



RetireIncome Annuity Plan

HSBC   

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Insurance

**HSBC Life (International) Limited**

HSBC Life (International) Limited ("the Company") is incorporated in Bermuda with limited liability, and is one of the HSBC Group's insurance underwriting subsidiaries.

**Registered office**

6 Front Street, Hamilton HM11, Bermuda

**Hong Kong SAR office**

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

The Company is authorised and regulated by the Hong Kong Commissioner of Insurance to carry on long-term insurance business in the Hong Kong SAR.

RetireIncome Annuity Plan is underwritten by the Company.

The Hongkong and Shanghai Banking Corporation Limited (referred to as "HSBC") is an insurance agent authorised by the Company.

The Company accepts full responsibility for the accuracy of the information contained in the Principal Brochure and confirms, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which 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.

September 2014

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# RetireIncome Annuity Plan



We work hard throughout our lives so it is usual for us to dream of enjoying a long, secure and comfortable retirement.

It's a fact that people nowadays are apportioning a lengthier period of their lifetime to be spent in retirement. While the Mandatory Provident Fund has built a platform for a retirement fund, we may still need more funds for a secure retirement when we reach our chosen retirement age. By that time in our lives, uncertainties will surely be something we could all do without.

If you are considering to supplement the income from your pension, the surest way of avoiding any uncertainties is to choose an annuity plan that could provide a guaranteed fixed return, and this is where our RetireIncome Annuity Plan can help. The plan is designed to give you peace of mind through a stream of annuity payments – enabling you to plan for your retirement with total confidence.

# RetireIncome Annuity Plan

## The benefits

Designed to suit your various needs, RetireIncome Annuity Plan enables you to choose one plan that suits your needs and provides you with a guaranteed savings that can give you an additional source of funds in your retirement. Here are some of the key benefits of the plan:

### Guaranteed annuity payment and guaranteed retirement bonus

- Everyone dreams of a retirement life that would not be affected by uncertainties. With RetireIncome Annuity Plan, you establish at the outset the amount of monthly guaranteed annuity payment you wish to build for. This means you can relax knowing that you will receive a fixed monthly annuity payment upon retirement.
- At the end of the accumulation period, when you have built up your savings, you would also be given an additional guaranteed retirement bonus, to get your retirement off to a great start with a holiday of a lifetime.

### Annuity options

- You can decide on the best way to take your retirement savings, either:
  - as a stream of regular monthly annuity payments over a period of 10 years or
  - as a cash lump sum to enjoy straightaway or
  - if you do not require immediate access to your cash, you can accumulate all the payable annuity amounts, (with interest which may vary from time to time) until the end of your annuity period.
- You can choose for your beneficiary to continue to receive the remaining annuity payments until the end of the annuity period if you die during the annuity period.

### Peace of mind and financial security

- To give you and your family peace of mind and security, your capital invested is totally protected throughout the accumulation period.
- The plan provides unemployment and optional disability benefits, which ensures your policy continues even if you are unable to pay premium when any misfortune strikes.
- Were you to be diagnosed with a terminal illness, we will pay you the death benefit in advance, providing comfort at what is bound to be a difficult time.
- An optional coverage against accidental death or dismemberment is available to provide extra financial support to your family. If you die or suffer dismemberment due to accident before the age<sup>1</sup> of 65, an additional sum will be paid by us.
- With the optional Critical Illness Select (Additional Payment) which offers coverage until you reach the age<sup>1</sup> of 65, the plan will pay a cash sum if you are diagnosed with one of the covered illnesses as listed in the *Additional protection leaflet*.
- RetireIncome Annuity Plan lets you pass your wealth on to your chosen beneficiary without delay caused by probate procedures.

### Simple application

- With no medical examination required, approval is generally guaranteed with no health questions asked<sup>2</sup>, so we've made it easy for you to take out the plan.

<sup>1</sup> The policy anniversary at which you reach the specified age based on age at next birthday.

<sup>2</sup> You are required to complete simple health questions if the total premium of all of your pending and inforce RetireIncome Annuity Plan, RetireEnrich Protection Plus and SaveEnrich Protection Plan (6 Years) applications or policies subject to "guaranteed approval" is more than HKD12,000,000/USD1,500,000. We reserve the right to accept or reject any applications for the plan based on the information provided by the Life Insured during application.

