

Critical Illness Insurance



**HSBC Comprehensive Critical Illness
Protection Plan**

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

6 Front Street, Hamilton HM11, Bermuda

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 Comprehensive Critical Illness 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 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 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.

HSBC Comprehensive Critical Illness Protection Plan

Living in the bustling city, people who are suffering from various unexpected critical illnesses, such as cancer, are increasingly common as there was a 35% increase in new cancer cases between 2003 and 2013. Furthermore, 10% of these patients are under the age of 44¹, showing that there is a substantial proportion of younger sufferers. Factoring in the rising medical cost, you and your family could be adversely affected.

HSBC Comprehensive Critical Illness Protection Plan ("the Plan") is a life insurance with critical illness element, which provides critical illness benefits protection under both Base Critical Illness Benefit² and Multiple Critical Illness Benefit², allowing claims for Critical Illness³ of up to 200% of the Sum Insured for each of the two illness groups (as mentioned in the next section), subject to relevant terms as stated in the Policy Provisions.

However, the Plan is not equivalent or similar to any kind of deposit.



HSBC Comprehensive Critical Illness Protection Plan

1. A comprehensive coverage for up to 60 Critical Illnesses³

Enjoy peace of mind with full coverage by Base Critical Illnesses Benefit

We always tailor our products to your needs with wide protection coverage. HSBC Comprehensive Critical Illness Protection Plan gives the Life Insured full protection against up to 60 Critical Illnesses³, covering common severe diseases like cancer, heart attack and strokes. The benefit provides cover until the Life Insured reaches the age⁴ of 99. The benefit will be payable in a lump sum if the Life Insured is diagnosed by a Registered Medical Practitioner with any one of the covered Critical Illnesses³ in the two Illness Groups as listed in the section of Critical Illness Benefit Schedule. Any outstanding future premiums under the Basic Plan and Supplementary Benefits will be waived once the Total Claims Paid⁵ is equal to or more than 100% of the Sum Insured.

Opt for coverage for an additional 68 Early Stage Critical Illnesses

Thanks to today's medical advancement, many critical illnesses can be cured at an early stage with timely medical diagnosis and treatment. The Plan brings you the optional Early Stage Critical Illness Benefit (Advance Payment)², covering 68 Early Stage Critical Illnesses for the Life Insured until the age⁴ of 85 (additional premium is required for this optional rider). It will assist you by providing an advance payment of 20% of the Basic Plan Sum Insured as a medical fee for the amount of medical treatment required in early stage critical illnesses, subject to a cap of HKD300,000/USD37,500 per claim limit for certain illnesses and also the relevant terms and conditions for the claims. For details of the optional Early Stage Critical Illness Benefit, please refer to the page on Product Summary and rider factsheet.

2. Multiple Critical Illness Benefit² helps ease your worries in life

Critical illnesses are an unexpected financial burden. We understand how important it is to acquire the maximum protection for you and your beloved family. While any one of the covered Critical Illnesses is diagnosed, Multiple Critical Illness Benefit enables claims of up to 200% for each Illness Groups respectively (i.e. Cancer and Non-Cancer Illness Group). Under this Multiple Critical Illness Benefit, and depending on the illnesses diagnosed, each occurrence can be claimed for once only (except in the case of cancer, stroke and heart attack where a claim can be made twice if there is reoccurrence of such illnesses). This Multiple Critical Illness Benefit covers the Life Insured until age⁴ of 85, providing you and your family with protection.

Please refer to the Illustrative Examples for more details on the exclusions and limitations of the Multiple Critical Illness Benefit.

3. Rest assured with life protection

The Plan also comes with life protection. Death Benefit will be payable in the unfortunate event of the death of the Life Insured while the Policy is in force. The benefit is equal to the Sum Insured or Total Basic Plan Premium Paid⁶ (whichever is higher) reduced by the Total Claims Paid⁵ (if any), subject to a minimum of zero, plus the Compassionate Death Benefit which is 5% of the Sum Insured and the sum of accumulated non-guaranteed policy dividends with interest (if any) as at the date of death of the Life Insured.

4. Numerous payment options tailored to diversified needs

The Plan offers you numerous payment terms, subject to the Age⁷ of the Life Insured at the time of enrolment. You are free to make your choice of a premium payment period of single premium, 3, 5, 10, 15 or 20 years with a guaranteed level premium rate throughout the premium payment period. These flexible payment terms can accommodate different financial needs in different life stages. You can refer to the page on Product Summary for details.

