



### Prevalence of dementia among the elderly

Dementia is one of the major causes of disability and dependency among older people worldwide and places significant challenges on families and societies, according to the World Health Organization (“WHO”)¹.

While dementia is perceived to be a problem of the elderly, some studies have shown that about 30% of individuals² with dementia in Hong Kong experience early on-set before the age³ of 65.

According to a recent study, there were 85,012 dementia patients aged 60 or above in Hong Kong in 2009. This figure is projected to rise to 332,688 by 2039⁴. With an increasing prevalence of dementia in older adults, more regular unpaid care or support will be required from their caregivers, a development that could undermine the social and economic development of our community.

In Hong Kong, the cost of eldercare was around **HKD38.8 billion** per year as of 2018⁵. It is projected to rise to **HKD73.1 billion** by 2030, and **HKD126 billion** by 2040⁵. Life expectancy is increasing, but healthy aging is not guaranteed, thus, the responsibilities being placed on family members could have detrimental effects on their livelihoods.

# Working dementia caregivers: Challenges and Needs<sup>6</sup>

How much do you know about the challenges facing dementia caregivers?

## Financial stability

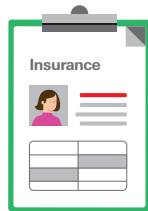
**68%**

of respondents perceived that care recipients do not have adequate financial resources



Only **16%**

of care recipients have insurance support



## Support network

**36%** of respondents devoted



=  $\frac{1}{2}$  full-time job

## Mental healthiness

Nearly **80%**

of respondents reported feeling down, feelings of depression, or hopelessness in the past two weeks at the time of the survey



## Information accessibility

Over **50%**

of respondents handle various caregiving tasks daily such as IADL<sup>+</sup>, ADL<sup>++</sup>, financial support and supervision/emotional support

The dual roles of working caregivers demand significant time and resources



Working dementia caregivers and their loved ones may consider to start their financial planning earlier on to build a safety net.

<sup>+</sup> Instrumental Activities of Daily Living (IADL) include shopping, preparing meals and taking medications.