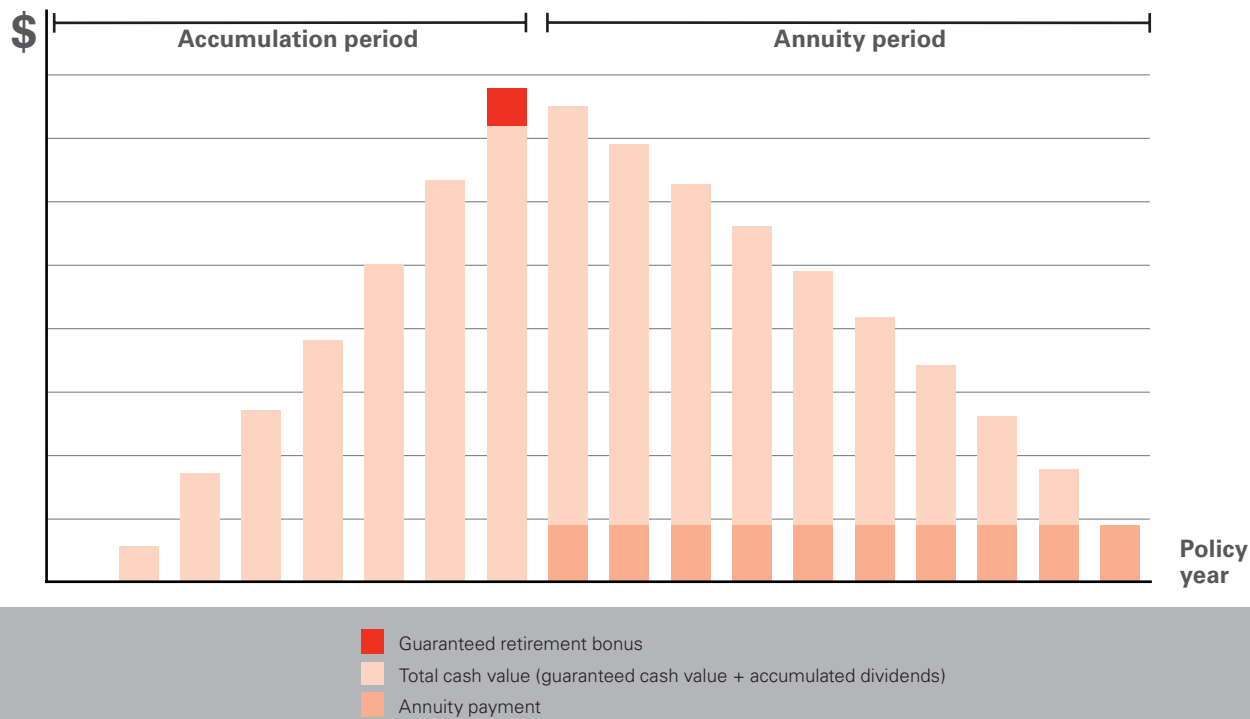
# How does RetireIncome Annuity Plan work?

RetireIncome Annuity Plan is an annuity plan that is designed to build up savings for retirement. It accumulates for a set period of 8 years, 10 years or up to age<sup>1</sup> 55, known as the accumulation period, and then you are paid a regular annuity payment over the 10-year annuity period.

At the end of this accumulation period, you will receive a guaranteed retirement bonus. At the start of the annuity period, you will receive the annuity payment according to the option you've selected. And the savings will reduce steadily as your policy pays you regular annuity payments throughout the payout period.



## If you choose an 8-year accumulation period:



<sup>1</sup> The policy anniversary at which you reach the specified age based on age at next birthday.

# RetireIncome Annuity Plan

## Your savings

**Guaranteed cash value** – the guaranteed savings in your plan build up gradually throughout the accumulation period.

**Dividends (non-guaranteed)**<sup>4</sup> – annual dividends are payable throughout the whole of the policy term and you have the option to take these as cash or let them accumulate in your plan.