5. Extra protection

The below Supplementary Benefits are embedded in the Basic Plan for the Policy with no additional premiums required.

- **Payor's Benefit**
You can take out a Policy that covers the life of your child provided that he or she is Age⁷ of 18 or under. If the Policyholder was to die or become temporarily disabled for a continuous period of 183 days, the future premiums will be waived until the Payor's Benefit terminates according to the terms of such Supplementary Benefits provisions.
- **Unemployment Benefit**
If the Policyholder becomes unemployed for more than 30 consecutive days before the Policyholder reaches the age⁴ of 65, the Grace Period for payment of the subsequent premiums for both Basic Plan and Supplementary Benefits will be extended for up to 365 days with the Policy's full protection.
- **Waiver of Premium on Disability Benefit**
If the Life Insured suffers disability while the Policy is in force and before the Policy Anniversary at which the Life Insured's age⁴ is 65 and remains so disabled for a continuous period of 183 days, all subsequent premiums due (including premiums paid for the Basic Plan and the Supplementary Benefits) after such disability began and during its uninterrupted continuance will be waived.

For detailed terms and conditions of the above embedded Supplementary Benefits, please refer to the Policy Provisions for the respective Supplementary Benefits.

Apart from Early Stage Critical Illness Benefit (Advance Payment) above, there are other optional Supplementary Benefits below for you to choose (with additional premiums). These provide you with wider insurance protection, while they are optional to you for selection at the time when the Basic Plan is purchased.

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 while the Policy is in force and before the Policy Anniversary at which the Life Insured's age⁴ is 65, percentage of the protection amount will be paid and the percentage to be paid depends on whether Life Insured suffered from death or is suffering from less severe dismemberment or severe dismemberment.

Hospital Cash Benefit

If the Life Insured is hospitalised for more than 24 hours while the Policy is in force and before the Policy Anniversary at which the Life Insured's age⁴ is 65, a daily hospital cash payment will be paid, up to a maximum of 730 days. Double cash benefit will be paid if the Life Insured needs intensive care or any unplanned overseas hospitalisation.

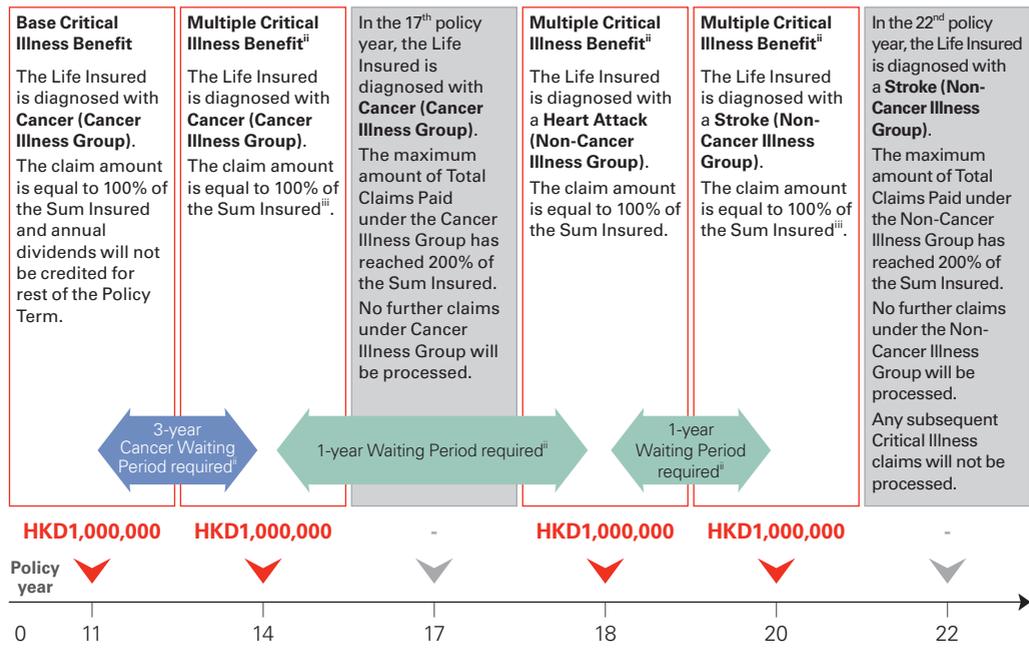
For detailed terms and conditions of the above optional Supplementary Benefits, please refer to the factsheets and Policy Provisions for the respective Supplementary Benefits.

