



AIA International Limited Taiwan Branch

Policy Loan Agreement

Application date (YYYY/MM/DD): ____/____/____

Policy No. _____	Maximum loanable amount ※ To be completed by AIA	US\$ _____ Trial calculation date(YYYY/MM/DD): ____/____/____
This is a request to borrow policy loan from AIA International Limited Taiwan Branch: Amount to borrow		
<input type="checkbox"/> The maximum loanable amount at time of request <input type="checkbox"/> Amount: New Taiwan Dollars _____ Only		
※ Please use a new "Policy Loan Agreement" form if your make an error or correction in the amount to borrow (please spell out the amount in words)		

Terms of policy loan

I (the Applicant) hereby request to borrow policy loan from AIA International Limited Taiwan Branch against the aforementioned insurance policy in accordance with the basic terms and conditions stated within, and agree to the following terms:

- The loan tenor shall begin from the disbursement date and end upon expiry of the insurance agreement. The borrower may repay loan principal and interest in whole or in part at any time during the loan tenor.
- Interest rate for the loan shall be determined at the policy loan lending rate declared by the Company. The declared lending rate prevailing at the time of the loan agreement is ____% per annum, which the Company may adjust and announce on a later date to accommodate changes in regulation or market rate. Subsequent adjustments will take effect from the date of announcement, and shall be disclosed publicly on the Company's website. The Company shall notify the borrower the amount of Principal & Interest and applicable rates at least once a year in writing.
- Loan interest shall accrue from the disbursement date, and is billed once every full month. The borrower shall make interest payments to the Company when due. Interest payments that are overdue for more than one year, despite having been served a collection notice, will be compounded along with outstanding principals.
- Principal & Interest payments will be taken to offset interest owed and outstanding principals in the order stated.
- If the Company incurs any payout on the insurance policy, such as the case of insurance benefit, surrender payout, annuity, policy account value, and recovery of non-forfeiture value, or if the policyholder decides to convert into a reduced paid-up or term policy, on a later date while policy loan (including loan drawn on "medical care insurance" policy) is outstanding, the Company may deduct Principal & Interest from the amount of payout or policy value, and settle interests owed first followed by outstanding principal if the payout/policy value is insufficient to cover Principal & Interest in full.
- For loans borrowed against "universal non-variable life insurance" (including loan drawn on "medical care insurance" policy), the policy will lapse if the sum of Principal & Interest exceeds non-forfeiture value. However, the Company is required to serve Principal & Interest payment reminder in writing at least 30 days before the day the policy lapses. If the policy lapses due to outstanding Principal & Interest (including loan drawn on "medical care insurance" policy) having exceeded non-forfeiture value, the borrower may reinstate the lapsed policy by making partial repayment to Principal & Interest. Outstanding balance of policy loan may not exceed the maximum loanable amount specified in policy terms and conditions.
- In the case of "universal variable life insurance," the Company shall notify me in writing if outstanding Principal & Interest exceeds an agreed percentage of policy account value. In which case, I shall agree to repay Principal & Interest owing on the policy loan before the agreed due date, or have the Company offset Principal & Interest against policy account value at its sole discretion if repayment is not made. The Company may proceed to offset policy account value if outstanding Principal & Interest exceeds policy account value at any given time, and notify me in writing afterward. If I do not repay excess Principal & Interest within 30 days after receiving the written notice, the insurance policy shall lapse starting from the day after the end of the 30-day notice period. If the policy lapses due to outstanding Principal & Interest having exceeded policy account value, the borrower may reinstate the lapsed policy by making partial repayment to Principal & Interest. Outstanding balance of policy loan may not exceed the maximum loanable amount specified in policy terms and conditions.
- In the case of deferred annuity or variable-interest annuity insurance, it is advisable for the policyholder to repay any outstanding Principal & Interest before annuity payments begin. Failure to do so may result in the company recalculating the amount of annuities by deducting the Principal & Interest from the policy's cash value, which could reduce the amount of annuity paid to the beneficiary.
- I have read and comprehended the Company's "Notes on Policy Loan" and duly acknowledge the context of the Notes as well as borrower's rights and information relevant to the policy loan.


