

# **POLICY PROVISIONS OF JoyAhead Immediate Annuity Plan**

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## 1. DEFINITION

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### 1.1. Interpretation – How should this policy be read and interpreted?

1. In this policy, the words "**you**" and "**owner**" mean the owner named in the Policy Applications until changed according to the provisions of this policy. The expression "**your**" and "**yours**" should be construed accordingly. The owner may or may not be the Insured.
2. "**We**" and the "**Company**" mean AXA China Region Insurance Company (Bermuda) Limited (incorporated in Bermuda with limited liability). The expression "**us**", "**our**" and "**ours**" should be construed accordingly.
3. The meaning of the terms shown in this "Definition" Provision and all other terms defined in this policy shall apply to the relevant defined terms throughout this policy (unless the context otherwise requires).
4. Unless otherwise stated, the provisions of the Basic Plan also apply to the endorsements which are attached to this policy or expressly indicate that they form part of this policy.  
  
If any provisions are applicable to the Basic Plan only, there will be a statement immediately below the heading of such provisions stating that "This provision applies to the Basic Plan only".
5. Where the context permits:
  - (a) singular words used in this policy shall include the plural (vice versa);
  - (b) any references to the male gender shall include the female gender (vice versa);
  - (c) any references to a "person" shall include an individual, body corporate, unincorporated association, partnership, firm, joint venture, trust and its successors and assigns;
  - (d) any references to the word "include" or "including" shall mean include without limitation; and
  - (e) any references to a clause shall mean the relevant clause of these policy provisions.
6. Reference to any statute, enactment, ordinance, order, regulation or other similar instrument shall be construed to include a reference to the statute, enactment, ordinance, order, regulation or instrument as from time to time amended, extended, re-enacted or consolidated.
7. All headings and sub-headings are for ease of reference only and will not affect the construction or interpretation of this policy.
8. The phrase first appearing in the left-hand column of each provision and sub-provision shall be construed as the title of the relevant provision and sub-provision respectively. Such construction shall apply throughout this policy, unless the context specifies otherwise. By way of example only, Clause 1 shall be referred to as the "Definition" Provision and this Clause 1.1 shall be referred to as the "Interpretation" Provision.

**1.2. Defined Terms – What is the meaning of the specifically defined terms below?**

<b>Accident:</b>	This means any sudden, unforeseen, unexpected, external, violent and visible event occurring whilst this policy is in effect.
<b>Accidental Death:</b>	This means loss of life effected independently of all other causes and directly by an Accident of which there is evidence of a visible bruise or wound on the body of the Insured. Death caused by drowning or internal injuries revealed by an autopsy may be included, provided that they are effected independently of all other causes and directly by an Accident.
<b>Accumulation Account:</b>	This means the “Accumulation Account” described in the “Benefit Provision - Accumulation Account” Provision.
<b>Age:</b>	This means the age of the relevant person on his last birthday.
<b>Application Procedures:</b>	This means you must make the relevant application to us in writing (in such form specified by us and manner satisfactory to us) and send it to us at the Company's Office. Such application must be (i) accepted by us; and (ii) in compliance with applicable laws, regulations and regulatory requirements and the administrative rules, underwriting and any other requirements of the Company in effect from time to time. Your application will be subject to our approval at our discretion.
<b>Basic Plan:</b>	This means the Basic Plan as shown in the Policy Specifications.
<b>Beneficiary:</b>	This means a person named in our records to receive the Death Proceeds under this policy at the Insured's death.
<b>Cash Value:</b>	This is the amount of cash value under the Basic Plan at a given time. Further details are set out in the “Cash Value” Provision.
<b>Class:</b>	The Class shown in the Policy Specifications means the risk class determined by the Company.
<b>Company's Office:</b>	It is the Company's customer services office in Hong Kong. We can determine the location of the Company's Office from time to time and provide the address to you upon request.
<b>Death Benefit:</b>	This means the “Death Benefit” which will be paid out under the Basic Plan in accordance with the “Benefit Provision - Death Benefit” Provision.
<b>Death Proceeds:</b>	This means the total amount payable under the Basic Plan if the Insured dies while this policy is in effect.
<b>Dementia Companion Benefit:</b>	This mean the Dementia Companion Benefit which will be paid out under the Basic Plan in accordance with the “Benefit Provision - Dementia Companion Benefit” Provision.
<b>Hong Kong:</b>	This means the Hong Kong Special Administrative Region of the People's Republic of China.
<b>Insured:</b>	This means the Insured named in the Policy Specifications.
<b>Hospital:</b>	This means a hospital which is legally authorised by the relevant government authority and provides facilities for major surgery and must provide twenty-four (24) hours per day in-patient medical and nursing services rendered by registered Medical Practitioners and nurses. A hospital is not primarily a rest home or a place for the aged, disabled, persons with mental disorders, alcoholics or drug addicts or a place for cosmetology, convalescence and/or rehabilitation (which includes, but

not limited to, physiotherapy and occupational therapy). A hospital is also not a clinic for prevention and control of specific diseases.

