

ALWAYS TERM II

DEFINITIONS

Application – means the application for this Policy comprising the application form, all supplementary statements, forms, declarations, questionnaires and replies, medical evidence and all personal health statements signed by you and accepted by us for this Policy.

Accident – means an unforeseen, unexpected, violent, and involuntary external event or contiguous series of events of an accidental and visible nature which is the sole and direct cause of a bodily injury and independently of any other causes (including but not limited to illness or any naturally occurring condition or degenerative process) while this Policy is in force.

Company – means The Pacific Life Assurance Co., Ltd.

Insured – means the person named on the Policy Schedule and whose life is covered by this Policy while this Policy is in force.

Medical Practitioner – means any person qualified by degree in and licensed to practice western medicine who is legally authorized in the geographical area of his or her practice to render medical or surgical services, but excluding the Medical Practitioner who is the Insured or the Policy Owner himself or herself, or a member of his or her immediate family, or his or her business partner(s) or employer(s) or employee(s), or an insurance agent.

Policy – means this policy document, the Application, the Policy Schedule, the Table of Premium Rates and any endorsements or riders.

Policy Date – means the date on which Policy Anniversaries, policy years, and premium due dates are determined and it is shown on the Policy Schedule.

Policy Commencement Date – means the Policy Commencement Date specified in the Policy Schedule.

Policy Issue Date – means the Policy Issue Date specified in the Policy Schedule and the date on which the Policy came into force.

Policy Reinstatement Date – means the date when this Policy is reinstated by the Company in accordance with the Reinstatement provision of this Policy.

Policy Schedule – means the Policy Schedule attached to this Policy as amended by way of endorsement issued by the Company from time to time, which contains the policy number of this Policy, the coverage details and other particulars of this Policy.

Sum Insured – means the sum insured under this Policy as specified in the Policy Schedule. Supplement amounts, if any, are shown separately. The Sum Insured may change according to the terms of this Policy.

GENERAL PROVISIONS

The Contract

This Policy is issued in consideration of the Application and payment of premiums and in reliance of the statements in the Application.

This Policy, the Application and any endorsements, together with any medical evidence, written statements and declarations made or submitted to the Company by or on behalf of the Policy Owner or the Insured, copies of which are all attached hereto and made a part of this Policy, constitute the entire contract.

All statements made by or for the Policy Owner and/or the Insured shall be considered as representations and not warranties.

Modification

No condition, provision or term or the Policy Schedule of this Policy may be waived or modified except by written endorsement issued by the Company and signed by an officer so authorized by the Company.

No agent or anyone other than an officer duly authorized by the Company, has the power to change this Policy or waive any rights or requirements of the Company.

Policy Owner

The Policy Owner is the person specified in the Policy Schedule. Only the Policy Owner or his legal personal representatives may during the lifetime of the Insured and while this Policy is in force, exercise any rights, or enjoy any privilege and options contained in this Policy.

Beneficiary

The Beneficiary is the person or persons designated in the Application for this Policy, or as the case may be, re-designated in accordance with the provisions herein as recorded by the Company in accordance with the provisions herein contained and is entitled to the proceeds payable under this Policy upon the death of the Insured.

The proceeds payable under this Policy shall be paid to the designated Beneficiary or, if there is no designated Beneficiary, to the Policy Owner or, if the Policy Owner is deceased, to the appointed legal representatives of the Policy Owner's estate, as the case may be.

The interest hereunder of any Beneficiary who predeceases the Insured shall pass to any other surviving Beneficiary or Beneficiaries if more than one Beneficiary according to their respective interests, and in the event of a sole Beneficiary, shall pass to the Policy Owner.

If any Beneficiary or as the case may be, the Policy Owner, dies at the same time as the Insured, the proceeds payable of this Policy shall, unless otherwise provided in the Application, or in a written request, be paid if the person who is older by age had died before the person who is younger by age.

Changes of Policy Owner and Beneficiary

During the lifetime of the Insured and while this Policy is in force, the Policy Owner may change the Policy Owner or the Beneficiary of this Policy by filing a relevant form required by the Company.

