

Whole Life Insurance

HSBC Health Goal Insurance Plan

Wealth and people – protect your two key assets

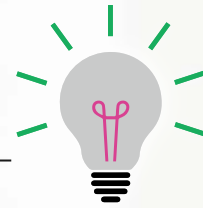


HSBC
Life

HSBC Life (International) Limited

Health and wealth - the key to keeping your key people

An innovative solution for retaining your talented employees through additional benefits and providing your company with long-term wealth growth potential.



A pioneering insurance solution for your company and your key employees' health and wealth

Wealth and people are your two most important assets. Giving your key employees enhanced benefits on top of their regular remuneration is one of the best ways to retain and incentivise them to reach even higher levels of performance for your business.

HSBC Health Goal Insurance Plan ("HSBC Health Goal" or "the plan" or "the policy") is designed to give you the versatility to strengthen your company's financial position and incentivise your best people at the same time.

HSBC Health Goal is a long-term participating life insurance product with a savings element. It is not equivalent or similar to any kind of bank deposit.

How does HSBC Health Goal help your company and employees?

Potential Wealth Growth



- Pay a single premium or premiums over certain years to reap the **long-term wealth growth** through the projected guaranteed and non-guaranteed policy values.
- For enhanced financial wellbeing, HSBC Health Goal provides a **Policy Value Management Option**, starting from the 20th policy year onwards, that enables the company to lock in part of the prevailing policy value to protect it against future market fluctuations.

3 x Critical Illness Benefit



- An additional lump-sum payment will be made for cancer, heart disease or stroke (if the life insured has survived for no less than 14 days following the diagnosis) until the age of 80 (age at the person's next birthday ("ANB")) up to three times (one for each disease) and subject to a one-year waiting period from the last claim of any of these benefits, with total payments for Critical Illness claims totalling up to **150% of total premiums paid. The policy value will remain unchanged after these claims.** This way, your business will have instant cash flow for contingency arrangements when a key person is unable to work due to critical illness.

Benefit Transfer



- The company can **transfer the policy's benefits to a key person by changing the life insured up to three times** after the 3rd policy year or after the premium payment period provided that all premiums have been fully paid (whichever is later).

Note: Critical Illness Benefits will be transferred together with the basic plan to the new life insured provided that no Critical Illness claim has previously been made by the original life insured.

Subject to eligibility, the life insured and/or company can enjoy the following supplementary benefits, **without paying any additional premiums**, to cope with financial challenges.



Terminal Illness Benefit¹

If the life insured is diagnosed with a terminal illness before the age of 65 (ANB), the **Death Benefit** will be paid to the company **in advance**.

Please refer to the policy provisions of the Supplementary Benefit for detailed terms, conditions and exclusions. For details, please refer to the “More about participating policy” section.

Global Medical Care Services²

(Personalised care and privileged access to leading Harvard-level specialists[‡] and hospitals in the U.S. for policies with a Notional Amount⁴ of USD2 million or more)



Personal Care Manager

provides the life insured with dedicated care throughout diagnosis, treatment to recovery journey.



The original diagnosis will be reviewed by multiple **Harvard-level specialists[‡]**, who will then develop a treatment plan and discuss the case and treatment options with the life insured’s local doctors.



Arranging access to the **top 1% ranked hospitals in the U.S.** and making medical appointments on your behalf; plus concierge services covering travel, accommodations and after-care support.

(Applicable to eligible policies only²)

Global Medical Care Services² are value-added services provided by our designated service provider, Preferred Global Health Ltd, to the life insured upon making critical illness claim. The Services consist of **world-class** Personal Care Manager, Diagnosis Verification and Treatment Plan, Doctor-to-Doctor Dialogue and US Care Management. Please refer to the relevant leaflet for service details.

[‡] As defined by the service provider PGH, Harvard-level specialists refer to specialists from Harvard Medical School-affiliated hospitals or from other top 1% hospitals in the U.S. as ranked by U.S. News & World Report.

Simplified underwriting

Applying for HSBC Health Goal Insurance Plan is simple and easy. The applicant only has to answer a few simple underwriting questions. Subject to the policy’s underwriting limit, no medical examination is required for simplified underwriting.



Example

The following example is for illustrative purposes only. Please refer to the "Product summary" section for details.



EmpowTech is a medium-sized tech firm and Desmond, aged 45, is a senior executive at EmpowTech.

Desmond has been working at EmpowTech since graduating from university. He has risen through the ranks over the years and is now a senior vice president in charge of new business development. He is regarded as one of the key people driving the company forward.

To protect the business and ensure continuity in case anything unexpected happens to Desmond, EmpowTech enrolls in HSBC Health Goal to give him extra employee benefits in the unfortunate event of death, cancer, stroke or heart disease.

