

Comprehensive Death Benefit Settlement Options



Choose how your beneficiary receives the Death Benefit

Life is full of uncertainties; our comprehensive Death Benefit Settlement Options¹ allow you to design how your wealth is passed on to each beneficiary according to their needs and life stage with our Flexible Options² or you can pass on your wealth in the form of New Policy under the Continuation Option³.

Option A: Flexible Options

Instead of choosing from preset settlement options, you may design your own payout pattern of Death Benefit for each of the beneficiary, by mix and match of below choices:

Decide to put the whole portion of death benefit into one payout pattern or separate it into two portions for two payout patterns

Full payment



OR

Partial payment⁴



OR



Decide when to payout

Immediate payment



Upon death of the Designated Insured

OR

Deferred payment



upon designated age of beneficiary⁵

OR



upon designated years after the death of the Designated Insured

Remarks:

- 1 Death Benefit Settlement Options are subject to the prescribed conditions set out in the policy provisions and prescribed form, the then current administrative rules, underwriting rules, any other requirements set out in the prescribed forms designated by Sun Life Hong Kong Limited ("Sun Life HK") being fulfilled and the request being approved by Sun Life HK. Policy Owner may change the Death Benefit Settlement Option while the Basic Plan is in effect and the Designated Insured is still alive.
- 2 For more information about your rights and applicable restrictions regarding the Flexible Options, please refer to the prescribed form. To exercise these options, you must meet all conditions outlined in the prescribed form and comply with Sun Life HK's then current administrative rules, underwriting requirements, and such requests are subject to Sun Life HK's approval.
- 3 The nominated beneficiary must be a living individual if the Continuation Option is selected, or if the Death Benefit is set to be paid at a designated age or at designated Life Events, such requests are subject to our approval.
- 4 If part of the Death Benefit will be paid separately, each part of the Death Benefit is at least 5% of the Death Benefit received by each beneficiary. The unpaid balance of the Death Benefit will be accumulated at a non-guaranteed interest rate to be determined by Sun Life HK at our sole discretion from time to time. Any interest accumulated with us will be paid with the last installment.
- 5 The remaining or deferred Death Benefit will be paid to the Beneficiary as a lump-sum payment if:
 - a. the Designated Insured passes away after the Beneficiary has reached the designated age, or
 - b. there is any unpaid balance of Death Benefit after the beneficiary has reached the designated age.

Decide how to payout

In a lump sum



OR

By installments⁶



OR



OR



Monthly installments

Annual installments

Optional Designated Life Events

Payout a designated percentage of Death Benefit in a lump sum upon designated Life Events⁷ happen to the beneficiary, including:



Graduating from university



Getting married



Giving birth or adopting a child



Being diagnosed with a Major Critical Illness (cancer/heart attack/stroke)



Involuntarily unemployed



Divorced



Purchasing a Residential Property



Changing principal location of residence city

Remark:

⁶ To choose payout by installments as the Death Benefit Settlement Option, the total amount of Death Benefit must meet the minimum requirement of USD50,000 / CAD60,000 / GBP35,000 / RMB350,000 / AUD75,000 / HKD400,000 or above for each beneficiary. Additionally, if installments are selected, the annual payout amount must also meet the minimum requirement of USD2,500 / CAD3,000 / GBP1,750 / RMB17,500 / AUD3,750 / HKD20,000 per beneficiary. If either of these conditions is not met, the Death Benefit will be paid as a lump sum to the beneficiary instead.

⁷ Life Events of the beneficiary should happen after the death of the Designated Insured. Upon the beneficiary experiences a Life Event designated by the Policy Owner, a designated percentage of Death Benefit will be paid to the beneficiary in lump-sum payment. The beneficiary shall be entitled to claim the designated Death Benefit payout by completing and submitting the prescribed form. The amount payable to the beneficiary shall be determined according to the designated percentage of Death Benefit and the designated Life Event pre-selected by the Policy Owner, provided that such amount shall not exceed the unpaid balance of the Death Benefit. Sun Life HK reserves the sole and absolute discretion of the approval of any claim for the Death Benefit payout.

Option B: Continuation Option

If Continuation Option is selected as the Death Benefit Settlement Option, upon the death of the Designated Insured, the Original Policy will terminate, and a New Policy⁸ will be formed with the beneficiary as the New Policy Owner (if applicable) and New Insured.

A. Under the following circumstances, the Beneficiary will become the New Insured and the New Policy Owner, provided that the prescribed conditions under the policy provisions are fulfilled:

- the Designated Insured, who is also the Policy Owner, passes away; or
- the Designated Insured is not the Policy Owner, and both the Policy Owner and the Designated Insured pass away at the same time; or
- the Designated Insured is not the Policy Owner, and the Policy Owner passes away within 14 days after the death of the Designated Insured.