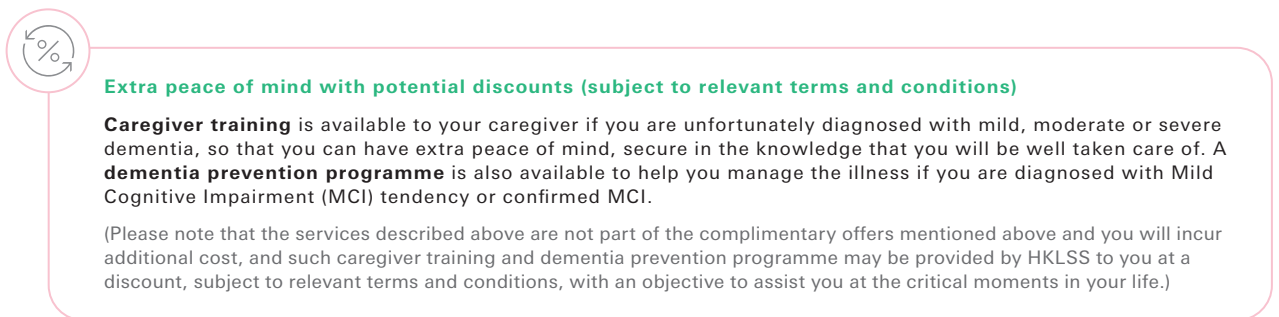
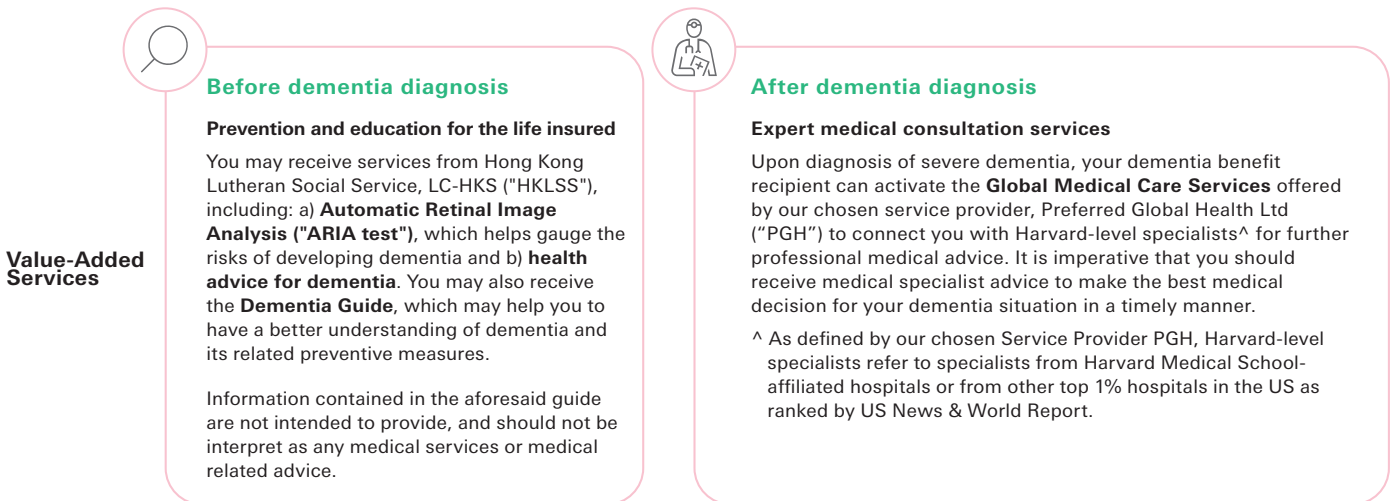
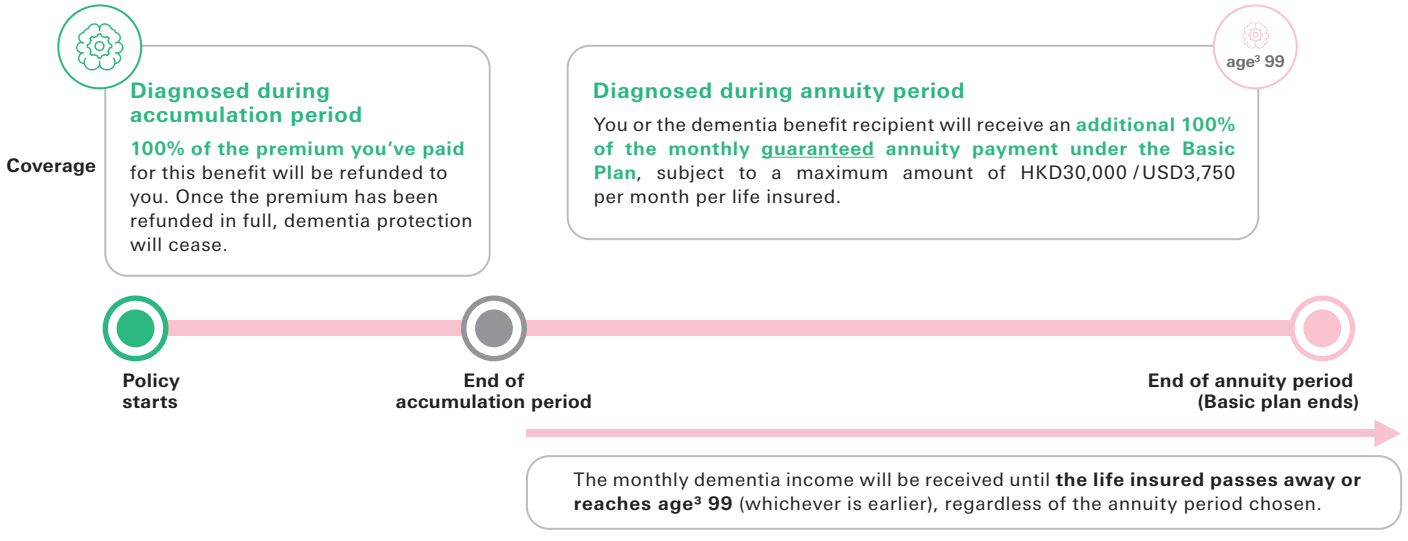
<sup>++</sup> Activities of Daily Living (ADL) include eating, walking and bathing.

The above research findings are based on results generated from an online survey conducted by 171 working dementia caregivers from July to August 2020 and two focus groups with 17 dementia caregivers conducted in August 2020.

## Dementia protection

Dementia is a progressive disease of the brain, and it is often accompanied by fluctuating emotions and poor verbal expression. In the later stages of the disease, dementia sufferers rely heavily on others to help them with their daily needs.