**Guaranteed retirement bonus** – this extra payment is equivalent to the monthly guaranteed annuity payment multiplied by 10 (which is the number of years of the annuity period) and is paid in addition to your annuity payment. You may take this bonus as cash or you can choose to leave it in the plan to earn interest (which rate may vary from time to time) and help generate more savings.

## Your annuity payment

### Monthly annuity payment

This monthly annuity payment is composed of a guaranteed payout (subject to a minimum of HKD800/USD100) which is fixed at the time of application, and a non-guaranteed payout based on any accumulated dividend rolled from the accumulation period and any policy dividend projected during the annuity period.

## Annuity options

At the time of application, you decide how to take your savings over the 10-year annuity period in one of the following ways:

- **Fixed period annuity payment** – receive a monthly annuity payment.
- **Rollover** – leave your monthly annuity payment and the guaranteed retirement bonus in the plan to accumulate with interest (which rate may vary from time to time) and grow until the end of the annuity period. At any time, you can switch to the annuity payment option under which the accumulated amount will be spread throughout the rest of the annuity period.

Alternatively, you can cash in your policy and receive the total cash value in a lump sum.

According to your selected option, you can choose for your designated beneficiary to either continue to receive the remaining annuity payments until the end of the annuity period or receive the death benefit in the form of a lump sum, if you were to die during the annuity period.

		Death benefits	Savings
Accumulation period	<ul style="list-style-type: none"><li>• First two years</li><li>• Third year to end of accumulation period</li></ul>	<ul style="list-style-type: none"><li>• 101% of premiums paid for basic coverage or 101% of guaranteed cash value (whichever is higher) + accumulated dividends</li><li>• 110% of premiums paid for basic coverage or 101% of guaranteed cash value (whichever is higher) + accumulated dividends</li></ul>	<ul style="list-style-type: none"><li>• Guaranteed cash value + accumulated dividends</li></ul>
Annuity Period		<ul style="list-style-type: none"><li>• 101% of guaranteed cash value + accumulated dividends + accumulated monthly annuity payment + accumulated guaranteed retirement bonus</li></ul>	<ul style="list-style-type: none"><li>• Guaranteed cash value + accumulated dividends + accumulated monthly annuity payment + accumulated guaranteed retirement bonus</li></ul>

Note: Saving is only payable under surrender.

4 Dividend scales and the rate of interests are determined at our discretion. Please refer to “Important Notes – Dividends and interest rates” for details.



## Your protection

RetireIncome Annuity Plan gives you and your family the security of financial protection should you suffer from any disability, illness, or death.

### Life cover

Your total premium paid is protected throughout the accumulation period. The death benefit varies by the policy year.

### Extra protection

RetireIncome Annuity Plan comes with other protection benefits that can give you an added sense of financial security even if misfortune strikes.

**Unemployment Benefit** – were you to become unemployed for at least 30 consecutive days before the age<sup>1</sup> of 65, you can defer payment of your premiums for up to 365 days and you will still enjoy the full protection of your policy during this period.

**Terminal Illness Benefit** – we will pay your plan's death benefit in advance were you to be diagnosed with a disease that is likely to result in death within one year.

**Waiver of Premium Benefit (optional benefit)** – if you become temporarily disabled for at least six months, we will pay future premiums on your behalf until your full recovery or till the end of the premium payment term (whichever comes earlier).

**Accident Protection Select (optional benefit)** – if you die or suffer dismemberment as a result of an accident before the age<sup>1</sup> of 65, an additional sum will be paid by us. Approval is generally guaranteed with no health questions asked<sup>5</sup>.

**Critical Illness Select (Additional Payment) (optional benefit)** – with cover until you reach the age<sup>1</sup> of 65, the plan will pay a cash sum if you are diagnosed with one of the covered illnesses as listed in the *Additional protection leaflet*. Approval is generally guaranteed with no health questions asked<sup>6</sup>.

<sup>1</sup> The policy anniversary at which you reach the specified age based on age at next birthday.

<sup>5</sup> You are required to complete simple health questions if the total benefit amount of all of your pending and inforce Accident Protection Select application(s) subject to "guaranteed approval" exceeds HKD3,600,000/USD450,000. We reserve the right to accept or reject any applications for the optional benefit based on the information provided by the Life Insured during application.