<b>Macau:</b>	This means the Macau Special Administrative Region of the People's Republic of China.
<b>Medical Practitioner:</b>	This means a person who is duly qualified by a degree in western medicine and is legally authorised by the government of the geographical area of his practice to render medical or surgical services. The term "Medical Practitioner" excludes the Insured, the owner, the assignee (if any), the Beneficiary and their respective business partners and relatives.
<b>Monthly Guaranteed Annuity Payment:</b>	This means the amount shown in the Policy Specifications as the "Monthly Guaranteed Annuity Payment" (as may be adjusted pursuant the provisions of this policy), which is payable monthly in accordance with the "Benefit Provision - Monthly Guaranteed Annuity Payment" Provision.
<b>Notional Amount:</b>	This means the Notional Amount as shown in the Policy Specifications, as may be varied pursuant to the "Misstatement of Age or Sex or Smoking Status" Provision and the "Notional Amount Adjustment" Provision.
<b>Over-payment:</b>	This means the "Over-payment" described in the "Death Benefit" Provision.
<b>Policy Anniversary:</b>	This means, after the Policy Date, the day and month in each year which is the same as the Policy Date.
<b>Policy Applications:</b>	This means applications for the Basic Plan, including any subsequent amendments, declarations and statements made by the owner and/or the Insured.
<b>Policy Currency:</b>	This means the currency in which this policy is denominated. The amounts in the Policy Specifications are shown in such currency.
<b>Policy Date:</b>	This means the Policy Date as shown in the Policy Specifications.
<b>Policy Monthiversary:</b>	This means, after the Policy Date, the day in each month which is the same as the Policy Date, and where there is no such a day in a particular month, it shall be the last day of that month.
<b>Policy Specifications:</b>	This means the policy specifications which are attached to these policy provisions.
<b>Policy Year:</b>	This means the period from a Policy Anniversary (including such date) to the next subsequent Policy Anniversary (excluding such date). The period from the Policy Date (including such date) to the first Policy Anniversary (excluding such date) is deemed to be the first Policy Year.
<b>PRC:</b>	This means the People's Republic of China (excluding Hong Kong, Macau and Taiwan).
<b>Pre-Existing Condition:</b>	This means the "Pre-Existing Condition" described in the "Benefit Provision - Dementia Companion Benefit" Provision.
<b>Prevailing Currency Exchange Rate:</b>	This means the prevailing currency exchange rate as may be determined by the Company in good faith and a commercially reasonable manner at its sole discretion from time to time with reference to prevailing market rate.
<b>Recognised Hospital:</b>	This means any Hospital(s) formally assessed and rated by the Mainland Government Ministry of Health of the PRC as a "third level first class" [三級甲等] Hospital and/or Hospital(s) approved or designated by the Company.

The Company reserves the right to review and reasonably revise the definition of Recognised Hospital in the event that the relevant PRC authority cancels or amends the criteria for rating hospitals and/or where the Company deems necessary.

**Severe Dementias**

This means deterioration or loss of intellectual capacity or abnormal behaviour, as evidenced by the Insured's clinical state and a Mini Mental State Examination score of less than 10 out of 30, arising from Alzheimer's disease or other dementias, which results in significant reduction in the Insured's mental and social functioning such that continuous supervision of the Insured is required. The diagnosis must be clinically confirmed by a Specialist in neurology or geriatrics.

The following conditions are not considered to be Severe Dementias:

- (i) non-organic brain disorders such as neurosis and psychiatric illnesses;
- (ii) drug or alcohol related organic brain disorder.

**Specialist:**

This means a Medical Practitioner who is commonly recognised in the medical profession as a specialist in the medical specialty in respect of the Severe Dementias of the Insured. The term "Specialist" excludes the Insured, the owner, the assignee (if any), the Beneficiary and their respective business partners and relatives.

**Surrender Value:**

This means the "Surrender Value" of the Basic Plan described in the "Surrender Value" Provision.

**Suspended Annuity Payment:**

This means the "Suspended Annuity Payment" described in the "Monthly Guaranteed Annuity Payment" Provision.

**Suspended Dementia Companion Benefit:**

This means the "Suspended Dementia Companion Benefit" described in the "Benefit Provision - Dementia Companion Benefit" Provision.

**Terminal Dividend:**

This means the "Terminal Dividend" described in the "Terminal Dividend" Provision.

**this policy:**

This means "this policy" described in the "General" Provision.

**Waiting Period**

This means the "Waiting Period" described in the "Benefit Provision - Dementia Companion Benefit" Provision.

For the purpose of this policy, where an amount is said to be "payable to the policy" or "paid to the policy", such an amount shall be credited into the policy as its value, and does not mean that it is being paid out to the owner.

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**2. GENERAL PROVISION**

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**2.1. Contract – What does this policy consist of?**

This policy is a legal contract between you and us. This policy takes effect on the Policy Date. The entire contract of this policy consists of the following items:

- (a) these policy provisions;
- (b) the Policy Applications;
- (c) the Policy Specifications; and
- (d) the endorsements which are attached to this policy or are expressly indicated that they form part of this policy.

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Unless we specifically agree in writing (which must be (i) in the form specified by us and (ii) acknowledged and/or approved by our duly authorized representative), any changes to this policy or waiver of our rights and requirements under this policy will not be effective.

We reserve the right to change the provisions of this policy at any time if we consider it necessary to comply with any applicable laws, regulations and regulatory requirements or where there is any misstatement of information by you or the claimant under this policy. We have the right to correct any clerical errors or mistakes in the issue of this policy by notifying you.

No failure or delay in exercising any right under this policy by the Company shall operate as a waiver of any such right by the Company.

Any notices or communications required to be given under this policy may be given by such means specified by us and in such form satisfactory to us, subject to the administrative rules of the Company in effect from time to time.

