

UTILIZING THE POWER OF MULTI-PAY

IMPACT OF RISING INTEREST RATE

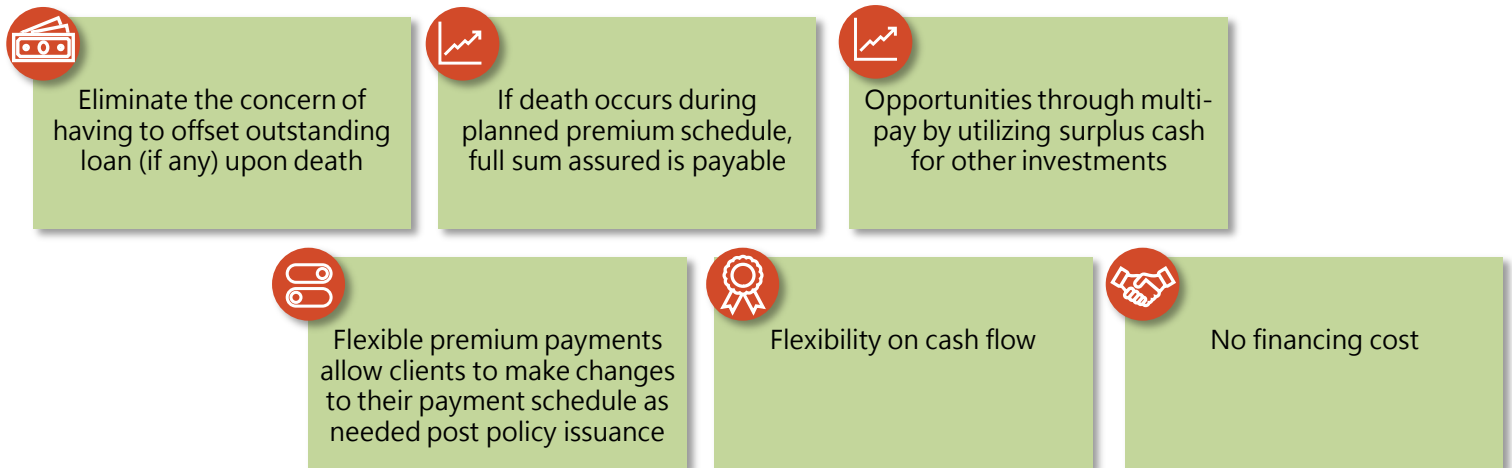
An increase in the interest rate has an immediate impact on the loan, resulting in a higher amount of repayment. Clients who are considering premium financing may encounter the following issues when it comes to rising interest rates:

- Diminishing effect on leveraging
- Concerns on interest rate volatility
- No more 'cheap' money
- Outstanding loan will be deducted from the death benefit payout

WORRY LESS WITH A MORE FLEXIBLE PAYMENT APPROACH

Multi-pay premium approach is an alternative option to pay for an insurance policy over a period of time, rather than paying the full premium upfront. This payment option allows clients to better manage personal or business cash flow and leverage capital to meet other investments or business needs.

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CASE STUDY

Mr Lo would like to optimize his wealth to leave a legacy for his children and to possibly have more accessible funds for other investments. He is considering an indexed universal life insurance product with US\$10M death cover for wealth transfer planning.

However, Mr Lo has concerns about interest rate volatility. He is uncertain about how much loan interest he has to pay, and how he should plan his cash flows to fund it.

Mr Lo's Profile:
 Age 50
 Non-smoker
 Super Preferred
 Death Coverage: US\$10M

	Original Proposal	Alternative Solution
Premium Payment	Single Pay (with premium financing) • Cash Outlay: US\$0.5M • Loan Amount: US\$1M	Multi-pay (without premium financing) • Annual Premium: US\$193,000*
Financing Cost	1.5% p.a. - 5.5% p.a. (subject to changes)	N/A
Upon Death of the Insured	Should death occur during repayment period, the outstanding loan will be net off the death benefit.	Should death occur during the planned premium schedule period, the death benefit payable is still US\$10M.

*The information presented in this deck is not exhaustive. Please refer to the Cover Page (where applicable), Policy Illustrations, Product Summary, Bundled Product Disclosure Document (where applicable) and Policy Contract for the exact terms, conditions and specific details of the relevant insurance products. The information found in this material is for informational purposes only. It should not be used for sales presentations as they do not address your customers' specific and individualised needs, financial circumstances and investment objectives.