

Talent Education Saver – Living Insurance Series

Establish child's education fund and multiple protection benefit at one go, paving way for your child's fruitful future



Talent Education Saver

Prepare adequate education fund and provide the best resources, allowing your child to excel his / her full potential



What is your personal goal as a loving parent? “Working hard” tops your daily agenda because you are working not only for yourself - you are also working for your children’s prosperous future. Your kids are exactly the continuation of your life, and you must have planned well ahead for their future. However, as the environment is continuously changing, will your plan today come true tomorrow? And is it flexible enough to adapt to the changes around?

Take a look at this: college education was not so common 10-20 years ago; today a first degree is just an entry permit to the job market. Again, 10-20 years ago extra curricular activities were really “extra” and did not occupy much of the students’ time; today, they have not just expanded into different categories but have actually become the core educational programmes for even kindergarten kids and take up most of their after-school time. When our society is becoming more and more knowledge-based, our children need to broaden their horizon further in order to stay competitive. In other words, systematic learning starts at a younger age, and parents have to pay a longer and larger bill for children education along the way.

To help your children grow up happily and healthily, Talent Education Saver is a practical savings and protection plan to protect you against the uncertainties. It is designed especially for you by your trusted partner Zurich Life who has a long tradition of financial strength.

Flexible solution at your own choice

- Protection oriented solution
- Savings oriented solution

Realize your savings target for child’s education with ease

- First Year Bonus
- Guaranteed returns
- Study bonuses

All-round protection gives you total ease of mind

- **“Quadruple Protector”**
 - Juvenile waiver of premium
 - Payor benefit
 - Education fee protector
 - Triple booster
- **No set-up fee for trust services**
- **Wide range of supplementary benefits**

Flexible financial arrangements to cater for various education funding needs

- Advance payment to cater for your child’s different education expenditure
- Inflation beater
- Flexible lump sum injection to boost the potential capital growth
- Future premium deposit with premium discount
- 30 days of grace period
- 3-month policy reinstatement period
- A range of premium suspension options for selection

Dedicated the best care and support to the child, pave way for his / her fruitful future

Flexible solution at your own choice

All parents want to give the very best to their children, and to ensure a brighter future for them. This plan provides comprehensive education savings and protection to pave way for a brighter future of your children. You may choose either a savings oriented solution or protection oriented solution:

1. **Savings oriented solution:** If your sole objective is to save for your child's education, this is your ideal choice. There is no cost of insurance to be charged. In the unfortunate event of the insured child's death, Zurich Life will pay the investment account value, plus a free life insurance benefit equalling 1% of the investment account value, to the Policy Owner.
2. **Protection oriented solution:** On the other hand, you can specify the sum insured and acquire higher protection if needed.

Free lifelong gift to your little angel

Give your beloved child a gift to cherish for life. Give him / her a Zurich Life whole life insurance policy. By paying a one-off premium with the plan value at maturity, you can enjoy a sum insured up to 6 times of the account proceeds (subject to a maximum of US\$500,000, which may be revised by the Company from time to time). In other words, your child is assured of lifelong comprehensive insurance protection without paying an extra penny, it also help to cultivate their understanding of financial planning since concept childhood.

Zurich Tips:

Giving a better education opportunity to pave way for your child's successful future

"Over the past 10 years, the educational attainment of Hong Kong population has been increasing. Particularly in this knowledge driven economy, a quality education most crucial to pave way for your child's promising future "

Percentage of population with post-secondary education

1997	2002	2003	2004	2005	2006	2007
17.2%	20.7%	21.4%	21.9%	22.8%	23.8%	24.3%

Source: "Hong Kong Annual Digest of Statistics"- Chapter 12 Education, 2008 Edition.

Realize your savings target with ease

Despite the 12-year free education offers by Hong Kong Government, you should not ignore the expenses on pre-school, early childhood education and other additional training. In particular for post-secondary education, whether you are studying in local university or going abroad, the tuition fee is a huge expense and the inflation rate should not be ignored in your calculation of child's education fund in the budget. You should plan ahead to prepare sufficient reserves to ensure your child can receive the best education and bring out the best of them.

