

Continued Income Solution

Time is a valuable catalyst for realising long-term wealth growth potential and creating a reliable income stream. Life is uncertain and if unfortunate event happens, the ability to support our families could be severely affected.

That's why the wealth accumulation potential and income protection in the form of life insurance can provide an independent and stable income source for business owners, senior executives or their loved ones.

Benefits

- ◆ Accumulate wealth and additional capital resources:
 - Enjoy potential return generated from insurance policy in addition to your company's annual earnings.
 - Certain plans may offer guaranteed cash value plus non-guaranteed annual dividends. Among a majority of products, you have the flexibility to cash out or accumulate cash value in the plan. If you choose not to cash out but accumulate the value with non-guaranteed interest within the plan, you may benefit from the power of compounding over time.
 - Enhance financial resilience by building reserve for unexpected circumstances, such as economic volatility, which may help mitigate immediate liquidity risks and protect your company's long-term development.
- ◆ A suite of coverage on critical illness, total and permanent disability¹ to provide financial support when a key executive suffers from such unfortunate event.
- ◆ Offer emergency cash in the event of business owner or key executive's death:
 - The compensation provided by a life insurance policy can help uphold surviving family members' standard of living and may cover some outstanding liabilities, such as mortgage, car instalments, education costs, etc.
 - Support your company to cover necessary expenses for maintaining operation during the transition period.
- ◆ Life insurance plans with different product features are available to cater your needs:
 - Flexible premium payment options tailored to suit different business cycles and cash flow management.
 - Whole life coverage provides financial security for surviving family members.
 - Additional coverage against other contingencies, such as accidents, major illnesses or permanent disability¹.

¹The product features stated above could be from different individual life insurance plan. The availability of critical illness benefit and/or total and permanent disability benefit are subject to the terms of the relevant insurance policy. Please refer to the Product Brochure of the relevant insurance plan for more details.

The product features stated above could be from more than one individual life insurance plan. Please note that insurance product features vary among different plans and are subject to underwriting approval. Please refer to the Product Brochure of the relevant insurance plan for more details. It is recommended that you seek advice from our Insurance Sales Managers if you are looking for any specific product feature.

How does it work?

The information shown below is intended as a hypothetical case, it is a general summary and for illustration purpose only.

Scenario: A company looks for a relatively risk-averse solution to serve as one of its stable income streams for covering necessary expenses in case of unpredictable events in the future. It also values stability of the management team, as it is the driver to success.

Policy arrangement

The company applies a life insurance product with a savings element as policyholder, pays the premium and insures the CEO. The company designates itself as the beneficiary.

Financial support

Business is affected by an economic downturn some years later. The company owner makes monthly withdrawals from the accumulated cash value for a couple of years², smoothly covering necessary operating expenses, e.g. office rental.

Sustainable wealth growth

Business is protected and the remaining value of the policy continues to grow.

Flexibility on beneficiary designation

To acknowledge the CEO's contribution, the company decides to offer him a new benefit by allowing him to designate a preferred beneficiary for this life insurance policy. The CEO names his spouse.

While the CEO could enjoy a greater peace of mind, the company still maintains ownership of the policy cash value for potential future use, unless the CEO experiences a fatal event.

Death benefit as a form of regular income

Some years later, the CEO passes away. The spouse receives the death benefit annually for a number of years³. The living standard of surviving family members is secured.

²The death benefit will be reduced respectively when making a policy value withdrawal.

³Subject to the availability of death benefit settlement option and regular settlement tenor under the plan for death benefit.

What's next?

For more information about our continued income solutions, please visit any HSBC Business Banking Centre, call 2748 8238 or speak with your Relationship Manager for referral to an Insurance Sales Manager.

Important Notes:

- All life insurance products are underwritten by HSBC Life (International) Limited ("HSBC Life")(incorporated in Bermuda with limited liability). Policyholder is subject to the credit risk of HSBC Life. If the policyholder discontinues and/or surrenders the insurance plan in the early policy years, the amount of the benefit he/she will get back may be considerably less than the amount of the premium he/she has paid. Any insurance products mentioned in this document are not equivalent to any bank deposit or savings.
- HSBC Life is incorporated in Bermuda with limited liability, and is one of the HSBC Group's insurance underwriting subsidiaries. HSBC Life is authorised and regulated by the Insurance Authority ("IA") 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 agency authorised by HSBC Life.
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- In respect of an eligible dispute (as defined in the Terms of Reference for the Financial Dispute Resolution Centre in relation to the Financial Dispute Resolution Scheme) arising between HSBC and you out of the selling process or processing of the related transaction, HSBC is required to enter into a Financial Dispute Resolution Scheme process with you; however, any dispute over the contractual terms of the above insurance products should be resolved between HSBC Life and you directly.
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