

Successive policyowner (with Legacy Choice)

Applications will be accepted starting Q3 2024

Your insurance policy is an important asset not only for you but for your family. That's why ensuring its continuity by nominating a loved one as the **successive policyowner**¹ is a key part of your legacy planning. In the event of your passing, the policy will be transferred to the successive policyowner. With **Legacy Choice**^{2,3,4}, you can also arrange for the policy to be transferred at a designated date or a designated age of the successive policyowner by pre-appointing an interim policyowner ('Interim Policyowner'). You will therefore enjoy the peace of mind of knowing that the value, protection, and wealth growth potential of the policy will be passed on to the heir of your choice.

Why is it important?

Without a successive policyowner

In the event of the policyowner's passing, **the policy will become part of his/her estate.**

- ⊗ It may take months to go through the probate process to determine the new policyowner.
- ⊗ The new policyowner may not be the original policyowner's preference.
- ⊗ It may prolong the process of accessing the funds in the policy.

With a successive policyowner



✔ Continuous family protection

You can, for example, nominate your spouse as the successive policyowner. In the event of your passing, the policy will continue, providing financial support and security for the family, whether it is for future education expenses, mortgage payments or any other financial obligations.



✔ Efficient legacy planning

You can, for example, nominate the heir of your choice as the successive policyowner. In the event of your passing, you can ensure the policy's benefits and wealth growth potential will be passed on seamlessly according to your wishes, minimizing the potential disputes and delays in the probate process. By pre-appointing an Interim Policyowner under **Legacy Choice**, you can even nominate a successive policyowner who is under the age of 18.

How does it work?

When the policy is in force and the policyowner is alive⁵

Nominate a successive policyowner^{6,7}

Set up Legacy Choice⁸ (optional)

1. Designate a date⁹ or an age of the successive policyowner (must be age 18 or above) at which you want the policy ownership to be transferred.
2. Appoint a family member¹⁰ of the successive policyowner as the Interim Policyowner⁷.
3. Grant the policy administration right(s)¹¹ to the Interim Policyowner:
 - Specify a maximum percentage of the policy value which Interim Policyowner can withdraw¹² in each policy year; and / or
 - Specify if Interim Policyowner is entitled to any option or benefit related to terminal bonus realization (if applicable).

Upon the passing of the policyowner

With Legacy Choice

Transfer of policy ownership to Interim Policyowner^{13,14,15}

Interim Policyowner becomes the new policyowner with policy administration right(s) granted by policyowner.

Without Legacy Choice

Transfer of policy ownership to successive policyowner^{14,15}

Successive policyowner becomes the new policyowner.

Upon reaching the designated date or designated age of the successive policyowner

Transfer of policy ownership to successive policyowner¹⁵

Interim Policyowner's policy administration right(s) end automatically.

Successive policyowner applies for change of policy ownership and becomes the new policyowner.

The policy remains in force and is passed on.

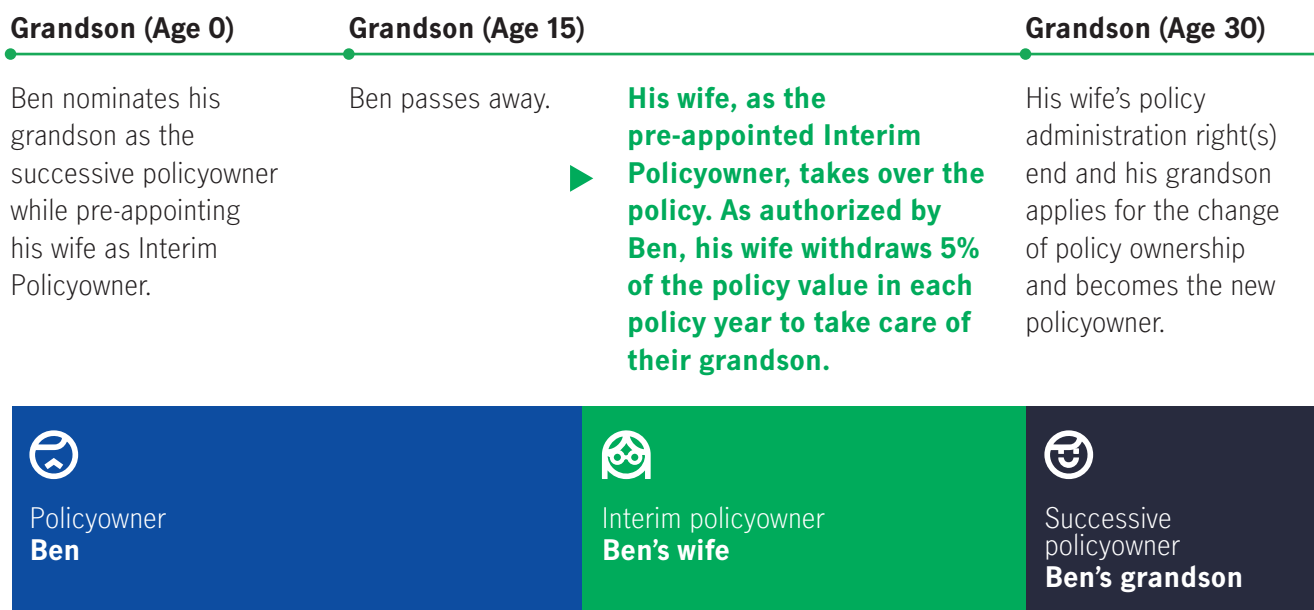


Remark: The above scenarios assume that the policyowner and the life insured are not the same person. If the policyowner is also the life insured, he/she must appoint a contingent life insured¹⁶ so that the life insured under the policy will be changed to the contingent life insured¹⁷ upon the death of life insured (also the policyowner) and the policy shall continue to be in force.