Illustrative Examples

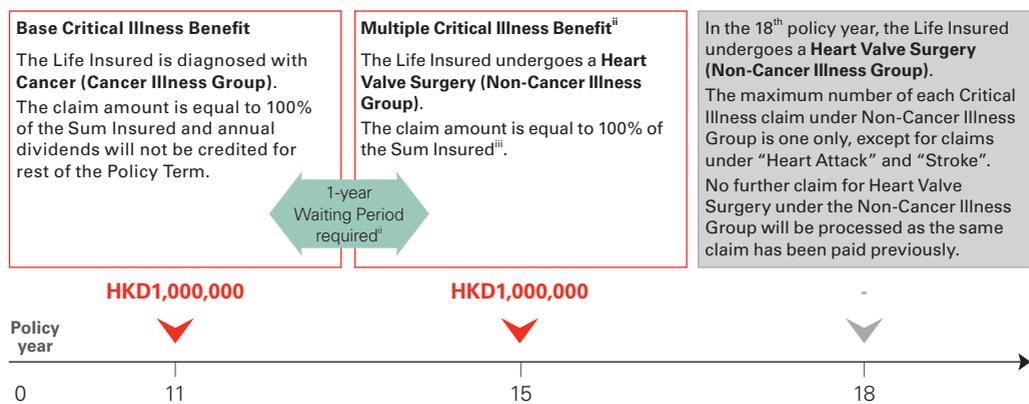
- Age of Life Insuredⁱ : 40 (Female, Non-smoker)
- Sum Insured : HKD1,000,000
- Premium payment period : 10 years
- Annual premium : HKD81,580
- Total Premiums Paid : HKD815,800

Assumed no Early Stage Critical Illness Benefit (Advance Payment) is selected

Example 1



Example 2



Example 3

Base Critical Illness Benefit

The Life Insured is diagnosed with **Cancer (Cancer Illness Group)**.
The claim amount is equal to 100% of the Sum Insured and annual dividends will not be credited for rest of the Policy Term.

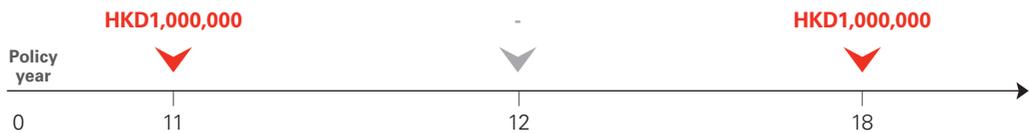
In the 12th policy year, the Life Insured is diagnosed with **Cancer (Cancer Illness Group)**.

This subject cancer claim cannot be processed since the 3-year waiting period requirement for a cancer claim under the Cancer Illness Group is not fulfilled.

Multiple Critical Illness Benefitⁱⁱ

The Life Insured is diagnosed with both **Blindness and Loss of Hearing (both under Non-Cancer Illness Group)** in the same accident.

The claim amount is equal to 100% of the Sum Insured as the two claims arise from the same event.



Example 4

Base Critical Illness Benefit

The Life Insured is diagnosed with **Cancer (Cancer Illness Group)**.
The claim amount is equal to 100% of the Sum Insured.
As the Life Insured is diagnosed with Cancer (Cancer Illness Group) within 10-year premium payment period. The payment of each premium including premiums for Supplementary Benefits will be waived and annual dividends will not be credited for rest of the Policy Term.

Compassionate Death Benefit

The Life Insured has died in the 18th policy year.
The claim amount is equal to 5% of the Sum Insured plus sum of accumulated dividends and interest (if any).



Notes:

- i Age means your age at your next birthday.
- ii Multiple Critical Illness Benefit is subject to the waiting period between each claim. The example assumes that the waiting period between each claim is fulfilled. Please refer to Product Summary for the applicable waiting period.
- iii The maximum total claims paid for the Cancer Illness Group and the Non-Cancer Illness Group is 200% of the Sum Insured each.

The illustrative examples above are for reference only. Please refer to the Policy Provisions for detailed terms and conditions.