At HSBC Life, we understand that **severe dementia** can be overwhelming for those with the physical or financial responsibility to take care of loved ones and shoulder the long-term medical costs. That's why we introduced **dementia protection** ("Benefit"), which is an optional supplementary Benefit of the HSBC Flourish Income Annuity Plan ("HSBC Flourish Income" or "Basic Plan"). For an additional premium on top of your Basic Plan, you may be able to cover yourself against financial worries if the life insured is diagnosed with severe dementia. At the same time, we offer a suite of services ("Value-Added Services"), which may also help to take care of you.



## What should you know before applying for dementia protection?

Dementia protection is an optional supplementary Benefit of the HSBC Flourish Income Annuity Plan:

- Additional premium is required;
- Not applicable to aggregate premium policies and policies with a 1-year accumulation period;
- Can only be selected as part of the application for the Basic Plan for a life insured aged<sup>3</sup> **between 55 and 70 years**

Please refer to the respective supplementary benefit factsheet and Policy Provisions of this supplementary benefit for detailed terms, conditions, key risks and exclusions of dementia protection.

Please refer to the respective supplementary benefit factsheet for detailed terms and conditions of the Value-Added Services.

## How does dementia protection work?

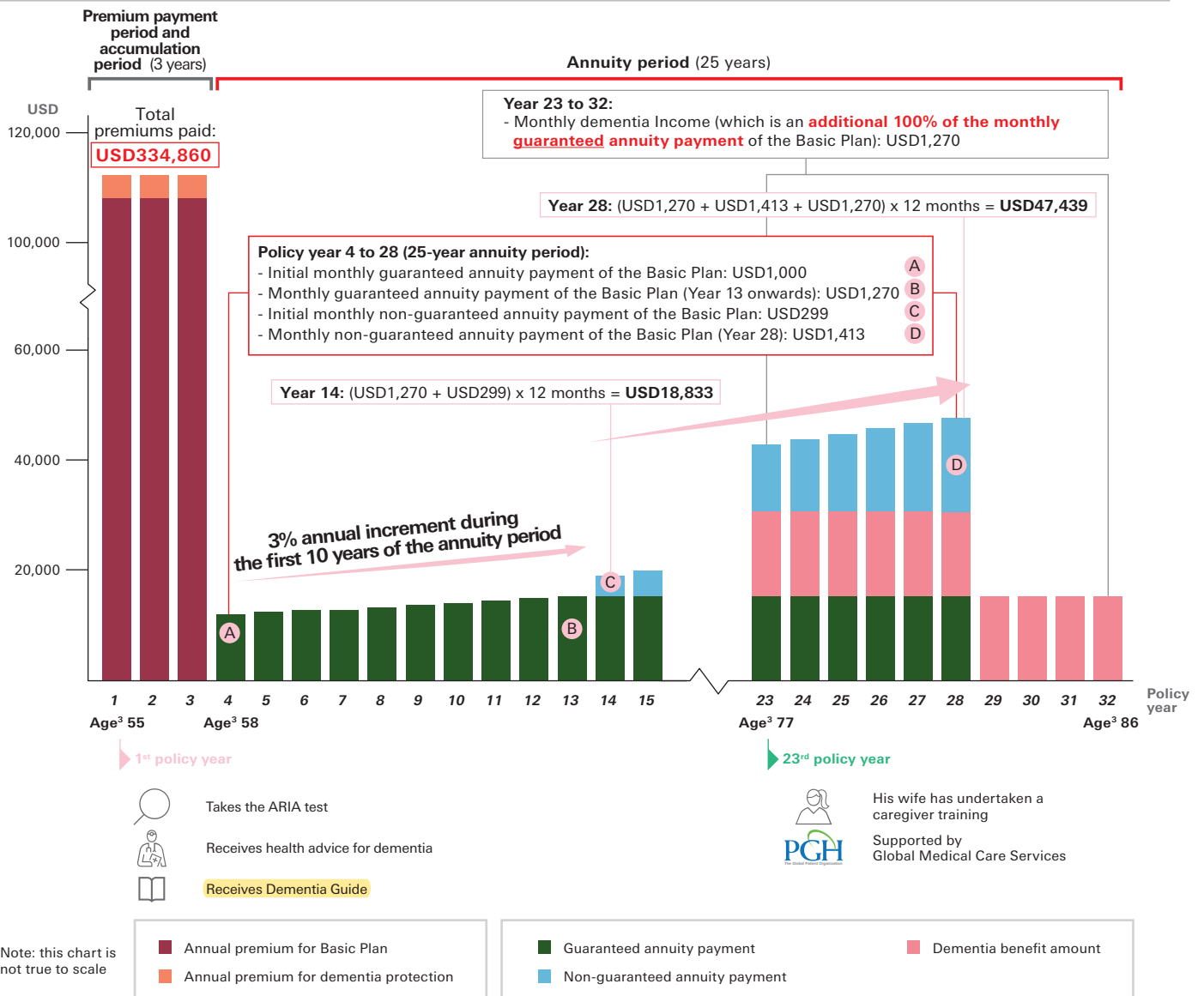


### Mr Lee is a 55-year-old professional

Mr Lee has a strong desire for a stable income throughout his retirement years. He plans to receive an annuity after his retirement to support the living expenses of his wife and himself. When he noticed that some of his friends had relatives with severe dementia, he became worried about getting the disease himself, and wants to alleviate any potential financial concerns for his family just in case.

### Mr Lee chooses HSBC Flourish Income Annuity Plan and dementia protection to meet his needs:

<b>Annual premium</b>	Basic Plan: USD107,327 Dementia protection: USD4,293	<b>Total premiums paid</b>	USD334,860
<b>Premium payment period/ Accumulation period</b>	3 years	<b>Annuity period</b>	25 years



<b>Total amount of monthly annuity payment for 25-year annuity period:</b>	USD518,939
<b>Total amount of monthly dementia income until Mr Lee passes away:</b>	USD152,400
<b>Projected total amount of monthly annuity payment plus total monthly dementia income:</b>	<b>USD671,339</b> → <b>200%<sup>7</sup></b> of total premiums paid at maturity

The figures as shown in the above example are subject to rounding adjustment and are for illustrative purposes only.

**Case:**

- Mr Lee pays his premiums in the first three years to receive monthly annuity payments<sup>8</sup> from age<sup>3</sup> 58 (4th policy year) for 25 years.
