

## B. APPENDIX 1 - DEFINITIONS

*(Attach to Universal Life Product – Regular Payment (2rd version) – Protection; as approved by the official letter no. \_\_\_\_\_ dated \_\_\_\_\_, 2019 by Ministry of Trade)*

**1. Manulife:** refers to Manulife (Vietnam) Limited, a life insurance company incorporated and existing under the laws of Vietnam

**2. Policy:** the written agreement between Policy Owner and Manulife, consisting of rights and obligations of parties. A Policy includes these documents:

(i) Application Form; and

(ii) Schedule Page; and

(iii) Rules, provisions of the base policy, rider(s) ( if any) approved by the Ministry of Finance; and

(iv) Endorsement (if any); and

(v) Others amendments to Policy ( if any)

**3. Application Form:** the insurance request document which is made in compliance with Manulife’s template, in which stating content of insurance request and information provided by the applicant. On the basic of evaluating such documents on risk assessments, Manulife shall then decide to accep or to refuse such insurance request. Application Form will be declared, signed and provided to Company by Policy Owner, the Insured and other relating parties.

**4. Schedule Page (Insurance Certificate) :** the document issued to Policy Owner by Manulife in which state the basic information of Policy, forming an intergrate part of Policy.

**5. Endorsement:** a document issued by Manulife to confirm any and all Policy’s changes/amendments.

**6. Insurance Plan:** the Basic Plan or the Advanced Plan on insurance benefits, as stated in the Schedule Page, or Endorsements (if any).

**7. Policy Owner:** (i) any organization legally established and operated in Vietnam or (ii) any individual who is at the age of 18 year-olds and older, currently living in Vietnam and having full legal capacity; who declares and signs on Application Form and execute rights and obligations under Policy and to be confirmed as the Policy Owner in Schedule Page or Endorsement (if any).

**8. The Insured :** an individual whose life and/or health is the insured object as per confirmed by Manulife, being stated in Schedule Page as the Life Insured in compliance with respectively base insurance policy.

At the time request for insurance benefit, unless otherwise provided in specific riders, the Insured has to be:

i) being alive and still maintains an insurance relationship with the Policy Owner; and

- ii) being present in Vietnam
- iii) at the age ranging from one (1) month old to sixty-five (65) years old.

**9. Beneficiary:** individual(s) and/or organization(s) appointed by Policy Owner to receive insurance benefit. The Beneficiary is recorded in the Application Form or Endorsements (if any).

**10. Face Amount:** the amount that Manulife has accepted to pay based on Policy's provisions, as stated in Schedule Page or Endorsement (if any). The Face Amount which is used to pay insurance benefit is defined at the time of insurance event, unless otherwise agreed in Policy.

**11. Attained Age:** current age of the Insured based on the nearest birthday and before such moment (i) the Policy Effective Date, or (ii) the Policy Anniversary Date of the following Policy Years.

## **12. Date/Month/Year**

**12.1 Policy Issued Date:** the date of which Manulife approves and issues Policy in accordance with the right Application Form of the Policy Owner. Policy Issued Date is shown on Schedule Page or Endorsement (if any).

**12.2 Effective Date:** If Policy Owner and the Insured are alive on the date Manulife approves the Application Form, Policy Effective Date is the day Manulife issues Policy, unless otherwise agreed between Manulife and Policy Owner. Effective Date shown in Schedule Page or Endorsement (if any).

**12.3 Anniversary Date :** the yearly anniversary of the Effective Date. If there is not the same day in whatever year, then the Anniversary Date will be the last day end of such month.

**12.4 Monthiversary Date :** the day of each month at the same day of the Effective Date (if there is no same date, the immediately preceding date will be applied).

**12.5 Maturity Date:** the final day of Policy Term which is shown on Schedule Page if the Policy will still survive that day.

**12.6 Premium Due Date :** the day of which the Basic Premium has to be fully paid according to terms and obligations of this Policy.

**12.7 Policy Year:** a one-year-period from the Effective Date or from the Anniversary Date.

**12.8 Premium Year :** a year of the fully paid of the annualized Basic Premium.

**13. Policy Term:** shall be counted from the Effective Date until when the Insured reaches 99 year-old of the Attained Age.

