

20 July 2020

HSBC LIFE SETS NEW TRENDS WITH COMPREHENSIVE VHIS PLANS AND INNOVATIVE DIGITAL FAMILY PROTECTOR TO FIT CUSTOMERS' LIFE STAGES

- *VHIS recorded 84% awareness with 40% of respondents who have yet to purchase VHIS interested to buy one in the next 12 months shortly after its first anniversary; full coverage on medical expenses (90% of all respondents) and no waiting period for unknown pre-existing conditions (86%) are among the top purchase considerations*
- *HSBC Voluntary Health Insurance Flexi Plan offers one of the highest annual benefit limits in the market of up to HKD40 million, no sub-limits for hospitalisation and surgical fees, and no waiting period for unknown pre-existing conditions, in addition to a tax deduction up to HKD8,000¹ per policy*
- *HSBC Family Protector, a first-in-market digital solution, allows customer to choose from 84 different Life and Health protection benefit combinations and customise a comprehensive insurance solution at their fingertips*

HSBC Life today launched two products, namely HSBC Voluntary Health Insurance Scheme (VHIS) Standard Plan and Flexi Plan and HSBC Family Protector, to meet customers' growing expectations for more comprehensive and customised protection solutions. Both plans allow customers to choose the protection coverage according to their life-stage needs.

According to a research on medical insurance commissioned by HSBC Life in June 2020, the COVID-19 pandemic has lifted people's awareness of their health needs, with 41% of respondents currently not covered by medical insurance saying they will consider taking out one. Separately, at the first anniversary of the Government's tax deduction initiatives, VHIS recorded the highest level of awareness (84%) with nearly a fifth (18%) of the respondents being VHIS holders. For those who have yet to take out a VHIS policy, 40% of them are considering getting one in the next 12 months with younger respondents (aged 18 – 30) being the most enthusiastic (46%).

HSBC VHIS Flexi Plan – comprehensive market-leading coverage with great flexibility

According to the survey, when purchasing medical insurance, full coverage for expenses on surgical and non-surgical cancer treatment (90%), reimbursement for all expenses on hospitalisation and surgical treatment (89%), and no waiting period for unknown pre-existing conditions (86%) are prime considerations. To ensure comprehensive coverage for individuals and their families, 53% of those who are already covered by a group or company medical plan still decided to purchase a separate personal medical insurance in the event that their company medical coverage proves inadequate.

Against this backdrop, HSBC Life launched VHIS Standard Plan and Flexi Plan with the latter designed to cater to customers' comprehensive and flexible medical coverage needs. Key features of HSBC VHIS Flexi Plan include full coverage for hospitalisation and surgical fees with no sub-limits, full cover for both surgical and non-surgical cancer treatment expenses, no waiting period for unknown pre-existing conditions, cashless arrangement to minimise upfront out-of-pocket expenses, home nursing benefits, flexible options and a maximum annual deduction of HKD8,000 per policy.

Edward Moncreiffe, Chief Executive Officer, Hong Kong, HSBC Life, said, "The high awareness of VHIS amongst the community speaks to the growing importance and value of health and protection for Hongkongers. More than a third of people who experienced hospitalisation (38%) said they focus on getting the best coverage more than the price of premiums and many of those who

have made claims in public (42%) and private (33%) hospitals wished they had purchased more comprehensive coverage. All these show us that Hongkongers are expecting more than basic protection and are willing to step up preparedness for health-related needs. I expect this trend to increase further following the health challenges that Hong Kong and global societies have faced this year.

“A priority for HSBC Life is to help our customers pursue health and overall well-being and what this means is personal to each individual and family. Our HSBC VHIS Plans were designed to provide great flexibility in health protection, allowing our customers to opt for a range of solutions that best meet their needs. This means they can choose a coverage level, from HKD420,000 all the way to HKD40,000,000 in annual benefits limits, that provides comprehensive medical coverage at an affordability level for ultimate peace of mind.”

The plan also aims to provide accessible and comprehensive medical protection to customers and their loved ones, and allows customers to obtain coverage for their extended family members including parents, grandparents, children and siblings with family discounts.

HSBC Family Protector – market first, Netflix™ type mix-and-match digital insurance solution

The survey also showed that 57% of respondents deem the flexibility to customise their insurance solutions directly and digitally an important factor when considering insurance purchase. In tandem with the launch of the VHIS plans, HSBC Life is also introducing the innovative HSBC Family Protector online, allowing customers to choose from as many as 84 benefit combinations to customise a yearly renewable term life insurance plan to protect themselves and loved ones. Four flexible benefits categories across child protection, critical illness and cancer protection, hospital cash benefit and accidental death benefits are available at customers' fingertips to mix and match a combination that suits their health needs. The life coverage, with a daily premium as low as HKD10.93³, could reach up to HKD7,000,000. The product is exclusively available online at hsbc.com.hk.

Moncreiffe said, “Health and family always come first when we plan for the future. And more and more customers want to safeguard their plans through online platform. This innovative and first-in-market online protection plan, offering the highest flexibility possible, gives back family protection control to our customers to customise the level of protection benefits that meets their unique insurance needs.”

