

# Life Insurance

Safeguard your family against unforeseeable incidents



**HSBC**  
Insurance

Privileged Term Protection Plan

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# PRIVILEGED TERM PROTECTION PLAN

## **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.

Privileged Term Protection Plan 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.

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## **SAFEGUARD YOUR FAMILY AGAINST UNFORESEEABLE INCIDENTS**

Planning ahead is a key part of protecting your family against life's unforeseeable mishaps. Privileged Term Protection Plan is a term life insurance plan that offers financial support and protection for your loved ones.

### **How does Privileged Term Protection Plan work?**

Privileged Term Protection Plan (the "Plan" or the "Policy") is a pure life protection plan. The minimum Sum Insured amount is HKD5,000,001 or USD625,001.

You may choose to pay the premium monthly<sup>1</sup> or annually. Your premium is guaranteed level during each selected Term, and will be adjusted at the Policy Anniversary after the end of every Term until the Policy is terminated.

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

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## HOW MUCH PROTECTION CAN YOU ENJOY?

### **Life Cover**

The Life Insured can enjoy life protection up to the age<sup>2</sup> of 80. In the unfortunate event of the death of the Life Insured, the Beneficiary(ies) will receive the Death Benefit, which is equivalent to the Sum Insured less any outstanding premiums.

### **Conversion Privilege**

We always cater for your changing needs at different life stages. You may apply to convert your Policy into other whole of life or endowment plans then available without further medical underwriting for the Life Insured before the age<sup>2</sup> of 60, giving you a higher chance that you will be insured under different circumstances in your life, even if the state of your health changes. Premiums for the new policy will be determined by the Company and the conversion is subject to terms and conditions set out in the Policy Provisions. Please refer to Product Summary for more details.

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## Optional Supplementary Benefits<sup>3</sup>

To provide you with a wider insurance protection, there are other optional Supplementary Benefits for you to choose with additional premiums:

- **Waiver of Premium on Disability Benefit**

If the Life Insured suffers a disability while the Policy is in force and before the Life Insured's age<sup>2</sup> of 65 and remains so disabled for a continuous period of 183 days, all subsequent premiums due (for the Basic Plan and the optional Supplementary Benefits) after such disability began and during its uninterrupted continuance will be waived.

- **Total and Permanent Disability Benefit**

This benefit covers disabilities that last for at least six months and stop the Life Insured from working in any gainful occupation for the rest of their life before the age<sup>2</sup> of 65. The Sum Insured of the Basic Plan will be reduced by the same amount of the Total and Permanent Disability Benefit that is paid.

- **Major Illness Benefit (Advance or Additional Payment)**

In the event that the Life Insured suffers from one of the covered major illnesses before the age<sup>2</sup> of 65, we will give you the protection amount for medical treatment, living expenses or other purposes that suits your needs. For Advance Payment option, the protection amount you have chosen will be paid from the Sum Insured of the Basic Plan and that the Sum Insured of the Basic Plan will be reduced by the same protection amount that is paid. For Additional Payment option, an additional protection amount you have chosen will be paid out, while the Sum Insured of the Basic Plan remains unchanged.

- **Accidental Death and Dismemberment Benefit**

If the Life Insured dies or suffers major dismemberment resulting directly from or independently of all other causes from bodily injury caused by an external and violent accident before the Life Insured's age<sup>2</sup> of 65, a certain percentage of the protection amount will be paid based on the severity of the injury.

Please refer to the respective factsheets and provisions for detailed terms and conditions and exceptions of the above optional Supplementary Benefits.

## PRODUCT SUMMARY

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| Policy Currency                        | HKD / USD  |  |
| Issue Age                              | Yearly Renewable Term  | Insurance Age <sup>4</sup> of 19 to 70 |
|  | 10 Years Term  | Insurance Age <sup>4</sup> of 19 to 70 |
|  | 20 Years Term  | Insurance Age <sup>4</sup> of 19 to 60 |
| Benefit Term                           | Up to age <sup>2</sup> of 80   |  |
| Term                                   | Yearly / 10 Years / 20 Years   |  |
| Minimum Sum Insured (per Policy)       | HKD5,000,001 / USD625,001  |  |
| Maximum Sum Insured (per Life Insured) | HKD80,000,000 / USD10,000,000  |  |
| Death Benefit                          | Sum Insured less outstanding premiums (if any)   |  |
| Premium Payment Method                 | Monthly or Annual <sup>1</sup> , through: <ul style="list-style-type: none"> <li>• HSBC bank account; or</li> <li>• Cheque (only for initial premium but not for the subsequent premium); or</li> <li>• HSBC credit card</li> </ul>  |  |
| Premium Payment Period                 | Throughout every Term and until the Policy is terminated   |  |
| Premium Adjustment                     | <ul style="list-style-type: none"> <li>• The premium is guaranteed level for the initial Term from the Policy Date.</li> <li>• If the sum of the Life Insured's age<sup>2</sup> at the time of premium adjustment and the Term is less than or equal to 80, then the premium will be adjusted at the Policy Anniversary immediately after the end of every Term until the Policy is terminated. Otherwise, the premium will be adjusted annually until the Policy is terminated.</li> <li>• The adjusted premium will remain level:               <ul style="list-style-type: none"> <li>- Until the end of each Term if the sum of the Life Insured's age<sup>2</sup> at the time of the premium adjustment and the Term is less than or equal to 80; or</li> <li>- For one year until the next premium adjustment date if the sum of the Life Insured's age<sup>2</sup> at the time of the premium adjustment and the Term is greater than 80.</li> </ul> </li> </ul> <p>Please refer to section "Key risks – Risk from premium adjustment" for details of key risk factors.</p> |  |