**14. Basic Premium :** the fee that is paid for base policy and is stated in Schedule Page or Endorsement (if any). The Basic Premium after deducting the Premium Load shall be allocated to the Basic Account.

**15. Rider Premium:** the fee paid for rider(s) as stated in Schedule Page or Endorsement (if any.)

**16. Regular Premium:** the total premium of Basic Premium and Rider Premium, according to chosen modal premium.

**17. Top-up Premium:** any extra fees paid by Policy Owner on top of Basic Premium. In case Policy Owner pays for Rider Premium, then the Top-up Premium will be the extra fee paid by Policy Owner on top of Basic Premium and Rider Premium. Top-up Premium after deducting Premium Load shall be allocated to Top-up Account.

Manulife shall announce the requirement on minimum and maximum Top-up Premium in the Business Process.

**18. Allocatted Basic Premium:** the left amount after deducting Premium Load from Basic Premium.

**19. Allocated Top-up Premium:** the left amount after deducting Premium Load from Top-up Premium.

**20. Universal Life Fund (“Fund”):** is made up from the Allocated Basic Premium and the Allocated Top-up Premium and is formed by all universal life policies sold by Manulife. The main aims of this Fund are to make a stable and profitable investment. The assets of this fund are mainly government bonds, municipal bonds, corporate bonds, money market instruments and other investment channels. Manulife reserves the right to decide investment strategy and Fund management practice in compliance with law. Manulife also can delegate all or any of its’ investment rights to any individual or any organisation.

**21. Premium Load:** the amount which is being deducted from Basic Premium and/or Top-up Premium before alloccating the abovementioned premiums into Policy account value.

**22. Cost of Insurance:** the fee which is being deducted each month to cover insurance benefits as regulated in base policy.

**23. Policy Management Fee:** the amount being deducted each month so that Manulife can carry on all needed tasks such as managing, maintaining the validity of Policy and providing Policy’s information to Policy Owner.

**24. Fund Management Fee:** the fee being paid for managing and investing Universal Fund.

**25. Monthly Charge:** the amount which is being deducted monthly by Manulife, including Policy Management Fee and Cost of Insurance.

**26. Surrender Charge:** the amount which shall be collected by Manulife whenever any Policy is early terminated.

**27. Partial Withdrawal Charge:** the amount which is charged to Policy Owner for withdrawing any amounts from Policy Account.

**28. Debt:** any fee, premium or any amount of which Policy Owner has to pay for retaining the effectiveness of Policy, or has to pay to Manulife in connection with Policy’s terms and conditions,

including Monthly Charge and the accrued interest. These shall constitute outstanding amounts due to the Company and shall be deducted before paying out any insurance benefit under this Policy at any time.

**29. Basic Account:** the account forming from the Basic Premium. Basic Account Value is shown in article 20 of this Policy.

**30. Top-up Account:** the account forming from Top-up Premium which value is shown in article 20 of this Policy.

**31. Policy Account Value:** the sum value of Basic Account and Top-up Account.

**32. Cash Surrender Value:** the obtained residual after deducting Policy Account Value against Surrender Charge. Cash Surrender Value will be calculated based on the technical basis of the specific insurance product as approved by the Ministry of Finance.

**33. Net Surrender Value:** the sum of money when deducting Debt from Cash Surrender Value (if any).

**34. Accident:** an unexpected event or series of event occur under the impact of outside force or object and cause injury or death to the Insured. Such event or series of event must be the sole and direct cause lead to injury/death to the Insured within 90 days since the event occurrence date.

**35. Public Transportation:** means transportation which has routine schedule and operates according to pre-determined routes and are for fare-paying passengers, such as: bus, passenger car with fixed routes, train, passenger ship, ferry, and tram and must be used and operated by entities which are licensed to conduct transport business or public transportation business in accordance with the current law. The Public Transportation does not include taxi, all kinds of private aircraft, rented car, or any rented transport which is used for personal travel purposes.

**36. Elevator:** means the elevators used for passenger carriage purpose, but not including the elevator in mines or construction sites or private houses.