Husband
(Original Policy Owner and Designated Insured)



Passes away

Exercise Continuation Option

Wife
(Original beneficiary)



Becomes the New Policy Owner and New Insured of the New Policy

B. In the case that the Designated Insured passes away, and the Policy Owner is still alive, the original Policy Owner will be the New Policy Owner and the beneficiary will be the New Insured, provided that the prescribed conditions under the policy provisions are fulfilled.

Father
(Original Policy Owner)



Mother
(Designated Insured)



Passes away

Exercise Continuation Option

Father



Becomes the New Policy Owner of the New Policy

Daughter
(Original beneficiary)



Becomes the New Insured of the New Policy

Remark:

- The New Policy will take effect from the Continuation Option Effective Date.
- The Policy Date and the policy year of the New Policy will be the same as the Original Policy.
- The Notional Amount, total premiums due and paid, outstanding amount of any loans and interest, and the policy values of the Original Policy, including Guaranteed Cash Value, accumulated Reversionary Bonus (if any), Terminal Bonus (if any) and the amount in the Value Lock-in Account (if any) will be allocated to the New Policy according to the designated percentage to the corresponding beneficiary according to your instructions.
- There is no cooling-off period for the New Policy, and
- For the purpose of counting the applicable period under the Incontestability provision, the relevant period will commence from the Continuation Option Effective Date for the New Insured.

Case study 1

Customize your Beneficiary's payout with Flexible Options



Policy Owner & Insured	Mr. A (age 40) Married with a 10-year-old son
Beneficiary	Mr. A's son
Death Benefit Settlement Option	<ol style="list-style-type: none">1. Death Benefit payout effective immediately with a monthly installment of USD2,000, increasing by 5% each year until the beneficiary reaches age 25.2. Defer the remaining Death Benefit payout as a lump sum when the beneficiary reaches age 25.

What are the objectives of Mr. A?

- Providing financial support to the family
- Covering the education expenses of his son

Mr. A's son



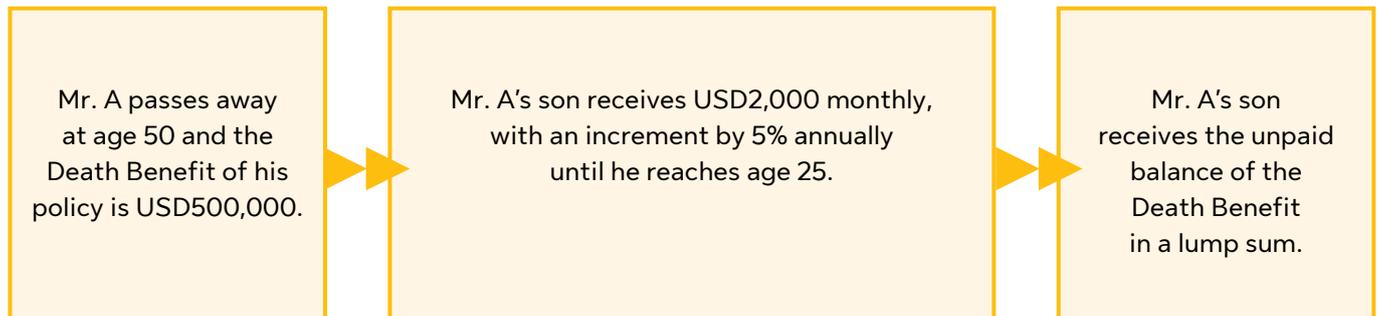
Age 20



+5% annually



Age 25



The above diagram is for illustrative purposes only. All figures shown in the case are rounded to the nearest whole number.

Case study 2

Choose Flexible Options with Life Events payout for your Beneficiary



Policy Owner & Insured	Mr. B (age 75) Widowed, has one 18-year-old grandson
Beneficiary	Mr. B's grandson
Death Benefit Settlement Option	<ol style="list-style-type: none"> 1. Death Benefit payout effective immediately with level installments each year for 30 years 2. Life Events designated for lump-sum payments for his grandson's milestones <ul style="list-style-type: none"> • University Graduation: 10% of Death Benefit • Getting married: 30% of Death Benefit

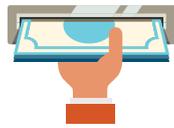
What are the objectives of Mr. B?