**2.2. Incontestability – Why is it important for you to provide accurate and complete information to us?**

We rely on the information you gave us in the Policy Applications to decide whether to accept your insurance application. You shall be responsible for giving us complete and accurate information of the owner, the Insured, the Beneficiary, as well as all material facts required to be disclosed in the Policy Applications or in our specific request(s) which may affect our underwriting decision.

If any of the information provided by you is incomplete or inaccurate or you do not comply with any conditions of this policy, we may contest:

- (a) the validity of this policy;
- (b) any benefits under this policy; and/or
- (c) insurability of the Insured;

and may determine that this policy shall be void from inception.

However, except for fraud or non-payment of premiums, and subject to the “Misstatement of Age or Sex or Smoking Status” Provision, after this policy has been continuously in effect during the Insured's lifetime for two (2) years from the Policy Date, we will not contest (a), (b) and (c) above in respect of this policy (excluding the Dementia Companion Benefit).

**2.3. Misstatement of Age or Sex or Smoking Status – What if the age or sex or smoking status of the Insured has been misstated?**

If the age and/or sex and/or smoking status (where relevant for underwriting) of the Insured has been misstated (in the Policy Applications or otherwise), we have the right to (but are not obliged to) re-determine the premiums payable and/or the Notional Amount and/or the amount(s) of benefit(s) under this policy and you shall pay us any additional amounts determined by us to keep this policy in effect. We may also re-calculate the Death Proceeds and other benefits payable under this policy based on the correct age and sex and actual smoking status (where relevant for underwriting) and the premiums paid.

If, at the correct age and sex and smoking status (as applicable), the Insured was not insurable according to the Company's requirements, this policy (including any attached endorsement(s)) will be void from the Policy Date.

If a claim or benefit has been paid in respect of the Insured who was not insurable according to our requirements, you are required to immediately repay to us the amount of that claim or benefit and we shall have the right to deduct the amount of such claim or benefit from any amounts payable to you under this policy. All our rights under this clause shall survive the



termination of this policy and we reserve all our rights to contest in the case of fraud and non-payment of premium.

**2.4. Currency of Policy and Payment – What is the currency of this policy?**

All amounts which are (a) payable by you to us or (b) payable by us to you will be paid in the Policy Currency. The payment of such amounts is subject to the applicable laws, regulations and regulatory requirements and the administrative rules of the Company in force from time to time.

However, we shall have the discretion to accept payment under this policy in another currency, and also have the reasonable discretion to make payments under this policy in another currency.

Conversion between currencies shall be calculated at the Prevailing Currency Exchange Rate. Any rounding difference shall accrue to the Company.

The Policy Currency cannot be changed after this policy has been issued.

**2.5. No Interest – Will you be entitled to any interest on amounts payable under this policy?**

Unless explicitly stated, we will not pay any interest on any benefit payable or refund to be made under this policy, irrespective of when it is payable. If it is explicitly stated under this policy that interest will be payable by us on the relevant amount, the rate of interest will (unless explicitly stated) be declared by us and is not guaranteed. We have the discretion to determine, review and adjust such rate of interest from time to time.

**2.6. Tax Obligations – What are the owner's tax obligations?**

The owner acknowledges that he/she/it is aware that benefits or other payments under this policy may be liable to estate duty or other tax under applicable tax laws and he/she/it is aware that he/she/it should seek the advice of his/her/its legal or tax advisers if he/she/it has any doubts regarding the tax implications in respect of any proceeds under this policy.

**2.7. Governing Law – What is the governing law of this policy and which court has jurisdiction over disputes arising from this policy?**

This policy is governed by and shall be construed in accordance with the laws of Hong Kong and is subject to the non-exclusive jurisdiction of the Hong Kong courts.

**2.8. Severability – What if a court declares that part of this policy is invalid?**

If any provision of this policy is determined by a court of competent jurisdiction to be illegal, invalid or unenforceable, that provision shall not affect the legality, validity or enforceability of any other provision of this policy.

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**3. OWNERSHIP, RIGHTS OF THIRD PARTIES, ASSIGNMENT AND BENEFICIARY PROVISION**

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**3.1. Ownership – What are the rights of the owner of this policy? Can the owner of this policy be changed?**

You are the only person entitled to exercise all policy rights under this policy while the Insured is living without the consent of any revocable Beneficiary.

During the lifetime of the Insured and while this policy is in effect, you may apply to us to change the owner of this policy in accordance with the Application Procedures.

Such change is valid only if your application is satisfactorily accepted and recorded by us in writing during the lifetime of the Insured while this policy is in effect. We will not be responsible for any payment we make or other action we take before we satisfactorily accept and record the change.

**3.2. Rights of Third Parties – Can a non-party to this policy enforce the terms of this policy?**

Any person or entity which is not a party to this policy shall have no rights under the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong) to enforce any terms of this policy.

**3.3. Assignment – Can this policy be assigned as collateral or security?**

You are not allowed to assign this policy as collateral or security.

**3.4. Beneficiary – Can you change the Beneficiary of this policy?**

While this policy is in effect, you may nominate or change the Beneficiary of this policy by sending written notice (in such form and manner satisfactory to us) to us at the Company's Office in accordance with the Application Procedures. Such change is valid only if the notice is satisfactorily accepted and recorded by us in writing during the lifetime of the Insured while this policy is in effect. We will not be responsible for any payment we make or other actions we take before we accept and record the notice.