Policyholder:	EmpowTech	Life insured:	Desmond
Issue age:	45 (ANB)	Premium/Sum insured:	USD100,000
Premium payment mode:	Single		

Assumptions:

- i. Desmond is a non-smoker.
- ii. No partial surrender has been made during the policy term.
- iii. There is no outstanding policy loan while this policy is in force.
- iv. The Special Bonus⁶ scale and investment returns are assumed to remain unchanged throughout the policy term.



Business risk diversion



Talent retention

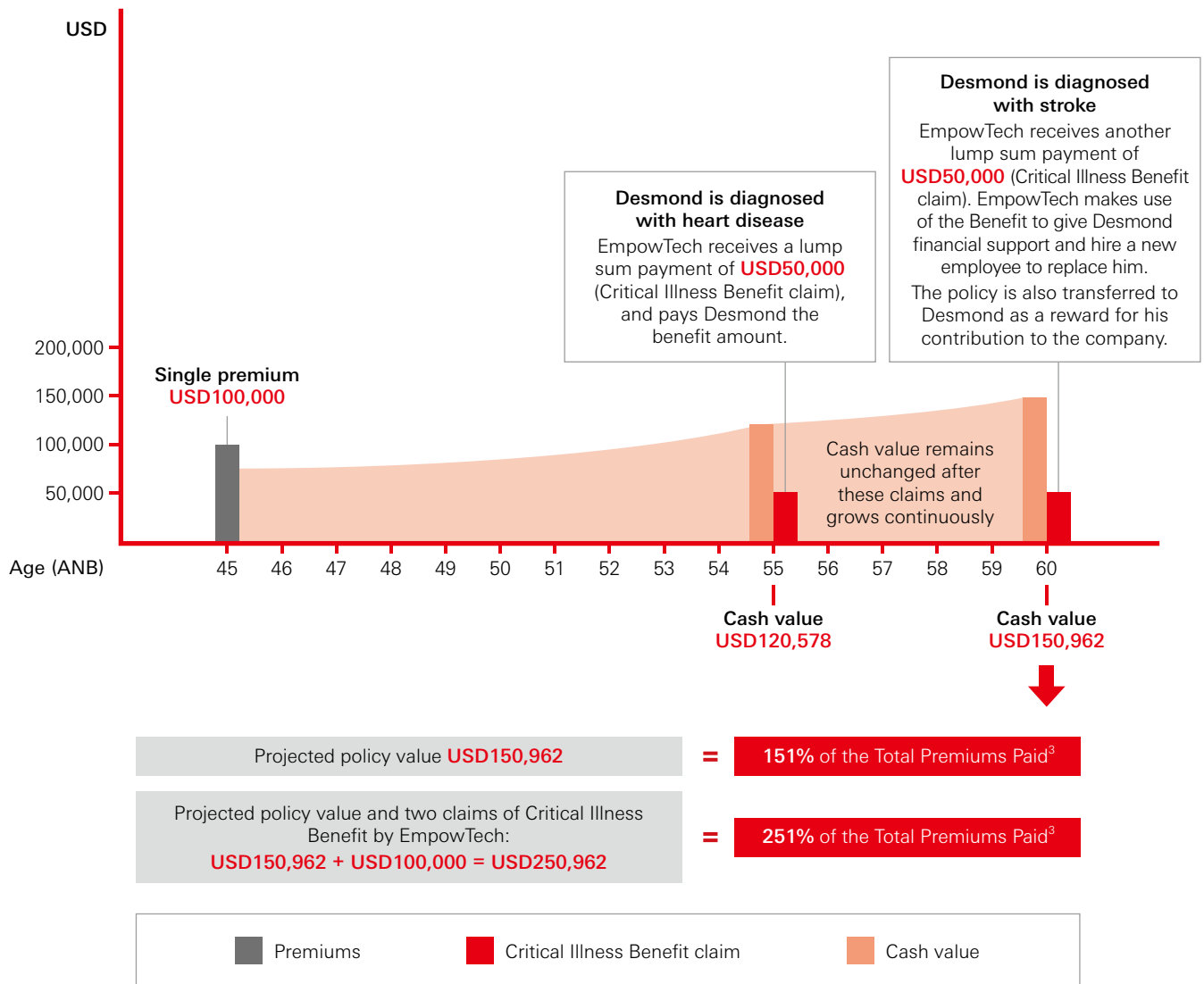


Long-term wealth growth

Desmond is diagnosed with heart disease at age 55 (ANB). EmpowTech receives the Critical Illness Benefit and uses the benefit amount to support Desmond as a staff benefit and pay for the medical expenses incurred.

5 years later, Desmond is diagnosed with stroke and he decides to retire. Again, EmpowTech makes use of the Critical Illness Benefit to provide financial support to Desmond. On the other hand, the Benefit enables EmpowTech to better manage the Company’s cash flow and hire a high-calibre new employee to replace Desmond.

Upon Desmond’s retirement, EmpowTech transfers the policy to Desmond through a change of policy ownership as a token of appreciation for his contribution and loyalty to EmpowTech.



