

Universal Life Insurance



**Goal Access Universal Life Plan
(Protection)**

HSBC Life (International) Limited

HSBC 
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

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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 Insurance Authority (IA) to carry on long-term insurance business in the Hong Kong SAR.

Goal Access Universal Life Plan (Protection) is underwritten by the Company.

The Hongkong and Shanghai Banking Corporation Limited (referred to as "HSBC") is an insurance agent of the Company. This product is a product of the Company but not HSBC and it is intended only for sale in the Hong Kong SAR.

For monetary disputes arising between HSBC and you out of the selling process or processing of the related transaction, HSBC will enter into a Financial Dispute Resolution Scheme process with you; however any dispute over the contractual terms of the product should be resolved between the Company and you directly.

The Company accepts full responsibility for the accuracy of the information contained in the product brochure and confirms, having made all the 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.



A flexible and effective way to protect you and your family

As you journey through life, focus on pursuing your goals becomes more and more important. However, ensuring financial security for your loved ones plays a key role in achieving that.

Therefore, you need a protection solution that provides life protection and the flexibility to cater for your changing needs as you journey through life. These are the benefits that **Goal Access Universal Life Plan (Protection) (the "Plan" or the "Policy")** can bring while at the same time providing you with potential to grow your savings to reach your important goals.

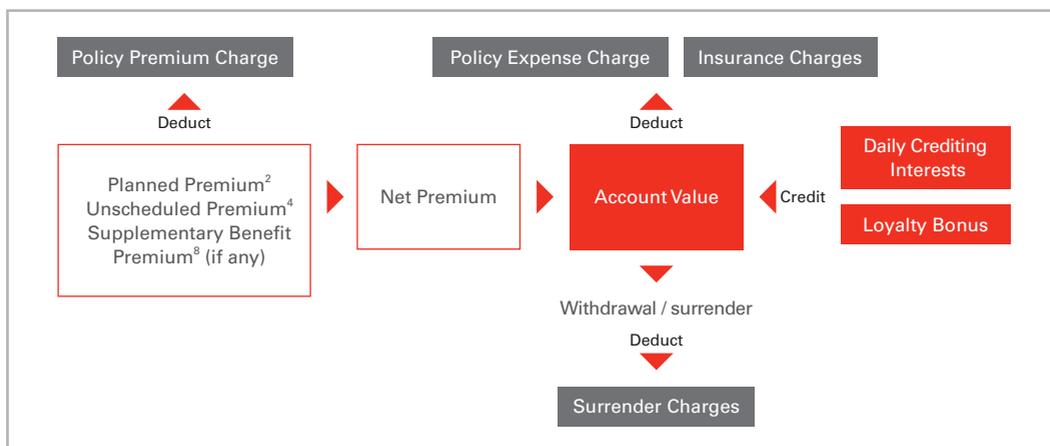
How does Goal Access Universal Life Plan (Protection) work?

The Plan is a long term universal life insurance plan with savings element. It includes a life insurance cover for the Life Insured throughout the policy term and interests at a non-guaranteed General Crediting Interest Rate, which is declared by the Company from time to time, will be credited into the Account Value on a daily basis. The Plan also gives you the flexibility to partially withdraw¹ cash from your Policy, adjust your Sum Insured¹ or your premium payments to meet your needs that may arise along the way.

Goal Access Universal Life Plan (Protection) is not equivalent or similar to any kind of deposit.



How does the Plan work?



Notes:

- i. When you pay Planned Premiums² or Unscheduled Premiums⁴ or any Supplementary Benefit premiums⁹, an upfront Policy Premium Charge is deducted and the net premium amount would accumulate as the Account Value.
- ii. Policy Expense Charge and Insurance Charge are deducted from the Account Value on a monthly basis.
- iii. An increase in Sum Insured is subject to underwriting and an increase in the Policy Expense Charge and Insurance Charge. Such increase in Sum Insured is subject to minimum and maximum amounts as determined by the Company from time to time.
- iv. A decrease in Sum Insured is subject to a minimum remaining Sum Insured being maintained under the Policy, as determined by the Company from time to time. Reduction in Sum Insured is also subject to applicable Surrender Charge.
- v. Interests according to the prevailing General Crediting Interest Rate is credited to the Account Value on a daily basis. The General Crediting Interest Rate, though it is not guaranteed and may vary while your Policy is in force, will not be less than the Guaranteed Minimum Crediting Interest Rate.
- vi. Loyalty Bonuses are credited to the Account Value of your Policy twice during the policy term, the first time at the 20th Policy Anniversary and the second time at the 30th Policy Anniversary.
- vii. You may access the Account Value by withdrawal which is subject to applicable Surrender Charge in the first 10 Policy Years. The Account Value will also be paid out upon policy surrender (subject to applicable Surrender Charge in the first 10 Policy Years) or policy maturity.

