

PRUhealth critical illness smartchoice

Financial protection against critical illnesses



Health Insurance

PRUDENTIAL
英國保誠



PRUhealth critical illness smartchoice

PRUhealth critical illness smartchoice protects you against the financial impact of 43 disease conditions, including 40 Major Disease Conditions and 3 Early Stage Major Disease Conditions. With limited years of premium payment, the plan pays a lump sum when you are diagnosed with any one of the diseases we cover – so you can focus on getting better.

Plan highlights



Covers 43 disease conditions – including cancer and pre-cancerous conditions



Flexibility with a choice of premium terms



Maturity benefit to boost retirement reserve



Benefit Protector Option — to combat inflation



Life insurance coverage with optional supplementary benefits

The benefits



Covers 43 disease conditions – including cancer and pre-cancerous conditions

The plan provides the person covered by the policy ("life assured") with coverage for a wide array of 43 disease conditions, including 3 Early Stage Major Disease Conditions – Early Thyroid or Prostate Cancer, Carcinoma-in-situ and Coronary Angioplasty.

When the life assured is diagnosed with any one of Major Disease Conditions we cover, we will pay a lump sum equivalent to the sum assured less any Early Stage Major Disease Benefit claims.

Upon diagnosis of an Early Stage Major Disease Condition, we will pay 20% of sum assured, where benefit payment for each Early Stage Major Disease Condition is subject to a USD 30,000 limit under all of your policies issued by us.

You can also find the full list of covered disease conditions in the "List of disease conditions the plan covers" section below.



Flexibility with a choice of premium terms

The plan offers 3 choices of premium term, namely 10, 15 and 20 years. Limited premium payment terms allow you to pay up all the premiums required when you are working with stable source of income. It is also useful in helping you to plan for a safe and secure retirement.



Maturity benefit to boost retirement reserve

The plan is a Shareholder-backed Participating Plan which offers you a non-guaranteed Maturity Benefit as a retirement reserve. The lump sum is payable upon policy maturity when the life assured reaches age 75 (age next birthday [ANB]), without deducting any Early Stage Major Disease Benefit claims during the policy term.

Please also refer to our brochure on Shareholder-backed Participating Plan available at www.prudential.com.hk/shareholderpar for more information on your Shareholder-backed Participating Plan and the operation of the Shareholder-backed Participating Fund.



Benefit Protector Option – optional benefit to combat inflation

Over time, the value of your cover is reduced by inflation. To help offset this, we offer a Benefit Protector Option. By paying extra premiums, you can automatically increase your protection by 5% of initial sum assured every year, up to 200% of the initial sum assured, without further proof of insurability.



Life insurance coverage with optional supplementary benefits

If the life assured dies before policy maturity, we will pay the sum assured less any Early Stage Major Disease Benefit claims to the beneficiary as a financial support during the most difficult times. You can also add a wide range of supplementary benefits to cover you or your loved ones against medical expenses, accidents, etc., to reflect your individual needs.

You can find more details regarding the above benefits in the "More about **PRU**health critical illness smartchoice".

Benefit schedule

Benefits		PRUhealth critical illness smartchoice	When you make a claim:
Early Stage Major Disease Benefit	Carcinoma-in-situ of Breast, Cervix Uteri, Uterus, Ovary, Fallopian Tube, Vagina or Testicles	20% of sum assured	<ul style="list-style-type: none"> A USD 30,000 per life limit applies to each of these Early Stage Major Disease Conditions under all of your policies issued by us. This benefit can only be claimed once for each disease condition.
	Early Thyroid or Prostate Cancer		
	Coronary Angioplasty		
Major Disease Benefit		100% of sum assured	<ul style="list-style-type: none"> We will deduct the total claimed amount of Early Stage Major Disease Benefit under the plan. We will only pay this benefit once for each policy.
Death Benefit		100% of sum assured	<ul style="list-style-type: none"> We will deduct the total claimed amount of Early Stage Major Disease Benefit under the plan.

At policy maturity (age 75 [ANB]):

We will pay out a non-guaranteed Maturity Benefit (if any) without deducting any Early Stage Major Disease Benefit claims – provided if the plan is still in force on the benefit expiry date.