Notes:

- The figures and charts shown in this scenario are based on the above assumptions and are subject to rounding adjustments.
- Past, current, projected and/or potential benefits and/or returns such as Special Bonus⁶ which form part of the policy value presented in this example are not guaranteed and are shown for illustrative purposes only, and are determined by us when they become payable. The actual future amounts of benefits and/or returns may be higher or lower than the currently quoted benefits and/or returns.
- You should also be aware of the impact of inflation over time, which will likely reduce the spending power of accumulated amounts significantly.

Product summary

What do you need to know before applying for HSBC Health Goal?

Policy currency	USD		
Policy term	Up to age 99 (ANB)		
Premium payment period/ Issue age	Premium payment period	Issue age	
	Single premium or 3 years	15 days after birth to age 65 (ANB)	
	5 years	15 days after birth to age 60 (ANB)	
	10 years	15 days after birth to age 55 (ANB)	
Premium payment options	<p>You may choose to pay your premiums as below:</p> <ul style="list-style-type: none"> • Payment mode: <ul style="list-style-type: none"> (i) Annually; or (ii) Monthly; or (iii) A single premium <p>Note:</p> <ul style="list-style-type: none"> • If you choose to pay your premiums monthly in respect of a policy year, the Total Basic Plan Premium Paid³ for that policy year will be higher than if you pay annually. 		
	<ul style="list-style-type: none"> • Payment methods: <ul style="list-style-type: none"> (i) From your HSBC bank account (for initial premium) / any bank account (for subsequent premium(s)); or (ii) HSBC credit card (not applicable to single-premium payments); or (iii) By cheque 		
Minimum premium amounts	Minimum premium required <u>per policy</u> based on different premium payment periods and payment modes:		
	Premium payment period	Payment mode	
		Annual premium	Monthly premium
	Single premium	USD25,000	---
	3 years	USD8,333.30	USD729.20
5 years	USD5,000	USD437.50	
10 years	USD2,500	USD218.80	

Product summary

What does HSBC Health Goal offer?

Guaranteed Cash Value – The cash value of your policy at any time during the policy term	Guaranteed Cash Value refers to the cash value of your policy that accumulates over time during the policy term. It is calculated based on the Notional Amount ⁴ at the relevant time.
Special Bonus	<p>The Special Bonus (if any) is non-guaranteed. The amount of any potential Special Bonus will be determined by us when it becomes payable. We will pay the Special Bonus (if any) to you or the policy beneficiary(ies) when you fully or partially surrender or terminate your policy, when your policy matures or discontinues, or when we pay out the Death Benefit or the Terminal Illness Benefit¹.</p> <p>If you exercise the Policy Value Management Option, we will allocate a portion of the Guaranteed Cash Value and Special Bonus (if any) to the Policy Value Management Balance to accumulate with interest.</p> <p>We will update you regarding the amount of the Special Bonus (if any) on each policy anniversary on the annual statement. Such Special Bonus amounts as shown on the annual statement(s) may be lower or higher than those projected on the earlier annual statement(s) issued. Please refer to section “Key risks – Non-guaranteed benefits” for the details of key risk factors.</p>
Policy Value Management Option	<p>After the 20th Policy Year, if there are no outstanding policy loan or premiums, you may apply to exercise this option to lock in a portion of your policy’s Net Cash Value⁵. The amount you choose to lock in is guaranteed upon exercising this option and will be allocated to the Policy Value Management Balance to accumulate at a non-guaranteed interest rate as determined by us from time to time.</p> <p>The exercise of this option is subject to the following two minimum amount requirements as determined by us from time to time:</p> <ul style="list-style-type: none">(i) The Net Cash Value⁵ to be allocated per transaction; and(ii) The remaining Notional Amount⁴ after the exercise of this option <p>To apply for this option, you must submit a form made available by us. Upon exercising this option, the Notional Amount⁴ and Total Basic Plan Premium Paid³ under your policy will be reduced proportionally, which will result in adjustments in the calculations of Guaranteed Cash Value, Special Bonus⁶ (if any), Critical Illness Benefits and Death Benefit according to the policy terms. We will issue the revised policy documents to you if your request is approved. After you have exercised this option, you cannot cancel, reverse or terminate the arrangement.</p>