<sup>6</sup> You are required to complete simple health questions if the total benefit amount of all of your pending and inforce Critical Illness Select (Additional Payment) application(s) subject to "guaranteed approval" exceeds HKD3,600,000/USD450,000. We reserve the right to accept or reject any applications for the optional benefit based on the information provided by the Life Insured during application.

# RetireIncome Annuity Plan

## Your premium options

You can choose the premium payment option that best suits your financial circumstances. Your options are:

Premium payment term	Accumulation period	Issue age <sup>3</sup>
3 years	8 years	19-70
5 years	10 years	
10 years	10 years	
10 years	To age <sup>1</sup> 55	19-44
To age <sup>1</sup> 55	To age <sup>1</sup> 55	



The maximum total premium<sup>7</sup> should not exceed HKD18,000,000/USD2,250,000 per life insured.

Please note that if you choose to pay premium in monthly payment mode for a policy year, total premiums payable for that policy year will be greater than that in annual payment mode.

1 The policy anniversary at which you reach the specified age based on age at next birthday.

3 Age means your age at your next birthday.

7 The maximum total premium per life insured includes the total premium paid/to be paid under all RetireIncome Annuity Plan, RetireEnrich Protection Plus, SaveEnrich Protection Plan (6 years), SaveEnrich Protection Plus and LifeSave Protection Plus policies.



## How do I find out more?

Planning for your financial future and that of your family is an important step. Your Premier Relationship Manager would be happy to help review your current and future needs and help you decide if RetireIncome Annuity Plan is the right product to help you enjoy a secure and comfortable retirement.

To arrange a financial planning review meeting, you can:



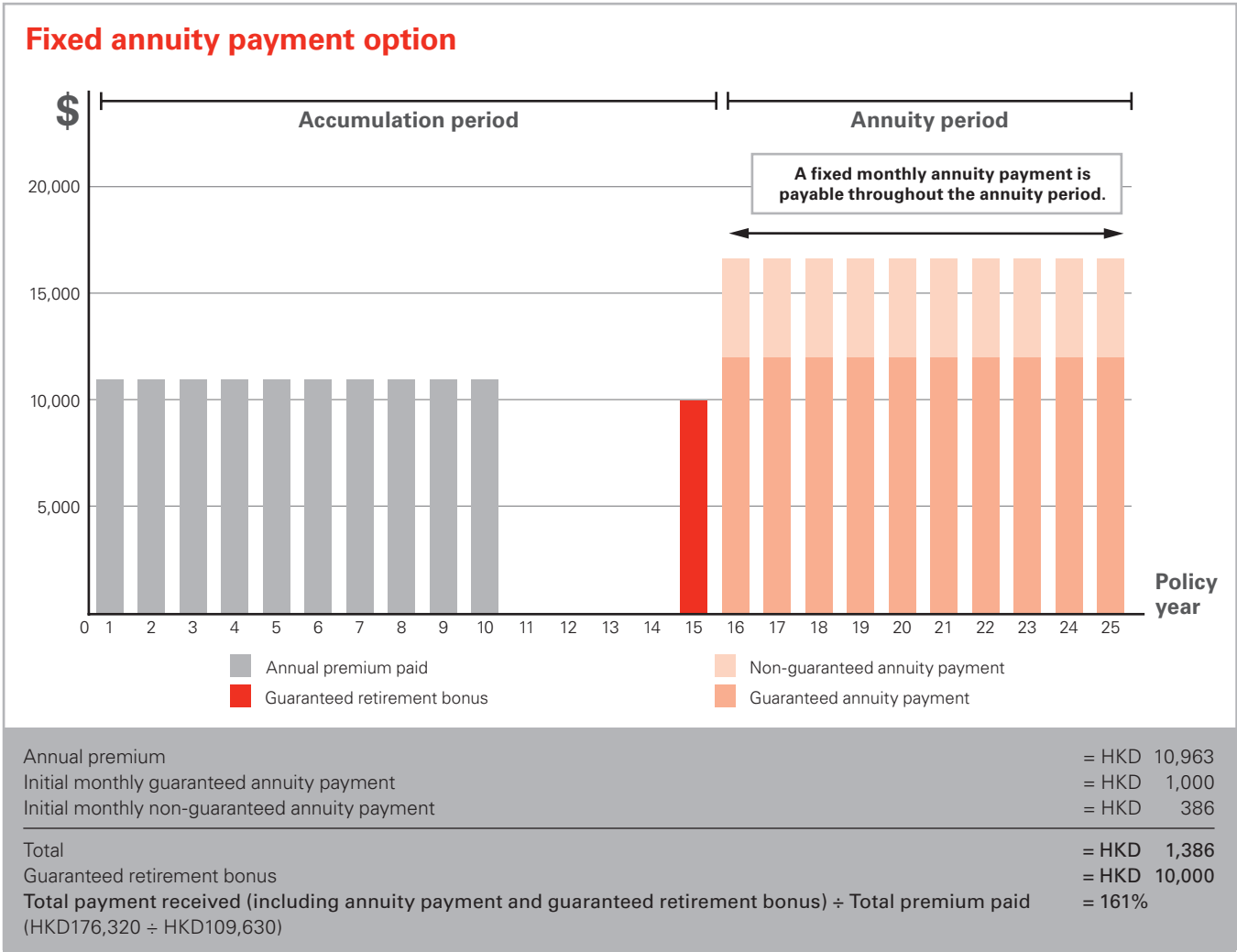
**Call** 2233 3131

**Go to** [www.hsbc.com.hk](http://www.hsbc.com.hk)

**Visit** any HSBC branch

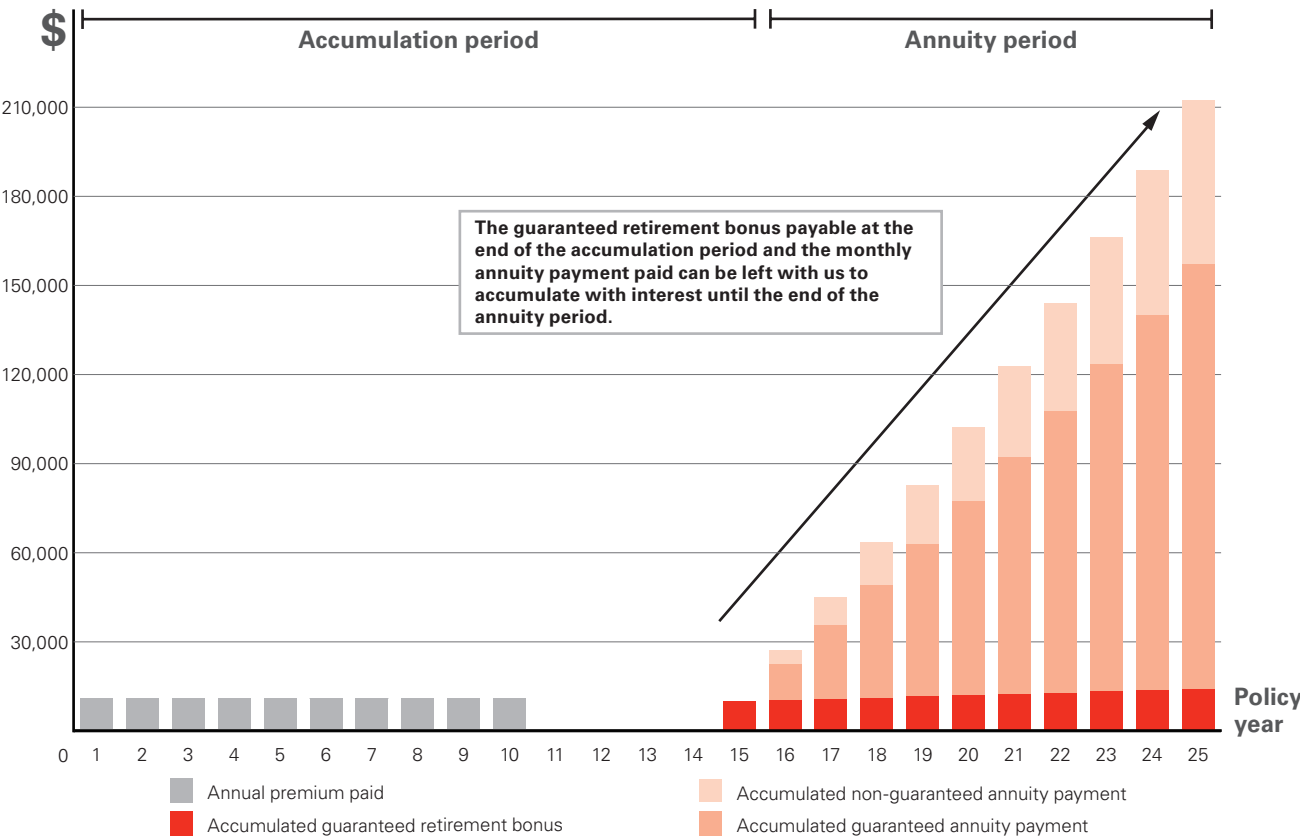
# Annuity payment options – illustrative examples