We will pay the Death Proceeds under this policy to the Beneficiary named in our records in accordance with the provisions of this policy.

For benefits which are payable to the Beneficiary according to the provisions of this policy, if there is more than one Beneficiary, we will pay such benefits to the Beneficiaries in the proportion as specified by you. If you have not specified such proportion or all the proportions do not add up to a figure of 100%, we shall have the discretion to pay such benefits to all the Beneficiaries in equal shares or in such proportion as determined at our reasonable discretion.

We will pay the benefits payable to the Beneficiary in accordance with the provisions of this policy to you or your estate where:

- (a) no Beneficiary is named in our records;
- (b) the Beneficiary dies before the Insured's death; or
- (c) the Beneficiary dies at the same time or within ten (10) days from the Insured's death.

If we produce (a) a receipt for any sum payable under this policy which is signed by the owner or the Beneficiary (or their executor(s) or administrator(s)); or (b) other documentary proof evidencing that payment of any sum payable under this policy was made in accordance with the provisions of this policy, we will be discharged from the obligations to pay such sum. Such receipt and/or documentary proof will be final and conclusive evidence that such sum has been duly received by the person entitled to it and that all claims and demands whatsoever against us in respect of such sum have been fully satisfied.

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#### **4. PREMIUM PROVISION**

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**4.1. Premium – What is the amount of premium?**

The amount of single premium payable for the Basic Plan is set out in the Policy Specifications. It is determined by the Company, with reference to a number of factors including the Notional Amount, the Insured's gender and the Insured's Age at the commencement of this policy.

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#### **5. OTHER PROVISION**

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**5.1. Suicide Exclusion –What will be payable if the Insured commits suicide?**

If the Insured, whether sane or insane, commits suicide within one (1) year from the Policy Date, the Death Proceeds will be limited to a refund of the premiums paid (without interest). The amount of premiums to be refunded will be calculated from the Policy Date.

Any previous withdrawals from this policy (including but not limited to any amount withdrawn from the Accumulation Account), and benefits paid or payable by us under this policy will be deducted from the Death Proceeds.

**5.2. Notice and Proof of Claims – How and when should claims be made under this policy?**

For a claim of Dementia Companion Benefit or Death Benefit:

- (i) We must be notified in writing (in the form specified by us and in such manner satisfactory to us) of the Insured's death or the Insured's first diagnosis of Severe Dementias within thirty (30) days from the date of death or the date of first diagnosis, as the case may be. If we do not receive notification within such timeframe, you or the claimant must show to our satisfaction that notice was submitted to us as soon as practicable, or we will not pay any benefit.
- (ii) We must also receive due proof of the Insured's death or the Insured's first diagnosis of Severe Dementias (in the form specified by us and in such manner satisfactory to us) within ninety (90) days from the date of death of the Insured or the date of first diagnosis, as the case may be. We shall have the right to request you or the claimant to provide, at your or the claimant's expense, further evidence that is acceptable to us and shall have the right to conduct an autopsy, in the case of death, where it is not forbidden by law. If we do not receive due proof within such timeframe, you or the claimant must show to our satisfaction that due proof was submitted to us as soon as practicable, or we will not pay any benefit.
- (iii) In the case of Severe Dementias, when a claim is made under this policy, we may require that the Insured be examined by a Medical Practitioner and/or a Specialist of our choice and we may require the Insured to undergo relevant laboratory and/or other investigations.

**5.3. Requirement for Diagnosis in the PRC – Are there any requirements for diagnosis in the PRC?**

Any diagnosis of Severe Dementias of the Insured in the PRC must be performed at a Recognised Hospital by a Medical Practitioner or a Specialist of our choice as we may require. Due proof that the Insured was first diagnosed as suffering from Severe Dementias must be provided to our satisfaction. Otherwise, we will not pay the Dementia Companion Benefit.

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**6. BENEFIT PROVISION – MONTHLY GUARANTEED ANNUITY PAYMENT**

**6.1. Monthly Guaranteed Annuity Payment– What is this benefit?**

During the lifetime of the Insured and while this policy is in effect, Monthly Guaranteed Annuity Payment will be payable monthly to this policy on each Policy Monthiversary from the first (1<sup>st</sup>) Policy Monthiversary to the date of death of the Insured (including both dates) .

In the event that this policy is issued after the first Policy Monthiversary, any Monthly Guaranteed Annuity Payment(s) that would have been paid on the Policy Monthiversary(ies) prior to policy issuance, will accrue (without interest) and be paid to this policy within a reasonable time after the policy is issued (subject to the administrative rules of the Company), based on the annuity payment option selected by you and in accordance with the "Annuity Payment Options" Provision.

The Company reserves the right to require survival proof of the Insured for each Policy Year. Subject to the administrative rules of the Company in force from time to time, the survival proof requires satisfactory written notice (in the form and manner specified by us) to be submitted to the Company. The duly completed survival proof must be received by the Company within forty-five (45) days of the Company's request. If the Company does not receive the survival proof within the forty-five (45)-days period, the Company reserves the right to suspend all subsequent Monthly Guaranteed Annuity Payments (“**Suspended Annuity Payments**”) unless and until the Company receives, and at its absolute discretion to accept, other satisfactory proof of the survival of the Insured produced at the expenses of the Insured or the owner.

If the Insured dies while payment of Monthly Guaranteed Annuity Payment is being suspended, any Suspended Annuity Payment will be payable as part of Death Proceeds upon receipt of due proof.