Product summary

Policy Value Management Balance	<p>The amount of cash value you have locked in from exercising the Policy Value Management Option which is allocated to your policy to accumulate at a non-guaranteed interest rate, and less any previously withdrawn amounts. You can apply to withdraw in cash from such balance at any time before your policy matures by submitting a form made available by us.</p>
Critical Illness Benefits	<p>Critical Illness 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. If life insured is diagnosed with any of diseases covered under these Critical Illness Benefits before the age of 80 (ANB) and has survived for no less than 14 days following the diagnosis, you will receive an additional lump sum payment which is equal to 50% of your policy's Notional Amount⁴ ("Benefit Payment"). The Critical Illness Benefits are payable up to a maximum of <u>three times</u> and subject to a one-year waiting period from the last claim of any of these benefits and the following exclusions:</p> <ul style="list-style-type: none">(i) Any pre-existing conditions from which the life insured was suffering prior to the Issue Date, the Policy Date, the effective date of last reinstatement or the effective date of change of life insured provided that the Critical Illness Benefits are still eligible for claims pursuant to the policy term, whichever is the latest; or(ii) Any illness contracted by the life insured within the first ninety (90) days following the lower case for life insured, the Policy Date, the effective date of last reinstatement or the effective date of Change of Life Insured provided the Critical Illness Benefits are available pursuant to the policy term, whichever is the latest, or(iii) Intoxication by drugs not prescribed by a Registered Medical Practitioner or abuse of alcohol; or(iv) Presence of Human Immunodeficiency Virus (HIV) infection on or before the diagnosis date of Critical Illness (except for "HIV Due to Blood Transfusion and Occupationally Acquired HIV" as defined in the policy term) <p>These Critical Illness Benefits will terminate when the life insured attains the age of 80 (ANB), payout of the relevant Critical Illness Benefits or the policy is terminated (whichever is earlier).</p> <p>Please refer to the respective Policy Provisions for detailed terms, conditions and exclusions. You should consult with professionals or seek professional advice if you are in doubt about the definitions and exclusions.</p>

Product summary

<p>Surrender Benefit – The amount you will receive if you terminate your policy or a portion thereof during the policy term</p>	<p>If you surrender your policy at any time, you will receive:</p> <ul style="list-style-type: none">• the Guaranteed Cash Value;• <u>plus</u> the Special Bonus⁶ (if any);• <u>plus</u> the Policy Value Management Balance (if any);• <u>less</u> any outstanding policy loans, interest and premiums.
<p>Partial Surrender</p>	<p>You may partially surrender your policy by reducing the Notional Amount⁴ provided that the following two minimum amount requirements are met as determined by us from time to time:</p> <p>(i) a minimum amount of reduction of the Notional Amount⁴ per transaction; and</p> <p>(ii) a minimum amount of the Notional Amount⁴ after such transaction</p> <p>To apply for it, you must submit a form made available by us. If we approve your request, you will receive the Net Cash Value⁵ as calculated based on the reduced portion of the Notional Amount⁴. This may include a portion of the Special Bonus⁶ (if any) as declared and determined by us based on the reduced portion of the Notional Amount⁴.</p> <p>Upon the reduction of the Notional Amount⁴, the Total Basic Plan Premium Paid³ under your policy will be reduced proportionally, which will result in adjustments in the calculations of Guaranteed Cash Value, Special Bonus⁶ (if any), Critical Illness Benefits and Death Benefit according to the policy terms. We will issue the revised policy documents to you once the reduction of Notional Amount⁴ has taken effect.</p>
<p>Maturity Benefit – The amount you will receive at the end of the policy term</p>	<p>You will receive a Maturity Benefit which is equivalent to:</p> <ul style="list-style-type: none">• the Guaranteed Cash Value;• <u>plus</u> the Special Bonus⁶ (if any);• <u>plus</u> the Policy Value Management Balance (if any);• <u>less</u> any outstanding policy loans, interest and premiums <p>when the life insured reaches the age of 99 (ANB).</p>

Product summary

Death Benefit	<p>If the life insured passes away during the policy term, the beneficiary(ies) will receive:</p> <ul style="list-style-type: none">• Total Basic Plan Premium Paid³ plus an amount of USD2,500 or Guaranteed Cash Value (whichever is higher);• <u>plus</u> Special Bonus⁶ (if any);• <u>plus</u> Policy Value Management Balance (if any) ;• <u>less</u> any outstanding policy loans, interest and premiums <p>on the date of the life insured's death.</p>
Change of life insured	<p>You are entitled to the change of life insured of your policy for up to three times after the third policy year or after the end of the premium payment period provided all premiums are fully paid, whichever is later. Change of life insured is subject to evidence of insurability and our approval which is based on the underwriting conditions of the life insured.</p> <p>Critical Illness Benefits will be transferred together with the basic plan to the new life insured provided no claims have been made under the Critical Illness Benefits by the original life insured. However, if any of these benefits has been claimed by the original life insured before the acceptance of change of life insured, the Critical Illness Benefits under this policy shall cease to operate for the new life insured.</p> <p>The maturity date of the policy will also be reset to age 99 (ANB) of the new life insured. A new incontestability period will also apply. Any change of life insured may trigger consequential adjustments in the Notional Amount⁴, Guaranteed Cash Value, Special Bonus⁶ (if any), the Death Benefit and Critical Illness Benefits (if any). If it triggers a lower new Notional Amount⁴, the policyholder may apply to increase the new Notional Amount⁴ for the new life insured up to the amount of the original Notional Amount⁴ before the change with the payment of additional premium. Any such request will be assessed on case-by-case basis and is at our discretion.</p>
Supplementary Benefit	<p>In addition to the above benefits, you may be eligible for the following Supplementary Benefit during the policy term, with no additional premium required:</p> <ul style="list-style-type: none">• Terminal Illness Benefit¹ <p>Please refer to the respective terms of the Supplementary Benefits for detailed terms, conditions and exclusions.</p>

The content in this Product Brochure is for reference only. You should read this document in conjunction with the respective insurance proposal and Policy Provisions for details.