What can you get during the policy term?

Financial returns to grow your savings

- **Daily interests** (if any) will be credited to the Account Value at a General Crediting Interest Rate declared by the Company from time to time, throughout the term of the Policy.
- **Loyalty Bonus**, will be credited twice to the Account Value of your Policy during the policy term, once at the 20th Policy Anniversary and once at the 30th Policy Anniversary.

Financial flexibility for your evolving needs

The Plan offers several features that cater for your changing needs and financial circumstances:

- You may choose to pay the **Planned Premiums² monthly³** or **annually** over 5 years, or in one lump sum as a **single** premium.
- Should you need money for unexpected events, you may **withdraw cash¹** from the Account Value of your Policy after a defined period depending on the premium payment frequency.
- You can adapt to your changing protection needs by **increasing or decreasing the Sum Insured¹**.
- **Unscheduled Premiums⁴** can be made when you have extra cash to earn better potential return from the Account Value of your policy.
- For a corporate-owned Policy, corporate Policyholders are able to **change the Life Insured twice** if the company's key person being covered under the Policy is changed.

How much protection can the Plan provide?

Life protection*

In the unfortunate event of the Life Insured's death while your Policy is in force, the Plan provides a Death Benefit equivalent to the higher of:

- the amount of the Sum Insured less any withdrawal amount (before any Surrender Charge) which is made from the 12 months preceding the date of death of the Life Insured to the claim approval date; or
- the Account Value, less any outstanding charges.

Extra protection embedded in your basic plan

The following benefits are embedded in your basic plan with no additional premium required:

- **Terminal Illness Benefit⁵**– If the Life Insured is diagnosed with a terminal illness before the Life Insured reaches the age⁶ of 65 and such illness is likely to result in death within 365 days from the date of notification, the Death Benefit will be paid in advance to cope with the changed needs, upon receipt of the necessary written proof of claim by the Company. (The Policy will be terminated after the Death Benefit has been paid).
- **Waiver of Premium on Disability Benefit⁷**– If the Life Insured becomes disabled for 183 days before the age⁶ of 65, the Company will pay the future outstanding Planned Premiums² and any Supplementary Benefits Premium⁸ under the Policy on your behalf until the Life Insured's full recovery or until the end of the premium payment period (whichever comes first).
- **Payor's Benefit⁹ (for a child's Policy¹⁰)** – You can take out the Policy that covers the life of your child who is from 15 days after birth to Insurance Age¹¹ of 18. In this case, after you become disabled for 183 days or if you were to pass away before the age⁶ of 65, the Company will pay the future outstanding Planned Premiums² and any Supplementary Benefit Premium⁸ under the Policy on your behalf until your full recovery or until the end of the premium payment period (whichever comes first).

Optional Major Illness protection

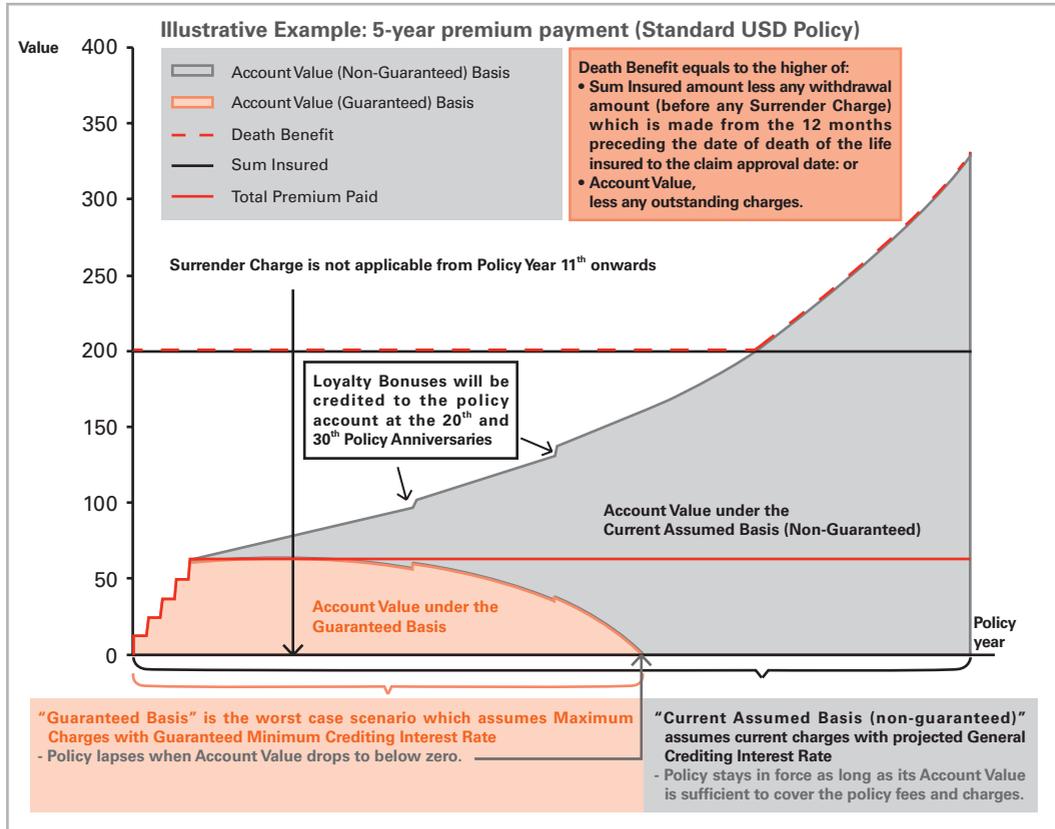
- **Major Illness Benefit (Advance Payment)¹² (optional supplementary benefit)** – The Death Benefit of the basic plan will be paid out when the Life Insured is diagnosed with one of the 60 covered major illnesses while the Policy is in force. The Policy will be terminated after the Death Benefit has been paid. Additional premium and charges are required for this Major Illness Benefit.

