

# Talent Retention

Retaining talents in today's competitive business environment is one of the key challenges faced by employers. What if there is a way to strengthen employee loyalty by paying their bonuses in the form of funding their prospective insurance?

## Benefits for the Employers

- ◆ Tailored retention program
  - Set different length-of-service requirements and benefit amounts for selected key executives.
- ◆ High autonomy and flexibility
  - Customize policy - based on company's budget and needs to decide the sum insured, number of talents to be covered, and the flexibility to change of life insured and policy ownership as needed.
- ◆ Amplified effect
  - May retain employees at lower cost and offer policy value as employee benefit.
- ◆ Wide range of designated policies
  - Employers can choose from a wide range of designated life insurance policies to provide their selected key executives with long-term protection and satisfy their saving needs.

## Benefits for the Selected Key Executives

- ◆ Additional employee benefit at no cost
  - Upon mutual agreement with their employers, employers may transfer fully paid up policies to the selected key executives. Hence, there is an opportunity for selected key executives to own insurance policies at no cost.
- ◆ Beneficiary designation
  - With the employers' consent, proceeds from death or critical illness benefits may be paid to the beneficiaries appointed by the selected key executives before the policy ownership changed from employers to the selected key executives.
- ◆ Better planning for retirement
  - Upon mutual consent with their employers, policy ownership may be transferred from the employers to the selected key executives when they retire. Hence, the declared cash value of the policy can be utilized as a resource for retirement.
- ◆ Policies with flexible arrangement<sup>1</sup>
  - Some insurance policies offer guaranteed annuity payments, special bonuses and policy dividends.
  - Selected key executives can choose to withdraw the cash value by executing partial withdrawal<sup>2</sup> or full surrender to satisfy their financial needs at different stage of life.

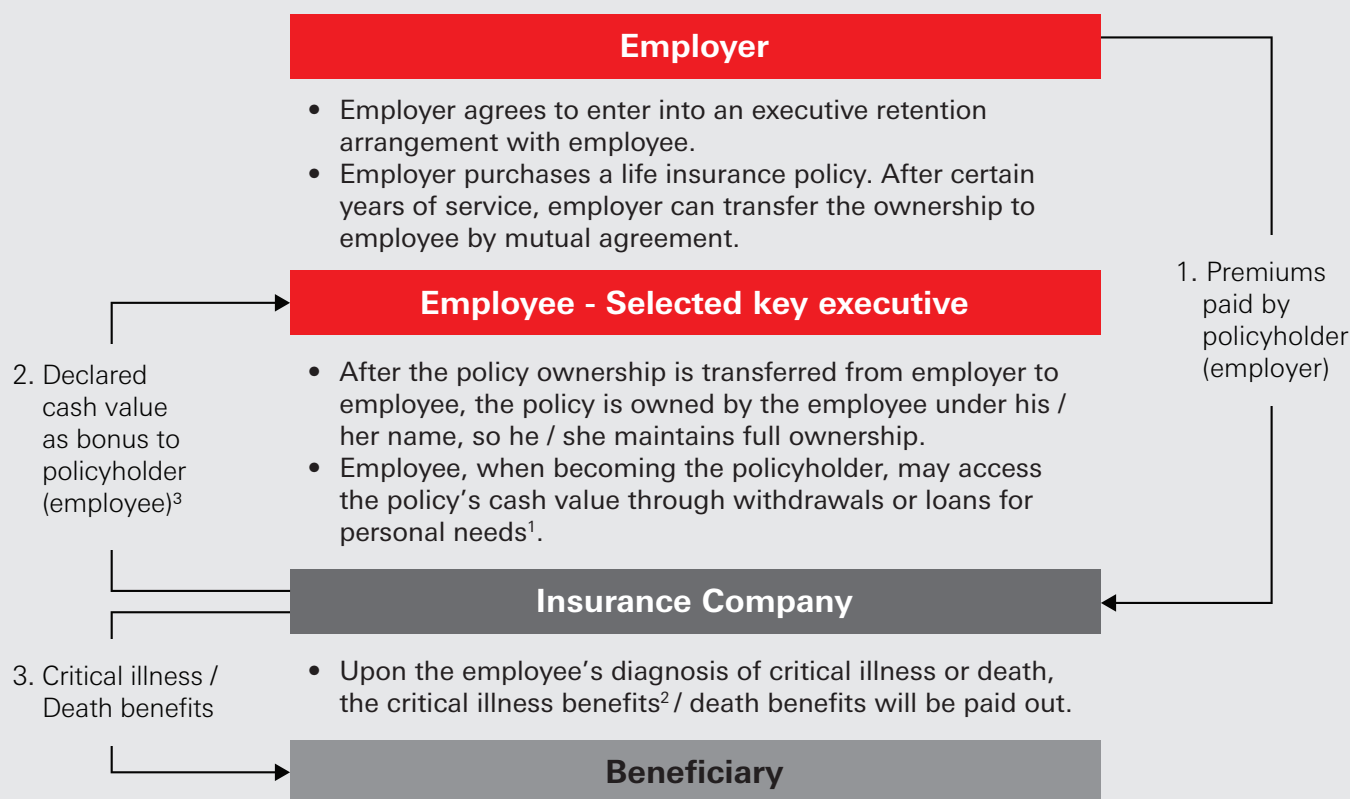
<sup>1</sup> Such arrangement is only applicable after the employers transfer the policy ownership to the selected key executives.

<sup>2</sup> Any partial surrender, policy loan and accrued loan interest may reduce the cash value and death benefit of the policy. Such transactions may cause the policy to lapse or terminated, subject to the terms and conditions of the policy. Policyholders are not encouraged to surrender and/or incur policy loan during the premium payment term of the policy.

The product features stated above are extracted from one or more individual life insurance plans. Please note that insurance product features vary among different plans and the applications are subject to underwriting approval. Please refer to respective product brochures and policy provisions of the relevant insurance policies for more details. It is recommended that you seek advice from our Insurance Sales Managers if you are trying to understand 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.



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<sup>2</sup> It only applies to insurance plans with critical illness benefit.

<sup>3</sup> It only applies when the policy ownership is transferred from employer to employee.

## What's next?

For more information about our talent retention solution, 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:

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