Important notes

Cooling-off Period

HSBC Health Goal Insurance Plan is a life insurance plan with a savings element. Part of the premium pays for the insurance and related costs including, but not limited to, policy acquisition, maintenance and claims costs.

If you are not satisfied with your policy, you have a right to cancel it within the cooling-off period and obtain a refund of any premiums and levies paid, subject to any market value adjustment (applicable to single premium policies) (see section below for details of market value adjustment). A written notice signed by you together with your policy (if received) should be received by the office of HSBC Life (International) Limited at 18/F, Tower 1, HSBC Centre, 1 Sham Mong Road, Kowloon, Hong Kong within the cooling-off period (that is, a period of 21 calendar days immediately following either the day of delivery of the policy or the day of delivery of the cooling-off notice to the policyholder or the nominated representative, whichever is earlier).

After the expiration of the cooling-off period, if you cancel your policy before the end of the policy term, the projected Net Cash Value⁵ may be less than the total premiums you have paid.

Market value adjustment for single premium policy

During the cooling-off period, single premium policy is subject to market value adjustment, which refers to the amount of the shortfall (if any) by which the value of investment for the single premium at the time when the cancellation notice on the Policy is received by us has fallen below the amount of the single premium paid.

Suicide

If the life insured commits suicide, whether sane or insane, within one year of the Issue Date or from the effective date of reinstatement, whichever is later, the Death Benefit payable under the policyholder's policy will be limited to the refund of the amount of premiums the policyholder paid to us less any amount we paid to the beneficiary(ies) since the Policy Date.

Policy loan

You may apply for a policy loan but the amount you borrow plus any previous unpaid borrowed amount must not exceed 90% of your policy's Guaranteed Cash Value. We will advise you of the rate of interest as determined by us from time to time.

Any Partial Surrender or the exercise of the Policy Value Management Option will reduce the Guaranteed Cash Value. Should the policy loan with interest exceed the Guaranteed Cash Value, we may discontinue your policy.

Please be reminded that when we make any payment to you under your policy, we will deduct any outstanding loan, interest and premiums from the amount otherwise payable. Our claim for any outstanding loan, interest and premiums will be prior to any claim made by you, policy beneficiary(ies), the assignee(s) or other persons under your policy.

Policy Cancellation

You can request to surrender the policy at any time after cooling-off period for its Aggregate Cash Value by filing a form specified by us. Upon full surrender, the Company's liability under the policy shall be fully discharged.

Important notes

Tax reporting and financial crime

You are required to provide us with information that we may occasionally request from you regarding you and your policy so that we can comply with certain obligations to legal or regulatory bodies, government or tax authorities in Hong Kong and overseas. If you fail to provide us with such requested information, or if you place/expose us or any of our member of HSBC Group at financial crime risk, we may:

- take necessary actions so that we or our members can meet our/their obligations; and
- be unable to provide new, or continue to provide all services to you; and
- be required to withhold payments or benefits that would otherwise be due to you or your policy and pay them to tax authorities; and
- terminate your policy

In the event that any benefit or payments is withheld and/or your policy is terminated by us as a result of any of the above reasons, the amount you receive plus the total amount you have received before policy termination (if any) may be less than what you have paid. We recommend that you seek your own independent professional advice on your tax liabilities and tax positions related to your policy.

Termination conditions

We have the right to terminate your policy under any of the following circumstances:

- if you cannot make the overdue premium payments by the end of the grace period; or
- the Policy Loan with accrued interest exceeds the Guaranteed Cash Value; or
- we reasonably consider that by continuing your policy or our relationship with you, we may break any laws or a member of HSBC Group may be exposed to action or censure from any authority; or
- terminate according to any Supplementary Benefits terms

Please refer to the Policy Provisions for more details of the termination conditions.

Applicable laws

The laws governing your policy are the laws of Bermuda. However, in the event of any dispute arising in the Hong Kong SAR, the non-exclusive jurisdiction of the Hong Kong SAR courts will apply.

Missing premium payment

We will give you a 30-day grace period for making premium payments. If you cannot make the payment by the end of the grace period, we will grant you an automatic premium loan to cover the unpaid premium provided that the Guaranteed Cash Value⁵ less any outstanding policy loan of your policy calculated immediately before the due date of the relevant unpaid premium is greater than the amount of the unpaid premium. We will apply interest on such a loan at a rate determined by us from time to time. If the Guaranteed Cash Value⁵ less any outstanding policy loan at the time is not enough to cover the unpaid premium, your policy will be discontinued and we will pay you the Guaranteed Cash Value⁵ less any outstanding policy loan as at the due date of the first unpaid premium.

