

Universal Life Insurance

A flexible and effective way to protect you and your family



HSBC
Insurance

Goal Access Universal Life Plan (Protection)

HSBC Life (International) Limited

GOAL ACCESS UNIVERSAL LIFE PLAN (PROTECTION)

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.

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.

HSBC 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 underwritten by the Company and it is intended only for sale through HSBC 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 reasonable enquiries, that to the best of its 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.

March 2018

A FLEXIBLE AND EFFECTIVE WAY TO PROTECT YOU AND YOUR FAMILY

As you journey through life, pursuing your goals becomes more and more important. Ensuring financial security for your loved ones is a key part of that, but it takes careful planning to make it happen.

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

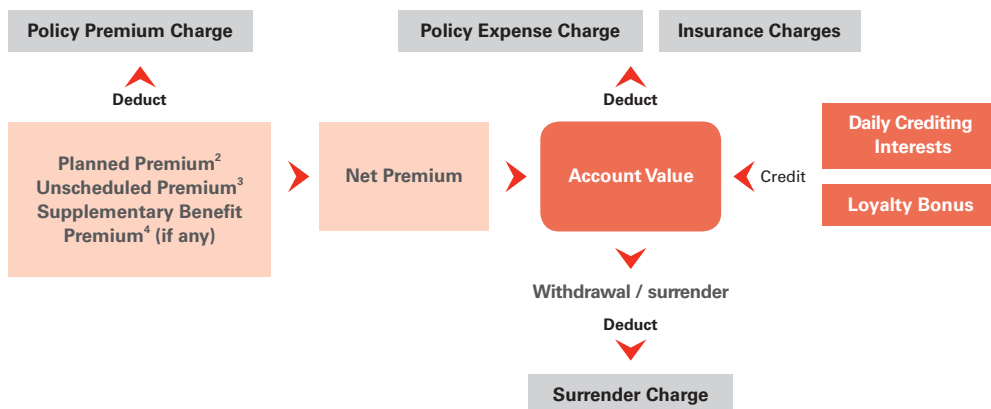
Goal Access Universal Life Plan (Protection) (the “Plan” or the “Policy”) combines life protection with the flexibility to cater for your changing needs.

The Plan is a long term universal life insurance policy with savings element. It includes a life insurance cover for the Life Insured throughout the policy term while offering potential growth in your savings in the form of non-guaranteed daily interests and loyalty bonus.

Taking into account today’s dynamic lifestyle needs, the Plan provides the flexibility to partially withdraw¹ cash from the policy, adjust your sum insured¹ or your premium payment to meet your needs that may arise along the way.

The Plan is not equivalent or similar to any kind of deposit.

HOW DOES THE PLAN WORK?



Notes:

- i. When you pay Planned Premiums² or Unscheduled Premiums³ or any Supplementary Benefit premiums⁴, 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, as 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

- You may choose to pay the **Planned Premiums**² **monthly**⁵ or **annually** over five years, or in one lump sum as a **single** premium.
- Should unexpected events occur, you may **withdraw cash**¹ 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 Insured**¹.
- **Unscheduled Premiums**³ can be contributed to enhance the Account Value of your Policy.
- For corporate-owned Policy, Policyholders can **change the Life Insured twice during the policy term** if the company's key person being covered under the Policy changes.

HOW MUCH PROTECTION CAN YOU ENJOY?

Life cover⁶

The Life Insured can enjoy life protection while the Policy is in force. In the unfortunate event of the death of the Life Insured, the Beneficiary(ies) will receive the Death Benefit (please refer to the Product Summary for details).