A change of the Policy Owner or the Beneficiary of this Policy shall take effect only upon recording by the Company. The change shall be effective as of the date the form was signed; regardless of whether the Policy Owner or the Insured is living at the time the form is received by the Company.

Assignment

The Policy Owner may assign this Policy as collateral for a loan. No assignment of this Policy shall be binding on the Company unless it is in writing and filed, together with this Policy, with the Company and particulars of the assignment are endorsed hereon. The Company shall not be responsible for the validity of any assignment or in respect of any proceeds paid pursuant to or under such assignment to the assignees. The rights of an assignee shall at all times be subject to any indebtedness to the Company.

Misstatement of Age, Smoking Status and Sex

If the Age, Smoking Status or Sex of the Insured is misstated in the Application for this Policy, any amount paid or payable by the Company or benefits accruing under this Policy shall be such as the premiums paid would have purchased at the time of the Application on the basis of the correct Age, Smoking Status and Sex. If at the correct Age, the Insured was not insurable according to our Company requirements, this Policy and any attached endorsement and supplements will be voided from the Policy Commencement Date.

Freedom from Restriction

Unless herein stated to the contrary, this Policy contains no restrictions with respect to the residence, travel or occupation of the Insured.

Suicide

If the Insured commits suicide within the first two (2) years from the Policy Issue Date or Policy Commencement Date or last Policy Reinstatement Date of this Policy, whichever is the latest, whether sane or insane, the Death Benefit payable under this Policy shall be limited to a refund of total premiums paid and total insurance levy paid without interest, less any benefit which has been paid under this Policy.

Non-Participating

This Policy is non-participating and shall not share in the divisible surplus of the Company's life insurance fund.

Currency and Place of Payment

All amounts payable either to or by the Company shall be made in the currency shown in the Policy Schedule. The proceeds shall be payable at the Registered Office of the Company in the Hong Kong Special Administrative Region.

Protection Against Creditors

To the extent allowed by law and subject to this Policy, all proceeds payable under this Policy shall be exempted and free from any claims of the Policy Owner's creditors and from any judicial process to levy upon or attach the same.

Incontestability

Except for fraud or non-disclosure, or non-payment of premium, this Policy shall be incontestable after it has been in force during the lifetime of the Insured for two (2) years from the Policy Issue Date or Policy Commencement Date or last Policy Reinstatement Date of this Policy, whichever is the latest.

Non-Disclosure

Non-disclosure or incorrect disclosure of any material facts to the Company during application or reinstatement which, in the Company's opinion, may affect the Company's risk assessment, may render this Policy void from the Policy Commencement Date, unless the Company confirms otherwise in writing. The Company's liability shall be limited to the amount of total premiums paid and total insurance levy paid without interest, less any benefit which has been paid under this Policy.

Termination

This Policy shall terminate immediately subject to payment of any proceeds and any premium not already due shall cease to be payable on:

- (a) The date on which this Policy has been discharged, surrendered, expired, lapsed, cancelled or terminated for whatever reason(s);
- (b) The date on the death of the Insured from any cause;
- (c) The date on which the Terminal Illness Benefit has been paid;
- (d) The date on which the total of benefits paid is equal to the sum insured;
- (e) The date on which the Expiry Date of this Policy as specified in the Policy Schedule;
- (f) The date on which receipt of the Policy Owner's written request for cancellation of this Policy; or
- (g) The date next to due date of the Grace Period if the Total Modal Premium is not fully paid.

On termination of the Policy, all benefits under all Supplementary Contracts (if any) will also terminate.

Interpretation

Throughout this Policy, where the context so admits, words embodying the masculine gender shall include the feminine gender, and words indicating the singular case shall include the plural and vice-versa.

Should any conflict arise in respect of the interpretation of any provisions in this Policy and any other material otherwise produced by the Company, then the provisions of this Policy shall prevail.

Governing Law

This Policy shall be construed and governed in all respects by the laws of the Hong Kong Special Administrative Region and the Courts of Hong Kong shall have exclusive jurisdiction over any dispute on this Policy.