- Age<sup>3</sup> of the life insured: 40
- Accumulation period: to age 55
- Annuity period: 10 years
- Premium payment period: 10 years
- Initial monthly guaranteed annuity payment: HKD1,000



<sup>3</sup> Age means your age at your next birthday.

Fixed annuity payment option – rollover



Annual Premium	= HKD 10,963
Initial monthly guaranteed annuity payment	= HKD 1,000
Initial monthly non-guaranteed annuity payment	= HKD 386
Total	= HKD 1,386
Guaranteed retirement bonus	= HKD 10,000
Total Cash value at the end of policy term ÷ Total premium paid (HKD212,333 ÷ HKD109,630)	=194%

# Frequently asked questions

## **How is RetireIncome Annuity Plan different from other pure savings plans?**

RetireIncome Annuity Plan is especially designed for people who want to have an effective plan for retirement. It differs from a pure savings plan in that it includes life insurance cover and during the accumulation period, in the event of death, death benefits payable will be at least the amount of the total premium paid.

## **What will I get back if I surrender RetireIncome Annuity Plan?**

If you cancel the policy before the end of the policy term, you will receive the surrender value. This is the sum of the guaranteed cash value, any accumulated dividends, any accumulated guaranteed retirement bonus and any accumulated annuity payments (plus the balance of the single payment subject to a surrender charge to be determined at the company's discretion from time to time for single payment policies). Please note that early surrender may result in you getting back less than what you have paid into the policy.

## **Can I change the premium payment term after the policy is issued?**

No.

## **If I choose to pay with a single payment, can I withdraw the balance of the single payment during the policy term?**

The single payment option allows you to pay all the required premiums at a discounted value. The money will be locked into an investment to ensure the premiums paid together with the projected investment return will be sufficient for future payment, thus you cannot withdraw the balance of a single payment unless you surrender the policy. If you cancel the policy or partial surrender, the balance of single payment will be paid subject to a surrender charge to be determined at the Company's discretion from time to time. You are therefore advised to choose at the time of application the payment term that best fits your financial circumstances.

## **What happens if I miss a premium payment?**

There is a 30-day grace period for the payment of premiums due. If you cannot make the payment within the grace period, we will then treat the cash value of your policy as a policy loan to cover the payment.

## **During the annuity period, is the monthly annuity payment guaranteed?**

The annuity payment consists of a guaranteed and non-guaranteed payment. The non-guaranteed annuity payment is determined by the amount of dividends accumulated by the end of the accumulation period and any projected dividend payable during the annuity period, and may vary if there is a change in the dividend scale or applicable dividend accumulation interest rate.

## **If I withdraw any dividend during the accumulation period, how does this affect my monthly non-guaranteed annuity payment?**

As the monthly non-guaranteed annuity payment is mainly derived from the accumulated dividends, if you withdraw any dividend, the projected monthly non-guaranteed annuity payment will be adjusted downwards accordingly.

## **How can I keep track of my plan?**

You will receive an annual statement showing the updated policy values. You can also access the details of your policy and submit policy service requests online at [www.hsbc.com.hk](http://www.hsbc.com.hk) if you are a HSBC internet banking customer, or call 2583 8000.