Local and oversea university education fee

	Estimated cost based on current rates	5 years later ¹	10 years later ¹
Local	Tuition fee for four years of university education is around HK\$200,000	\$220,816	\$243,799
Australia	Tuition and living expenses for four years of university education is around A\$159,000 ² , approximately HK\$847,470 ³	\$935,675	\$1,033,061
Canada	Tuition and living expenses for four years of university education is around C\$96,000 ² , approximately HK\$593,280 ³	\$655,029	\$723,205
England	Tuition and living expenses for four years of university education is around Pound Sterling of \$69,000 ² , approximately HK\$763,830 ³	\$843,330	\$931,105

¹ Assume the inflation rate is 2% annually;

² Source: HKSAR, Education Bureau

³ The Australian Dollar/Hong Kong Dollar exchange rate is A\$1= HK\$5.33 (Average telegraphic transfer rate as of Mar 2009)

The Canadian Dollar/Hong Kong Dollar exchange rate is C\$1= HK\$6.18 (Average telegraphic transfer rate as of Mar 2009)

The Pound Sterling/Hong Kong Dollar exchange rate is £1=HK\$11.07 (Average telegraphic transfer rate as of Mar 2009)

Source: Monthly Statistical Bulletin, Hong Kong Monetary Authority.

Zurich Tips:

Planning for children's education fund, the earlier the better

What is the advantage of planning the education fund early?

"Planning ahead at an early stage is always a smart decision. The monthly premium will be lower. Also, the longer the saving period, the more powerful the compounding effect you will enjoy."

Earn a higher return with the First Year Bonus

In order to speed up the potential growth of your child's education fund, Zurich Life will credit "First Year Bonus"¹ to your investment account, giving you more capital to maximize your potential returns and to pave way for a secure future!

The more you save, the bigger the First Year Bonus you will enjoy!

Regular premium for basic plan received in the first 12 months					First Year Bonus allocation percentage
USD	HKD	EURO	AUD	STL	
Less than 1,250. ⁰⁰	Less than 10,000. ⁰⁰	Less than 1,250. ⁰⁰	Less than 1,250. ⁰⁰	Less than 1,000. ⁰⁰	50%
1,250. ⁰⁰ –6,249. ⁹⁹	10,000. ⁰⁰ –49,999. ⁹⁹	1,250. ⁰⁰ –6,249. ⁹⁹	1,250. ⁰⁰ –6,249. ⁹⁹	1,000. ⁰⁰ –4,999. ⁹⁹	75%
6,250. ⁰⁰ or more	50,000. ⁰⁰ or more	6,250. ⁰⁰ or more	6,250. ⁰⁰ or more	5,000. ⁰⁰ or more	100%

⁴ First Year Bonus is determined by multiplying the first 12 months of your regular premium for basic plan (not including the lump sum premium, rider premium and the temp-health loading) by your entitled First Year Bonus percentage. That amount will be credited to your investment account after the end of the 16th policy month and forms part of your Investment Account Value. If there is any reduction in the regular premium for basic plan during the Initial Charge Period, the value of First Year Bonus will be adjusted and deducted from the issued amount of First Year Bonus correspondingly.

Guaranteed returns plus study bonuses

- An annual dividend⁵ will be credited to your investment account. To give you extra confidence in saving for your child's academic future, Talent Education Saver gives you the peace of mind in knowing that your savings will grow at guaranteed accumulated rate⁶.
- To celebrate academic milestones of your child and encourage studying hard, Zurich Life will send a cheque of study bonus to you by post on the policy anniversaries (excluding policy start date) preceding your child's 6th, 12th, 18th and 22nd birthday according to the schedule below.

Policy anniversary preceding insured child's birthday	Percentage of study bonus based on the basic regular premium paid for the 1st policy year
6th / 12th / 18th / 22nd birthday	2%

⁵ An annual dividend will be credited to your investment account. This dividend represents the distributable investment earnings arising from that proportion of the Company's life fund attributable to the investment account and will be determined by the Company upon the advice of the actuary. We guarantee that this dividend is not to be affected by the operating profit or loss of the Company.

⁶ If the policy has been in force for a period not less than 15 years or until the policy maturity date (whichever is lesser), Zurich Life guarantees that the value of the investment account will be calculated as if annual dividends have been credited to the investment account at the guaranteed accumulation rate of 2% annually from the first premium date to the date of surrender or maturity date.