Method of loan disbursement: Wire transfer of loan proceeds is limited only to the Applicant's account.

- ☐ **Wire transfer:** (Specify only the Applicant's account below; the Applicant will be solely responsible if the wire transfer fails or is returned due to incorrect information.)
- ☐ _____ (Bank) _____ (Branch) Account No. _____ Account name _____
- ☐ Chunghwa Post Branch No. _____ Account No. _____ Account name _____
- ☐ **Check** (to be mailed to the Applicant's mailing address; please also complete "Change of Contract Details" if changes have taken place.)

Delegation: I hereby appoint the following sales representative to submit my request for the abovementioned service, as I am unable to visit the Company in person.

Signature	Notes on purchasing of other products of insurance company by using the money borrowed.	Please adhere front and back side photocopies of Applicant's ID card
	Explanation:	
	1. Doing so may put the borrower in high degree of financial leverage, for which the borrower is advised to exercise proper risk control and assess risk tolerance before proceeding.	
	2. If the borrower borrows against an investment-linked policy and becomes unable to repay Principal & Interest, or if the account value of the investment-linked policy falls continuously to the point where outstanding Principal & Interest exceeds the policy account value on a later date, the insurance company may decide to dispose of the investments held according to policy terms and conditions to offset outstanding Principal & Interest. For this reason, the policy may be at risk of lapse or termination, as described in Section Four of the Notes.	
	3. Investing the proceeds borrowed from policy loan into another investment-linked policy and relying on the recovery of investment yields and capital as the only source of repayment for Principal & Interest would put the borrower in a high degree of financial leverage. Furthermore, issuers or managers of the underlying assets in an investment-linked policy offer no assurance whatsoever on investment return, not to mention that policy account value may change against policyholder's favor or be reduced to zero due to charges, exchange rate variation, and poor investment return, thereby rendering the borrower unable to repay Principal & Interest. A borrower seeking to adopt this scheme is advised that doing so would put insurance policy at risk of lapse or termination, as described in Section Four of the Notes.	
	(Please ensure this box is checked) <input type="checkbox"/> I have comprehended and understood all the statements herein	
	Please sign personally in the signature field below for confirmation of having thoroughly comprehended "Notes on Policy Loan" and "Policy Terms and Conditions" prepared by AIA International Limited Taiwan Branch and duly acknowledged the context of the Notes as well as borrower's interests and information relevant to policy loan.	
	※ Please sign the same signature pattern as the last registered for the insurance policy.	
	Applicant's (borrower's) signature: _____ Insured Party's signature: _____ Applicant's contact number: _____	
	Legal representative's signature: _____ Nationality: _____ ID card No.: _____ Date of birth(YYYY/MM/DD): ____/____/____	
	Relationship between legal representative and Applicant or Insured Party: _____	
	(For parties that are below seven years old or under mandatory guardianship, a legal representative shall sign in their own capacity and on behalf of the parties; persons aged 7 or above but have yet to reach adulthood shall sign personally in conjunction with their legal representatives.)	

For sales representative	Please confirm whether ID documents of the Applicant, Insured Party, and legal representative have been duly verified to match details of the agreement? <input type="checkbox"/> Yes <input type="checkbox"/> No
	Signature of the sales representative: _____ Registration number of the sales representative: _____

AIA remarks	Amount of loans borrowed as of (YYYY/MM/DD): ____/____/____ totalled NTS _____	 *P00601*
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Notes on Policy Loan