**6.2. Annuity Payment Options – What will happen?**

At the time when Monthly Guaranteed Annuity Payment is payable, we will apply the Monthly Guaranteed Annuity Payment based on either of the following annuity payment options selected by you:

(1) Option 1: Cash - If you choose this option, the Monthly Guaranteed Annuity Payment will be paid to the owner in cash.

(2) Option 2: Accumulate - If you choose this option, the Monthly Guaranteed Annuity Payment will be paid to the Accumulation Account maintained under the policy to accumulate for interest. The interest rate shall be determined by the Company from time to time and is not guaranteed. You may withdraw all or any part of the value of the Accumulation Account in accordance with the “Accumulation Account Withdrawal” Provision

If no option has been selected, we will apply the Monthly Guaranteed Annuity Payment under Option 1 (Cash) as the default option for payment of the Monthly Guaranteed Annuity Payment.

Subject to the above, while this policy is in effect, you may request to change the annuity payment option for the Monthly Guaranteed Annuity Payment by sending written notice (in such form and manner satisfactory to us) to us at the Company's Office in accordance with the Application Procedures. You must also follow the administrative rules of the Company in force from time to time. Any change of annuity payment option will take effect from the next Policy Monthiversary.

The Monthly Guaranteed Annuity Payment will cease to be payable upon termination of this policy.

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**7. BENEFIT PROVISION – DEMENTIA COMPANION BENEFIT**

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**7.1. Dementia Companion Benefit – What is this benefit?**

During the lifetime of the Insured and while the coverage of this policy is in effect, if the Insured is first diagnosed as suffering from Severe Dementias before the Policy Anniversary on or immediately following the Insured's eighty (80th) birthday, whichever is earlier, we will pay the Dementia Companion Benefit in accordance with provisions of this policy upon receipt of due proof.

Any diagnosis of Severe Dementias for the purpose of claiming the Dementia Companion Benefit must fulfil the meaning together with the terms and conditions stated in the definition of Severe Dementias.

This benefit can be claimed once only. The benefit payable under the Dementia Companion Benefit will be paid on a monthly basis on Policy

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Monthiversary. The benefit payable each month is equivalent to 100% of the Monthly Guaranteed Annuity Payment as at the time when the relevant Dementia Companion Benefit becomes payable (each a “monthly payment of Dementia Companion Benefit”).

The monthly payment of Dementia Companion Benefit will commence on the next Policy Monthiversary immediately after the date of first diagnosis of Severe Dementias of the Insured. Any monthly payment of Dementia Companion Benefit payable prior to the date of claim approval, will accrue (without interest) and be paid to this policy within a reasonable time after the claim is approved (subject to the administrative rules of the Company).

We will apply the payment option applicable to the Monthly Guaranteed Annuity Payment in accordance with the “Annuity Payment Options” Provision as at the time the relevant Dementia Companion Benefit becomes payable, to the payment of this benefit.

This benefit will cease to be payable upon the earlier occurrence of the following:

- (1) when the one hundred and twentieth (120<sup>th</sup>) monthly payment of Dementia Companion Benefit is made; and
- (2) on the date when this policy terminates.

For the continuous payment of Dementia Companion Benefit under this policy, survival proof of the Insured for each subsequent Policy Years will be required. Subject to the administrative rules of the Company in force from time to time, the survival proof requires satisfactory written notice (in the form and manner specified by us) to be submitted to the Company. The duly completed survival proof must be received by the Company within forty-five (45) days of the Company's request. If the Company does not receive the survival proof within the forty-five (45)-days period, the Company reserves the right to suspend all subsequent Dementia Companion Benefits (“**Suspended Dementia Companion Benefits**”) unless and until the Company receives, and at its absolute discretion to accept, other satisfactory proof of the survival of the Insured produced at the expenses of the Insured or the owner.

If the Insured dies while payment of Dementia Companion Benefit is being suspended, any Suspended Dementia Companion Benefit will be payable as part of Death Proceeds upon receipt of due proof.

**7.2. Pre-Existing Condition and Exclusion – What is not covered under this benefit?**

We will not pay any benefit under the Dementia Companion Benefit in any of the following circumstances:

- (i) for Severe Dementias resulting directly or indirectly from, or caused or contributed by (in whole or in part) any Pre-Existing Conditions of the Insured; or
- (ii) if the Insured (a) experiences symptoms or signs for (even if the Insured has not consulted a Medical Practitioner); or (b) receives treatment, medication or investigation for; or (c) is diagnosed, with Severe Dementias within the Waiting Period.

For the purpose of this provision, “**Waiting Period**” means a period of three (3) years following the Policy Date.

“**Pre-Existing Condition**” shall mean any condition, disability, illness or injury:

- (i) which existed or continued to exist; or

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- (ii) for which the Insured experienced symptoms or signs (even if the Insured has not consulted a Medical Practitioner); or
  - (iii) for which the Insured received or continued to receive treatment, medication or any investigation; or
  - (iv) where diagnostic tests showed the pathological existence; prior to the Policy Date.
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## **8. BENEFIT PROVISION – TERMINAL DIVIDEND AND TERMINAL DIVIDEND LOCK-IN OPTION**

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### **8.1. Terminal Dividend**

This is a participating policy. This policy is entitled to participate in the distribution of distributable surplus generated from the Basic Plan and the basic plan of other relevant policies (as determined by the Company from time to time).

