

Can I surrender the policy before it matures?

- In view of the long-term nature of the ILAS product, early surrender or withdrawal of the ILAS policy may result in a significant loss of your premium paid. There are surrender / withdrawal charges which may be levied up to 100% of premium paid.

After I have purchased an ILAS product, can I change my mind?

- You have the right to cancel the policy within the cooling off period and obtain a refund of premium paid less any market value adjustment. The cooling off period is 21 days after the delivery of the policy or issue of a notice by the insurer, whichever is the earlier.

What is the proper sales process?

- The sales process involves (i) conducting suitability assessment (i.e. starting with Financial Needs Analysis and Risk Profile Questionnaire before product introduction, followed by the intermediary going through the Important Facts Statement with you at the point-of-sale) and (ii) providing you with product information to ensure ILAS is suitable to you and that you understand the features and risks.
- The intermediary must assist you throughout the process. Point-of-sale audio recording may be conducted in the insurer's premises. Otherwise, the staff of the insurer will conduct a post-sale call to protect your interest.
- Please consult your intermediary if you wish to know more about the remuneration that the intermediary may receive in respect of your ILAS policy.

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>

本小冊子備有中文版本，你可向中介人索取。



Questions you need to ask

before taking out
an ILAS product



HKFi
The Hong Kong
Federation of Insurers
香港保險業聯會

<http://www.hkfi.org.hk>

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Investment involves risks.
 You should not purchase an investment-linked assurance scheme (ILAS) product unless you understand the features, risks and its suitability to your needs.



What am I buying?

- An ILAS is a long-term investment-cum-life insurance product. It is not suitable to you if you have short- or medium-term liquidity needs.
- Most ILAS products have death benefit linked to the performance of the underlying funds of your selected investment options. But some may pay a "sum assured", or a Critical Illness payment, as specified in the application documents irrespective of the performance of the underlying funds.

How will my money be invested?

- The premiums you pay may not be fully allocated to your selected investment options depending on how the policy fees and charges are deducted.
- The value of the ILAS policy will be calculated based on the performance of the underlying funds of your selected investment options.

What are the investment risks?

- The investment options under the ILAS policy can have very different features and risk profiles. Some have high risk of loss of the premium paid.
- You do not have ownership of the underlying assets/funds.

Is the return guaranteed?

- Investment performance or overall return is not guaranteed.
- The return will depend on the performance of the underlying funds, e.g. bond, equity, and/or money market funds of your selected investment options after deduction of applicable fees and charges.

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 premium payment after the policy has been issued?

- There may be a "Premium Holiday" provision to temporarily suspend your regular premium payment but it does not mean that you are only required to make regular premium contributions during the initial period.
- You can stop payment during Premium Holiday; however, it may reduce (or even forfeit) any bonus that you are eligible for and it may attract a penalty.
- During the Premium Holiday, your policy will remain in effect, but fees and charges will remain payable.

What are the types of fees and charges?

- Most common types are:

Policy Level
Initial Set up / Upfront / Premium Charge
Early Cancellation i.e. Surrender Charge
Insurance Charge
Administration/ Management Charge
Withdrawal Charge

Investment Level
Initial Charge, i.e. Subscription Fee
Investment Management Fee
Fund Switching Fee
Performance Fee
Fund Redemption Charge

Underlying Fund
Management Fee
Performance Fee
Custody and Administration Fee
Trustee Fee

Fees and charges vary from product to product and the above list is not exhaustive. There may be front-end charges or back-end charges which impact the premium amount to be invested in your selected investment options. Please ensure that you fully understand the details of any fees and charges disclosed in the product documents.