**37. Public Building:** includes theatres, cinemas, schools, health centers, hospitals, stadiums, sporting event halls, sports centers, and trade centers.

**38. Disability Status:** any listed disabilities as caused by Accident as below:

- a) Arms/Legs: the complete and permanent loss of an arm means severance of the arm at or above the wrist. The complete and permanent loss of a leg means severance of the leg at or above the ankle
- b) the complete loss of sight of an eye means complete loss or complete blindness, and the eye's function is unable to be recovered
- c) Fingers/ toes: complete and permanent loss of all amputations
- d) Speech: complete and permanent loss of voice, not able to speak; need to communicate in writing of picture.

The complete and permanent loss of part of body is occurred right after Accident.

All the complete and permanent paralysis and/or above losses must be assessed by the provincial medical committee not earlier than one hundred and eighty (180) days from the date of the relevant sickness or accident.

**39. Pre-existing Illness:** illness or injury for which the Insured had been examined or diagnosed or treated prior to (i) Issued Date or (ii) the latest instalment date, whatever happens later. Medical reports, pre-existing medical conditions recored at legal medical centre or information declared by the Insured is considered as adequately and legal evidence of Pre-existing Illness.

**40. Hospital:** (i) any hospital includes the word “hospital” in its name and on its stamp, or (ii) any healthcare center at district level and above; which are established legally and are applying western/modern – style treatment to cure patients, using specialized medical device and providing 24-hours nurses and doctors service. Such Hospital must obtain needed licence(s) as required by competent authorities.

These facilities are not considered Hospital:

- a) nursing homes;
- b) treatment camps for alcoholics, drug addicts or people with mental illness;
- c) leprosy treatment centers;
- d) Clinics, including clinics under the administration of Hospital and/or medical centers at all levels.

**41. Late Stage Cancer:** is defined as a definite diagnosis of a tumour which must be characterized by the uncontrolled growth and spread of malignant cells and the invasion of tissue. Types of cancer include Carcinoma, Melanoma, Leukemia, Lymphoma and Sarcoma.

The diagnosis of Cancer must be made by a Specialist.

No benefit will be payable for the following:

- Lesions described as benign, pre-malignant, uncertain, borderline, non-invasive, carcinoma in-situ (Tis), or tumours classified as Ta;
- Malignant melanoma skin cancer that is less than or equal to 1.0 mm in thickness, unless it is ulcerated or is accompanied by lymph node or distant metastasis; any non-melanoma skin cancer, without lymph node or distant metastasis;
- Prostate cancer classified as T1a or T1b, without lymph node or distant metastasis;
- Papillary thyroid cancer or follicular thyroid cancer, or both, that is less than or equal to 2.0 cm in greatest diameter and classified as T1, without lymph node or distant metastasis;
- Chronic lymphocytic leukemia classified less than Rai stage 3 or
- Malignant gastrointestinal stromal tumours (GIST) and malignant carcinoid tumours classified less than AJCC Stage 2.

**42. Website:** [www.manulife.com.vn](http://www.manulife.com.vn), as the official website of Manulife.

**43. Business Process:** regulations, conditions and methods to perform any or several insurance operations. Manulife shall consider and adjust the Business Process form time to time, taking effect from the time being announced on Website, unless otherwise announced.

## **B. APPENDIX 2: PREMIUM ALLOCATION MODE**

### **1. From the Premium Due Date until end of the grace period**

If the Policy Owner has no instruction regarding Rider Premium, such premium after being fully paid to due Basic Premium shall be allocated to Top-up Premium.

If the Policy Owner has instruction regarding Rider Premium, the premium paid by Policy Owner shall be allocated as follows:

#### **a) For the first three Policy Years:**

(i) If the deposited premium is sufficient to pay for all due Regular Premium, such amount shall be paid for such due amount. The remaining (if any) shall be paid for Top-up Premium. If there is still a remaining (if any), after fully paid to due Regular Premium and the maximum Top-up Premium, and shall be held at Manulife (hereafter called "Suspended Premium").