Key risks

Please take note of the following key risks before taking out the HSBC Health Goal policy:

Credit and insolvency risks

HSBC Health Goal is an insurance policy issued by us. **You are subject to our credit risk** because all your premiums paid become part of our assets. You do not have any rights or ownership over any of our assets. You can only claim against us under all circumstances.

Non-guaranteed benefit

The scale for calculating the Special Bonus⁶ (if any) is not guaranteed and will be determined by us from time to time. Whether the Special Bonus⁶ is payable and the size of the Special Bonus⁶ to be paid **depend on the investment performance of the assets supporting the policies, as well as other factors including but not limited to, claims, lapse experience, expenses and the long-term expected future performance.** The key risk factors are described below:

- **Investment risk factors** – **The investment performance of the assets supporting the policies could be affected by changes in interest rates and expectations of it** (which affect both interest earnings and values of assets), fluctuations in prices of growth assets and various market risks including, but not limited to, currency risk, credit spread and default risk.
- **Claims factors** – **The actual experience of mortality and morbidity is uncertain** which may lead to a higher than expected claim or living benefit payment and impact the overall performance of the product.
- **Persistency factors** – **The actual experiences of policy surrender (full or partial), policy lapse and exercise of Policy Value Management Option are uncertain**, and therefore has impacts on both the current performance and future return of the policies' portfolio.
- **Expense factors** – **The actual amount of any direct expenses** (eg. commission, underwriting, policy acquisition and maintenance expenses) **and indirect expenses** (eg. general overhead costs) **incurred and allocated to the group of policies may be higher than expected** and may impact the overall product performance.
- Interests earned on the Policy Value Management Balance (where applicable) are not guaranteed and may be adjusted by us from time to time.

Risk from delayed or missing premium payments

If there is any delay or missed due payment, **it may lead to a discontinuation of your policy. As a consequence, you will only receive an amount which may be significantly less than the premiums you paid.**

Key risks

Risk from surrender

In the event that you have to fully or partially surrender your policy in the early years, **you may receive an amount significantly less than the premiums paid.**

Liquidity risk

We would expect you to keep your policy for the entire policy term. In the event that you have liquidity needs for any unexpected events, you may surrender your policy in full or in part for cash pursuant to the policy terms. However, **this may cause your policy to discontinue. There is always a risk that you could only receive an amount which may be less than the premiums you paid.**

If you exercise the Policy Value Management Option, the aggregate cash value (an amount equal to the Net Cash Value⁵ plus Policy Value Management Balance, if any) under your policy at a future point in time may be lower or higher than if you have not exercised such option.

Inflation risk

You must take into account the **risk of inflation, which will likely cause the future cost of living to rise.** With inflation in place, you should expect that **you or your assigned beneficiary(ies) will receive an amount that is less in real terms in the future,** even if we have done our best to serve your policy.

Policy currency risk

You are exposed to exchange rate risks. If you choose (i) to set a foreign currency as your policy currency, or, (ii) to pay premiums or receive benefits in currencies other than the policy currency, **the actual amount you paid or received will then be subject to the prevailing exchange rate** determined by us between the policy currency and the local/payment currencies. You must take note that exchange rate fluctuations may affect your payment amounts including premium payments, levy payments and benefit payments.

Risks from assigning your policy

If your policy is assigned to a lender (i.e. Assignee) as collateral, you will be subject to interest rate risk, which may increase costs of serving the loan and risk of default in repaying the loan. Upon repayment default or failure to repay the loan under the relevant assignment or loan agreement or other facility agreements of similar nature, the Assignee may exercise the right to surrender the policy on your behalf. You may lose the life coverage and other benefits as a result.

We will pay the Death Benefit or other benefit amount first to the Assignee (unless otherwise advised by the Assignee) and any remaining balance of Death Benefit or other benefit amount to the Policyholder or Beneficiary (as the case may be).

You may also face the risk of policy information and personal data being released to the Assignee.

More about participating policy

We issue participating life insurance policies providing both guaranteed and non-guaranteed benefits. The guaranteed benefits may include the Death Benefit, Guaranteed Cash Value and other benefits that vary depending on your chosen plan. The non-guaranteed benefits comprise the policy dividends which allow policyholders to share in the financial performance of the life insurance operation.

For HSBC Health Goal, the policy dividends, if any, is in the form of **Special Bonus⁶** which is declared upon early termination of the policy due to, for example, death or surrender, the exercise of Policy Value Management Option or at policy maturity.

The Special Bonus⁶ amount may change from time to time based on the performance over the life of the policy before the time of declaration and prevailing investment market conditions. The actual amount will not be determined until it is payable. Please refer to the "Product summary" section of this brochure for more details.

