

Circular No : Mv100/11 **By Fax & Email**

To : Authorized Representatives of Life Insurance Members

cc : Commissioner of Insurance
Chairman, Hong Kong Confederation of Insurance Brokers
Chairman, Professional Insurance Brokers Association
Life Insurance Companies being non-HKFI Members

From : Thomas Lee, Chairman, Life Insurance Council ("LIC")

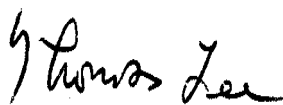
Date : 14 October 2011

Subject : **Pamphlet on "Questions you need to ask before taking out an Investment Linked Assurance Scheme ("ILAS") product"**

During a recent review, LIC has made some amendments (Annex) to the subject pamphlet; the latest version of which is enclosed and can be obtained from the HKFI website:

http://www.hkfi.org.hk/pdf_publications/ILAS_QA.pdf.

Please be reminded that insurance intermediaries have to distribute the pamphlet to potential policyholders at the point of sale of ILAS products.



TL/JW/rl

Encl. (4 pgs incl. this cover)

Amendments to Pamphlet on
"Questions you need to ask before taking out an ILAS product"

What am I buying?

我付出的錢用來買甚麼？

Bullet point 2 –

第二點 –

Part of the premiums are allocated to a policy account, the value of which will be determined by reference to the value of the selected investment options; the remaining part will pay the cost of insurance protection, policy fees and charges.

部份保費撥入保單賬戶，其價值是參照用以認購自行選擇的投資項目的價值而釐定；其餘的保費則會用來購買壽險保障和支付相關費用。

Can I stop or change the amount of premium payment after the policy has been issued?

保單生效後，我可否停止供款，或改變供款金額？

Bullet point 1 –

第一點 –

~~You can stop payment; however, it may attract a penalty unless there is~~ If at any time you cease paying premiums under your plan, charges may continue to be deducted even if the plan has a "Premium Holiday" provision clause.

無論你可以暫何時停止供款，但或須繳付罰款，除非即使你的投資相連壽險計劃設有「寬限保費假期」條款，各項收費可能仍然會繼續從賬戶中扣除。

Bullet point 2 –

第二點 –

Some policies allow increases or decreases of premium payment but this can be subject to certain conditions. For instance, decreases in premiums may attract a penalty fee.

某些計劃容許投保人在某些條件下，增加或減少保費，例如：減少保費或須繳支付費用罰款。

購買投資 相連壽險

問 知多點 點

Questions you need to ask

before taking out
an ILAS product

我付出的錢用來買甚麼？

- 購買附帶中期至長期投資成分的保險產品，一般年期超過五年。
- 部份保費撥入保單賬戶，其價值是參照自行選擇的投資項目的價值而釐定；其餘的保費則會用來購買壽險保障和支付相關費用。

投資回報有保證嗎？

- 投資表現和整體回報是沒有保證的。
- 投資回報取決於所選擇的相關基金表現，例如：債券、股票、及／或貨幣市場基金等。

供款年期有多長呢？

- 「整付保費產品」— 一次性繳付整筆保費。
- 「定期供款產品」— 需在指定的供款年期內定期繳交保費，供款年期可能長達十數年。請務必確定自己願意及有能力在整段供款年期內，定期繳交保費。

保單生效後，我可否停止供款， 或改變供款金額？

- 無論何時停止供款，即使你的投資相連壽險計劃設有「寬限保費假期」條款，各項收費可能仍然會繼續從賬戶中扣除。
- 某些計劃容許投保人在某些條件下，增加或減少保費，例如：減少保費或須支付費用。

有甚麼費用和收費？

常見的費用和收費如下：

保單收費	投資收費	相關基金收費
購買保單的初期費	初期費，即認購費	管理費
提早取消保單的退保費	投資管理費用	表現費
人壽保障費用	更換投資項目的轉換費	託管費及行政費
行政／管理所需的雜費	投資項目的表現費	信託人費
從保單提取資金所需付的提款費	贖回保單資產的贖回費	

- 各保險產品所訂的費用和收費金額和名目不盡相同。
- 務必細閱「主要推銷刊物」及保單條款。

保單到期前，我可以提取資金嗎？

- 須視乎保單條款及條件而定。
- 或須繳付提早提款費，而有關費用會詳列於「主要推銷刊物」及保單條款內。
- 此舉可能令你的投資出現重大虧損。

如果對保單有任何疑問，應該怎辦？

- 直接向你的保險中介人或保險公司查詢。
- 或請登入香港保險業聯會網頁，參看「投保投資相連壽險計劃精明攻略」，

網址：<http://www.hkfi.org.hk/ILAS/index.html>

What am I buying?

- An insurance product with a medium to long-term investment horizon - usually longer than five years.
- Part of the premiums are allocated to a policy account, the value of which will be determined by reference to the value of the selected investment options; the remaining part will pay the cost of insurance protection, policy fees and charges.

Is the return guaranteed?

- Investment performance or overall return is not guaranteed.
- The return will depend on the performance of the chosen underlying funds, e.g. bond, equity, and/or money market funds.

How long is the premium payment period?

- Single premium product - one-off payment.
- Regular premium product - a recurring payment for the contracted period of the policy, which can last several years. Make sure you are willing and able to pay premiums for the entire payment term.

Can I stop or change the amount of premium payment after the policy has been issued?

- If at any time you cease paying premiums under your plan, charges may continue to be deducted even if the plan has a "Premium Holiday" clause.
- Some policies allow increases or decreases of premium payment but this can be subject to certain conditions. For instance, decreases in premiums may attract a fee.

What are the types of fees and charges?

Most common types are:

Policy Level	Investment Level	Underlying Fund Level
Initial Set up Charges	Initial Charges, i.e. Subscription Fees	Management Fees
Early Cancellation i.e. Surrender Charge	Investment Management Fees	Performance Fees
Cost of Life Insurance Protection	Fund Switching Fees	Custody and Administration Fees
Administration/Management Charges	Performance Fees	Trustee Fees
Withdrawal Charges	Fund Redemption Charges	

- Fees and charges vary from product to product.
- It is strongly recommended that you refer to the Principal Brochure and Policy Conditions.

Can I withdraw money from my policy before it matures?

- This depends on terms and conditions of the policy.
- This may attract early withdrawal charges and these will be stated in the Principal Brochure and Policy Conditions.
- This may result in a significant loss to your investment.

What should I do if I have any questions or am unsure about my policy?

- Contact your insurance intermediary or the insurer directly.
- Visit the Hong Kong Federation of Insurers' website on "Smart Tips on Investment Linked Assurance Schemes".
<http://www.hkfi.org.hk/ILAS/index.html>