List of disease conditions the plan covers

Early Stage Major Disease Conditions

Cancer

- | | |
|--|--------------------------------------|
| 1. Carcinoma-in-situ of Breast, Cervix Uteri, Uterus, Ovary, Fallopian Tube, Vagina or Testicles | 2. Early Thyroid or Prostate Cancer* |
|--|--------------------------------------|

Illnesses related to the Heart

1. Coronary Angioplasty

Major Disease Conditions

Cancer

1. Cancer[#]

Illnesses related to the Heart

- | | |
|--|--|
| 1. Cardiomyopathy | 4. Heart Valve and Structural Surgery |
| 2. Coronary Artery Disease Requiring Surgery | 5. Primary Pulmonary Arterial Hypertension |
| 3. Heart Attack | 6. Surgery to the Aorta |

Illnesses related to the Nervous System

- | | |
|-------------------------|--------------------------|
| 1. Alzheimer's Disease | 8. Motor Neurone Disease |
| 2. Bacterial Meningitis | 9. Multiple Sclerosis |
| 3. Benign Brain Tumour | 10. Muscular Dystrophy |
| 4. Brain Surgery | 11. Paralysis |
| 5. Coma | 12. Parkinson's Disease |
| 6. Encephalitis | 13. Poliomyelitis |
| 7. Major Head Trauma | 14. Stroke |

Illnesses related to the Major Organs or Functions

- | | |
|---------------------------|--------------------------------|
| 1. Chronic Liver Disease | 4. Major Organ Transplantation |
| 2. End Stage Lung Disease | 5. Severance of Limbs |
| 3. Kidney Failure | |

Other Illnesses

- | | |
|--|--|
| 1. AIDS due to Blood Transfusion | 8. Loss of Speech |
| 2. Aplastic Anaemia | 9. Major Burns |
| 3. Blindness | 10. Medullary Cystic Disease |
| 4. Deafness | 11. Occupationally Acquired HIV |
| 5. Elephantiasis | 12. Severe Rheumatoid Arthritis |
| 6. Fulminant Viral Hepatitis | 13. Terminal Illness |
| 7. Loss of Independent Existence
(Cover from age 19 - 65 [ANB]) | 14. Total and Permanent Disability
(Cover from age 19 - 65 [ANB]) |

* Early Thyroid or Prostate Cancer refers to the presence of one of the following malignant conditions: (a) thyroid tumour classified as T1N0M0 according to the TNM classification system; or (b) prostate tumour classified as T1a or T1b according to the TNM classification system.

[#] Cancer does not include (a) thyroid tumour classified as T1N0M0 or a lower stage according to the TNM classification system; (b) prostate tumour classified as T1a or T1b or a lower stage according to the TNM classification system; (c) chronic lymphocytic leukaemia less than RAI stage III; (d) skin cancer other than malignant melanoma; (e) tumour in the presence of any HIV; (f) Cervical Intra-epithelial Neoplasia (CIN I, CIN II, or CIN III) or Cervical Squamous Intra-epithelial Lesion; and (g) tumour classified as pre-malignant, non-invasive, or Carcinoma-in-situ, or as having either borderline malignancy or low malignant potential.

Key exclusions

We will not pay any Major Disease Benefit or Early Stage Major Disease Benefit of **PRU**health critical illness smartchoice if:

- (I) the disease condition (including Major Disease Condition or Early Stage Major Disease Condition) existed before the effective date of this plan, or before the effective date of reinstatement, whichever is later; or
- (II) the life assured suffers from any pre-existing condition, or shows any signs or symptoms, which may be the cause or triggering condition of a disease condition before the effective date of this plan, or before the effective date of reinstatement, whichever is later; or
- (III) the life assured is diagnosed by a registered specialist with a disease condition, or has shown signs or symptoms of any illness, disease or physical condition which may be the cause or triggering condition of a disease condition within 90 days from the effective date of this plan or from the effective date of reinstatement, whichever is later. This exclusion does not apply if the disease condition is caused by an accident and the life assured is diagnosed as having the disease condition within 90 days of the accident; or
- (IV) the disease condition is a direct or indirect result of:
 - a. the life assured's attempted suicide or self-inflicted injuries while sane or insane; or
 - b. Acquired Immune Deficiency Syndrome (AIDS), AIDS-related complex or infection by Human Immunodeficiency Virus (HIV) except for AIDS due to Blood Transfusion or Occupationally Acquired HIV; or
 - c. narcotics used by the life assured unless taken as prescribed by a registered doctor, or the life assured's abuse of drugs and/or alcohol.

