

23 July 2019

## **HSBC Life strengthens its health proposition with the launch of two innovative solutions**

*\*\*\*Health Goal Insurance Plan offers 3X critical illnesses benefits with growth potential \*\*\**

*\*\*\*New Dementia Protection rider added to EarlyIncome Annuity Plan\*\*\**

As part of its effort to help increase Hongkongers' health and wellness, HSBC Life today announced the launch of two insurance solutions to meet customers' health and wealth needs – the new HSBC Health Goal Insurance Plan (“HGIP”) and HSBC EarlyIncome Annuity Plan (“EIAP”) with new Dementia Protection rider.

HGIP is a whole-of-life insurance plan, which helps customers strengthen protection against three major critical illnesses, while offering growth potential for their wealth. Putting focus on the top three diseases that kill in Hong Kong – cancer, heart disease and stroke<sup>1</sup>, the plan offers cash benefit for up to three times additional claim payments<sup>2</sup>, without affecting the policy value. To provide customers with extra support, HGIP also comes with Global Medical Care Services<sup>3</sup>, which provide customers with personalised care management and privileged access to leading Harvard-level specialists and hospitals in the US.

In addition, with the aim of providing long-term care solutions to customers to alleviate their eldercare burden, HSBC Life has added a new Dementia Protection rider to EIAP, one of HSBC Life's most popular annuity plans. Dementia Protection offers an additional 100%<sup>4</sup> in monthly guaranteed annuity payment to customers who are diagnosed with severe dementia<sup>5</sup>, payable until age 99 or the death of the life insured. This initiative demonstrates the Bank's continuous effort to provide market-leading dementia friendly services.

Edward Moncreiffe, Chief Executive Officer, Hong Kong, HSBC Life, said, “People of Hong Kong are becoming more health conscious and want to ensure they can maintain quality of life. Health management and financial planning is therefore equally important when we plan for retirement. Hong Kong has the longest life expectancy in the world. With more years to enjoy life, Hongkongers need to make sure they not only save enough for a longer retirement, but also need to make sure they stay healthy and protected.”

### **HSBC Health Goal Insurance Plan – a pioneer health and saving solution with access to premium medical services**

HGIP is designed to help customers grow their wealth in the long run and protect their health against major illnesses with one single policy. HGIP offers:

- **3X critical illnesses benefits** – Receive an additional lump sum payment for the diagnosis of cancer, heart disease or stroke up until age 80, up to three times<sup>2</sup> (once for

each type of disease and subject to a one-year waiting period from the last claim). Policy value will remain unchanged after these claims.

- **New value-added service to provide extra customer care** – The Global Medical Care Services consist of a world-class personal care manager, diagnosis verification and treatment plan, doctor-to-doctor dialogue with Harvard-level specialists and US care management services<sup>3</sup>.
- **Wealth accumulation** – Pay in a single premium or over a few years to reap the rewards of potential long-term wealth growth with projected returns of 4.3% p.a.<sup>6</sup> over 30 years.
- **Benefit transfer** – Customers can transfer both the ownership and coverage of the policy to their loved ones<sup>7</sup> which offers customers flexibility in legacy planning.
- **Wealth protection** – Upon reaching the 20th policy year, HGIP allows customers a policy value management option<sup>8</sup> to lock in part of their prevailing policy value to prevent against future fluctuations in the investment market.

Ed continued, “According to research, medical costs in Hong Kong are currently increasing at six times<sup>9</sup> the local inflation rate with annual per capita spending at more than HKD21,000<sup>10</sup>. With high medical inflation and low market yields, customers often need to choose between looking after their health needs and saving for the future. HGIP solves this dilemma by offering both inflation-busting long-term wealth growth and additional protection against the life-changing major illnesses that matter most.”

“HGIP is more than a traditional insurance plan. We understand the pain that one goes through when diagnosed with critical illnesses, and are keen to offer extra support to our customers. The Global Medical Care Services provide our customers suffering from critical illness with diagnosis verification, treatment opinions as well as fast-track access to Harvard-level consultations.”

### **EarlyIncome Annuity Plan (Dementia Protection) – a long term care solution to manage health risks and relieve the future burden of eldercare**

In a continued effort to help address the eldercare issue, HSBC Life has introduced a new Dementia Protection rider to its EIAP to help customers manage health risks and alleviate the future eldercare burden. The new rider continues HSBC Life’s advocacy for eldercare and dementia following the launch of the ARIA (Automatic Retinal Image Analysis – Assessment on the Risk of Cognitive impairment) dementia risk screening for elderly customers in the community through a public-private partnership last month.

EIAP is a long-term life insurance product with a savings element that can provide stable income in the long run. With the Dementia Protection rider benefit, customers can receive an additional 100%<sup>4</sup> in monthly guaranteed annuity payments to alleviate the potential financial burden if the insured person is diagnosed with severe dementia<sup>5</sup> during EIAP’s annuity period.

Customers can also designate a beneficiary in their policies (such as a caregiver) to receive the Dementia Protection rider benefit.

Ed continued, “Dementia is becoming a critically important issue as the population ages and needs people’s attention, especially with the cost of caring for the elderly on the rise<sup>11</sup>. As a leading insurer in Hong Kong, HSBC Life has been actively identifying solutions to help address the eldercare issue. The newly introduced rider is a testament to our commitment to developing innovative solutions that can help improve Hongkongers’ financial position, and specifically reduce the burden on caregivers as they strive to look after the ones they love into old age.”