Please refer to the respective Supplementary Benefits' factsheets and provisions for detailed terms and conditions of the Supplementary Benefit.

Please refer to Product Summary and Policy Provisions for details.

* If the Life Insured commits suicide within one year of policy issuance, whether sane or insane, our liability will be limited to the amount of premiums paid to us less any amount paid by us to you. Please refer to Policy Provisions for detailed terms and conditions.

Illustrative Example



Important Notes:

- The illustrative example is for reference only and the graph is not shown in scale.
- The example is illustrated based on the assumption that the Policy is bought to cover the life of a male non-smoker, with Insurance Age¹¹ 40, who has chosen a 5-year premium payment period. It also assumes that there is no optional supplementary benefit being chosen and no change to the Policy after inception.
- The Account Value under the Guaranteed Basis may not be able to cover the applicable policy fees and charges. If the Account Value drops to zero or less, the policy may lapse.
- Actual Account Value and Death Benefit vary case by case depending on the prevailing General Crediting Interest Rate and applicable policy charges. The actual future Account Value may be lower or higher than that illustrated above.

Product Summary

Goal Access Universal Life Plan (Protection)	
Issue Age	For individual Policyholder, the issue Insurance Age ¹¹ of the Life Insured is between 15 days after birth to Insurance Age ¹¹ of 65. For corporate Policyholder, the issue Insurance Age ¹¹ of Life Insured is between 19 and 65.
Policy Term	Up to the age ⁶ of 99, assuming all Planned Premiums ² and any Supplementary Benefit Premiums ⁸ are paid when due and the Account Value is sufficient to cover the policy charges.
Policy Currency	USD
Premium Payment Period	5 years or single premium
Premium Payment Method	For Planned Premiums ² , either: Single premium; or Monthly ³ or annual payment, through: <ul style="list-style-type: none"> • HSBC bank account; or • Cheque; or • HSBC credit card (not applicable to single premium) Unscheduled Premium ⁴ can be made at any time while this Policy is in force and it is subject to the minimum and maximum amounts which are determined by the Company from time to time.
Types of Premiums Payment	
Planned Premium²	<ul style="list-style-type: none"> • All Planned Premiums² must be paid in accordance with the premium payment period selected upon policy application. (At the outset, you will know exactly how much Planned Premium² you have to pay into your Policy.) • The Planned Premium² will be allocated to the Account Value after deduction of the Policy Premium Charge. • The Policy will lapse when the Planned Premium² and any Supplementary Benefit Premiums⁸ have been overdue for 65 consecutive calendar days. Any outstanding Planned Premiums ² and any Supplementary Benefit Premiums ⁸ must be paid before any benefits are payable under the Policy.

Unscheduled Premium⁴	<ul style="list-style-type: none"> • Unscheduled Premiums⁴ can be contributed to the Policy while the Policy is in force. It is subject to the minimum⁴ and maximum⁴ amounts which are determined by the Company from time to time. The acceptance of the Unscheduled Premium⁴ is at the Company's discretion. • The Unscheduled Premium⁴ will be allocated to the Account Value after deduction of the Policy Premium Charge.
Supplementary Benefit Premium⁸	<ul style="list-style-type: none"> • This applies to the optional Supplementary Benefit requiring additional premium. • Supplementary Benefit Premiums⁸ are payable together with the Planned Premiums² of this Policy. • The frequency of premium payment of the Supplementary Benefit Premium⁸ must be the same as that for the Planned Premium² of this Policy. • The Supplementary Benefit Premiums⁸ will be allocated to the Account Value after deduction of the Policy Premium Charge. • The Policy will lapse when the Planned Premium² and any Supplementary Benefit Premiums⁸ have been overdue for 65 consecutive calendar days. • Any outstanding Planned Premiums² and any Supplementary Benefit Premiums⁸ must be paid before any benefits are payable under the Policy.
Benefits and features	
Maturity Benefit	Account Value less outstanding charges (if any)
Surrender Benefit	Account Value less Surrender Charge (if applicable)
Death Benefit	<p>The higher of:</p> <ul style="list-style-type: none"> - Sum Insured amount less any withdrawal amount (before any Surrender Charge) which is made from the 12 months preceding the date of death of the Life Insured to the claim approval date; or - Account Value, less any outstanding charges. <p>The Account Value is determined on the date of the written notification of the Life Insured's death being received by the Company.</p>