# Important notes

## Cooling-off Period

RetireIncome Annuity Plan is an insurance plan with a savings element. Part of the premium pays for the insurance and related costs.

If you are not satisfied with the policy, you have a right to cancel it and obtain a refund of any premium(s) paid, subject to any market value adjustment (applicable to single payment policies), by giving written notice. To cancel, you must sign on such notice, return the policy (if received) and ensure that such notice and the policy must be received directly 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, 21 days after the delivery of the policy or issue of a Notice informing the availability of the policy to you or your representative, whichever is the earlier).

After the expiration of the Cooling-off Period, if you cancel the policy before the end of the term, the projected total cash value may be less than the total premium you have paid.

## Eligibility

RetireIncome Annuity Plan is generally available to anyone aged<sup>3</sup> between 19 and 70 (8-year and 10-year accumulation periods)/ 19 and 44 (to age<sup>1</sup> 55 accumulation period). The plan is subject to the relevant requirements on nationality and/or addresses of the policyholder and/or life insured as determined by the Company from time to time.

## Policy currency

RetireIncome Annuity Plan is available in Hong Kong dollars and US dollars, and both premiums and benefits will be paid in the selected currency.

If the premium payments are paid in currencies other than the policy currency(ies), the premium payments would be subject to change according to the prevailing exchange rate of policy currency(ies) to payment currency(ies) to be determined by the Company from time to time; likewise any payments settled in currencies other than the policy currency(ies) would be subject to change according to the prevailing exchange rate of policy currency(ies) to payment currency(ies) to be determined by the Company from time to time. The fluctuation in exchange rates may have impact on the amount of payments including but not limited to premium payments and benefit payments.

By choosing the plans denominated in currencies other than local currency, you are subject to exchange rate risks.

Exchange rate fluctuates from time to time. You may suffer a loss of your benefit values and the subsequent premium payments (if any) may be higher than your initial premium payment as a result of the exchange rate fluctuations.

## Policy loan

If you need access to ready cash, you might consider borrowing from the plan during the accumulation period, provided that the amount borrowed (including any previous unpaid borrowed amount) does not exceed 90% of the total cash value of your policy. You will be advised of the rate of interest at the time. 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 be terminated, subject to the terms and conditions of the policy document.

<sup>1</sup> The policy anniversary at which you reach the specified age based on age at next birthday.

<sup>3</sup> Age means your age at your next birthday.

# Important notes

## Policy surrender

If you surrender your policy before the end of the policy term, the amount you get back may be less than what you have paid.

## Tax Reporting and Financial Crime

The Company and other members of the HSBC Group have certain obligations to Hong Kong and foreign legal or regulatory bodies and government or tax authorities regarding you and your policy and the Company may from time to time request information from you in relation to these obligations.

There are consequences, which will be set out in your policy terms, if you fail to provide to the Company information that is requested from you or if you present a financial crime risk to a member of the HSBC Group. Such consequences include that the Company may:

- take such actions as are necessary to enable it or a member of the HSBC Group to meet its obligations;
- be unable to provide new, or continue to provide all of the services to you;
- be required to withhold payments or benefits that would otherwise be due to you or your policy and permanently pay those over to tax authorities; and
- terminate your policy.

The amount you get back in the event of benefits or payments withholding and/or policy termination by the Company as mentioned above plus the total amount that you have received from the policy (if any) before policy termination may be less than the amount of the premium(s) you have paid. The Company recommends that you seek your own independent professional advice on your tax liabilities.

## Dividends and interest rates

The annual dividend and interest rates (earned on any accumulated dividend, any accumulated guaranteed retirement bonus and any accumulated annuity payment) are not guaranteed, and we may adjust the dividend scale and the rates of interest at any time at our discretion.

Whether dividends are paid and the size of the dividends to be paid depend on how well the Company has performed with regard to investment returns on the assets supporting those dividend-paying policies, as well as other financial factors such as claims, persistency and expenses.

## Applicable law

The laws governing the 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.

## Credit and insolvency risks

The product is an insurance policy issued by the Company. Your benefit is subject to the credit risk of the Company. Your premiums paid will form part of the Company's assets. You do not have any rights or ownership over any of those assets. Your recourse is against the Company only.