Contracts (Rights of Third Parties) Ordinance Exclusion

Any person or entity who is not a party to this Policy shall have no rights under the Contracts (Rights of Third Parties) Ordinance (Cap 623 of the Laws of Hong Kong) to enforce any terms of this Policy.

Compliance Requirements of Organisation for Economic Co-operation and Development's Common Reporting Standards ("CRS")

The Company must comply with the following requirements of the Inland Revenue Ordinance to facilitate the Inland Revenue Department ("IRD") automatically exchanging certain financial account information as provided for thereunder:

- (a) To identify certain accounts as non-excluded "financial accounts" ("NEFAs");
- (b) To identify the jurisdiction(s) in which NEFA-holding individuals and certain NEFA-holding entities reside for tax purposes;
- (c) To determine the status of certain NEFA-holding entities as "passive NFEs" and identify the jurisdiction(s) in which their "controlling persons" reside for tax purposes;
- (d) To collect certain information on NEFAs ("Required Information"); and
- (e) To furnish certain Required Information to the IRD (collectively, the "AEOI requirements").

The Policy Owner must comply with requests made by the Company to comply with the AEOI requirements.

PREMIUMS AND REINSTATEMENT PROVISIONS

Payment of Premiums

All premiums after the first are payable to the Company's registered office on or before the due date.

The Company shall accept payment of each annual premium including all additional premiums (if any) by way of installments agreed to be due and payable at half-yearly, quarterly or monthly intervals (as the case may be) from the Policy Commencement Date in accordance with the conversion rates applied by the Company from time to time.

Due dates for which premiums shall become payable under this Policy, anniversaries of this Policy and years of this Policy shall be determined from the Policy Commencement Date as specified in the Policy Schedule. The first premium is due on the Policy Commencement Date.

After payment of the first premium, failure to pay a premium on or before its due date shall constitute a default in payment of premium and a breach of this Policy. Premiums once paid are fully earned.

Grace Period

A Grace Period of thirty (30) days from the premium due date shall be allowed for the payment of each premium after the first. All insurance coverage continues during this Grace Period without prejudice to any accrued rights of the Company. If any premium remains unpaid at the expiration of Grace Period, the Policy shall cease to be in force unless all due and unpaid premiums are recovered by the Company.

Deduction of Unpaid Premium at Death

Upon the death of the Insured, in the event of premiums being paid by installments other than annually, the Company shall deduct from the amount payable under this Policy the amount of unpaid premiums (if any) for the whole of the then current year of insurance, together with any other indebtedness which may be owing under the Policy.

Reinstatement

This Policy may be reinstated with the consent of the Company at any time within one (1) year from the date of a default in payment of premium pursuant to which this Policy was terminated provided that the Insured is still alive and insurable by the Company's standards.

Subject to the following rules and regulations of the Company which may be amended by the Company from time to time, the Policy Owner may apply for reinstatement of this Policy upon:

- (a) Submission of a written Application for Reinstatement to the Company;
- (b) Submission of evidence of good health and insurability of the Insured satisfactory to the Company. The Company shall have the right to call for a medical examination or related laboratory tests. All examination fees shall be borne by the Policy Owner;
- (c) Payment of all unpaid premiums from the date of the default in payment of premium; and
- (d) Submission of any other information or documents reasonably required by the Company.

Renewability

This Policy will provide the following renewal options:

1. Renewable every ten (10) years
2. Renewable every fifteen (15) years
3. Renewable every twenty (20) years
4. Renewable every twenty-five (25) years
5. Renewable every thirty (30) years
6. Renewable every forty (40) years
7. To age ninety (90)

Upon the election of the Insured at the time of policy issue, this Policy, while in force, shall be renewed without further evidence of insurability on each tenth (10th), fifteenth (15th), twentieth (20th), twenty-fifth (25th), thirtieth (30th) or fortieth (40th) Policy Anniversary prior to the Expiry Date, or till the age of ninety (90), upon payment of premiums. This Policy will be renewed with the same renewable period on each renewal. At the time of renewal, the premium rate will be renewed to a yearly renewable rate, which is not guaranteed, if the insured's age exceeds the maximum issue age and is over the age of seventy-five (75). If the insured's age exceeds the maximum issue age but is at the age of seventy-five (75) or below, the premium rate will be renewed to a level premium rate until the expiry of the policy.