<p>Adjustable Sum Insured</p>	<p>For a regular premium Policy, the Sum Insured can be adjusted after the end of the premium payment period.</p> <p>For a single premium Policy, the Sum Insured can be adjusted on or after the first Policy Anniversary.</p> <p>Notes:</p> <ul style="list-style-type: none"> - Increasing the Sum Insured is subject to (i) underwriting; and (ii) an increase in the Policy Expense Charge and Insurance Charge. For details, please refer to "Policy Expense Charge" and "Insurance Charge" under the section "Details of Charges." - Reducing the Sum Insured may induce a Surrender Charge. For details, please refer to "Surrender Charge" under the section "Details of Charges."
<p>Change of Life Insured (only applicable to corporate Policyholders)</p>	<p>For corporate-owned Policies, the Plan allows the corporate Policyholder to change the Life Insured up to two times, subject to underwriting requirement and charges¹³.</p> <p>If such request is accepted by the Company, the Company reserves the right to impose a Change of Life Insured Charge in relation to such request as the Company shall determine from time to time. Acceptance of any replacement Life Insured is entirely at the Company's discretion.</p>
<p>Withdrawal</p>	<p>For a regular premium Policy, withdrawal from the Account Value of the Policy can be made after the end of the premium payment period.</p> <p>For a single premium Policy, withdrawal from the Account Value of the Policy can be made on or after the first Policy Anniversary.</p> <p>Withdrawals are subject to (i) a Surrender Charge applicable in the first 10 Policy Years depending on the Policy Year and premium payment period; (ii) a minimum amount of USD625 per withdrawal; and (iii) a minimum Account Value balance of USD2,500 after withdrawal.</p> <p>Withdrawals will reduce the Account Value which may reduce the Death Benefit and increase the chance of policy lapses. The Policy will lapse when the Account Value is not sufficient to cover the policy charges for 45 consecutive calendar days.</p>

General Crediting Interest Rate	Daily interests are accrued in the Account Value based on the General Crediting Interest Rate declared by the Company from time to time. The General Crediting Interest Rate, though it is not guaranteed and may vary while your Policy is in force, will not be less than the Guaranteed Minimum Crediting Interest Rate.
Guaranteed Minimum Crediting Interest Rate	2% p.a. for the first 10 Policy Years and 0% p.a. thereafter.
Loyalty Bonus	<p>The Loyalty Bonuses will be credited to the Account Value of your Policy twice during the policy term, with the first time at the 20th Policy Anniversary and the second time at the 30th Policy Anniversary.</p> <p>Loyalty Bonus = 5% x average Account Value of the past 60 policy months of the relevant Policy Anniversary</p> <p>The average Account Value of the past 60 policy months is calculated as follows:</p> <ul style="list-style-type: none"> • For the Loyalty Bonus credited at the 20th Policy Anniversary, average Account Value is the average of all Account Values on the last day of each policy month between the 181st and 240th policy months (inclusive). • For the Loyalty Bonus credited at the 30th Policy Anniversary, average Account Value is the average of all Account Values on the last day of each policy month between the 301st and 360th policy months (inclusive).
Embedded Supplementary Benefits (no additional premiums required)	<ol style="list-style-type: none"> 1. Terminal Illness Benefit⁵ - only applicable to policies of which the Life Insured's Insurance Age¹¹ is from 15 days after birth to the Insurance Age¹¹ of 64. 2. Waiver of Premium on Disability Benefit^{7*} only applicable to policies of which Life Insured's Insurance Age¹¹ is from 19 to 60. 3. Payor's Benefit^{9*} - not applicable to corporate Policyholder and policies of which the Life Insured's Insurance Age¹¹ is from 19 to 60. <p>*Not applicable to single premium policy.</p>
Optional Major Illness Benefit (Advance Payment)¹²	Additional premiums and charges are required. Please refer to the relevant supplementary benefit factsheet and provisions for details.

The content in this summary is for reference only. Please refer to policy provisions of the Basic Plan for details.

