

Universal Life

SunRise Universal Life

Crediting Interest Rate Philosophy

Your Growth Account Value and Holding Account Value will earn and accumulate interest at the Growth Account Crediting Interest Rate and Holding Account Crediting Interest Rate respectively. The Crediting Interest Rates can be changed by Sun Life Hong Kong Limited from time to time at our sole discretion, subject to any Crediting Interest Rate lock-in period and/or guaranteed minimum Crediting Interest Rate as stated in the policy document.

Growth Account

The Growth Account Crediting Interest Rate may be affected by, but not limited to, factors such as equity movements in well-developed markets, market outlook, persistency experience; with the investment return of the equity-like investments (including derivatives) supporting the product being the most significant factor.

On the 16th of the month, partial or full value in the Holding Account will be transferred to the Growth Account and a Growth Account Segment will be created with a one-year Segment Term. At the end of the Segment Term (after one year), interest will be credited to the Segment. The experience of the equity-like investments backing the asset portfolio during the Growth Account Segment Term is used to determine the Growth Account Crediting Interest Rate, subject to the Cap Rate and Growth Account Floor.

The Cap Rate can be changed from time to time at our sole discretion and is affected by interest rate environment, market outlook, persistency experience. The decrease of the Cap Rate is limited to 0.5% year on year, subject to the Minimum Cap Rate of 3%, while there is no limit for increase.

The Growth Account Crediting Interest Rate is expected to be close to the investment return of the underlying equity-like investments. Please be reminded that, due to the nature of the underlying equity-like investments, the Growth Account Crediting Interest Rate can be volatile year on year and well below the Cap Rate, but is guaranteed to be 0% at minimum.

Holding Account

The Holding Account aims to provide a stable crediting interest rate, before the net premium being transferred into the Growth Account. The experience of the fixed-income investments backing the asset portfolio, less investment expenses, applicable taxes and our revenue margin, is passed-through to policyholders in the form of the declared Holding Account Crediting Interest Rate.

To avoid undue frequent changes to the Holding Account Crediting Interest Rate, we employ an approach to smooth out favourable and unfavourable experiences over time which reduces short-term volatility to policyholders. As a result, you may enjoy a more stable Holding Account Crediting Interest Rate into your Account Value.

In general, if experience is better than our expectation, then there is room to increase the Holding Account Crediting Interest Rate and the Cap Rate; while if experience is worse than our expectation, the Holding Account Crediting Interest Rate and the Cap Rate may need to be reduced.

The management of universal life business is governed by our internal policies, as well as advice from our Committee for Oversight of Universal Life Crediting Interest Rates. Accepted actuarial principles and practices are applied to achieve fairness between different products and generations of policies to the extent practicable. At least annually, our appointed actuary reports on the Crediting Interest Rate and the Cap Rate to our Board of Directors, which is responsible for Crediting Interest Rate declarations.