- He receives the first of his Value-Added Services, ie takes the ARIA test for risk detection and receives health advice for dementia.
- The ARIA test result indicates that he is a high-risk individual. He follows the preventive measures as suggested in the Dementia Guide and nominates his wife, who is the sole beneficiary of his Basic Plan, as the dementia benefit recipient. He also assigns her to receive the monthly annuity payments of the Basic Plan (“Cash out” must be selected as the payment option of the monthly annuity payment) should he be diagnosed with severe dementia during the annuity period.
- Mr Lee is **diagnosed with severe dementia** at age<sup>3</sup> 77 (23<sup>rd</sup> policy year). The monthly dementia income relieves his family of financial difficulties. Mr Lee and his wife are also supported by Global Medical Care Services. The personal care manager arranges an in-depth evaluation of the diagnosis and treatment options from Harvard-level Specialists<sup>^</sup>.
- Given that his wife has undertaken the available caregiver training\*, Mr Lee is well taken care of until his passing at age<sup>3</sup> 86.

<sup>^</sup> As defined by our chosen Service Provider PGH, Harvard-level specialists refer to specialists from Harvard Medical School-affiliated hospitals or from other top 1% hospitals in the US as ranked by US News & World Report.

**Value-Added Services to cater to your every need:**

**ARIA test<sup>9</sup> – Enabling early risk detection**

Since currently dementia has no cure, preventive measures, risk identification, and an early diagnosis provide the best chance of preparation and slowing down its onset, and making lifestyle changes to live life to the fullest.

The Automatic Retinal Image Analysis (“ARIA test”) is a cognitive health risk assessment that can gauge your risk of common dementias but should not be confused with a diagnostic tool. Retinal images are taken of both eyes and then uploaded into a central data processing system to determine the level of risk. The recommended test frequency is once every six months to a year depending on one’s health status.



**Health advice for dementia – Education for the best chance of delaying an early onset**

As dementia that affects younger people can be difficult to recognise, it is therefore very important to know early on the risk factors of dementia and how to mitigate these risks by applying different changes in your day-to-day life. This consultation is designed to provide you exactly that and to give you extra peace of mind. Tips on caring for dementia patients will also be provided during this session for your caregiver:

**Health advice for dementia (around 45 minutes) by a qualified nurse:**

**For the life insured who has undergone an ARIA test**

**For caregivers**

Part 01

What is dementia?