Extra protection

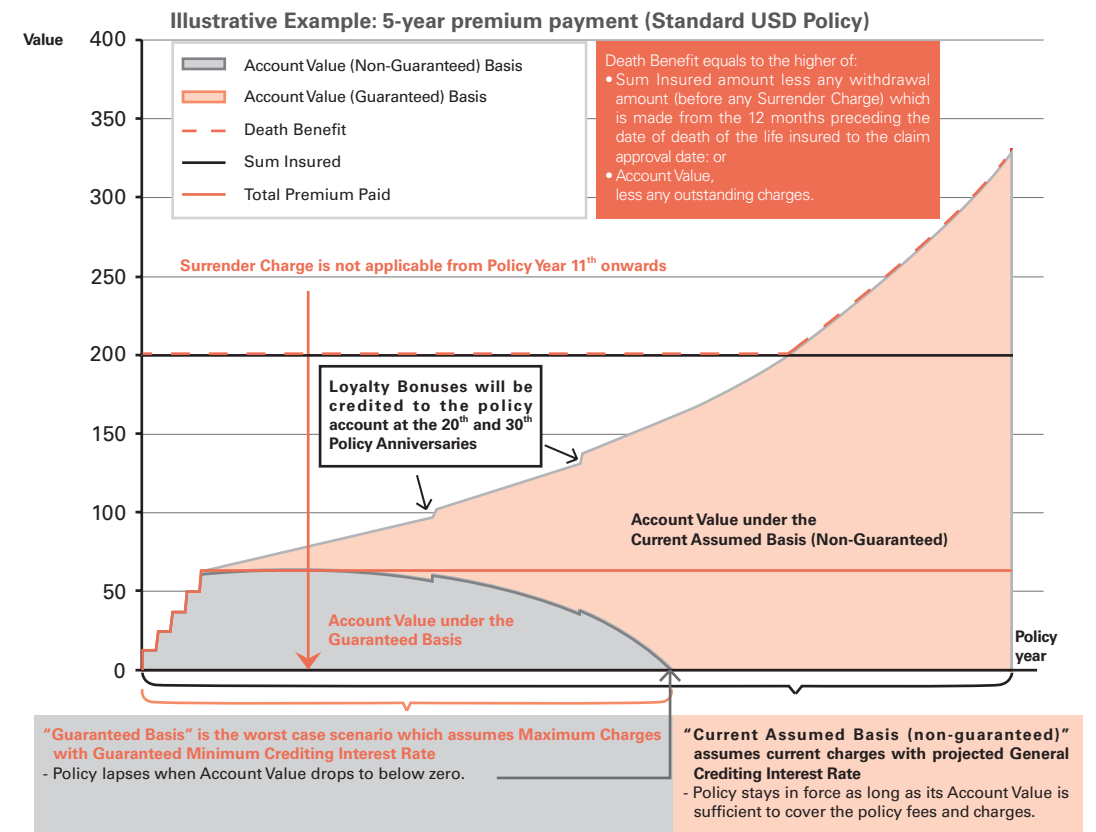
The following Supplementary Benefits are embedded in the Basic Plan, subject to eligibility, with no additional premium required:

- **Terminal Illness Benefit⁷**– The Death Benefit will be paid in advance if the Life Insured is diagnosed with a terminal illness before the age⁸ of 65 and such illness is likely to result in death within 365 days. The Policy will be terminated upon the payment of the Terminal Illness Benefit⁷.
- **Waiver of Premium on Disability Benefit⁹**– If the Life Insured suffers a disability while the Policy is in force and before the age⁸ of 65 and remains so disabled for a continuous period of 183 days, the Company will pay the future outstanding Planned Premiums² and any Supplementary Benefits Premium⁴ 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 Benefit¹⁰ (for a child's Policy¹¹)** – You can take out a Policy to cover your child who is from 15 days after birth to Insurance Age¹² 18 such that if the Policyholder was to die or become temporarily disabled for a continuous period of 183 days before the age⁸ of 65, the Company will pay the future outstanding Planned Premiums² and any Supplementary Benefit Premium⁴ under the Policy until the Policyholder's full recovery or until the end of the premium payment period (whichever comes first).

The following Supplementary Benefit is optional with additional premiums required:

- **Major Illness Benefit (Advance Payment)¹³**–The Death Benefit of the basic plan will be paid in advance if the Life Insured is diagnosed with one of the 60 covered major illnesses while the Policy is in force. The Policy will be terminated upon the payment of the Death Benefit. Please refer to the respective factsheets (if any) and Policy Provisions for detailed terms and conditions and exclusions of the above Supplementary Benefits.

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 Age¹² 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

Issue Age	For Individual Policyholder	15 days after birth to Insurance Age ¹² of 65
	For Corporate Policyholder	Insurance Age ¹² of 19 to 65
Policy Term	Up to the age ⁸ of 99, assuming all Planned Premiums ² and any Supplementary Benefit Premiums ⁴ are paid when due and the Account Value is sufficient to cover the policy charges.	
Policy Currency	US dollars only	
Premium Payment Period	5 years or single premium	
Premium Payment Method	<p>For Planned Premiums², either:</p> <ul style="list-style-type: none"> (i) Single premium; or (ii) Monthly⁵ or annual payment, through: <ul style="list-style-type: none"> • HSBC bank account; or • Cheque; or • HSBC credit card (not applicable to single premium) <p>Unscheduled Premium³ 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.</p>	
Types of Premium Payment	<p>Planned Premium² and Supplementary Benefit Premium⁴</p> <ul style="list-style-type: none"> • All Planned Premiums² and Supplementary Benefit Premiums⁴ (if applicable) 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. <p>Unscheduled Premium³</p> <ul style="list-style-type: none"> • Unscheduled Premiums³ can be contributed to the Policy to increase the Account Value. The minimum and maximum transaction amounts³ apply and acceptance of the Unscheduled Premium³ is at the Company's discretion. <p>Notes:</p> <ul style="list-style-type: none"> • The Planned Premium², any unscheduled premium³ and Supplementary Benefit Premiums⁴ (if applicable) 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 Premiums⁴ have been overdue for 65 consecutive calendar days. • Any outstanding Planned Premiums² and any Supplementary Benefit Premiums⁴ must be paid before any benefits are payable under the Policy. 	