(ii) If the deposited premium is insufficient for all due Regular Premium, such amount shall be used to pay for each due Regular Premium (if enough). The remaining amount (if any) which is not sufficient to pay for any 01 due Regular Premium, it shall be held at Manulife ("Suspended Premium") until Policy Owner pays the shortage premium in accordance with following rules:

- During the grace period, the Suspended Premium and the additional premium (if any) will be paid for each due Regular Premium. The remaining (if any) after fully paying for all due premiums shall be credited to Top-up Premium.
- At the end of the grace period, if all the due Regular Premium have not yet been fully paid:
  - All Riders will be cancelled;
  - Manulife shall use the Suspended Premium, additional premium (if any) and partiality withdraw from Policy Account Value (if needed) to pay for due Basic Premium. The Policy will be lapsed if the above amounts are not enough to pay for due Basic Premium.

#### **b) From the 4<sup>th</sup> Policy Year:**

i. If the deposited premium is sufficient for all due Regular Premium, such amount shall be used to pay for them. The remaining amount (if any) shall be paid to Top-up Premium. If there is still a remaining (if any), after fully paid to due Regular Premium and the maximum Top-up Premium, and shall be held at Manulife ("Suspended Premium").

ii. If the deposited premium is insufficient for all due Regular Premium, such amount shall be used to pay for each due Regular Premium. If the remaining amount (if any) is not sufficient to pay for one due Regular Premium, it shall be held at Manulife ("Suspended Premium") until Policy Owner pays the shortage premium in accordance with following rules:

- During the grace period, the Suspended Premium and the additional premium (if any) will be paid for each due premium. The remaining (if any) after fully paying for all due Regular Premium will be paid to Top-up Premium.
- At the end of the grace period, if all the due Regular Premium have not been fully paid yet, the total of Suspended Premium and the additional premium (if any) shall be allocated in the following order:

To pay for Rider

- If Policy Owner register to pay Rider Premium from the Policy Account Value: Suspended Premium, additional premiums (if any) and any amount withdrawn from Policy Account Value (if needed) shall be used for paying the due Rider Premium. All Riders will be automatically cancelled if the total of the above-mentioned amounts are not enough to pay for due Rider Premium.
  - If Policy Owner do not register to pay Rider Premium from the Policy Account Value: Suspended Premium and additional premium (if any) shall be used for paying the due Rider Premium. All Riders will be automatically cancelled if the total of the above-mentioned amount are not enough to pay for due Rider Premium.
- The remaining amount of Suspended Premium and additional premium (if any), after used for paying Rider Premium (if any), shall be spent on due Basic Premium (if sufficient).
  - The remaining amount (if any), after used for paying all due premium, will be paid to Top-up Premium.

## **2. From end of grace period until the 15<sup>th</sup> days before the Premium Due Date**

If all premiums are paid from the end of grace period until the 15<sup>th</sup> day prior to the Premium Due Date, the premium mode follows the below order:

- To pay for the due regular Basic Premium (or due Regular Premium in case Policy Owner has instruction to pay for Rider Premium) (if any)).
- To pay for the current year Top-up Premium.

## **3. Within 15 days till the Premium Due Date**

If all premiums are paid within fifteen (15) days to the Premium Due Date, the premium mode follows the below order:

- a) Due regular Basic Premium(s) (or due Regular Premium in case Policy Owner has instruction for payment of due Rider Premium) (if any).
- b) Otherwise, the remaining shall be allocated as follows:
  - Regular Basic Premium (or Regular Premium in case the Policy Owner has instruction for payment of Rider Premium) of the next premium payment.
  - Top-up Premium of the current year.

In case of automatically withdraw from Policy Account Value (if any) to pay for premium, Manulife shall not apply Partial Withdrawal Charge and shall firstly make payment from Top-up Account Value then from Base Account Value (if needed).

**Of note :**

- The grace period of Appendix 2 shall be 60 days since the date of one of the following events, whichever happens earlier:
  - (i) The Premium Due Date; or
  - (ii) Policy Account Value, after deducting Debt (if any) becomes insufficient to pay for Monthly Charge.
- Policy Owner may register for paying Rider Premium from Policy Account Value by stating on Application Form or sending written consent to Manulife.
- Policy Owner may at any time request for withdrawing Suspended Premium.

FOR REFERENCE