Part 02

Risk factors of dementia

Part 03

**Care planning for the future:**

- Biological (diet habit, mobilisation and cognitive advice)
- Psychological (advice on emotional management; what can be done on a day-to-day basis)
- Socio-cultural (advice on groups those with dementia can join to increase social interaction)
- Environmental (advice on quick home modifications to help avoid accidents)

- Provide useful communication tips for caregivers looking after family members with dementia
- Provide useful tips on handling troubling behaviour

\*The caregiver training provided by HKLSS is not part of the complimentary offer and you will incur additional cost.

## Value-Added Services to cater to your every need:

### Dementia Guide – Empowering you with essential knowledge on dementia

Once you have purchased this dementia rider and conducted the ARIA test, you will receive a guide on dementia that provides a host of useful information about dementia, from what it is, symptoms, diagnosis and therapies to all-important tips on prevention, lifestyle and home modifications, and living with dementia.



### Global Medical Care Services<sup>10</sup> by Preferred Global Health Ltd



Getting expert medical advice and assessments from specialists in dementia care is very important because wrong diagnoses of dementia are common, affecting between 20-30% of all cases<sup>11</sup>. There is also a high prevalence of medication errors in dementia cases, such as ineffective, inappropriate or unnecessary drug therapy<sup>12</sup>.

We understand that having a correct and complete diagnosis and the most appropriate treatment plan informed by the latest science and knowledge of therapies is ultimately important for our life insured of dementia protection. To serve this objective, we bring in the medical and personal care services from our chosen medical partner, Preferred Global Health Ltd ("PGH"), to support you and your caregiver from the point of diagnosis of severe dementia.

PGH will arrange exclusive consultations with Harvard-level specialists<sup>^</sup> that are experts in dementia care and research to ensure you receive the medical advice for treatment and care decisions.

You and your caregiver will be supported by a dedicated personal care manager at PGH, a licensed healthcare professional, who works on your behalf to arrange the services, including translation of medical records, and help to address your questions, where appropriate/feasible. PGH's services will be subject to the relevant terms and conditions, and you may need to pay for costs which are not covered under the Benefits.

### Diagnosis Verification and Treatment Plan



Aims to ensure that your medical case and diagnosis will be reviewed in-depth including both an expert opinion and a treatment plan advised by multiple Harvard-level specialists<sup>^</sup> in the US.

### Doctor-to-Doctor Dialogue



Partnering your local doctor with the US specialists<sup>^</sup> via secure video conferencing to discuss, share knowledge and support the optimal treatment plan for you.



### PGH customer testimonial:

What differentiates PGH from the rest is its capability to appoint first-rate medical institutions, professionals, and other resources in the United States.

I would like to thank you personally as well as all the team and PGH for the outstanding service and care. I truly feel that you have gone beyond what I would consider to be a normal level of service.



<sup>^</sup> As defined by our chosen Service Provider PGH, Harvard-level specialists refer to specialists from Harvard Medical School-affiliated hospitals or from other top 1% hospitals in the US as ranked by US News & World Report.

## Thinking about the future

When facing a diagnosis, it is important to create an action plan that may include estate planning, legal and money matters, daily and advance-care planning. Putting financial plans together before and soon after a diagnosis of dementia can help secure your economic future. Look into what types of financial support are available.

Being a caregiver is both a time-consuming and costly role<sup>13</sup>. You will need to consider the costs that you will face when it comes to caring for someone with dementia. Among others, these may range from ongoing treatment for symptoms, follow-up doctor visits and medical treatment for accompanying illnesses, to home and mobility adaptations, safety-related expenses, and day care or full-time residential care services. Keep in mind that dementia is a progressive disease and that needs will change over time.

## Cost of a diagnosis, treatment, medication, therapies and daily care are listed below for general reference:

Diagnosis of dementia is a complicated matter. While there is no one-size-fits-all procedure, below is a typical dementia patient journey. The information contained in the below diagram is for general information purposes only. These do not constitute any kind of advice or recommendations. Always seek independent medical or professional advice before making any decision regarding treatment and/or medication.