In addition, we will not pay the Major Disease Benefit for the life assured's Total and Permanent Disability as a direct or indirect result of:

- (i) war, hostilities (whether war is declared or not), rebellion, insurrection, riot, or civil commotion; or
- (ii) travelling or flights in any vehicle or device for aerial navigation other than as a fare-paying passenger on a scheduled public air service.

For more details on exclusions, please refer to relevant policy provisions.

More about PRUhealth critical illness smartchoice

Plan type

Basic plan

Benefit term

Until age 75 (ANB)

Premium term/Issue age/Currency option

Premium term	Issue age (ANB)	Currency option
10 years	19 – 60	USD
15 years	19 – 55	
20 years	19 – 50	

Premium structure

We will determine the premium based on the issue age and risk class of the life assured as well as the premium term selected. We have the right to review and adjust the premium rates for particular risk classes (including but not limited to age, gender and smoking status) on each policy anniversary. The premium will not be adjusted unless we notify you prior to policy anniversary.

Maturity Benefit

- The Maturity Benefit is not guaranteed and is subject to review and adjustment.
- We will not pay the Maturity Benefit if you have made a Death Benefit or Major Disease Benefit claim.

Factors affecting the Maturity Benefit

The Maturity Benefit we pay is not guaranteed and is subject to review and adjustment at our discretion. Factors that may affect it include (but not limited to):

- i. Investment performance factors – your plan's performance will be affected by the return on its underlying investment portfolio. This could be driven by:
 - interest earnings from fixed-income securities and dividend from equity-type investments (if any);
 - capital gains and losses from investment assets;
 - counterparty default risk of fixed-income securities (such as bonds);
 - investment outlook;
 - external market risk factors such as recessions and changes in monetary policies and foreign exchange rates.
- ii. Claims factors – Our historical claims experience on death and/or other covered benefits, and projected future costs of providing death benefit and/or other covered benefits.
- iii. Expense factors – These include direct expenses associated with issuing and maintaining your policy, such as commissions, overrides, underwriting and policy administration expenses. They may also include indirect expenses (such as general overheads) allocated to your policy.
- iv. Persistency factors – Policy persistency and any partial surrenders of a group of policies may impact the Maturity Benefit we pay to the continuing policies.

The actual future amounts of benefits and/or returns may be higher or lower than the values currently presented in the marketing materials. Our website at www.prudential.com.hk/bonushistory_SHPAR_en explains the bonus history.

Benefit Protector Option

- You can only take out the Benefit Protector Option for standard rate policies of **PRU**health critical illness smartchoice with a premium term of 15 or 20 years. It is also subject to our administration guidelines.
- By paying extra premiums, you can automatically increase your protection by 5% of initial sum assured every year, up to 200% of the initial sum assured.
- We will calculate the additional premium you need to pay for increasing your sum assured of **PRU**health critical illness smartchoice based on the age, gender and latest smoking status of the life assured and the remaining premium term.

Termination of this plan

We will terminate this plan when the first of these happens:

- death of the life assured; or
- once the policy is surrendered; or
- if you fail to pay your premium within the grace period of 1 calendar month from its due date; or
- the plan reaches its end of benefit term; or
- the Major Disease Benefit is paid.

Investment philosophy

Investment strategy

Our investment objective is to balance policyholders' returns with an acceptable level of risk. We do this through a broad mix of investments which aims to protect the rights and manage the reasonable expectations of all Shareholder-backed Participating policyholders.

The Shareholder-backed Participating Fund invests in various types of assets, such as equities, government/corporate bonds and cash, to diversify investment risks. This multi-asset approach targets stability over the long term.

We adopt an advanced and actively managed investment strategy, which we adjust in response to changing market conditions. Under normal circumstances, our risk management and investment experts allocate a smaller proportion of higher-risk assets, such as equities, to insurance plans with a higher guarantee, and vice versa. In doing so, we aim to match the level of risk to the risk profiles of our products.