Commencing from the end of the third (3<sup>rd</sup>) Policy Year, we will determine the share of distributable surplus for this policy by reference to the latest Notional Amount and the Lock-in Amount (if any) as described in the “Terminal Dividend Lock-in Option” Provision at least annually. If there is any share of distributable surplus for this policy, we will declare it as a terminal dividend (“**Terminal Dividend**”) starting from the end of the third (3<sup>rd</sup>) Policy Year.

Terminal Dividend is not guaranteed and does not permanently add to the value of this policy. We have the absolute discretion to reduce or increase the Terminal Dividend from time to time.

Terminal Dividend may only be payable starting from the end of the third (3<sup>rd</sup>) Policy Year, when the share of distributable surplus has been determined for this policy and when one of the following events (whichever is the earliest) occurs:

- (i) the Death Benefit becomes payable (subject to the formula of Death Benefit under the “Death Benefit” Provision);
- (ii) this policy is surrendered; or
- (iii) any reduction of the Notional Amount is approved by us in accordance with the “Notional Amount Adjustment” Provision, in which case only the terminal dividend attributable to the reduced portion of the Notional Amount (as determined by us) will be paid.

The amount of the Terminal Dividend payable may vary for the different events above.

### **8.2. Terminal Dividend Lock-in Option**

Within thirty (30) days from each Policy Anniversary starting from the tenth (10<sup>th</sup>) Policy Anniversary (including such date) and while this policy is in effect, you may apply to transfer to the Accumulation Account a certain percentage of the latest value of the Terminal Dividend, subject to the conditions set out in this Clause 8.2. The amount of the Terminal Dividend which you apply for transfer to the Accumulation Account is the “Lock-in Amount”. Only one (1) application can be made within one (1) Policy Year. An application to transfer the Lock-in Amount to the Accumulation Account shall be made in the form specified by the Company and in such manner satisfactory to the Company in accordance with the Application Procedures and the administrative rules of the Company in force from time to time. Your application is subject to the approval of the Company.

The percentage of the latest value of the Terminal Dividend you apply to transfer to the Accumulation Account in a Policy Year pursuant to this Clause 8.2 is the “Exercised Rate”. The Exercised Rate of an application in a Policy Year shall not be less than 10%



(the “Annual Minimum Lock-in Rate”) and shall not be more than 100% (the “Annual Maximum Lock-in Rate”) of the latest value of the Terminal Dividend provided that:

(a) the Annual Minimum Lock-in Rate and the Annual Maximum Lock-in Rate may be changed by the Company at its absolute discretion from time to time; and

(b) the amount you apply to transfer to the Accumulation Account shall not be less than the minimum amount as may be determined by the Company at its discretion from time to time.

The latest value of Terminal Dividend shall be the value of Terminal Dividend as at the date of approval of the application by the Company.

If your application has been approved by the Company, the Lock-in Amount will be transferred to the Accumulation Account as soon as practicable after such approval. As a result of such transfer, the Terminal Dividend as at the relevant Policy Year and any Terminal Dividend which we may declare for subsequent Policy Years shall be reduced accordingly.

An application made under the Terminal Dividend Lock-in Option cannot be withdrawn once it is submitted to us.

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## **9. BENEFIT PROVISION – ACCUMULATION ACCOUNT**

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### **9.1. Accumulation Account Value**

Any Monthly Guaranteed Annuity Payment and Dementia Companion Benefit (if applicable) to which Option 2 (Accumulate) of the “Annuity Payment Options” Provision applies and any Lock-in Amount of Terminal Dividend shall be transferred to the Accumulation Account.

The Company may credit interest on the value of the Accumulation Account at such rate as may be determined by the Company from time to time at its absolute discretion. The value of the Accumulation Account at any time is determined by taking into account: (i) the balance of Monthly Guaranteed Annuity Payment and Dementia Companion Benefit (if applicable) accumulated in the Accumulation Account in accordance with “Annuity Payment Options” Provision and “Dementia Companion Benefit” Provision; (ii) the total of the Lock-in Amount(s) transferred to the Accumulation Account pursuant to “Terminal Dividend Lock-in Option” Provision; (iii) the total amount of withdrawal(s) made pursuant to the “Accumulation Account Withdrawal” Provision; and (iv) any interest credited to the Accumulation Account pursuant to this Clause 9.1.

### **9.2. Accumulation Account Withdrawal**

You may at any time apply to withdraw part or all of the value of the Accumulation Account by lump sum payment subject to the administrative rules of the Company. No withdrawal will be allowed if the amount of withdrawal is less than the minimum amount as may be determined by the Company from time to time.

Starting from the eleventh (11<sup>th</sup>) Policy Year, you may at any time submit a written application in our prescribed form to withdraw part or all of the value of the Accumulation Account and convert the withdrawal to annuity payments independent of the Monthly Guaranteed Annuity Payments under this policy. The application is subject to the administrative rules and approval of the Company. No application will be allowed if the amount of

withdrawal is less than the minimum amount for conversion as may be determined by the Company from time to time.

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## 10. BENEFIT PROVISION – CASH VALUE AND NOTIONAL AMOUNT ADJUSTMENT

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**10.1. Cash Value – What is Cash Value?** This policy carries a Cash Value. The Cash Value as at the end of each Policy Year is set out in the Table of Guaranteed Policy Values in the Policy Specifications. Cash Values between Policy Anniversaries will be calculated to take into account the time elapsed and premiums paid since the last Policy Anniversary. Our determination shall be final and conclusive. We will provide information about the Cash Value at any time upon request.