This Policy shall be terminated when the Insured attains age of ninety-one (91), regardless of which renewability option is selected. The premium payable on each renewal of this Policy shall be determined in accordance with the Company's applicable premium rate for the age of the Insured at the time of such renewal provided always that to the extent (if any) that this Policy was issued at an increased premium, the new premium shall also contain the same percentage or fixed loading increase, whichever was applied. The premium rates currently being used by the Company are shown in the Table of Premium Rates attached to this Policy. The Company reserves the right to review and adjust this Table of Premium Rates from time to time.

BENEFIT PROVISIONS

a) Death Benefit

Should the Insured die while this policy is in force and before the Expiry Date as shown in the Policy Schedule, the Company shall pay to the Beneficiary the Basic Sum Insured, subject to the Claim Provisions.

No benefit will be payable under this Death Benefit if the Accidental Death Benefit, Aviation Accidental Death Benefit or Terminal Illness Benefit is paid.

b) Accidental Death Benefit

If, while this Policy is in force and before the Expiry Date as Shown in the Policy Schedule, the Insured sustains bodily injury caused by an Accident which results in his/her death within ninety (90) days from the date of Accident, the Company shall, upon receipt of proof satisfactory to the Company and subject to the conditions of this Policy, pay to the Beneficiary the Accidental Death Benefit equivalent to one hundred and fifty per cent (150%) of the Basic Sum Insured as shown in the Policy Schedule, subject to the Claim Provisions.

No benefit will be payable under this Accidental Death Benefit if the Death Benefit, Aviation Accidental Death Benefit or Terminal Illness Benefit is paid.

Accidental Death Exclusions:

The Accidental Death Benefit shall not cover any death event caused directly or indirectly from any of the following:

1. Disease or infection (except infections which occur through an accidental cut or wound);
2. Pregnancy, childbirth or miscarriage irrespective of whether such event is accelerated or induced by an Injury;
3. Active, passive participation in war (whether declared or not) or war like activities, revolution, riot, civil commotion, strike, insurrection, terrorist or criminal activities;
4. An act or attempted act of self-inflicted injury or suicide, whether sane or insane or whilst under the influence of alcohol or drugs or other substances other than those prescribed by registered Medical Practitioners;
5. Engaging or taking part in professional sports or hazardous activities, including but not limited to martial arts, scuba diving, mountaineering or rock climbing, aviation of any kind or any form of racing other than on foot;
6. Poison, gas or fumes, voluntarily or otherwise taken, absorbed or inhaled, other than as a result of an accident arising from a hazardous incident in relation to the Insured's occupation; or
7. Radioactive contamination, whether arising directly or indirectly.

c) Aviation Accidental Death Benefit

If, while this Policy is in force and before the Expiry Date as shown in the Policy Schedule, the Insured had travelled as a fare-paying passenger in a commercial aircraft operated by a recognized airline or chartered operator and sustains bodily injury caused by an Accident, which results in his/her death within ninety (90) days from the date of Accident, the Company shall, upon receipt of proof satisfactory to the Company and subject to the conditions of this Policy, pay to the Beneficiary the Aviation Accidental Death Benefit equivalent to three hundred per cent (300%) of the Basic Sum Insured as shown in the Policy Schedule, subject to the Claim Provisions.

No benefit will be payable under this Aviation Accidental Death Benefit if the Death Benefit, Accidental Death Benefit or Terminal Illness Benefit is paid.