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>
Adjustable Sum Insured	<p>The Sum Insured can be adjusted after the end of the premium payment period for a regular premium Policy, or on or after the first Policy Anniversary for a single premium Policy.</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".
Change of Life Insured (only applicable to corporate Policyholders)	<p>For corporate-owned Policies, the Plan allows the corporate Policyholder to change the Life Insured up to twice during the policy term, subject to underwriting requirement and charges¹⁴.</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>

Withdrawal	<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. 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>Notes:</p> <ul style="list-style-type: none"> • 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, where (ii) and (iii) will be determined by the Company from time to time. • 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.
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 months¹⁵ of the relevant Policy Anniversary</p>
Embedded Supplementary Benefits (with no additional premiums required)	<ol style="list-style-type: none"> 1. Terminal Illness Benefit⁷ 2. Waiver of Premium on Disability Benefit^{9*} 3. Payor's Benefit^{10*} <p>*Not applicable to single premium policy.</p>
Optional Supplementary Benefits (with additional premiums required)	Major Illness Benefit (Advance Payment) ¹³

The contents in this Product Brochure are for reference only. You should read this document in conjunction with the respective insurance proposal and Policy Provisions 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 ³ and any Supplementary Benefit Premiums ⁴ 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> $\frac{\text{Sum at Risk}}{1,000} \times \text{Monthly Cost of Insurance Rates}$ <p>The Sum at Risk is calculated as:</p> $\mathbf{A} - \mathbf{B}$ <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 varies by age, gender, underwriting class and country of residency. A full list of current monthly cost of insurance rates can be found in your proposal illustration.</p> <p>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>	Account Value
Insurance Charge for Major Illness Benefit (Advance Payment) ¹³	<p>Should you choose to attach the Major Illness Benefit (Advance Payment)¹³, an additional Insurance Charge for this benefit will be deducted from the Account Value. The Insurance Charge for this benefit per month is calculated as follows:</p> $\frac{\text{Sum at Risk}}{1,000} \times \text{Monthly Cost of Insurance Rates for this benefit}$ <p>The Sum at Risk is calculated as shown in the "Insurance Charge" section above. The cost of insurance rates for Major Illness Benefit (Advance Payment)¹³ varies by age, gender, underwriting class and country of residency. A full list of current monthly cost of insurance rates for Major Illness Benefit (Advance Payment)¹³ is shown in your proposal illustration. The Company reserves the right to increase such cost of insurance rates at any time, but to no more than 130% of the standard rates.</p>	Account Value

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> <p>1. Surrender and Lapse: $\text{Surrender Charge rate} \times \text{Account Value}$</p> <p>2. Withdrawal: $\text{Surrender Charge rate} \times \text{Withdrawal amount}$</p> <p>3. Reduce Sum Insured: $\text{Account Value} \times \text{Surrender Charge rate} \times \% \text{ of reduction In Sum Insured}$</p> <p>Surrender Charge rates are set out in the table below:</p> <table border="1" data-bbox="337 1031 1075 1553"> <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%	Account Value/ withdrawal before the remaining amount is returned to you
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10	1%	1%																																						
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For details of the applicable charges, please refer to your proposal illustrations and policy provisions.

IMPORTANT NOTES

Cooling-off Period

The Goal Access Universal Life Plan (Protection) 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 premiums and levies 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 are 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 earlier).

After the expiration of the Cooling-off Period, if you cancel the Policy before the end of the Policy Term, the Account Value that you receive may be less than the total premium you have paid.

Suicide

If the Life Insured dies by suicide, whether sane or insane, within one year of the Issue Date or from the effective date of reinstatement or the effective date of the last Change of Life Insured (if applicable) (whichever is the latest), 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 dies by suicide, whether sane or insane, within one year of the date of any increase in the Sum Insured, such increase shall 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.

Tax reporting and financial crime

The Company may from time to time request information from you regarding you and your Policy for the Company and other members of the HSBC Group to meet certain obligations to legal or regulatory bodies and government or tax authorities in Hong Kong and overseas. 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 as set out in your policy terms 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 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.