**10.2. Notional Amount Adjustment– Can you adjust the Notional Amount?** While this policy is in effect, the owner may apply to us to reduce the Notional Amount in accordance with the Application Procedures. Such application for reduction of Notional Amount will be subject to our approval at our discretion. If we approve the reduction, the Cash Value and any Terminal Dividend (subject to the “Benefit Provision – Terminal Dividend and Terminal Dividend Lock-In Option” Provision) that are attributable to the reduced portion of the Notional Amount (as determined by the Company), will then be payable to the owner. After that, the Cash Value, the Terminal Dividend, the benefits payable and the premiums payable (if applicable) under this policy will be adjusted and reduced accordingly.

No reduction will be allowed if:

- (a) the amount of reduction is less than the minimum amount as determined by the Company from time to time; or
- (b) the Notional Amount of this policy after reduction is less than the minimum amount specified by the Company from time to time.

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## 11. BENEFIT PROVISION – DEATH BENEFIT

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**11.1. Death Benefit –What is this benefit?** If the Insured dies while the Basic Plan is in effect, subject to the “Misstatement of Age or Sex or Smoking Status” Provision and the “Suicide Exclusion” Provision, we will pay the Death Benefit in accordance with the provisions of the Basic Plan upon receipt of due proof. The Death Benefit shall be the sum of (1) and (2), as calculated according to the following formula:

- (1) the higher of:
  - (A) an amount equal to (a) – (b) – (c), as at the date of death of the Insured, whereas:
    - (a) = (i) 100% of “Total Premiums Paid” if the death happens: (a) when the Insured’s Age is above eighty (80); or (b) during Policy Year one (1) to three (3) and it is not an Accidental Death;
  - or
  - (ii) 120% of the “Total Premiums Paid” if the death happens when the Insured’s Age is at or below eighty (80) and: (a) it is an Accidental Death occurring



during Policy Year one (1) to three (3); or (b) it occurs after the end of Policy Year three (3).

(b) = total of all "Monthly Guaranteed Annuity Payments paid"

(c) = total of the Lock-in Amount(s) of Terminal Dividend (if any)

AND

(B) the sum of (i) Cash Value and (ii) Terminal Dividend (if any), as at the date of death of the Insured

(2) the value of the Accumulation Account (if any), as at the date of death of the Insured.

For the purpose of determining the Death Benefit under this policy, any Monthly Guaranteed Annuity Payment that have been suspended pursuant to Clause 6.1 will be considered as "Monthly Guaranteed Annuity Payments paid" in item (b) of (1)(A) above.

If you have changed the Notional Amount, "Total Premiums Paid" and "Monthly Guaranteed Annuity Payments paid" applied in the calculation of Death Benefit in (1)(A) above will be adjusted accordingly. These will not be equivalent to the actual amount of total premiums paid under this policy and the actual sum of Monthly Guaranteed Annuity Payment paid to policy respectively. For the purpose of determining the Death Benefit under this policy, "Total Premiums Paid" and "Monthly Guaranteed Annuity Payments paid" mentioned in (1)(A) above are calculated on the basis as if the latest Notional Amount for the Basic Plan immediately before the death of the Insured are applicable to the policy since the Policy Date without any subsequent changes.

Any Monthly Guaranteed Annuity Payment and Dementia Companion Benefit (if applicable) that have been suspended pursuant to Clause 6.1 and Clause 7.1 respectively will be payable as part of Death Proceeds.

For the avoidance of doubt, any Monthly Guaranteed Annuity Payment and Dementia Companion Benefit (if applicable) made by the Company after the death of the Insured ("**Over-payment**") will be recoverable by the Company by way of deduction from the Death Benefit when payable. In any event, the Company shall have the right to recover part or all of the Over-payment from the owner or the estate of the owner, as the case may be. The Company reserves the right to charge interest on the Over-payment at such rate as determined by the Company in good faith and a commercially reasonable manner at its sole discretion. Our right of recovery under this provision shall survive termination of this policy.

We will not be responsible for any payment we make or other action we take before we date and acknowledge any notice of death of the Insured. Any payment by us pursuant to the provisions of this policy shall be a full and valid discharge to us for the same.

**11.2. Death Benefit Settlement Option – What is this option?**

Subject to the prevailing rules of the Company and our approval, you may, during the Insured's lifetime, submit a written request in our prescribed form to elect one (1) of the following options for payment of the Death Proceeds:

Option (1): Lump Sum Payment – The Death Proceeds will be paid in a lump sum.

Option (2): Payment by Instalments – The Death Proceeds will be paid by instalments at such regular intervals over a specified period of time to be agreed by us.

Option (3): Hybrid Payment – A percentage, as specified by you, of the Death Proceeds will be paid in a lump sum and the remaining balance of Death Proceeds will be paid by instalments at such regular intervals over a specified period of time to be agreed by us.

Interest will accrue on the balance of the Death Proceeds which is yet to be paid at an interest rate to be determined by us from time to time at our sole discretion. Any balance of the unpaid Death Proceeds and accrued interest (if any) on such amount at the end of such specified period will be paid in a lump sum. Our obligation to make payment pursuant to this option shall survive termination of this policy until the full amount of the Death Proceeds and accrued interest (if any) are paid.