Aviation Accidental Death Exclusions:

The Aviation Accidental Death Benefit shall not cover any death event caused directly or indirectly from any of the following:

1. Disease or infection (except infections which occur through an accidental cut or wound);
2. Pregnancy, childbirth or miscarriage irrespective of whether such event is accelerated or induced by an Injury;
3. Active, passive participation in war (whether declared or not) or war like activities, revolution, riot, civil commotion, strike, insurrection, terrorist or criminal activities;
4. An act or attempted act of self-inflicted injury or suicide, whether sane or insane or whilst under the influence of alcohol or drugs or other substances other than those prescribed by registered Medical Practitioners;
5. Engaging or taking part in professional sports or hazardous activities, including but not limited to martial arts, scuba diving, mountaineering or rock climbing, aviation of any kind other than as a fare-paying passenger on a regularly scheduled passenger flight on a commercial aircraft or any form of racing other than on foot;
6. Poison, gas or fumes, voluntarily or otherwise taken, absorbed or inhaled, other than as a result of an accident arising from a hazardous incident in relation to the Insured's occupation; or
7. Radioactive contamination, whether arising directly or indirectly.

d) Terminal Illness Benefit

Should the Insured be diagnosed as suffering from the Terminal Illness after six (6) months from the Policy Issue Date or Policy Commencement Date or last Policy Reinstatement Date of this Policy, whichever is the latest while this policy is in force and before the Expiry Date as shown in the Policy Schedule, the Company shall pay to the Policy Owner the Terminal Illness Benefit, equivalent to one hundred per cent (100%) of the Basic Sum Insured as shown in the Policy Schedule, subject to the Claim Provisions.

Upon the payment of claims under this Terminal Illness Benefit, the current Sum Insured of this Policy will be reduced accordingly and no Death Benefit shall be payable.

Definition of Terminal Illness

When in the opinion of the registered Medical Practitioner involved the advent of death is highly probable within six (6) months and medical opinion has rejected active therapy in favor of the relief of symptoms. The decision must be concurred by the Company medical advisor.

Terminal Illness Exclusions:

No benefit shall be granted if the Terminal Illness occurs within six (6) months from the Policy Issue Date or Policy Commencement Date or last Policy Reinstatement Date of this Policy, whichever is the latest, or is directly or indirectly caused by:

1. Active, passive participation in war (whether declared or not) or war like activities, revolution, riot, civil commotion, strike, insurrection, terrorist or criminal activities;
2. An act or attempted act of self-inflicted injury or suicide, whether sane or insane or whilst under the influence of alcohol or drugs or other substances other than those prescribed by registered Medical Practitioners;
3. Engaging or taking part in professional sports or hazardous activities, including but not limited to martial arts, scuba diving, mountaineering or rock climbing, aviation of any kind other than as a fare-paying passenger on a regularly scheduled passenger flight on a commercial aircraft or any form of racing other than on foot; or
4. Human Immunodeficiency Virus (HIV) related illness, including Acquired Immunization Deficiency Syndrome (AIDS) and/or any mutations, derivations or variations thereof, which is derived from an HIV infection.

e) Waiver of Premium Benefit

Should the Insured become Totally and Permanently Disabled while this policy is in force and before the policy anniversary preceding the sixtieth (60th) birthday of the Insured and continue to be disabled for a period of six (6) months, the company shall waive the payment of each premium payable of the basic policy falling due after the said six (6) months and during the period that the Total and Permanent Disability continues uninterrupted until the policy anniversary immediately preceding the sixtieth (60th) birthday of the Insured or the end of the current guaranteed level premium period, whichever is earlier, subject to the Claim Provisions. Each premium that is waived shall be deemed to have been paid under the policy.

Regardless of the Policy's modal premium, the waiver of premium shall be effected as if the Policy were on a monthly premium mode. There shall be, however, no waiver for any premium with a due date more than one year prior to the date of receipt by the Company of written notice of claim.

Definition of Total and Permanent Disability

The Insured shall be deemed to be Totally and Permanently Disabled when on the basis of medical evidence satisfactory to the Company, the Insured has, as a result of sickness or injury, become permanently, totally and irreversibly disabled to the extent of being unable to ever again engage in or work at any and every occupation or business for remuneration or profit.