Should any benefits or payments be withheld or the Policy be terminated by the Company, the amount you get back plus the total amount you have received before policy termination (if any) may be less than what you have paid. The Company recommends that you seek your own independent professional advice on your tax liabilities and tax position in relation to your Policy.

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 premium⁴ 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 consider 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 the Policy Provisions for detailed terms and conditions on termination.

Applicable laws

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.

Eligibility

The Plan is generally available to anyone who is between the Insurance Age¹² of 15 days after birth and 65 for individual Policyholder or between the Insurance Age¹² of 19 to 65 for corporate Policyholder. The Plan is subject to the relevant requirements on nationality and/or addresses and/or residency 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. Both premiums and benefits can be paid in currencies other than the policy currency. Please refer to section "key risks- Policy currency risk" for the details of key risk factors.

Missing payment of premium

In order to keep the Policy in force, you must pay all Planned Premiums² and any Supplementary Benefit Premiums⁴ 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 Premiums⁴ have been overdue for 65 consecutive calendar days.

KEY RISKS

Credit and insolvency risks

The product 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 vice versa. The key risk factors are further described below:

- **Investment risk factors** – The investment performance of the assets supporting the policies could be affected by changes in interest rate and its outlook (which affect both interest earnings and values of assets), fluctuations in price of growth assets and various market risks including but not limited to credit risk and currency 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 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 any direct expenses (eg. Commission, underwriting, policy acquisition and maintenance expenses) and indirect expenses (eg. General overhead costs) incurred and apportioned to the group of policies may be higher than expected and impact the overall performance of the product.

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. Please refer to the section "Details of fees and charges" for details. 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, 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

Any delay or missing of the payment of Planned Premiums² and any Supplementary Benefits Premiums⁴ 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 Premiums⁴ 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, 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. If you surrender the Policy in early years, the surrender proceeds to be received under the Policy may be significantly less than the premiums paid.

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 "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 terms in the future even if the Company meets all its contractual obligations.

Policy currency risk

You are subject to exchange rate risks. If your Plan is denominated in currencies other than local currency, or, if you choose to pay premium or receive benefit in currencies other than the policy currency(ies), the actual amount paid or received by you will be subject to change according to the prevailing exchange rate to be determined by the Company from time to time between the policy currency and the local/ payment currencies. The fluctuation in exchange rates may have impact on the amount of payments including but not limited to 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.
- 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.

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 vice versa.

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 The minimum 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.
- 4 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.
- 5 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.
- 6 If the Life Insured dies by suicide, whether sane or insane, within one year of the Issue Date or from the effective date of reinstatement or the effective date of the last Change of Life Insured (if applicable) (whichever is the latest), 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.
- 7 Terminal Illness Benefit is applicable to any Life Insured with Insurance Age¹² between 15 days after birth and Insurance Age¹² of 64. Terminal Illness Benefit will terminate when the Life Insured attains the age⁸ of 65, payout of the benefit or the Policy is terminated (whichever is the earliest). Please refer to the Policy Provisions of the Supplementary Benefits for the detailed terms and conditions and exclusions.
- 8 The Policy Anniversary at which the Policyholder or the Life Insured (as the case may be) reaches the specified age based on age at the next birthday.
- 9 Waiver of Premium on Disability Benefit is applicable to any Life Insured with Insurance Age¹² of 19 to 60 who is the holder of a Hong Kong Identity Card or Macau Identity Card. This benefit will terminate upon the Life Insured attained the age⁸ 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 Policy Provisions of the Supplementary Benefits for the detailed terms and conditions and exclusions. 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.
- 10 Payor's Benefit is applicable to any Life Insured with Insurance Age¹² between 15 days after birth and Insurance Age¹² of 18 and any Policyholder with Insurance Age¹² 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 Policyholder attained the age⁸ of 65 or the Life Insured attained the age⁸ 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 Policy Provisions of the Supplementary Benefits for the detailed terms and conditions and exclusions. Underwriting is

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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.

- 11 A child's Policy refers to a Policy with a Life Insured with Insurance Age¹² between 15 days after birth and Insurance Age¹² of 18.
- 12 Insurance Age means the age of the Life Insured or Policyholder where applicable at his or your next birthday.
- 13 Major Illness Benefit (Advance Payment) is applicable to any Life Insured with Insurance Age¹² between 15 days after birth and Insurance Age¹² 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.
- 14 The charges applicable to the Policy will be adjusted based on the new Life Insured.
- 15 The average Account Value of the past 60 policy months is calculated as follows:
 - 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).

Planning for your financial future is important. Let us review your current and future needs to 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.