Subject to applicable laws and regulations and during the period when the Beneficiary/Beneficiaries or the owner (as the case may be) is receiving the regular payments under this "Death Benefit Settlement Option" Provision, upon the death of a Beneficiary or the owner (as the case may be) and the Company being notified of the same, we will pay the estate of the deceased Beneficiary and the other surviving Beneficiary(ies) or the estate of the owner (as the case may be) the remaining balance of the Death Proceeds in a lump sum with interest paid up to the date of receipt of the death proof of the deceased Beneficiary or the owner (as the case may be).

If you have not elected any of the above options, Option (1) will automatically apply.

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**12. NON-FORFEITURE PROVISION**

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**12.1. Surrender Value**

If this policy is in effect and has a Surrender Value, you may surrender this policy to us in exchange for its Surrender Value.

At any relevant time, the Surrender Value is equal to an amount calculated according to the following formula:

(a) + (b) + (c), as at the date the Surrender Value is determined, where:

(a) = Cash Value

(b) = Terminal Dividend (if any)

(c) = value of Accumulation Account (if any)

**12.2. Application for Surrender**

If you wish to surrender this policy, you must apply to us in accordance with the Application Procedures and the administrative rules of the Company in force from time to time and the following must be received by us at the Company's Office:

(a) your valid written application (in the form specified by us); and

(b) the original policy contract for this policy.

Once surrendered, this policy is no longer in effect from the date of approval of your surrender application and we will be discharged from further liability under this policy. Payment of the Surrender Value will be made to the owner. We may postpone payment of the Surrender Value for up to six (6) months. If we postpone payment for more than thirty (30) days, we will pay interest at such rate as we may determine from time to time.

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**13. CROSS-BORDER PROVISION**

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**13.1. Source of Funds; No Money Laundering, No Tax Evasion**

The owner represents, warrants and certifies to the Company that (i) all funds to be invested in this policy, contract or product have been or will be properly declared to relevant tax authorities in the jurisdiction of the owner's tax residence and/or any other jurisdictions as necessary or appropriate in accordance with applicable laws and regulations, and (ii) none of the funds derive, directly or indirectly, from illegal activities or sources and/or tax evasion.

**13.2. Breach of Representations; Company's Right to Rescind and Impose Surrender Charges; Right to Freeze Refund Amount**

The owner acknowledges that in the event of a violation of the foregoing owner representation and warranty, the owner hereby expressly acknowledges and agrees that the Company shall, to the fullest extent permitted by applicable laws and regulations, have the right to (i) terminate this policy, contract or product immediately, (ii) notwithstanding the actual date of termination pursuant to clause (i), impose the maximum surrender and any other charges imposable on the owner under the policy, contract or product as if the policy, contract or product had been surrendered immediately after issuance; (iii) notify relevant governmental authorities and furnish all information deemed necessary or appropriate in the entire discretion of the Company concerning the owner and/or the policy, contract or product; and (iv) if deemed appropriate after consultation with governmental authorities and legal counsel, either (a) refund to the owner premiums and other amounts paid to the Company through the date of such termination less applicable surrender and other charges in accordance with clause (ii) above (the "Refund Amount"), or (b) if requested or required to do so by competent governmental authorities, freeze or pay over to relevant governmental authorities all or a portion of the Refund Amount or take such other actions as competent governmental authorities may request or require.

**13.3. Policy of Cooperating with Tax and Other Governmental Authorities; Consent to Disclose Information to Tax and Other Governmental Authorities**

The AXA Group and the Company have a longstanding policy of cooperating with tax and other governmental authorities to combat money laundering, tax evasion or other illegal activities. In cases where the owner is not a tax resident of the jurisdiction in which this policy is issued (a "Cross-Border Transaction"), the AXA Group may disclose to the pertinent tax and/or other governmental authorities the identity of the owner and certain information concerning this policy or contract and the owner hereby consents and agrees that the Company may, in its discretion, make such disclosure.

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## 14. TERMINATION PROVISION

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### 14.1. Termination – When will this policy terminate?

This policy will automatically terminate upon the earliest occurrence of any one of the following:

- (a) when this policy lapses, or is cancelled or surrendered;
- (b) on the death of the Insured; or
- (c) when the right of policy termination is exercised pursuant to the “Cross-Border” Provision.

Once terminated, this policy shall cease to have any effect provided that (a) Clauses 5.1 and 11 of this policy shall survive the termination and continue to be applicable until the payment of the relevant proceeds or benefits; and (b) those of our rights as stated under Clauses 2.3 and 11.1 of this policy to survive the termination shall survive the termination.

Upon termination under (c) above, if we are not prohibited from or restricted against refunding any amount to you, we shall have the right to deduct from the amount to be refunded to you (if any) any Cash Value and/or Terminal Dividend paid, previous withdrawals from this policy (including but not limited to any amount withdrawn from the Accumulation Account), any other amount paid or payable by us under this policy and any expenses reasonably incurred by us in respect of this policy under the “Cross-Border” Provision.

On termination of this policy, the Basic Plan and endorsement(s) (if any) will also terminate. The termination shall not extinguish or otherwise affect our rights under this policy if the relevant rights are stated to or are intended to survive the termination of this policy. Our decision as to whether the relevant rights shall survive the termination of this policy shall be reasonably determined by us and be final and binding on you and the claimant.

The payment to the Company or acceptance by the Company of any premium under this policy subsequent to the termination of this policy shall not create any liability on the Company except that the Company will refund any such premium.