"Quadruple Protector" gives you total ease of mind

In spite of any unexpected events, the plan brings you "Quadruple Protector" - a wide range of supplementary benefit options to help you realize your savings target for education fund:

- **Juvenile waiver of premium**
If juvenile waiver of premium⁷ is selected, in the unfortunate event of suffering total disability of the Policy Owner, Zurich Life will waive premiums of the basic plan and supplementary benefit(s) (if applicable). This is to relieve the financial burden and ensure continuous protection to your beloved.
- **Payor benefit**
In the unfortunate event of death of the Policy Owner, when you have chosen payor benefit⁷, this plan will waive the premiums of the basic plan and supplementary benefit(s) (if applicable) until the maturity date. This helps to ensure continuous protection.
- **Education fee protector**
In the unfortunate event of death or total permanent disability of the Policy Owner, this plan will pay monthly compensation to the contingent trustee (upon the death of the Policy Owner) or the Policy Owner (upon the suffering total permanent disability of the Policy Owner) if the education fee protection⁷ is selected. This benefit is to subsidize the child's current education expenses at critical times.
- **Triple booster**
In the unfortunate event of death of the Policy Owner, this plan will pay the benefit as a lump sum payment into your investment account if triple booster⁷ is selected. This is to boost your child's education fund for future studies.

⁷ Subject to term and conditions. For details, please refer to policy documents of this plan.

No set-up fee for trust services

This plan offers the set-up of trust services, free of charge, to ensure all proceeds are handed over to the minor as instructed by the Policy Owner in the unfortunate event of the policy owner's death before the child turns 22 years old. You can designate Zurich Trust Limited as the contingent trustee with no set-up charge, or a reliable person as the contingent trustee. With our one-stop trust arrangement services, you can rest assured that your child's interest will be well taken care of.

A wide range of supplementary benefits to top up the protection for your child

It is always the parents' top priority to protect their child. Other than the basic insurance coverage, you can also select other supplementary benefit⁸. If any unfortunate events happen to your child, these additional benefits can relieve you from excessive financial burden and allow your child to receive the best necessary medical treatment.

Optional supplementary benefits

- Juvenile critical illness insurance
- Juvenile accident insurance
- Juvenile term insurance
- Hospital cash insurance
- Hospital and surgery expense insurance

⁸ For details, please refer to the product leaflet for supplementary benefits.

Flexible financial arrangements to suit the education funding needs

Advance payment to cater for your child's different education needs

Your child's education needs changes as he / she grows up. Through Talent Education Saver's advance payment facility, you can start prepayments from as early as your children's 16th birthday*, to give you greater financial flexibility to cope with your child's education expenditure. The percentage of advance payment can be accumulated annually:

Policy anniversary preceding insured child's birthday	16th birthday	17th birthday	18th birthday	19th birthday	20th birthday	21st birthday
Advance payment accumulative percentage calculated on cash value ⁹	30%	45%	60%	70%	80%	90%

Inflation beater

Through Talent Education Saver's inflation beater¹⁰, your plan's premiums and benefits will be increased automatically every year without submitting evidence of the insured child's continued good health or insurability. This helps to fight against the impact of inflation on your child's education fund and / or protection benefits.

Flexible lump sum injection

With sufficient cash on hand, you can grasp any investment opportunity by depositing your surplus money into your investment account as a lump sum injection to reap a higher potential growth of your capital. The minimum injection amount is subject as follows:

Currency	USD	HKD	EURO	AUD	GBP
Lump sum	250	2,000	250	333	167

Future premium deposit with premium discount

When you have surplus money on hand, you can prepay future premiums at a special premium discount*. This facility will give you more financial flexibility.

30 days of grace period

There is a grace period of 30 days for this plan. In case you are financially difficult and your tight cash flow may stop you from paying premium within the grace period. If there is sufficient amount in your investment account, this sum will be provided automatically as an interest-payable policy loan to pay for the premium and ensure the continuity of your life insurance coverage and other supplementary benefits.

3-month policy reinstatement period

Even if you have forgotten to pay the premium, there is no insurability evidence required for applying policy reinstatement within 3 months from the last due date of the unpaid premium, as long as all outstanding premium payments have been made. In the unfortunate event of the life insured's death during the said period, you may still request for reinstatement. If the reinstatement is successful, any unpaid premiums or other charges will be deducted from the claims amount.

A range of premium suspension options for selection policy

Once your policy's investment account has acquired a surrender value, you may suspend the premium payable and choose from below options:

1. Extended cover policy*: the benefits under the basic plan will remain unchanged (not applicable to all supplementary benefits)
2. Paid-up policy*: allow savings to continue accumulation and reaping returns while the benefits under both the basic plan and supplementary benefits will cease to effect.