### Conversion Privilege

At any Policy Anniversary at which the Life Insured's Insurance Age<sup>4</sup> is less than 60, this Policy may be converted into a new whole of life or endowment policy on the life of the Life Insured for a Sum Insured less than or equal to the Sum Insured of the Privileged Term Protection policy. The new policy must be a prevailing product determined by the Company at the time of policy conversion and its conversion will be subject to the prevailing regulatory and the Company's requirements.

All optional Supplementary Benefits, except the Waiver of Premium on Disability Benefit, which are attached to this Policy, may be added to the new policy in the same amounts, provided that such Supplementary Benefits are then available.

Please refer to Policy Provisions for detailed terms and conditions.

### Optional Supplementary Benefits<sup>3</sup>

- Waiver of Premium on Disability Benefit
- Total and Permanent Disability Benefit
- Major Illness Benefit (Advance or Additional Payment)
- Accidental Death and Dismemberment Benefit

All of the above optional Supplementary Benefits require additional premiums. Issuance and benefit terms of each benefit are subject to the relevant terms and conditions. Please refer to the relevant factsheets and Policy Provisions for the supplementary benefits for details.

The content in this product brochure is for reference only. Please refer to Policy Provisions for details.

## IMPORTANT NOTES

### Cooling-off Period

Privileged Term Protection Plan is a pure life protection plan which is not equivalent or similar to any kind of deposit. 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 or the Policy is lapsed or terminated for any reasons, you will not get back the 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, 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 Effective Date or the effective date of reinstatement, whichever is later. Please refer to Policy Provisions 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 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.

Should any benefits or payments be withheld or the Policy be terminated by the Company, the amount you get back 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.

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### **Termination conditions**

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

- If you cannot make the overdue premium payment by the end of the Grace Period; or
- We reasonably consider that by continuing the Policy or the relationship with you, we may break any laws or the Company, or a member of the HSBC Group, may be exposed to action censure from any authority; or
- If the Company has the right to terminate pursuant to the terms of any Supplementary Benefits.

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 available to individuals who are between Insurance Age<sup>4</sup> of 19 and 70 if taking yearly renewable term or 10 years term and between Insurance Age<sup>4</sup> of 19 and 60 if taking 20 years term. 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.

### **Missing payment of premium**

There is a 30-day Grace Period for premium payments that are due. If you cannot make the payment by the end of the Grace Period, the Policy will lapse with effect from the due date of the first unpaid premium.

### **Policy currency**

The Plan is available in Hong Kong dollars and 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.

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## KEY RISKS

### Credit and insolvency risks

This 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.

### Risks from the delay or missing the payment of premiums due

Any delay or missing of the payment of premiums due **may lead to policy lapse. If your Policy is lapsed, you will not get back the premium you have paid.**

### 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.** 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.

### Risk from premium adjustment

**Premium will be adjusted every Term until the Policy is terminated.** The premium adjustment will be determined in accordance with the Company's prevailing premium rate applicable to this class of Policy and the Insurance Age<sup>4</sup> of the Life Insured at the time of adjustment. Due to the increase of Insurance Age<sup>4</sup> over time, premium rate may increase at the time of adjustment. **Such premium rate will be determined based on factors including but not limited to actual claims experiences, outlook of future claims experiences, policy lapses as well as the Company's operating expenses.** A notice of such premium adjustment will be sent to the Policyholder prior to it taking effect.

### Risk from surrender

For any policy surrender after policy issuance, **no refund of premiums will be paid (except during Cooling-off Period).**

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## ENDNOTES

- 1 If you choose to pay premium in monthly payment mode for a policy year, the total premiums payable for that policy year will be greater than that in annual payment mode.
- 2 The Policy Anniversary at which the Life Insured reaches the specified age based on age at next birthday.
- 3 Please refer to the respective optional Supplemental Benefits provisions for detailed terms and conditions.
- 4 Insurance Age means the age of the Life Insured or Policyholder where applicable at his or your next birthday.

## MORE INFORMATION

Planning for your financial future is important. Let us review your current and future needs to help you decide if Privileged Term Protection Plan 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.

**Call 2233 3131**

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

**Visit any HSBC branch**

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