Pre-diagnosis	Diagnosis	Treatment/Therapies	Continuing care
<ul style="list-style-type: none"> <li>Two standardised screening tests are available in Hong Kong:               <ul style="list-style-type: none"> <li>Montreal Cognitive Assessment (MoCA)</li> <li>Mini-Mental State Examination (MMSE)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>For a complete diagnosis, additional head and neck imaging tests are usually carried out:               <ul style="list-style-type: none"> <li>Computerised Tomography Scan (CT Scan)<sup>#</sup></li> <li>Magnetic Resonance Imaging Scan (MRI)<sup>#</sup></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Medication treatment – To improve memory, awareness and the ability to function, ie cholinesterase inhibitors, such as Donepezil and Memantine (taken daily)</li> <li>Therapies – Cognitive training and other therapeutic interventions are specific forms of non-pharmacological intervention, such as memory clinics, occupational therapy, speech therapy, physiotherapy, music and natural therapies (twice per month)</li> </ul>	<ul style="list-style-type: none"> <li>Day-to-day care to ensure the patient is receiving good care:               <ul style="list-style-type: none"> <li>Acupuncture (twice per month)</li> <li>Massage to relieve pain and anxiety (twice per month)</li> <li>Nursing home (monthly cost)</li> </ul> </li> </ul>

### Estimated one-off costs:

- MoCA and MMSE	HKD1,000
- CT Scan and MRI Scan <sup>#</sup>	HKD6,570 – HKD28,790

### Estimated recurring monthly costs<sup>\*\*</sup>:

- Medication (taken daily)	HKD1,460
- Therapies (twice per month)	HKD2,000
- Daily care	HKD21,940 – HKD41,940
- Acupuncture (twice per month)	
- Massage (twice per month)	
- Nursing home	

<sup>#</sup>Cost of scanning tests in Hong Kong vary greatly; dependencies include but are not limited to facilities and locations. The above cost indications are for general reference only, please seek professional medical advice as necessary.

<sup>\*\*</sup>Please note that the tests shown under pre-diagnostic and diagnosis stages are assumed to be one-off costs while the assumption made on the monthly costs under treatment/therapies, medication and continuing care in the diagram above are based on the frequency stated above. Please note that dementia care costs vary greatly from one individual to another. These costs are for general reference only and please seek professional medical advice as necessary.

#### Assumptions for the illustrative example:

- Monthly payment as the annuity payment option. The monthly annuity payment is projected based on the current dividend scales and interest rate(s) which are not guaranteed and may vary from time to time. The actual future amount may be lower or higher than the illustrated above.
- All premiums are paid in full when due during the premium payment period.
- No withdrawal of accumulated dividends and interest (if any) under the policy, non-guaranteed dividend scale will not be adjusted.
- The interest rate<sup>14</sup> used for accumulated dividends and accumulated monthly annuity payments (if any) is 3.7% p.a. (for USD policies).
- The percentage of the total premiums paid is not guaranteed.

#### Endnotes:

1. World Health Organization. (22 Sep 2020). Ageing and health. Retrieved from: <https://www.who.int/news-room/fact-sheets/detail/ageing-and-health>.
2. Chinese University of Hong Kong. 31 May 2016. "CUHK Sets up World's First Research Registry on early onset dementia in Chinese population the youngest age of onset is 38". CUHK Communications and Public Relations Office.
3. Age means the age of the life insured or the policyholder where applicable at his/her next birthday.
4. Yu, R., Chau, P. H., McGhee, S. M., Cheung, W. L., Chan, K. C., Cheung, S. H., & Woo, J. (2012). Trends in Prevalence and Mortality of Dementia in Elderly Hong Kong Population: Projections, Disease Burden, and Implications for Long-Term Care. *International Journal of Alzheimer's Disease*, 2012, 1-6. doi:10.1155/2012/406852.
5. Eldercare Hong Kong - The projected societal cost of eldercare in Hong Kong 2018 to 2060.
6. Working dementia caregivers: Challenges and Needs, 2020.
7. The percentage of the total premiums paid is not guaranteed. Please also refer to section "Assumptions for the illustrative example" for detailed assumptions.
8. A monthly annuity payment means a monthly guaranteed annuity payment plus a monthly non-guaranteed annuity payment (if any).
9. Each life insured per policy is entitled to an ARIA test once per life (regardless of how many HSBC Flourish Income policies a life insured owns) during his/her policy term(s).
10. Each life insured per policy is entitled to Global Medical Care Services once per life (regardless of how many HSBC Flourish Income policies a life insured owns) during his/her policy term(s).
11. The Telegraph. 18 September 2018. "The pain of being misdiagnosed with Alzheimer's is more common than we realise, doctors say". National Post.
12. Pfister, B., et al. 27 June 2017. "Drug-related problems and medication reviews among old people with dementia." *BMC Pharmacol Toxicol*, vol 18, 1:52. doi.org/10.1186/s40360-017-0157-2.
13. Dementia trends: Impact of the ageing population and societal implications for Hong Kong. 2010. "The cost of institutional care for persons with dementia over the age of 60 would increase from HKD1.6 billion in 2010 to HKD4.2 billion in 2036 and the cost of informal care would go up from HKD10.4 billion to HKD27 billion over the same time". The Hong Kong Jockey Club.
14. The interest rate used for accumulated dividends and accumulated monthly annuity payments (if any) is not guaranteed and may be adjusted by the Company at its discretion from time to time. The actual interest rate may be lower or higher than 3.7% p.a. (for USD policies).