⁹ The accumulative percentage of advance payment on cash value is the maximum applicable amount. The total of advance payment and policy loan cannot exceed 90% of the cash value. At maturity, the insured child is entitled to the remaining cash balance. Advance payment and policy loan taken out will be deducted from the maturity payment, surrender payment or any other claim payment.

¹⁰ Inflation beater is available for the basic plan and all optional supplementary benefits (if applicable).

* Subject to terms and conditions. For details, please refer to policy provision(s).

Talent Education Saver

Entry age

The minimum and maximum entry age (age next birthday) are as follows:

Options	Minimum	Maximum
Life Insured	30 days old	14
Policy Owner	19	unlimited

The minimum and maximum limits of the sum insured for death benefit are as follows:

		USD	HKD	EURO	AUD	GBP
Protection oriented Solution (Option C)	Minimum	2,700	19,200	2,700	3,840	1,920
	Maximum	250,000	2,000,000	250,000	333,334	166,667

Affordable entry contribution with wide range of currency choice

You can pay the premium monthly, semi-annually or annually as you wish. You also have the option to choose from US dollar, HK dollar, Euro, Australian dollar or Pound Sterling as your policy denomination currency and premium currency. They are especially useful if you are planning to send your child to study abroad in the future. The minimum premium is as follows:

		USD	HKD	EURO	AUD	GBP
Protection oriented Solution (Option C)	Yearly	270	1,920	270	384	192
	Half-yearly	135	960	135	192	96
	Monthly	22.5	160	22.5	32	16
Saving oriented Solution (Option D)	Yearly	390	3,000	390	600	300
	Half-yearly	195	1,500	195	300	150
	Monthly	32.5	250	32.5	50	25

Policy charges and requirements

Policy fee	Annual	Half-yearly	Monthly
USD	30	18	4.5
HKD	240	144	36
EURO	30	18	4.5
AUD	40	24	6
GBP	20	12	3
Cost of insurance	It includes the cost of life insurance cover. It is usually based on age, sex, health condition, sum insured and types of benefits chosen.		
Initial charge	From the policy start day, the Company will debit the investment account with an initial charge at the rate of 5.5% per annum on the total premiums due, First Year Bonus and dividends credited under the policy during the initial charge period. Debits of this charge will be made at the end of each month and until the maturity date.		
Annual management charge	0.75% per annum on the investment account.		
Lump sum investment charge	5% on any lump sum investment		

- Minimum contribution period : 36 months
- Initial charge period : 24 months
- Zurich Life reserves the right to vary these charges or impose other charges in accordance with the terms of the policy. Any variation of charges or new charges imposed will be subject to not less than 3 months notice in writing to all Policy Owners.
- The above fees and charges do not include the trustee fee. The trustee fee will be charged only when you appoint Zurich Trust Limited as Trustee for managing the trust interest received. A scale of trustee fees can be provided upon request.

The above information is only for reference and do not form part of the policy. For more details, please refer to the policy provision of this plan accordingly. If there is any discrepancy between this leaflet and the policy provision, the policy provision shall prevail.

Life Scenarios

To meet the financial needs of your child's education at different stages, here are some examples just to give you some ideas of how to map out your personal financial plan.

Case 1:

Mrs. Chan, aged 30-year-old, has a 6 year old son. She wants to provide her son with comprehensive protection and save for his study in a local university.



Proposed portfolio

		Sum Insured (HK\$)
Basic plan	Talent Education Saver – Protection Oriented	650,000
Additional coverage	Juvenile waiver of premium	-
	Payor benefit	-
	Juvenile term insurance	200,000

With a monthly premium of HK\$1,160, you can enjoy the above protection and accumulate a lump sum of **HK\$249,864*** as maturity return

Case 2:

Mr. Cheung is aged 39-year-old. His daughter has just reached 3 years old. He hopes to give his daughter all the best and save for her study in a university in England.



Proposed portfolio

		Sum Insured (HK\$)
Basic plan	Talent Education Saver	Saving Oriented
Additional coverage	Juvenile waiver of premium	-
	Payor benefit	-
	Education fee protector	2,000
	Triple booster	500,000

With a monthly premium of HK\$3,396, you can enjoy the above protection and accumulate a lump sum of **HK\$933,322*** as maturity return

* A net investment return rate of 5% per annum is assumed in all the above scenarios. Figures shown are for illustration only and are not guaranteed. The actual payable amount depends on the actual investment returns.

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