is subject to change depending on the market conditions and economic outlook. Should there be any material changes in the investment strategy, we will inform policy owners of the changes, with underlying reasons and expected impact to the dividends.

Key Product Risks

1. You should pay premium(s) on time and according to the selected premium payment schedule. If you stop paying the premium before completion of the premium payment term, provided your policy has cash value, you may elect one of the non-forfeiture options to surrender the policy or convert the policy to a non-participating insurance plan with life protection only. Compared with the original basic plan, such a plan will have less cover and may have a shorter term. All add-on plans attached to the original basic plan will cease upon conversion of the original basic plan to a non-participating insurance plan with life protection only.

   If no non-forfeiture option has been elected, the premium will be covered by a loan taken out on the policy automatically for a maximum period of one policy year as long as the guaranteed cash value of the basic plan is sufficient to cover the premium in default and any outstanding debt. Afterwards, we will use the remaining guaranteed cash value (after deducting the premium in default and any outstanding debt) to convert the basic plan to a non-participating insurance plan with life protection only.

2. The plan may make certain portion of its investment in growth assets. Returns of growth assets are generally more volatile than bonds and other fixed income instruments, you should note the target asset mix of the product as disclosed in this product brochure, which will affect the dividend on the product. The savings component of the plan is subject to risks and possible loss. Should you surrender the policy early, you may receive an amount considerably less than the total amount of premiums paid.

3. You may request for the termination of your policy by notifying us in written notice. Also, we will terminate your policy and you / the insured will lose the cover when one of the following happens:
   - the insured passes away;
   - you do not pay the premium within 31 days of the due date and the policy has no cash value;
   - the end of the benefit term if the basic plan has been continued as a non-participating insurance plan;
   - any benefit is paid or any option or arrangement is exercised under the basic plan or an add-on plan attached to the basic plan that triggers termination of the basic plan; or
   - the outstanding debt exceeds the guaranteed cash value of the policy. Where the premium is covered by a loan taken out on the policy automatically, the outstanding debt (including the loan and interest) exceeds the guaranteed cash value of your policy.

4. We underwrite the plan and you are subject to our credit risk. If we are unable to satisfy the financial obligations of the policy, you may lose your premium paid and benefits.

5. You are subject to exchange rate risks for plans denominated in currencies other than the local currency. Exchange rates fluctuate from time to time. You may suffer a loss of your benefit values and the subsequent premium payments (if any) may be higher than your initial premium payment as a result of exchange rate fluctuations. You should consider the exchange rate risks and decide whether to take such risks.

6. Your current planned benefit may not be sufficient to meet your future needs since the future cost of living may become higher than they are today due to inflation. Where the actual rate of inflation is higher than expected, you may receive less in real terms even if we meet all of our contractual obligations.

Effective from 1 January 2018, all policy owners are required to pay a levy on each premium payment made for both new and in-force Hong Kong policies to the Insurance Authority (IA). For levy details, please visit our website at www.aia.com.hk/useful-information-ia-en or IA's website at www.ia.org.hk.

Key Exclusions to Accidental Death Benefit (ProsperLife) Rider®

Accidental Death Benefit (ProsperLife) Rider® (if applicable) will not cover any conditions that directly or indirectly result from any of the following:

- self-destruction while sane or insane, participation in a fight or affray, being under the influence of alcohol or a non-prescribed drug
- war, service in armed forces in time of war or restoration of public order, riot, industrial action, terrorist activity, violation or attempted violation of the law or resistance to arrest
- racing on wheels or horse, participation in scuba diving
- ptomaines or bacterial infection (except pyogenic infection occurring through an accidental cut or wound)
- air travel, including entering, exiting, operating, servicing or being transported by any aerial device or conveyance (except as a passenger of a commercial passenger airline on a regular scheduled passenger trip over its established passenger route)

The above list is for reference only. Please refer to the policy contract of Accidental Death Benefit (ProsperLife) Rider® for the complete list and details of exclusions.

® Accidental Death Benefit (ProsperLife) Rider is subject to underwriting assessment, and its eligibility depends on the Company's underwriting decision. For details, please refer to "Cover at a glance" in this brochure.

Claim Procedure

If you wish to make a claim, you must send us the appropriate forms and relevant proof. You can get the appropriate claim forms in www.aia.com.hk, from your financial planner, by calling the AIA Customer Hotline (852) 2232 8888 in Hong Kong, or by visiting any AIA Customer Service Centre. For details related to making a claim, please refer to the policy contract. If you wish to know more about claim related matter, you may visit "File A Claim" section under our company website www.aia.com.hk.

Suicide

If the insured commits suicide or committed a self-inflicted act within 1 year from the date on which the policy takes effect, our liability will be limited to the refund of premiums paid (without interest) less all amount you owe us and any outstanding debt.

Incontestability

Except for fraud or non-payment of premiums, we will not contest the validity of this policy after it has been in force during the lifetime of the insured for a continuous period of two years from the date on which the policy takes effect. This provision does not apply to any add-on plan providing accident, hospitalisation or disability benefits.

Cancellation Right

You have the right to cancel and obtain a refund of any premiums and any levy paid by giving written notice to us. Such notice must be signed by you and submitted to the Customer Service Centre of AIA International Limited at 12/F, AIA Tower, 183 Electric Road, North Point, Hong Kong within 21 calendar days immediately following either the day of delivery of the policy or the Cooling-off Notice to you or your nominated representative, whichever is earlier.

Please contact your financial planner or call AIA Customer Hotline for details

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