Example

As a first gift for his newborn grandson (Age 0), Ben purchases a savings insurance policy with long term wealth growth potential. He intends to pass on the policy to his grandson eventually, but only when his grandson reaches the age of 30, by which time Ben believes he will be mature enough to manage the asset. He also wants to ensure that the wealth can be passed on to his grandson in the way he wants, no matter the family circumstances.

Ben therefore nominates his grandson (Age 0) as the successive policyowner, specifying that the policy is to be transferred after his passing when his grandson reaches his 30th birthday. As his grandson is currently below the age of 18, he also pre-appoints his wife as Interim Policyowner under **Legacy Choice**, and grants her the right to withdraw up to 10% of the policy value each policy year.



The above scenario assumes that Ben is the life insured, and that he also appoints his grandson as the contingent life insured and beneficiary.

Remarks

1. Nomination of a successive policyowner is an administrative arrangement and not a product feature. **The acceptance of the application for the nomination of a successive policyowner is at our sole and absolute discretion, and subject to terms and conditions which shall be determined and modified by us from time to time without prior notice.**
2. Legacy Choice is only applicable to policies issued in Hong Kong.
3. Legacy Choice is applicable only to designated plans. It is an administrative arrangement and not a feature of the designated plans. To be eligible for exercising Legacy Choice, the total premium payable of the designated plans of your policy(ies) must fulfill a minimum premium requirement of HKD 1,000,000 (or equivalent). **The minimum premium requirement of Legacy Choice is determined by us from time to time at our sole and absolute discretion. The acceptance of any Legacy Choice application is at our sole and absolute discretion, and subject to terms and conditions which shall be determined and modified by us from time to time without prior notice. Please contact your Manulife insurance advisor for more information.**
4. You cannot arrange both Legacy Choice and Incapacity Care Service under the same policy if you choose Option 1 under Incapacity Care Service. For details of Incapacity Care Service, please refer to the relevant leaflet.
5. You can apply for, change or revoke the successive policyowner arrangement and/or Legacy Choice arrangement, provided that you are alive and the policy is in force.
6. The successive policyowner must be your family member, and related to you as parent, spouse, child, sibling, grandparent, grandchild, niece, nephew, aunt, uncle, cousin or any other relationship as approved by us. If you do not set up Legacy Choice, the successive policyowner must also be aged 18 or above. Please contact your Manulife insurance advisor for more information.

7. The Company shall not assume any duty to verify, nor shall it be responsible for the validity or legality of any appointment of successive policyowner / Interim Policyowner. The Company shall not assume or be regarded as having assumed any responsibility or liability in relation to any appointment of successive policyowner / Interim Policyowner.
8. To set up Legacy Choice, the successive policyowner must be either the current life insured (if the policyowner and the life insured are not the same person) or contingent life insured (if the policyowner and the life insured are the same person), as well as the only beneficiary of the policy. The Legacy Choice arrangement will be voided if any changes are made with regard to the policyowner, life insured (except for changing the life insured from the deceased life insured to the contingent life insured) or beneficiary.
9. The actual attained age at which the successive policyowner takes up the policy on the designated date must be 18 or above.
10. The Interim Policyowner must be a family member of the successive policyowner who has reached age 21 or above and related to the successive policyowner as parent, spouse, child, sibling, grandparent, grandchild, niece, nephew, aunt, uncle, cousin or any other relationship as approved by us. Please contact your Manulife insurance advisor for more information.
11. Interim Policyowner is not authorized to exercise any policy administration rights that would (i) result in change in any associated entities of the policy, (ii) set up or change administrative arrangement(s) that is applicable to the policy and (iii) result in change in policy values (except those policy administration right(s) granted by you), including but not limited to executing a policy split (if applicable) and applying for policy loans. Please contact your Manulife insurance advisor for more information.
12. The withdrawal amount will first be paid from any accumulated balance of non-guaranteed benefits, including but not limited to any annual dividends, non-guaranteed income and realized terminal bonus. Any remaining amount will be withdrawn from guaranteed cash value and non-guaranteed terminal bonus in proportion through reduction of notional amount. The total withdrawal amount in each policy year cannot exceed the maximum percentage (specified by you) multiplied by the policy value as at the later of (i) the day we approve the request of Legacy Choice arrangement, or (ii) the respective policy anniversary.
13. If you pass away after the successive policyowner has attained the designated age or after the designated date, the successive policyowner will directly assume ownership of the policy and the Legacy Choice arrangement will be terminated.
14. The Interim Policyowner/ successive policyowner must provide satisfactory evidence of the policyowner's death to the Company when applying for the change of policy ownership and of the Interim Policyowner's / successive policyowner's willingness to take up the role of policyowner.
15. The change of policy ownership to the Interim Policyowner/ successive policyowner is subject to the prevailing administrative rules of the Company.
16. The acceptance of the application for the appointment of the contingent life insured is at our sole and absolute discretion, and subject to terms and conditions which shall be determined and modified by us from time to time without prior notice. There can be no more than one contingent life insured under the policy at any time. If the life insured passes away before the first policy anniversary or within one year from the issue date of the policy, the appointment of the contingent life insured will become invalid with immediate effect, as if such appointment has never been made and proceeds from the death benefit under the policy will be paid to the beneficiary in accordance with policy provisions.
17. The application for changing the life insured to the contingent life insured is subject to the prevailing administrative rules (including but not limited to the maximum age requirement under change of life insured) which shall be determined and modified by us from time to time at our sole and absolute discretion and the acceptance of the application is at our sole and absolute discretion.

In this leaflet, 'you' and 'your' refer to the policyowner. 'Manulife', 'Company', 'we', 'us' and 'our' refer to Manulife (International) Limited (Incorporated in Bermuda with limited liability).

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