

A long lasting policy: a lifelong commitment to your loved ones



What to consider before surrendering your policy



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

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Taking out an insurance policy is one of the most meaningful commitments you can make for those you care about. In today's world, we all face unprecedented uncertainty. Whether it's a health crisis, economic shifts, or other unexpected circumstances, you and your loved ones could be left without essential financial support.

By maintaining your policy, you continue to protect your financial goals, your well-being, and the peace of mind of those you love.

How Insurance Helps Achieve Peace of Mind

Long-term financial security

Your policy with accumulated cash value plays a key role in safeguarding your future by mitigating the financial risks associated with life's uncertainties and providing several long term benefits, including:

Cash value accumulation: Over the years, your policy may accumulate cash value, giving you a source of passive income before or after retirement and helping you achieve your legacy goals.

Diversified asset allocation: By allocating assets across different asset classes, the policyholder can potentially reduce the risk of financial loss from market volatility and increase the likelihood of achieving financial goals.



Your policy is designed to provide essential protection for life's uncertainties.

Coverage and protection

Promoting peace of mind: Your policy offers you peace of mind - whether across life, health, and mortgage protection - it safeguards you and your loved ones against unexpected financial hardships while providing you with confidence in planning your financial future, enabling you to focus on what truly matters.



Potential drawbacks of policy surrender¹

Ending a policy is not just cancelling a service; it is terminating a long-lasting financial commitment. There are a number of considerations you should be mindful of before making the decision:



Financial impact

Surrendering your policy may result in receiving an amount lower than total premium you have paid. Even if your policy value has reached the break even point, surrendering the policy could still have financial implications, including the loss of future potential growth of the policy value and loss of coverage for your beneficiaries or loved ones.



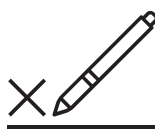
Loss of coverage

Surrendering your policy means losing valuable benefits, which could expose yourself and your loved ones financially vulnerable. Additionally, if you apply for a new life insurance policy, it will generally have a 12-month suicide clause, a 24-month incontestability clause, and a waiting period for health coverage.



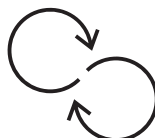
Tax implications²

Cashing out your policy could trigger tax consequences, depending on your policy type.



Impact on future insurability

Surrendering your policy now may prevent you from obtaining similar coverage or benefits at a similar cost. Factors like age, health, occupation, lifestyle, and recreational activities may complicate or increase the cost of obtaining new insurance coverage with similar terms.



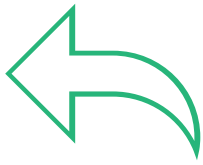
No policy reinstatement

You may not be able to reinstate a surrendered policy. Once surrendered, all associated benefits and protections are permanently and irreversibly forfeited.



Remarks:

1. Subject to the terms and conditions of the policy. Please refer to the policy provision, product brochure and proposal for details.
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What are the alternatives to policy surrender³?

Instead of surrendering your policy, consider these alternatives that may provide liquidity while keeping your coverage intact:

1

Apply for a premium holiday

(Applicable to ILAS products)

Temporarily pause premium payments without losing your coverage.

2

Withdraw accumulated dividends or annuities

Access funds that have accumulated over time within your policy.

3

Take out a policy loan

Borrow against your policy's cash value, keeping your policy active (subject to loan interest)⁴.

4

Make a partial surrender

Withdraw a portion of your policy's cash value while keeping the remaining coverage.

5

Lower the sum insured

Adjust your policy's coverage amount to reduce premium costs without losing all the benefits.

For your loved ones, please think twice...

Before making any decisions about surrendering your policy, it's important to carefully consider whether this is the best choice for you and your loved ones. Surrendering your policy would mean giving up both the financial security and protection it provides, as well as the growth opportunities it offers.

We encourage you to speak with your Relationship Manager or Licensed Insurance Intermediary to fully understand the impact of this decision and explore other options that can help you meet your current needs while preserving the long-term benefits of your coverage.

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Remarks:

3. Subject to the terms and conditions of the policy. Please refer to the policy provision, product brochure and proposal for details.
4. You may check with your Relationship Manager or Licensed Insurance Intermediary to understand the current loan interest rate.

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