#### Disclaimers:

The figures as shown and the relative proportion of various values depicted in the above charts are subject to rounding adjustment. The actual benefit amount may change from time to time and may be lower or higher than those illustrated above. Please refer to the figures shown in your insurance proposal for details. The information shown above is intended as a general summary and for illustrative purposes only and does not intend to predict the actual amount payable under your policy. You should read this material in conjunction with the respective product brochure, supplementary benefit factsheet of dementia protection, Policy Provisions and illustration.

Dementia protection is an optional supplementary Benefit to the HSBC Flourish Income Annuity Plan, which is underwritten by **HSBC Life (International) Limited** ("the Company" or "we" or "us"), and is a product of the Company but not The Hongkong and Shanghai Banking Corporation Limited ("HSBC") and it is intended only for sale through HSBC in the Hong Kong SAR. HSBC is an insurance agent of the Company. In respect of an eligible dispute (as defined in the Terms of Reference for the Financial Dispute Resolution Centre in relation to the Financial Dispute Resolution Scheme) arising between HSBC and you out of the selling process or processing of the related transaction, HSBC is required to enter into a Financial Dispute Resolution Scheme process with you; however, any dispute over the contractual terms of the above insurance product should be resolved between the Company and you directly.

**Preferred Global Health Ltd** is a leading global patient organisation based in Boston, Massachusetts, United States, with more than 20 years' experience in patient advocacy and supporting the path to recovery. PGH is an independent company that works on behalf of patients and their families. PGH is not owned by the medical centres nor does it have contractual ties to them or the participating doctors. Global Medical Care Services are provided by PGH to the Company customers of **Dementia protection optional supplementary benefit** of the **HSBC Flourish Income Annuity Plan** who have received a diagnosis of severe dementia from a qualified doctor. The Company does not represent PGH which is an independent service provider. The Company shall neither be liable nor responsible for any loss, damages or costs which may be incurred (directly or indirectly) due to or arising from the above mentioned services or any kind of services which may be provided by PGH. The Company is not directly affiliated in any way with Harvard, and any reference to Harvard is only for identification and reference purposes on content provided by PGH and does not imply an association between the Company and Harvard. The description on dementia herein is only intended as preliminary information, which shall not constitute any medical advice. Please seek the advice of your medical professional for further guidance.

**The cognitive health check and the health advice for dementia** are provided by HKLSS, which is also responsible for the administration of the Health Check. In respect of the cognitive health check and the health advice for dementia, the Company is only responsible for procuring and sponsoring the relevant cost (subject to relevant terms and conditions imposed by the Company) of the health check and the health advice for you, and the Company shall not be liable for any disputes, or quality of any service which are provided by independent third party(ies). Automated Retinal Image Analysis - Risk assessment for cognitive health is for health promotion purposes and it is only available for adults who do not have symptoms of cognitive impairment. This offer cannot be sold, or redeemed for cash, discounts or other services. Any disputes in relation to this offer are subject to the final decision of the Company and HKLSS. No meeting or discussion for insurance matters with any insurance intermediaries or sales person are required for this health check and health advice for dementia.

**Hong Kong Lutheran Social Service, LC-HKS** was established in 1977. HKLSS is an independent service provider. The Company shall neither be liable nor responsible for any loss, damage or costs which may be incurred (directly or indirectly) due to or arising from any act or matters, which may be performed by HKLSS. Its services include a nursery school, children and family services, foster care service, counselling service centres, integrated children and youth services centres, school social workers, community development, rehabilitation services, elderly centres and day care centres for the elderly with service units located in Hong Kong Island, Kowloon, the New Territories and the Outlying Islands.