Details of Fees and Charges

Charges	Applicable Rate and Details	Charged from
Policy Premium Charge	6 % applied to all Premiums paid into your policy including Planned Premiums ² , Unscheduled Premiums ⁴ and any Supplementary Benefit Premiums ⁸ paid before such premiums are allocated to the Account Value of your Policy.	All premiums paid into your policy
Policy Expense Charge	0.044 per 1,000 Sum Insured per month for the first 10 Policy Years only. The Company reserves the right to increase this charge at any time, but to no more than 125% of the amount shown above.	Account Value
Insurance Charge	<p>The Insurance Charge per month is calculated as follows:</p> $\text{Sum at Risk}/1,000 \times \text{Monthly Cost of Insurance Rates}$ <p>The Sum at Risk is calculated as:</p> $A - B$ <p>where,</p> <p>A is the Sum Insured less any withdrawal amount (before any Surrender Charge) made in the 12 months preceding or on the relative Monthiversary, subject to a minimum of 0; and</p> <p>B is the Account Value.</p> <p>The cost of insurance rates</p>	Account Value

	<p>varies by age, gender, underwriting class and country of residency. A full list of standard monthly cost of insurance rates can be found in your proposal illustration. The Company reserves the right to increase the cost of insurance rates at any time, but to no more than 150% of the standard rates.</p>	
<p>Insurance Charge for Major Illness Benefit (Advance Payment)¹²</p>	<p>Should you choose to attach the Major Illness Benefit (Advance Payment)¹², an additional Insurance Charge for this benefit will be deducted from the Account Value.</p> <p>The Insurance Charge for this benefit per month is calculated as follows:</p> <p>Sum at Risk /1,000 x Monthly Cost of Insurance Rates for Major Illness Benefit (Advance Payment)¹²</p> <p>The Sum at Risk is calculated as shown in the "Insurance Charge" section above.</p> <p>The cost of insurance rates for Major Illness Benefit (Advance Payment) varies by age, gender, underwriting class and country of residency. A full list of standard monthly cost of insurance rates for Major Illness Benefit (Advance Payment)¹² is shown in your proposal illustration. The Company reserves the right to increase such cost of</p>	<p>Account Value</p>

	insurance rates at any time, but to no more than 130% of the standard rates.																																							
Change of Life Insured Charge (Only applicable to corporate Policyholders)	The Company reserves the right to impose a Change of Life Insured Charge in relation to such request and such charge is determined by the Company from time to time.	Account Value																																						
Surrender Charge	<p>A Surrender Charge is payable in the following situations:</p> <ol style="list-style-type: none"> 1.Surrender and Lapse: Surrender Charge rate x Account Value 2.Withdrawal: Surrender Charge rate x withdrawal amount 3.Reduce Sum Insured: Account Value x Surrender Charge rate x percentage of reduction in sum insured 	Account Value/withdrawals before the remaining amount is returned to you																																						
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	<table border="1"> <thead> <tr> <th rowspan="2">During Policy year</th> <th colspan="2">Surrender Charge rate</th> </tr> <tr> <th>Single premium</th> <th>5-year premium payment</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>11%</td> <td>45%</td> </tr> <tr> <td>2</td> <td>10%</td> <td>20%</td> </tr> <tr> <td>3</td> <td>9%</td> <td>13%</td> </tr> <tr> <td>4</td> <td>8%</td> <td>10%</td> </tr> <tr> <td>5</td> <td>6%</td> <td>6%</td> </tr> <tr> <td>6</td> <td>5%</td> <td>5%</td> </tr> <tr> <td>7</td> <td>4%</td> <td>4%</td> </tr> <tr> <td>8</td> <td>3%</td> <td>3%</td> </tr> <tr> <td>9</td> <td>2%</td> <td>2%</td> </tr> <tr> <td>10</td> <td>1%</td> <td>1%</td> </tr> <tr> <td>11 and thereafter</td> <td>0%</td> <td>0%</td> </tr> </tbody> </table>		During Policy year	Surrender Charge rate		Single premium	5-year premium payment	1	11%	45%	2	10%	20%	3	9%	13%	4	8%	10%	5	6%	6%	6	5%	5%	7	4%	4%	8	3%	3%	9	2%	2%	10	1%	1%	11 and thereafter	0%	0%
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For details of the applicable charges, please refer to your proposal illustration and policy provisions.

Important Notes

Cooling-off Period

The Plan is a long term universal life insurance plan with savings elements. 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 the Policy, you have a right to cancel it and obtain a refund of any premium(s) paid 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 period 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 policy term, the Account Value you may receive may be less than the total premium you have paid.

