

# CUSTOMER PROTECTION DECLARATION FORM



## IMPORTANT DOCUMENT! PLEASE STUDY CAREFULLY BEFORE SIGNING!

This is an **IMPORTANT PART** of the Code of Practice for Life Insurance Replacement ("Code") and the Minimum Requirements as specified by the Insurance Authority under the Insurance Companies Ordinance ("Minimum Requirements") but does not form part of the application/proposal. Please refer to the Explanatory Notes before completing this Form.

Name of the Insurer of the New Life Insurance Policy : \_\_\_\_\_

Application/Proposal Number : \_\_\_\_\_

Name of Applicant/Proposer : \_\_\_\_\_

HKID Card/Passport No. of Applicant/Proposer : \_\_\_\_\_

### SECTION A

1. a) **Have you replaced\*** in the past 12 months any or a substantial part of your existing life insurance policy(ies) with the above application/proposal?

Yes (Please go to Section B)  No (Please answer question b below)

b) **Do you intend to replace** in the next 12 months any or a substantial part of your existing life insurance policy(ies) with the above application/proposal?

Yes (Please go to Section B)  No (Please read carefully and sign the Declaration in this Section only)

#### Declaration by the Applicant/Proposer :

**I realize if I answer "No" to both questions above but indeed,**

**i) the above-mentioned application/proposal has replaced any or a substantial part of my existing life insurance policy(ies) in the past 12 months; or**

**ii) my current intention is to replace any or a substantial part of my existing life insurance policy(ies) within the next 12 months by the above-mentioned application/proposal,**

**I may jeopardize my future right of redress if I find later that I have been disadvantaged because of such replacement.**

I hereby authorize the Insurer of the new life insurance policy to give the Insurance Agents Registration Board, the Hong Kong Confederation of Insurance Brokers, the Professional Insurance Brokers Association, the Insurance Authority, the Hong Kong Federation of Insurers, the insurer(s) of the life insurance policy(ies) that is/are being or has/have been replaced (if applicable) or other parties, as required for proper administration/implementation/execution of the Code and the Minimum Requirements, a copy of this Form and any related records or information.

\_\_\_\_\_  
Signature of the Applicant/Proposer

\_\_\_\_\_  
Date ( D / M / Y )

\* Notes: Please refer to clause C of the Explanatory Notes for the definition of "Replacement".

### SECTION B

**Attention: A policyholder would usually suffer losses if he/she chooses to replace his/her existing life insurance policy(ies), especially within the first few years of the policy term. The intent of this Form is to ensure that the Agent/Broker has already explained to you in detail any real and potential disadvantages in replacing your existing life insurance policy(ies). You are advised to study the pamphlet titled "Life Insurance Policy Replacement – What you need to know" issued by the Insurance Authority and provided by the Agent/Broker before you complete this Form.**

The Agent/Broker shall explain to you the full implications of replacing your existing life insurance policy(ies) with the new life insurance policy.

The Agent/Broker **MUST HELP YOU** complete all items below and tick where appropriate.

Please write down the life insurance policy(ies) replaced/to be replaced and complete items 2 to 6 :

Name of insurer(s) : \_\_\_\_\_

Policy Number(s) : \_\_\_\_\_

You are strongly advised :

- a) To consult the insurer(s) of your existing life insurance policy(ies) for further information (**please note that this Form will be copied to the insurer(s) of your existing life insurance policy(ies) you indicate above**);
- b) **NOT** to cancel your existing life insurance policy(ies) until the new life insurance policy is issued; and
- c) To use **additional blank paper(s)** if the space provided in this Form for answer is not enough, but remember to sign and ask the Agent/Broker to sign on the additional paper(s).

**2. Financial implications** of the replacement :

a) You could be paying the policy set-up cost **TWICE** – the set-up cost is usually two years premiums or 10% of single premium of the basic life insurance policy replaced/to be replaced (This is for reference only; the Agent/Broker should advise you of the estimated loss for this replacement).

Estimated Loss HK\$ : \_\_\_\_\_

If no loss or if estimated loss is less than two years premiums or 10% of single premium of the basic life insurance policy replaced/to be replaced, please give reason and justification : \_\_\_\_\_

b) You may have to pay **HIGHER** premiums under the new life insurance policy because you are older.

Will the annualized premiums be **HIGHER** under the new life insurance policy for the same sum insured?

Yes                       No

If no, please give reason : \_\_\_\_\_

c) The projection of future values of the new life insurance policy may be higher than the existing life insurance policy(ies), but the projected values in most cases depend on the performance of the insurers and may **NOT** be guaranteed.