For key features of HSBC VHIS Flexi Plan and Family Protector, please refer to the appendix for details.

ends/more



Edward Moncreiffe, Chief Executive Officer, Hong Kong, HSBC Life (left) and K C Cheung, Head of Products, Hong Kong, HSBC Life (right) announced the launch of HSBC Voluntary Health Insurance Scheme (VHIS) Standard Plan and Flexi Plan and HSBC Family Protector to strengthen health protection for customers.

Notes to editors

1. Tax deduction eligibility is only applicable to policyholders or his/her spouse who are Hong Kong taxpayers. The insured person of the Certified Plan should be the taxpayer or any specified relatives, which cover the taxpayer's spouse and children, and the taxpayer's or his/her spouse's grandparents, parents and siblings. Tax deduction for the qualifying premiums paid under VHIS policy (not including levy) will be based on the premiums paid after deducting the premium discount (if any). For more information, please refer to www.ird.gov.hk or seek independent tax advice.
2. Netflix is a registered trademark of Netflix, Inc.
3. Based on the standard premium for a policy with a sum insured of HKD7,000,000 of a non-smoking female who is 19 years old. Age refers to the age at the next birthday. The figure is subject to rounding adjustment. The actual amount of the premium is decided at the discretion of HSBC Life.

Disclaimer

HSBC Voluntary Health Insurance Standard Plan and HSBC Voluntary Health Insurance Flexi Plan are standalone indemnity hospital insurance plans which are certified by the Food and Health Bureau of the HKSAR government. The list of HSBC VHIS certified plans and respective certification number is available at www.hsbc.com.hk/vhis. HSBC Family Protector is a yearly renewable online term life insurance plan with no savings element. Both plans are underwritten by HSBC Life (International) Limited ("HSBC Life") incorporated in Bermuda with limited liability. Policyholders are subject to HSBC Life's credit risk. Delayed or missed premium payments may lead to a discontinuation of your policy. If your policy is lapsed, you will not get back the premium you have paid. The plans are not equivalent or similar to any kind of bank deposit or bank savings plan. Please refer to the product brochures of the plans for their respective features, exclusions, terms and conditions. HSBC Life is one of the HSBC Group's insurance underwriting subsidiaries. HSBC Life is a registered provider of the certified VHIS plans with registration number 00042 effective since 29 May 2020. 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 HSBC Life. 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.

Ends/all

APPENDIX:

Key Features of HSBC VHIS Flexi Plan

Cover against unknown pre-existing conditions¹	Full medical coverage immediately for eligible illnesses, including those arising from unknown pre-existing conditions, starting from the policy's effective date
Ease worries with cashless arrangements	No upfront out-of-pocket medical expenses in all private hospitals in Hong Kong as long as pre-authorization from us has been obtained
Rest easy with home nursing services	Up to 90 days home nursing benefits
All round coverage and comprehensive care	Full coverage ² for hospitalisation and surgical fees without any sub-limits, as well as full cover for cancer treatment expenses, both surgical and non-surgical, up to the total annual benefit limit of the chosen plan
Flexible options	Choose from 4 different plans, 3 geographical coverage and 4 annual deductibles – no deductibles, HKD16,000, HKD50,000 and HKD100,000
Claim tax deductions	Policyholder is entitled to a maximum annual deduction ³ of HKD8,000 in respect of qualifying premiums for each insured person

Please refer to the public website for features on HSBC Voluntary Health Insurance Standard Plan.

Key Features of HSBC Family Protector:

First-in-market digital solution	Allows policyholder to choose among 84 benefit combinations from a maximum of 4 additional benefits according to life-stage protection needs at fingertips: <ul style="list-style-type: none">• Child protection• Critical illness and cancer protection• Hospital cash benefit• Accidental death benefit
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¹ Unknown pre-existing condition(s) refers to any pre-existing condition(s) that the policyholder and/or insured person was not aware and would not reasonably have been aware of at the time of application. Please refer to the policy provisions for the full terms and conditions.

² Full coverage shall mean the actual amount of Eligible Expenses and other expenses charged and payable in accordance to the Terms and Benefits of the Policy.

³ Tax deduction eligibility is only applicable to policyholders or his/her spouse who are Hong Kong taxpayers. Tax deduction for the qualifying premiums paid under VHIS policy (not including levy) will be based on the premiums paid after deducting the premium discount (if any). For more information, please refer to www.ird.gov.hk or seek independent tax advice.

Life coverage of up to HKD7,000,000	Premiums as low as HKD10.93 ⁴ per day – no medical examinations needed
Guaranteed fixed premiums	Guaranteed fixed premiums for every 10-year period ⁵
Online application	Easy online application with simple steps

For more information, please go to www.hsbc.com.hk/insurance

⁴ Based on the standard premium for a policy with a sum insured of HKD7,000,000 of a non-smoking female who is 19 years old. Age refers to the age at the next birthday. The figure is subject to rounding adjustment. The actual amount of the premium is decided at the discretion of HSBC Life.

⁵ Your monthly premiums will stay the same for the first 10 years, then the premiums will be adjusted every 10 years until your policy ends or until you reach the age of 80 – regardless of how the state of your health changes. Age refers to the age you'll be on your next birthday.