- Creating a lasting legacy for his cherished grandson
- Providing financial support and celebrate his grandson's key Life Events

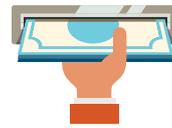
Mr. B's grandson



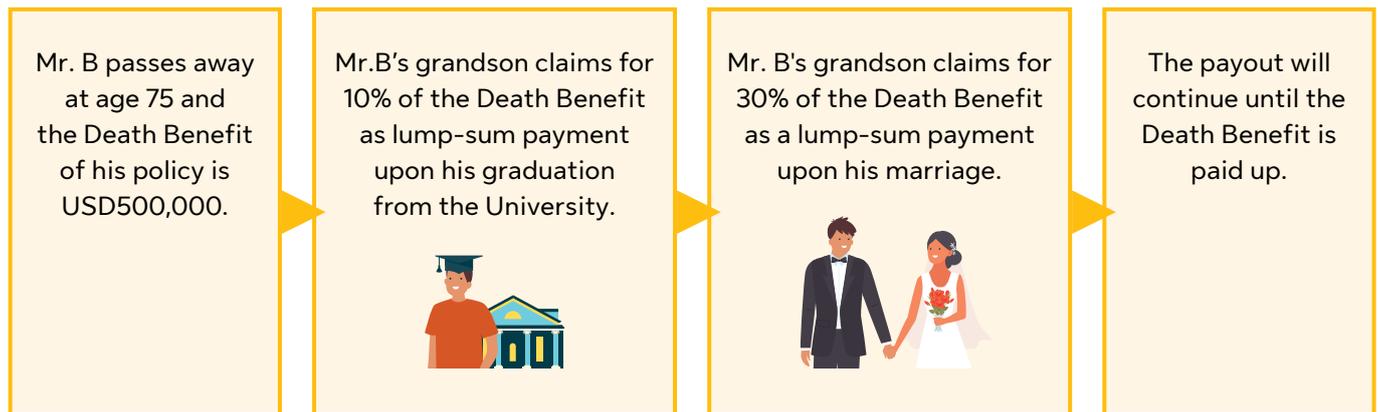
Age 18



Age 22



Age 30



The above diagram is for illustrative purposes only. All figures shown in the case are rounded to the nearest whole number.

Case study 3

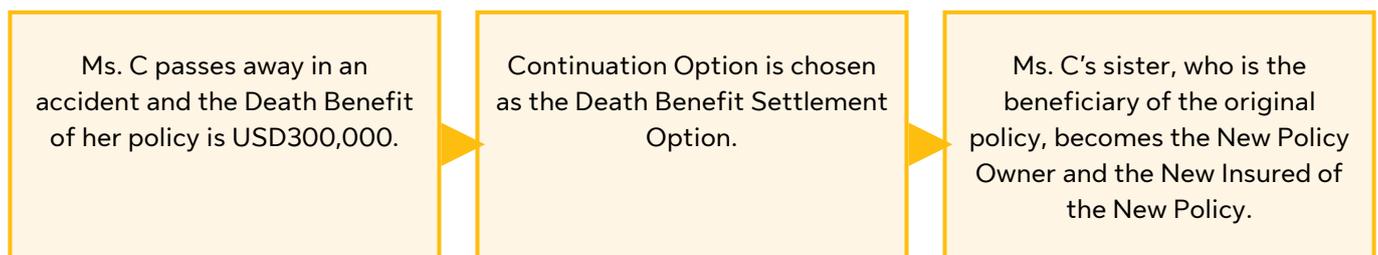
Choose Continuation Option
to safeguard your policy and your loved ones



Policy Owner & Insured	Ms. C, age 50 Single, lives with her sister
Beneficiary	Ms. C's sister
Death Benefit Settlement Option	Continuation Option

What are the objectives of Ms. C?

- Supporting her sister's living expenses
- Plan for leaving an inheritance to her sister



Upon inheriting the policy, the beneficiary becomes both the New Policy Owner and the New Insured. He / she can modify the policy arrangements according to his / her needs. For example, he / she may change the policy currency if they live overseas.

Important notes

- You should choose relevant insurance products according to your own or actual needs. Please consider your own needs and affordability before buying additional insurance products.
- If, and only if, a Policy owner is entitled to exercise the arrangement (i.e. all terms and conditions of the designation of Death Benefit Settlement Option have been complied with), the terms and conditions of the option shall form part of the Policy.
- This leaflet provides general information only and does not constitute any offer to sell any policy. For details of product features and risk disclosures, please refer to the product brochure. For details of the definitions, full terms and conditions, and exclusions, please refer to the sample Policy Document, which will be provided upon request. If there is any conflict between the Policy Document and this leaflet, the Policy Document shall prevail.
- The contents of this leaflet should not be construed as legal advice. If you are in doubt about any matters in this document, you should obtain your own professional advice.

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