What factors will affect your Special Bonus⁶?

Special Bonus⁶ (if any) is not guaranteed; the size of the Special Bonus⁶ and whether it is payable depends on factors including but not limited to:

- the investment performance of the assets supporting the policies;
- claims, lapses, and expenses experiences; and
- the long-term expected future performance of the investment and other experiences mentioned above

If the performance over the long term is better than expected, the Special Bonus⁶ paid would increase. If performance is below expectation, the Special Bonus⁶ paid would decrease.

Please refer to the "Key risks – Non-guaranteed benefit" section of this brochure for more details.

What are the key benefits of participating policies?

The key feature of participating policies over other forms of insurance policies is that in addition to the guaranteed benefits, you will also benefit from an additional Special Bonus⁶ payment if the investment performance is better than that required to support the guaranteed benefits. The better the performance, the greater the Special Bonus⁶, and, conversely, the worse the performance, the lower the Special Bonus⁶.

Dividend philosophy

Establishing a risk-sharing mechanism

We have a clear interest in the performance of your participating policy as our participating business operates on the principle of sharing risks between you and ourselves to achieve a reasonable balance. We regularly review the Special Bonus⁶ levels payable to you. Both the past actual performance and management's expectation of the long-term future performance will be assessed against the assumed level. If variances arise, considerations will be undertaken regarding sharing these with you through Special Bonus⁶ adjustments.

More about participating policy

Fairness across policyholder groups

To ensure fairness between policyholders of participating products, we will carefully consider the experience (including investment performance) of various policy groups such as products, product generations, currencies and issue years so that each policy group will receive a fair return based mainly on its own performance. To balance the interest between you and us, a dedicated committee formed from a group of professionals will provide independent advice on managing the participating policies and determining the Special Bonus⁶.

Stable long-term returns

When considering adjusting the Special Bonus⁶ scales, we strive to maintain a more stable payout to you by smoothing. This means the Special Bonus⁶ levels will only be changed if the actual performance is significantly different from the assumed level over a period of time, or if management's long-term future performance expectations change substantially.

We may also reduce the extent of smoothing or even stop smoothing the effects of the change in asset values for a time in the determination of the Special Bonus⁶. We would do this to protect the interests of the remaining policyholders. For example, we may reduce smoothing when payouts with smoothing are higher than payouts without smoothing.

Investment policy and strategy

We follow an asset strategy that

- (i) helps to ensure that we can meet the guaranteed benefits that we have committed to you;
- (ii) delivers competitive long-term returns to you through Special Bonus⁶; and
- (iii) maintains an acceptable level of risk

The assets supporting the participating policies consist of fixed income and growth assets. The **fixed income assets** predominately include fixed income assets issued by corporate entities with good credit ratings (average A-rated or above) and long-term prospects. **Growth assets**, including equity-type investments and alternative investments such as property, private equity or hedge funds, as well as structured products including derivatives, are utilised to deliver returns that are more reflective of economic performance over the long term.

Our investment portfolios are well diversified across various types of assets, and are invested in varied geographical markets (mainly Asia, the United States and Europe), currencies (mainly US dollars) and industries. The assets are carefully managed and monitored according to our own acceptable level of risk.

Target asset allocations

Asset type	Long-term allocation percentage
Fixed Income Assets (government bonds, corporate bonds and alternative credit)	30%-50%
Growth Assets	50%-70%

Note: there could be slight deviation from the above range due to market fluctuation.

More about participating policy

We consider other factors when deciding the actual asset allocations, including, but not limited to:

- current and expected future market conditions;
- guaranteed and non-guaranteed benefits of the policies;
- the acceptable risk level of the policies;
- expected economic growth after adjustment for inflation over a period of time; and
- investment performance of the assets supporting the policies

Subject to our investment policy, actual asset allocation could deviate from the above long-term target allocation from time to time.

For policies with the Policy Value Management Option exercised, the assets supporting the Policy Value Management Balance are 100% invested into fixed-income assets.

Accumulation interest rate

You can choose to exercise the Policy Value Management Option to allocate a portion of the Net Cash Value⁵ to the Policy Value Management Balance (if any) to accumulate with interest (if any).

Interest rates are not guaranteed, and will be reviewed by us regularly with reference to the following factors:

- Portfolio yields of fixed income asset;
- Prevailing market conditions;
- Expectations of future fixed income asset yields;
- The cost associated with the provision of this interest accumulation service; and
- The likelihood and duration of policyholders leaving their payment for accumulation

The policy of determining the Special Bonus⁶ (if any) and accumulation of interest rates may be reviewed and adjusted by us from time to time.

For more updated information, please visit our website www.hsbc.com.hk/insurance/info/.

You may also visit the above website to refer our dividend history. The past or current performance of our business may not be a guide for future results.