For more details of the product, please visit [www.hsbc.com.hk/insurance](http://www.hsbc.com.hk/insurance)

*ends/more*

#### **Notes to editor:**

1. Source: “The top 10 causes of death” released by the World Health Organization in May 2018)
2. Critical Illnesses Benefits consist of Cancer Benefit (Additional Payment), Heart Disease Benefit (Additional Payment) and Stroke Benefit (Additional Payment). Each of these benefits is payable once only and subject to a one-year waiting period from the last claim of any such diseases covered under these benefits. These Benefits will terminate when the life insured attains the age of 80, payout of the relevant Benefit(s) or the Policy is terminated (whichever is earlier). Terms and conditions apply.
3. Global Medical Care Services are value-added services provided by a leading global patient care organisation to the life insured. The Services consist of world-class Personal Care Manager, Diagnosis Verification and Treatment Plan, Doctor-to-Doctor Dialogue and US Care Management services. Please refer to the relevant leaflet for the service details.
4. The total premium paid for the Dementia Protection optional rider will be refunded to the policyholder if the Life Insured is diagnosed with severe dementia during the basic annuity plan’s accumulation period, and the Dementia Protection will cease. The benefit amount for the Monthly Dementia Income is an additional 100% of Monthly Guaranteed Annuity Payment of the basic plan of EarlyIncome Annuity Plan, subject to a maximum benefit amount of HKD30,000 / USD3,750 per month per Life Insured, if the Life Insured is diagnosed with severe dementia during the basic plan’s annuity period. The Monthly Dementia Income is payable until the earlier of the Insured’s age of 99 or Life Insured’s death (whichever is earlier). Terms and conditions apply.
5. Severe dementia means an unequivocal diagnosis by a Registered Medical Practitioner who is a specialist of Neurologist, Psychiatrist or Neuropsychiatrist of severe permanent cognitive impairment resulting in the permanent need for continuous supervision of the Life Insured, with a Mini Mental State Examination score of less than 10 out of 30-point questionnaire.
6. This projected return has assumed that (i) the life insured is 45-year-old non-smoker male; (ii) premiums are payable annually over 5 years; (iii) all premiums have been paid in full during the premium payment period; (iv) neither policy loan nor partial surrender has been applied during the policy term; (v) neither Policy Value Management Option nor Change of Life Insured option has been exercised during the policy term; and (vi) Special Bonus scale remains unchanged from original illustrated throughout the policy term. The actual return

may be higher and lower than the illustrated figure. Please note the projected return will vary by policy depending on premium payment period, age, gender etc

7. Policyholder can transfer the coverage of the policy to a new life insured by exercising the change of life insured option; the option is available for one time only after the third policy year or after the end of the premium payment period provided all premiums are fully paid, whichever is later. The change of life insured option is also subject to insurability of the new life insured and INHK's discretion. Terms and conditions apply.
8. The exercise of the Policy Value Management Option is subject to the minimum amount requirements on (i) the Net Cash Value to be allocated per transaction; and (ii) the Notional Amount after the exercise of this option. Terms and conditions apply.
9. Mercer Marsh Benefits™ survey finds Hong Kong medical costs increased by 9%, 6 times the local inflation rate [22 June 2018]
10. HealthyHK - Public Health Information and Statistics of HK
11. Eldercare Hong Kong: The Projected Societal Cost of Eldercare in Hong Kong 2018 to 2060 report shows that the opportunity cost of caregivers for taking care of elderly people is projected to increase approximately four times – from HKD1.8 billion in 2018 to HKD8.4 billion in 2060. For more details, please visit: [www.hsbc.com.hk/eldercare](http://www.hsbc.com.hk/eldercare)

**Disclaimer**

Dementia Protection is an optional supplementary benefit to EIAP which is an annuity insurance plan. HGIP is a whole of life insurance plan. Both of them ("Plans") are long term insurance plans with a savings element and is not equivalent or similar to any kind of deposit. They are underwritten by HSBC Life (International) Limited ("the Company") and policyholders are subject to its credit risk. The Plans provide guaranteed cash value, non-guaranteed dividend and special bonus (if any) that will be declared by the Company at its absolute discretion. If surrendered early, the amount to be received may be considerably less than the total premiums paid. Please refer to the product brochures for the characteristics and terms and conditions of the Plans. The Company is one of the HSBC Group's insurance underwriting subsidiaries. HSBC Life is authorised and regulated by the Insurance Authority of the Hong Kong SAR to carry on long-term insurance business in the Hong Kong SAR. The Hongkong and Shanghai Banking Corporation Limited ("HSBC") is an insurance agent of the Company. The Plans are intended only for sale through HSBC in the Hong Kong SAR.

**HSBC Life (International) Limited**

HSBC Life (International) Limited ("HSBC Life") is an indirect wholly-owned subsidiary of The Hongkong and Shanghai Banking Corporation Limited. HSBC Life is authorised and regulated by the Insurance Authority of the Hong Kong SAR to carry on long-term insurance business in the Hong Kong SAR. As one of the leading life insurers in Hong Kong, HSBC Life offers a wide range of life insurance products, including annuities, to retail and commercial customers in Hong Kong through HSBC banking channels and third party brokers. HSBC Life provides tailored solutions to meet the protection, education, retirement, managing growth and legacy planning needs of its customers. As of 31 March 2019, HSBC Life had a total market share of 14.5% of the Hong Kong life insurance market.

*ends/all*