- One. Details on “Policy Loan Rate,” “Policy Interest Calculation,” and “Disbursement Method” are agreed and disclosed separately in “Policy Loan Agreement.”
1. Borrower’s loan shall be capped at the non-forfeiture value or policy account value prevailing at the time of request.
 2. Each insurance product is different in nature; if the amount of loan applied exceeds the insurance company’s maximum loan limit at the time of disbursement, the insurance company will cap the amount of loan application at the maximum loan limit prevailing at the time of disbursement.
 3. The borrower will only be charged interbank transfer fees and cash withdrawal fees when applying or repaying policy loan using ATM.
 4. According to Letter No. Jin-Guan-Yin-Piao-09900272710 issued by Financial Supervisory Commission on August 9, 2010, credit card issuers may not approve to have credit cards used as payment tool for principals and interests owing on a policy loan. For this reason, the borrower may not specify to pay principals and interests owing on a policy loan (referred to as Principal & Interest below) using credit card.
- Two. Pursuant to Article 207 of the Civil Code, the insurance company may compound the interests owed along with outstanding principals if loan interest remains overdue for more than one year despite having been served collection notice.
1. The borrower shall make payments to the insurance company before the loan interest due date, or upon a visit by the insurance company’s collection agent.
 2. The insurance company will disclose publicly any adjustment to policy loan rate due to regulatory or market changes over the corporate website or using any other method agreed with the borrower. Loan interest will be calculated using the newly adjusted interest rate from the date of disclosure.
 3. The insurance company shall notify the borrower of the amount of Principal & Interest and applicable rates at least once a year using the agreed method of communication, and make such information accessible to the borrower over the corporate website or through other methods.
 4. Unless otherwise agreed, any repayment to the policy loan will first be taken to offset charges, followed by interests owed and outstanding principals, as stipulated in Article 323 of the Civil Code.
- Three. Insurance policy will lapse or terminate, depending on the terms and conditions, with immediate effect if outstanding Principal & Interest exceeds non-forfeiture value or policy account value.
1. The insurance company will notify the borrower in writing according to the terms of the insurance policy before the day the policy lapses.
 2. The insurance company will not be liable to pay benefit on insured events that occur while the policy has lapsed.
 3. The Applicant may reinstate the lapsed policy by making partial repayment to Principal & Interest. Outstanding balance of policy loan may not exceed the maximum loanable amount specified in policy terms and conditions.
- Four. If the insurance company incurs any payout on the insurance policy, such as in the case of insurance benefits, annuities, surrender payouts, recovery of non-forfeiture value, or other amounts agreed to in policy terms and conditions, or if the policyholder decides to convert to a reduced paid-up or term policy at a later date while the policy loan is outstanding, the insurance company may proceed to deduct outstanding Principal & Interest from the payout or policy value and execute payment/conversion based on the remaining balance without notifying the borrower.
- Five. **Notes on purchasing other products of insurance company by using the money borrowed.**
1. **Doing so may put the borrower in high degree of financial leverage, for which the borrower is advised to exercise proper risk control and assess risk tolerance before proceeding.**
 2. **If the borrower borrows against an investment-linked policy and becomes unable to repay Principal & Interest, or if the account value of the investment-linked policy falls continuously to the point where outstanding Principal & Interest exceeds the policy account value on a later date, the insurance company may decide to dispose of the investments held according to policy terms and conditions to offset outstanding Principal & Interest. For this reason, the policy may be at risk of lapse or termination, as described in Section Three of the Notes.**
 3. **Investing the proceeds borrowed from policy loan into another investment-linked policy and relying on recovery of investment yields and capital as the only source of repayment for Principal & Interest would put the borrower in high degree of financial leverage. Furthermore, issuers or managers of the underlying assets in an investment-linked policy offer no assurance whatsoever on investment return, not to mention that policy account value may change against policyholder's favor or be reduced to zero due to charges, exchange rate variation, and poor investment return, thereby rendering the borrower unable to repay Principal & Interest. Borrower seeking to adopt this scheme is advised that doing so would put insurance policy at risk of lapse or termination, as described in Section Three of the Notes.**
- Six. All personal data provided by the borrower shall be used by the insurance company strictly for contract fulfillment in a manner that conforms with the requirements of the “Personal Data Protection Act.”

※The Company may reject the transaction for suspected involvement of terrorism financing.

AIA International Limited Taiwan Branch

Customer service hotline: 0800-012-666; customer fax line: 02-2735-9238.

Website: <https://www.aia.com.tw>.



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