The Insured shall also be deemed to be Totally and Permanently Disabled if he/she has suffered from any of the following conditions:

- Permanent total loss of sight of both eyes.
- Loss by severance of both upper limbs at or above the wrist or of both lower limbs at or above the ankle.
- Loss by severance of one upper limb at or above the wrist and of one lower limb at or above the ankle.
- Loss of sight of an eye and loss by severance of one upper limb at or above the wrist.
- Loss of sight of an eye and loss by severance of one lower limb at or above the ankle.

Waiver of Premium Exclusions:

No benefit shall be granted if the Total and Permanent Disability occurs within six (6) months from the Policy Issue Date or Policy Commencement Date or last Policy Reinstatement Date of this Policy, whichever is the latest, or is directly or indirectly caused by:

1. Active, passive participation in war (whether declared or not) or war like activities, revolution, riot, civil commotion, strike, insurrection, terrorist or criminal activities;
2. An act or attempted act of self-inflicted injury or suicide, whether sane or insane or whilst under the influence of alcohol or drugs or other substances other than those prescribed by registered Medical Practitioners;
3. Engaging or taking part in professional sports or hazardous activities, including but not limited to martial arts, scuba diving, mountaineering or rock climbing, aviation of any kind other than as a fare-paying passenger on a regularly scheduled passenger flight on a commercial aircraft or any form of racing other than on foot; or
4. Human Immunodeficiency Virus (HIV) related illness, including Acquired Immunization Deficiency Syndrome (AIDS) and/or any mutations, derivations or variations thereof, which is derived from an HIV infection.

CLAIM PROVISIONS

Notice of claim

Written notice of any claim for Death Benefit, Accidental Death Benefit, Aviation Accidental Death Benefit, Terminal Illness Benefit or Waiver of Premium Benefit must be given to the Company within thirty (30) days from the date of death of the Insured, or fulfillment of Terminal Illness or Total and Permanent Disability (with a continuous period of six (6) months or more) as specified in the Benefit Provision. Any notice of claims for Death Benefit, Accidental Death Benefit, Aviation Accidental Death Benefit, Terminal Illness Benefit or Waiver of Premium Benefit received after the thirty-day (30-day) period shall not be accepted, unless the Company in its sole discretion decides otherwise.

Filing of claim

A claim application, together with this Policy, and original proofs of loss accompanied by supporting documents, forms and information that the Company requires must be submitted to the Company within ninety (90) days after the death of the Insured, or fulfillment of Terminal Illness or Total and Permanent Disability (with a continuous period of six (6) months or more) as specified in the Benefit Provision. Any claims for Death Benefit, Accidental Death Benefit, Aviation Accidental Death Benefit, Terminal Illness Benefit or Waiver of Premium Benefit received after the said ninety-day (90-day) period shall not be accepted, unless the Company in its sole discretion decides otherwise.

All certificates, information and evidence required by the Company shall be furnished at the expense of the claimant.

Proof of Occurrence

Proof of occurrence of any insured event must be supported by

1. A registered Medical Practitioner acceptable by the Company;
2. Confirmatory investigations including but not limited to clinical, radiological, histological and laboratory evidence; and
3. Any other evidence and supporting documents required by the Company.

The Company reserves the right to require the Insured to undergo an examination or other reasonable tests, or an autopsy (if appropriate and legally allowable) to confirm the occurrence of an insured event. All the relevant expenses shall be furnished at claimant's own cost.

Payment of claim

The benefits of this Policy shall be payable to the Beneficiary or as the case may be, the Policy Owner, whose receipt shall constitute a full and final discharge of all the Company's obligation under this Policy and shall be conclusive evidence that all claims under this Policy have been duly satisfied. This clause shall be without prejudice to other clauses specified in "Claim Provisions" as in the preceding paragraphs.

Abandoned Claims

If the Company declines any claim under this Policy and the Policy Owner does not initiate any legal action in respect of such claim within twelve (12) calendar months from the date of such decline, the claim for all purposes shall be deemed abandoned and shall not thereafter be recoverable.

Legal Action

No suit or action against the Company, whether at law or in equity, shall be brought on any claim sooner than three (3) months after the date on which proof of claim satisfactory to the Company is given, nor later than three (3) years after the date on which proof of claim is required.