Guaranteed Cash Values on the policy anniversary dates immediately after age 65 (if one of the policies or all policies mature(s) before age 65, please fill in the Guaranteed Cash Values on the policy anniversary dates of each policy in the earliest maturity year) :

On the policy anniversary date of the calendar year of \_\_\_\_\_ ,

Guaranteed Cash Value(s) of the existing life insurance policy(ies) HK\$ : \_\_\_\_\_

On the policy anniversary date of the year indicated above, the Guaranteed Cash Value of the new life insurance policy HK\$ : \_\_\_\_\_

**3. Insurability implications** of the replacement :

Some coverage may be denied or a higher premium may be charged due to changes in :

- a) health conditions;
- b) occupation;
- c) lifestyle/habit, e.g. smoking/drinking; or
- d) recreational activities, e.g. hazardous sports, etc.

Has the Agent/Broker explained to you the implication(s) of changes in each of the conditions listed on the left-hand side in this replacement?

- a)  Yes                       No
- b)  Yes                       No
- c)  Yes                       No
- d)  Yes                       No

**4. Claims eligibility implications** of the replacement :

a) The benefits under a life insurance policy may not be payable if the life insured commits suicide within a certain period of the policy's issue date. Your

a) Period in the "Suicide Clause" expires on : \_\_\_\_\_  
Existing life insurance policy(ies) : \_\_\_\_\_

<p>new life insurance policy may restart the period in the "suicide clause".</p>	<p>( D / M / Y )</p> <p>New life insurance policy :</p> <p>_____</p> <p>Number of months from the new policy's issue date</p>
<p>b) The benefits under a life insurance policy may not be payable if information on the application was incomplete. The benefits under your existing life insurance policy(ies) will be payable, in the absence of fraud, if this incomplete information is not discovered within the "contestability period" (usually two years). Your new life insurance policy may restart the "contestability period".</p>	<p>b) "Contestability period" expires on :</p> <p>Existing life insurance policy(ies) :</p> <p>_____</p> <p>( D / M / Y )</p> <p>New life insurance policy :</p> <p>_____</p> <p>Number of months from the new policy's issue date</p>
<p>c) Where replacement including twisting of life insurance policy has occurred and you opt for reinstatement of your policy by the Non-selling office, the benefits under your existing life insurance policy(ies), once surrendered or lapsed, will <b>NOT</b> be payable for any claims arising thereafter; and the benefits under the new life insurance policy will be payable subject to the terms and conditions of the new life insurance policy.</p>	<p>c) Has the Agent/Broker explained to you the implications of this replacement for claims payment, if any, as indicated on the left-hand side?</p> <p><input type="checkbox"/> Yes                      <input type="checkbox"/> No</p>
<p><b>5. Other considerations :</b></p>	
<p>a) List riders/supplementary benefits you have under the existing life insurance policy(ies) but will not have under the new life insurance policy.</p>	<p>_____</p> <p>_____</p>
<p>b) List reasons why the new life insurance policy is more suitable for your needs and objectives.</p>	<p>_____</p> <p>_____</p>
<p>c) Have you been advised by the Agent/Broker of any alternatives to replacing the existing life insurance policy(ies)?</p>	<p><input type="checkbox"/> Yes                      <input type="checkbox"/> No</p>
<p><b>6. Declaration by the Applicant/Proposer :</b></p>	
<p>I declare that I have read and discussed the relevant item(s) of this Form with the Agent/Broker. I understand and accept the financial and other implications of changing my existing insurance arrangement as explained by the Agent/Broker.</p> <p>I also declare that I have received a copy of the pamphlet titled, "Life Insurance Policy Replacement – What you need to know", issued by the Insurance Authority.</p> <p><b>I realize if I have not fully understood this Form, in signing this Declaration I may jeopardize my future rights of redress if I find later that I have been disadvantaged because of this replacement.</b></p> <p>I hereby authorize the Insurer of the new life insurance policy to give the Insurance Agents Registration Board, the Hong Kong Confederation of Insurance Brokers, the Professional Insurance Brokers Association, the Insurance Authority, the Hong Kong Federation of Insurers, the insurer(s) of the life insurance policy(ies) that is/are being or has/have been replaced or other parties, as required for proper administration/implementation/execution of the Code and the Minimum Requirements, a copy of this Form and any related records or information.</p> <p style="text-align: center;"><b>(Warning :</b></p> <p style="text-align: center;"><b>a. You must read all items carefully and check that the Agent/Broker has completed with you all the information on this Form before you sign your name here.</b></p> <p style="text-align: center;"><b>b. Please do not sign a blank Form or leave any space blank.)</b></p> <p>_____ Signature of the Applicant/Proposer</p> <p>_____ Date ( D / M / Y )</p>	
<p><b>7. Declaration by the Agent/Broker :</b></p>	
<p>I declare that I have explained fully the above listed items and the related implications of the decision of the Applicant/Proposer in regard to replacing the existing life insurance policy(ies), and have not made any inaccurate or misleading statements or comparisons nor withheld any information which may affect the decision of the Applicant/Proposer.</p> <p>_____ Signature of the Agent/Broker</p> <p>_____ Agent/Broker's name in full</p> <p>_____ Insurance Agent/Broker Reg. No.</p> <p>_____ Date ( D / M / Y )</p>	