Endnotes

1. Terminal Illness Benefit will terminate when the life insured attains the age of 65 (ANB) or payout of the relevant benefits or the Policy is terminated (whichever is earlier). Your policy will terminate once we pay this benefit. No Terminal Illness Benefits shall be payable under any of the below conditions:
 - any pre-existing condition from which the life insured was suffering prior to the Issue Date of the Policy or the effective date of this Benefit or the effective date of last reinstatement, whichever is the latest; or
 - any Human Immunodeficiency Virus (HIV) or any HIV-related illness including Acquired Immune Deficiency Syndrome (AIDS) or any mutations, derivation or variations thereof.Please refer to the relevant policy provisions for details of terms and conditions and exclusions.
2. Global Medical Care Services (the "Services") are provided by Preferred Global Health Ltd ("PGH"), a leading global patient care organisation ("the organisation") to the life insured (hereinafter called "the patient") of HSBC Health Goal Insurance Plan policy. The Services consist of Personal Care Manager, Diagnosis Verification and Treatment Plan, Doctor-to-Doctor Dialogue and US Care Management services. US Care Management service is only applicable to HSBC Health Goal Insurance Plan policy with Notional Amount⁴ of USD2 million or more. The Services provided by the organisation or through the service providers arranged by the organisation are used as a resource for consultative medical advice and treatment recommendations for the patient who seek further opinions/suggestions on his/her medical conditions. The Services are value-added services provided by the organisation while this policy is effective. **It is your/patient's responsibility to pay for all the treatment and medical costs and the related costs/expenses incurred by you/the patient, whether directly or indirectly in relation to the receiving of the Services.**

You are subject to the relevant terms and conditions as determined by the organisation for the use of their services. The Company does not represent PGH. The Company will not be held liable or responsible for the above content provided by PGH. The Company is not directly affiliated in any way with Harvard, and any reference to Harvard is only for identification and reference purposes on content provided by PGH and does not imply an association between the Company and Harvard. Please seek the advice of your medical professional for further guidance. We have the absolute discretion to revise and change the terms and conditions for the offering of the Services under this policy at any time without giving you prior notice.
3. Total Basic Plan Premium Paid refers to the total amount of premiums due for the basic plan (whether or not actually paid) as of the date of death of the life insured. If you choose to prepay the required premiums, the balance of the prepaid premiums will not be counted as the Total Basic Plan Premium Paid until such part of premium is due.
4. Notional Amount is an amount used to determine the premiums payable under this policy and your cash values, Special Bonus⁵ and amounts of Cancer/Heart Disease/Stroke Benefit (Additional Payment) to be received under the basic plan of this policy. It does not represent the amount of death benefit payable.
5. Net Cash Value means an amount equal to the Guaranteed Cash Value plus Special Bonus⁶ less any outstanding policy loan, interest and premiums.
6. The amount of Special Bonus, if any, is not guaranteed and subjected to our absolute discretion.

More information

Planning for your financial future is important. Let us review your current and future needs and help you decide if HSBC Health Goal Insurance Plan is the right product to help you fulfil your personal goals.

You can visit any HSBC Business Centres and arrange for a Financial Needs Analysis Questionnaire with us.

Click www.hsbc.com.hk

Visit any HSBC Business Centres

HSBC Health Goal Insurance Plan

HSBC Life (International) Limited

HSBC Life (International) Limited (“the Company”, “we” or “us”) is incorporated in Bermuda with limited liability, and is one of the HSBC Group’s insurance underwriting subsidiaries.

Hong Kong Special Administrative Region office

18/F, Tower 1, HSBC Centre, 1 Sham Mong Road, Kowloon, Hong Kong

The Company is authorised and regulated by the Insurance Authority (IA) to carry on long-term insurance business in the Hong Kong Special Administrative Region.

The Hongkong and Shanghai Banking Corporation Limited (“HSBC”) is registered in accordance with the Insurance Ordinance (Cap. 41 of the Laws of Hong Kong) as an insurance agency of the Company for the distribution of life insurance products in the Hong Kong Special Administrative Region. HSBC Health Goal Insurance Plan is a product of the Company but not HSBC, underwritten by the Company and it is only intended for sale through HSBC in the Hong Kong Special Administrative Region.

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 the HSBC Commercial Banking Customer out of the selling process or processing of the related transaction, HSBC is required to enter into a Financial Dispute Resolution Scheme process with the HSBC Commercial Banking Customer; however, any dispute over the contractual terms of the above insurance product should be resolved between the Company and the HSBC Commercial Banking Customer directly.

The Company accepts full responsibility for the accuracy of the information contained in the Product Brochure and confirms, having made all reasonable enquiries that would make any statement misleading. The information shown therein is intended as a general summary. Please refer to your insurance policy for the detailed terms and conditions.

June 2022

HSBC Life (International) Limited is the proud winner of the following awards:



Issued by HSBC Life (International) Limited (Incorporated in Bermuda with limited liability)



HGIP_PB_CMB_0622_E