Suicide

If the Life Insured commits suicide within one year of policy issuance or from the effective date of reinstatement or the effective date of the last Change of Life Insured (if applicable) (whichever is the latest), whether sane or insane, the Company's liability will be limited to the amount of premiums paid to the Company less any amount paid by the Company to you since the Policy Date. If the Life Insured commits suicide, whether sane or insane, within one year of the date of any increase in Sum Insured, such increase in Sum Insured will be deemed not to have taken effect in determining the Death Benefit payable and any additional premiums or charges arising as a consequence of the increase in Sum Insured shall be reversed. Please refer to Policy Provisions of the Basic Plan for detailed terms and conditions.

Eligibility

The Plan is generally available to anyone with Insurance Age¹¹ 15 days after birth to 65 and Insurance Age¹¹ 19-65 for corporate Policyholder. 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

The Plan is available in US dollars (USD), 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.

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.

Taxation

You should consult your own professional advisers for tax position in relation to your Policy.

Missing payment of premium

In order to keep the Policy in force, you must pay all Planned Premiums² and any Supplementary Benefit Premiums⁸ when due and the Account Value must be sufficient to cover the policy charges. Your Policy will lapse when the Account Value is not sufficient to cover policy charges for 45 consecutive calendar days or when Planned Premiums² and/or any Supplementary Benefit Premiums⁸ have been overdue for 65 consecutive calendar days. To avoid policy lapses, you should pay all Planned Premiums² and any Supplementary Benefit Premiums⁸ when due and ensure that the Account Value is sufficient to cover policy charges.

Termination conditions

The Company has the right to terminate the Policy under any of the following circumstances,

- If the Account Value is negative for 45 consecutive calendar days while the Policy is in force; or
- If you are unable to pay the Planned Premium² and premium⁸ for Supplementary Benefits for 65 consecutive calendar days from its due date; or
- If the Company has the right to terminate pursuant to the terms of any Supplementary Benefits; or
- The Company reasonably considers that by continuing the Policy or the relationship with you the Company may break any laws or the Company, or a member of the HSBC Group, may be exposed to action censure from any authority.

Please refer to policy provisions and relevant supplementary benefit provisions (if applicable) for detailed terms and conditions on termination.

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.

Key Risks

Credit and insolvency risks

The Plan is an insurance policy issued by the Company. You are 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.

Non-guaranteed benefit

The amount of benefit you will get upon Policy surrender or death of the Life Insured is uncertain as the entitlement amount depends on the prevailing Account Value of your Policy, which will be increased as credit interest earned and Loyalty Bonus paid and will be decreased as applicable policy charges deducted.

The General Crediting Interest Rate is not guaranteed and is determined at the discretion of the Company. The General Crediting Interest Rate, which applies to each Policy, depends on the investment returns on the underlying assets supporting the policies, as well as other factors, including but not limited to claims, lapse experience, expenses and the long term future investment returns outlook. If the investment returns over the long term are better than expected, then the General Crediting Interest Rate would increase and if the investment returns are worse than expected, then the General Crediting Interest Rate would reduce. The key risk factors are further described below:

>Investment risk factors – The investment performance of the assets supporting the policies is subject to various market risk factors including but not limited to:

- **Interest rate risks** – The risk that the values of assets and the interest earnings will be affected by the change of interest rate level and its outlook, and lead to investment loss.
- **Credit risk** – The risk of investment losses due to the default or change in credit rating of issuers of debt securities or counterparties.
- **Currency risk** – The risk that the values of investments that are in other currencies different from the Policy Currency will be affected by the change of exchange rates.

>Claims factor – The actual experience of mortality and morbidity is uncertain which may lead to a higher than expected claim or living benefit payment and result in worse performance.

>Persistency factor – The actual experience of policy surrender (full or partial) and policy lapse is uncertain, and therefore it has impacts on both the current performance and future return of the portfolio of the policies.

>Expense factor – The actual amount of expenses incurred and apportioned to the group of policies may be higher than expected and impact the overall performance of the product. The expenses may include direct expenses which are specifically related to the group of policies, such as commission, underwriting, policy acquisition and maintenance expenses. It may also include indirect expenses such as general overhead costs which will be allocated to the group of policies.

Still, the General Crediting Interest Rate is subject to a Guaranteed Minimum Crediting Interest Rate depending on the Policy Year as determined by the Company at the time when the Policy is issued.

Moreover, the rates of Policy Expense Charge and Insurance Charge, may be increased at the discretion of the Company. The maximum amount will be 125% of the current scale of Policy Expense Charge and 150% of the current scale of Insurance Charge respectively for the Basic Plan. Insurance Charge for the Major Illness Benefit (Advance Payment)¹², if chosen, varies by age, gender, underwriting class and country of residency. Such cost of insurance rates will also be increased at the discretion of the Company and the maximum amount will be 130% of the current scale of Insurance Charge for this optional Supplementary Benefit. In the situation where the General Crediting Interest Rate fluctuates or Policy Expense Charge or Insurance Charge increases, there is a risk that the interest generated under the Policy is unable to cover the policy charges, and lead to 1) Surrender Value less than total premium paid and 2) policy lapses and 3) shorter life protection period. During the whole policy term, your Policy may be terminated if the total Account Value is not sufficient to cover all applicable charges. You could lose all your premiums paid and benefits accrued if any condition of early termination is triggered.

