

Appreciation Unit Linked – Information Sheet

1. What is an “appreciation of unit linked contract”?

- An appreciation unit linked is an increase of annual premium for the unit linked contract as per main due date of contract.
- A single premium contract can also be appreciated as per main due date with an additional single premium payment.

2. What is the intended use of the feature appreciation?

- This feature is excellent for clients who already hold a unit linked contract and would like to increase their regular annual or single premium payment until end of contract in order to gain higher profit together with values of basic contract.

3. What are the preconditions of an appreciation?

- It can be a contract with upright premium payment at the planned main due date of appreciation.
- There are no appreciations allowed for cancelled and premium free contracts.
- An appreciation is just allowed if the policyholder is resident in a country from which new business is accepted according to our current customer acceptance guidelines as appreciation is considered to be a new contract within the existing contract.
- The appreciated premium must be paid and arrive on Medlife account prior to appreciation execution.

4. Which rates are allowed to be appreciated?

- An appreciation can be made for unit linked contracts with annual premium payment, as well as for contracts with single premium payment, contract currency EUR or USD.

5. What about the value development of my contract after appreciation?

- An appreciation is like a new contract within the existing contract. The value development for the appreciation premium starts with the date of appreciating completely new.
- The contract period for the appreciation part always ends with the expiry of basic contract.
- The investment premium for the appreciated part is calculated in the same way as for new contract.

6. What about later reduction when there was an appreciation in the past?

- If you plan to apply for an appreciation, you must be sure that you pay the increased premium unchanged until end of contract in order to have proper value development of units.
- A reduction of premium within an appreciated contract can lead to a substantial loss of paid appreciation premium, in worst case the full appreciated premium can be lost.
- Basically, reduction and appreciation within same contract should be avoided because of disadvantageous value development.

7. May I apply for a premium free change having an appreciated contract?

- It is possible to convert an appreciated contract into premium free status later, however it shall be avoided. In worst case a substantial part of appreciated premium since start of appreciation is lost.

8. May I apply for appreciation starting with every year until end of contract?

- No, basically as a rule it is possible to appreciate the contract with a remaining contract period of 10 years at the latest.

Example: A contract with term of 15 years is allowed to be appreciated at the latest 10 years before end of contract.

Start 1.2.2020 – Expiry 1.2.2035, latest appreciation date allowed: 1.2.2025

9. Is there a deadline for appreciation?

- You can apply for appreciation for future main due dates, the execution will be made close to the very date.

10. Does the appreciation increase the profitability of my insurance contract?

- If you care for regular premium payment in unchanged amount until end of contract you will have an excellent precondition to participate in proper market development of the unit prices also for the appreciation part. This applies as well for appreciation of single premium products.

11. Is there a maximum amount of appreciation?

- The maximum appreciation premium for contracts with annual premium payment is the basic premium multiplied with 3.

Example: Your basic contract has an annual premium of USD/EUR 1500, the maximum amount of appreciation is therefore USD/EUR $1500 \times 3 =$ USD/EUR 4500 as per main due date for additional annual premium payment.

The total annual premium AFTER appreciation is allowed to be USD / EUR 10.000 maximum.

- The maximum appreciation premium for single premium contracts is the amount of basic single premium.

Example: The single premium amounted to USD 10000, you are allowed to appreciate contract by another USD 10000 premium maximum.

- The amount of appreciation is also subject to AML regulations and depends on the decision of Medlife. Source of funds may be requested.

12. How can I apply for appreciation of my contract?

- Being the policyholder just fill in the form at the end of this info-sheet, sign it and send it to Medlife accompanied with a valid colour copy of your passport via email to office@medlife.net.

- The execution of appreciation will be confirmed by sending an amendment regarding your policy showing the new insured amounts.

Application for Appreciation unit linked

Policy-No: _____

Policyholder: _____

Date of birth: ____-____-____ (DD.MM.YYYY)

I declare to appreciate the premium for my policy-nr as stated above as per main due date (=same month as starting month, present year):

01/___/ 20__.(DD.MM.YYYY)

My contract has annual premium payment OR
 single premium payment

Present premium: USD/EUR: _____

New additional premium: USD/EUR: _____

Total premium USD/EUR: _____

I am aware that an appreciation of annual premium contract shall be followed by regular and unchanged premium payment until the end of contract.

I am aware that a premium reduction or premium free change after an appreciation can lead to loss of part or full amount of appreciated premium.

Date

Signature of the policyholder