The following paragraphs explain the current investment ranges according to our current investment strategy. If we make any material changes to the investment strategy, we will inform you afterwards and explain the reasons behind them and their implications.

The investment mix of your plan

The current long-term target asset allocation is as follows:

Asset type	Allocation (%) USD-denominated policies
Fixed income instruments	70%
Equity-type security	30%

- **Current long-term target ranges of asset mix for the investment fund underlying PRUhealth critical illness smartchoice, by security type**

We invest in fixed-income type securities to back our guaranteed liabilities to policyholders. Our primary investment objective is to maintain a highly diversified credit profile in the fixed-income portfolio.

- We primarily invest in long-term US Treasury securities and investment-grade corporate bonds. We also include a small portion of high-yield and emerging-market bonds to further improve yield.
- The fixed-income assets will be currency hedged as much as practically possible to currency match the denomination of the underlying policies.

We also invest in equity-type securities which aim to provide policyholders with the potential for greater return. In general, we invest most of the equity-type investments in common stocks.

Because of different product features and risk profiles, the proportion of fixed-income and equity-type securities investment varies for each product.

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- **Current long-term target ranges of currency mix for the investment fund underlying PRUhealth critical illness smartchoice**

Our current practice is to currency-match our fixed income asset purchases with the underlying policy's currency denomination. If fixed income assets are not denominated in the same currency as the underlying policies, we will enter into currency hedges as much as practically possible to offset any impact from currency fluctuations. In contrast, we give more flexibility to equity-type assets where those assets can be invested in other currencies in order to benefit from diversification.

- **Current long-term target ranges of geographic mix for the investment fund underlying PRUhealth critical illness smartchoice**

Our strategy is to invest globally to achieve diversification benefits, though a greater relative allocation of assets to the US is targeted.

We actively manage and adjust actual exposure in response to changing market conditions, opportunities and asset availability on the market. Additionally, we regularly review long-term targets, i.e. equity allocation, asset mix, credit mix, currency mix, and geographical mix, etc., in line with our investment objectives and risk appetite. For more information on the asset mix, credit mix, currency mix, and geographical mix, please refer to the summary tables made available at www.prudential.com.hk/investmentmix_en.

Key risks

How our credit risk may affect your policy?

The guaranteed cash value (if applicable) and insurance benefit of your plan are subject to our credit risk. If we become insolvent, you may lose the value of your policy and its coverage.

How currency exchange rate risk affects your return?

Foreign currency exchange rates may fluctuate. As a result, you may incur a substantial loss when you choose to convert your benefits to other currencies. Additionally, the conversion of your benefits to other currencies is subject to applicable exchange restrictions applicable at the time when the benefits are paid. You have the sole responsibility to decide if you want to convert your benefits to other currencies.

How inflation affects the value of your plan?

We expect the cost of living to rise in the future because of inflation. That means the insurance you take out today will not have the same buying power in the future, even if the plan offers increasing benefit intended to offset inflation.

What happens if you do not pay your premiums?

You should only apply for this product if you intend to pay all of its premiums. If you miss any of your premium payments, we may terminate your policy and you would lose the policy's coverage.

Why may your premiums be adjusted?

We have the right to review and adjust the plan's premium rates for particular risk classes on each policy anniversary, but not for any individual customer.

We may adjust premium rates because of several factors, such as our claims, investment and persistency experience.

Important information

Cancellation right

A customer who has bought the life insurance plans has a right to cancel the policy within the cooling-off period and obtain a refund of any premium(s) paid less any withdrawals. Provided that no claim has been made, the customer may cancel the policy by giving written notice to us within 21 days after: (1) the delivery of the policy or (2) the issuance of a notice (informing the availability of the policy and expiry date of the cooling-off period) to the customer/his/her representative, whichever is earlier. The premium will be refunded in the currency of premium payment at the time of application for this policy. If the currency of premium payment is not the same as the plan currency, the refundable premium amount in plan currency under this policy will be converted to the currency of premium payment at the prevailing currency exchange rate as determined by us in our absolute discretion from time to time upon payment. After the cooling-off period expires, if a customer cancels the policy before the end of benefit term, the actual cash value (if applicable) may be substantially less than the total amount of premiums paid.

Need more details? Get in touch

Please contact your consultant or call our Customer Service Hotline at 2281 1333 for more details.

Notes

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