Risks from the delay or missing the payment of premiums due

You should pay the premium for the entire premium payment period. Any delay or missing of the payment of Planned Premiums² and any Supplementary Benefits Premiums⁸ due may lead to lower Account Value, Surrender Value, and Death Benefit, resulting in potential Policy lapses and shorter life protection period.

Loss of life protection/Death Benefit

Loss of life protection/Death Benefit when the Account Value is not sufficient to cover policy charges for 45 consecutive calendar days or when Planned Premium² and/or any Supplementary Benefits Premiums⁸ have been overdue for 65 consecutive calendar days.

Risks from withdrawal¹

For a Policy where a withdrawal has been performed, there is a risk that the interest generated is unable to cover the policy charges for the remaining balance of the Account Value after withdrawal, and lead to 1) reduction in Death Benefit; 2) Policy lapses; and 3) shorter life protection period.

Risks from surrender

Surrender charge applies during the first 10 policy years. For a Policy being surrendered in early years, the surrender proceeds to be received under the Policy may be significantly less than the premiums paid and you could lose all your premiums paid in the worst scenario. You may surrender (i.e. terminate) the Policy at any time by submitting a written request in the form specified by the Company which is available at www.hsbc.com.hk.

Liquidity risk

This Policy is designed to be held for a long term period. Should you have liquidity needs for any unexpected events, you may apply for surrender or withdrawal but the amount available for withdrawal is not guaranteed. However, it is subject to the respective policy terms and conditions, and may induce other risks as mentioned in the above "Risks from withdrawal" and "Risks from surrender".

Inflation risk

Cost of living is likely to be higher in the future than it is today due to inflation, therefore you or your assigned Beneficiary(ies) may receive less from the Policy in real term in the future even if the Company meets all of its contractual obligations.

Policy currency risk

You are subject to exchange rate risks for plans denominated in currencies other than local currency. 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 fluctuation.

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.
- The Company will pay the Death Benefit or other protection amount first to the assignee (unless otherwise advised by the assignee) and any remaining balance of Death Benefit or other protection 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.

Philosophy in Deciding the General Crediting Interest Rates and Investment Philosophy

Philosophy in deciding the General Crediting Interest Rates

The General Crediting Interest Rate is different by Policy Currency and product series. The rates are regularly reviewed by the Company at its discretion. The Company will inform Policyholders of any change of the General Crediting Interest Rates of their policies.

When determining the General Crediting Interest Rate, which applies to each Policy, the Company considers the investment returns on the underlying assets supporting the policies, as well as other factors, including but not limited to claims, lapse experience, expenses and the long term future investment returns outlook. If the investment returns over the long term are better than expected, then the General Crediting Interest Rate would increase and if the investment returns are worse than expected, then the General Crediting Interest Rate would reduce.

The investment returns on Goal Access Universal Life underlying portfolios include interest earnings as well as losses or gains realised upon the disposal of assets or asset impairments. The claims include the cost of providing the Death Benefit and other insured benefits under Goal Access Universal Life policies. The surrenders include total and partial surrenders, and their corresponding impact on investments. The investment returns on Goal Access Universal Life underlying portfolios are not guaranteed.

In order to ensure that discretion exercised when defining the General Crediting Interest Rates is fair to all Policyholders, and that any conflicting interests of Policyholders with other Policyholders and/or shareholders have been addressed having due regard to the fair treatment of Policyholders, the Company established a dedicated committee providing independent advice on the management of the universal life insurance products business.

Investment policy and strategy

The Company maintains a prudent approach to investing for the Goal Access Universal Life underlying portfolios, with the primary goal being the delivery of long term value to Policyholders.

The underlying assets of Goal Access Universal Life products are managed under a portfolio of assets denominated in USD and invested in different geographical markets (mainly US, Asia and Europe).

The portfolio is invested in corporate and government bonds under pre-determined diversification and rating objectives. The current long term investment strategy is to invest in diversified long term investment grade bonds rated BBB- or above. Unrated bonds may also be considered if they fit the Company's risk appetite profile. However, the Goal Access Universal Life underlying portfolios are conservatively positioned to limit the exposure to unrated bonds. The bonds are held by the Company, generally to maturity in order to match its long term liabilities. Subject to our investment policy, derivatives may be utilised to manage our investment risk exposure, for matching between assets and liabilities and for efficient portfolio management.

The Policy in determining the General Crediting Interest Rates may be reviewed and adjusted by the Company from time to time. For more updated information, please visit our website [<https://www.personal.hsbc.com.hk/1/2/hk/insurance/life/detail#policy>]. You may also visit the above website to understand the Company's historic crediting interest rates for reference purposes. The past performance or current performance of the Company's business may not be a guide for future performances.

Endnotes

- 1 Reduction in Sum Insured and cash withdrawals are subject to a Surrender Charge in the first ten Policy Years. Please refer to “Surrender Charge” under “Details of Fees and Charges” for details.
- 2 The Planned Premium is determined according to the age and gender of the Life Insured, Sum Insured, payment term, Policy Currency and a variety of health and lifestyle factors. All Planned Premiums must be paid during the premium payment period selected upon policy application.
- 3 For the 5-year premium payment arrangement, if you choose to pay your Planned Premiums² monthly for a Policy Year, the total Planned Premiums² payable under the monthly payment mode for that Policy Year will be higher than that payable under the annual payment mode.
- 4 The minimum (USD625) and maximum amount (as determined by the Company from time to time) of Unscheduled Premiums per transaction are subject to change by the Company from time to time. The Company reserves the right to refuse, reduce or limit the number or amount of such Unscheduled Premiums payments in any Policy Years, except as required to keep this Policy in force.
- 5 Terminal Illness Benefit is applicable to any Life Insured with Insurance Age¹¹ between 15 days after birth and Insurance Age¹¹ of 64. Terminal Illness Benefit will terminate upon the Policy Anniversary at which the Life Insured attains the age⁶ of 65, payout of this benefit or the Policy is terminated (whichever is the earliest). Please refer to the relevant supplementary benefits provisions for the detailed terms and conditions.
- 6 The Policy Anniversary at which you reach the specified age based on age at the next birthday.
- 7 Waiver of Premium on Disability Benefit is applicable to any Life Insured with Insurance Age¹¹ of 19 to 60 who is the holder of a Hong Kong Identity Card or Macau Identity Card. This benefit will terminate upon the Policy Anniversary at which the Life Insured attained the age⁶ of 65, the Policy is terminated or paid up (whichever is the earliest). This benefit is not applicable for single premium policies. Please refer to the relevant supplementary benefits provisions for the detailed terms and conditions. Underwriting is required for this Waiver of Premium on Disability Benefit. The Company reserves the right to accept or reject any applications for this Waiver of Premium on Disability Benefit based on the information provided by the Life Insured during application.
- 8 The Supplementary Benefit Premium is determined according to the age and gender of the Life Insured, Sum Insured, payment term, Policy Currency and a variety of health and lifestyle factors. All Supplementary Benefit Premiums must be paid during the premium payment period selected upon policy application.

- 9 Payor's Benefit is applicable to any Life Insured with Insurance Age¹¹ between 15 days after birth and Insurance Age¹¹ of 18 and any Policyholder with Insurance Age¹¹ of between 19 and 60 who is the holder of a Hong Kong Identity Card or Macau Identity Card. This benefit will terminate upon the Policy Anniversary at which the Policyholder attained the age⁶ of 65 or the Life Insured attained the age⁹ of 25 or the Policy is terminated or paid up (whichever is the earliest). This benefit is not applicable for single premium policies. Please refer to the relevant supplementary benefits provisions for the detailed terms and conditions. Underwriting is required for this Payor's Benefit. The Company reserves the right to accept or reject any applications for this Payor's benefit based on the information provided by the Policyholder during application.
- 10 A child's Policy refers to a Policy with a Life Insured with Insurance Age¹¹ between 15 days after birth and Insurance Age¹¹ of 18.
- 11 Insurance Age means age at your next birthday.
- 12 Major Illness Benefit (Advance Payment) is applicable to any Life Insured with Insurance Age¹¹ between 15 days after birth and Insurance Age¹¹ of 65. This benefit will terminate when the advance payment under this benefit is paid or when the Policy is terminated. Please refer to the relevant supplementary benefits provisions for the detailed terms and conditions. Underwriting is required for this Major Illness Benefit (Advance Payment). The Company reserves the right to accept or reject any applications for this Major Illness Benefit (Advance Payment) based on the information provided by the Life Insured during application.
- 13 The charges applicable to the Policy will be adjusted based on the new Life Insured.

More Information

Planning for your financial future is important. We will be happy to help review your current and future needs and help you decide if Goal Access Universal Life Plan (Protection) is the right product to help you fulfil your personal goals. You can visit any HSBC branch and arrange for a financial planning review with us.

Go to www.hsbc.com.hk

Visit any HSBC branch

To receive quarterly statements showing updated Account Values, you can contact us on 2583 8000.

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