Benefit Summary

Critical Illness Benefit Schedule

Full Coverage of 60 Critical Illnesses	
Illness Group	
Cancer Illness Group (Maximum claim: 200% of the Sum Insured)	1. Cancer
Non - Cancer Illness Group (Maximum claim: 200% of the Sum Insured)	Conditions related to the Cardiovascular System
	2. Coronary Artery Bypass Surgery
	3. Other Serious Coronary Artery Disease
	4. Cardiomyopathy
	5. Eisenmenger's Syndrome
	6. Heart Attack
	7. Heart Valve Surgery
	8. Primary Pulmonary Arterial Hypertension
	9. Infective Endocarditis
	10. Dissecting Aortic Aneurysm
	11. Surgery to Aorta
	Conditions related to the Nervous System
	12. Alzheimer's Disease
	13. Bacterial Meningitis
	14. Benign Brain Tumour
	15. Brain Surgery
	16. Chronic Adrenal Insufficiency (Addison's Disease)
	17. Coma
	18. Creutzfeldt-Jacob Disease (CJD)
	19. Encephalitis
	20. Major Head Trauma
	21. Motor Neurone Disease
	22. Multiple Sclerosis
	23. Muscular Dystrophy
	24. Myasthenia Gravis
	25. Paralysis
	26. Parkinson's Disease
	27. Poliomyelitis
	28. Stroke
	29. Tuberculosis Meningitis
	30. Apallic Syndrome
31. Hemiplegia	

Full Coverage of 60 Critical Illnesses

Illness Group	
Non - Cancer Illness Group (continued) (Maximum claim: 200% of the Sum Insured)	Conditions related to the Major Organs and Functions
	32. Chronic Relapsing Pancreatitis
	33. Crohn's Disease
	34. End Stage Liver Failure
	35. End Stage Lung Disease
	36. Fulminant Hepatitis
	37. Irreversible Kidney Failure
	38. Major Organ Transplant
	39. Medullary Cystic Disease
	40. Progressive Scleroderma
	41. Severe Rheumatoid Arthritis
	42. Severe Ulcerative Colitis
	43. Systemic Lupus Erythematosus with Lupus Nephritis
	44. Aplastic Anaemia
	Conditions related to Other Illnesses
	45. Amputation of Feet due to Complication from Diabetes
	46. Blindness
	47. Elephantiasis
	48. Loss of Hearing
	49. Loss of One Limb and One Eye
	50. Loss of Limbs
	51. Pheochromocytoma
	52. Third Degree Burns
	53. Ebola
	54. HIV Due to Blood Transfusion and Occupationally Acquired HIV
	55. Myelofibrosis
	56. Necrotising Fasciitis
	57. Loss of Independent Existence (Cover up to Age ⁴ of 74)
	58. Loss of Speech
	59. Progressive Supranuclear Palsy
	60. Terminal Illness

Product Summary

Premium Payment Period	Single Premium or 3 / 5 / 10 / 15 / 20 years	
Issue Age	Premium Payment Period	Issue Age⁷
	Single Premium or 3-year or 5-year	15 days to Age ⁷ of 65
	10-year	15 days to Age ⁷ of 60
	15-year	15 days to Age ⁷ of 55
	20-year	15 days to Age ⁷ of 50
Benefit Term	Up to age ⁴ of 99	
Policy Currency	HKD / USD	
Minimum Sum Insured (per Policy)	HKD200,000 / USD25,000	
Maximum Sum Insured (per Life Insured)	HKD10M / USD1.25M	
Payment Mode and Method	Single premium, monthly or annual, through: <ul style="list-style-type: none"> • HSBC bank account, or • Cheque (Only available for initial premium but not for subsequent premium), or • HSBC credit card (not applicable to single premium) 	
Base Critical Illness Benefit	Should the Life Insured be diagnosed with any one of the 60 covered Critical Illnesses in any of the two Illness Groups (i.e. Cancer Illness Group and Non-Cancer Illness Group) before age ⁴ of 99 by a Registered Medical Practitioner, the following benefits will be payable: <ul style="list-style-type: none"> • Base Critical Illness Benefit equal to 100% of the Sum Insured (subject to deduction due to Total Claims Paid under Early Stage Critical Illness Benefit of the corresponding Illness Group, if applicable) will be paid to Policyholder. This benefit is only available for claims once and no further claims can be made under this Base Critical Illness Benefit once paid ; and • All the future outstanding premiums of the Basic Plan and Supplementary Benefits, if any, will be waived once Total Claims Paid⁵ is equal to or more than 100% of the Sum Insured. 	
Multiple Critical Illness Benefit	Should the Life Insured be diagnosed with any one of the 60 covered Critical Illnesses in any of the two Illness Groups before age ⁴ of 85 by a Registered Medical Practitioner and Total Claims Paid ⁵ is equal to or greater than 100% of the Sum Insured, Multiple Critical Illness Benefit equal to 100% of the Sum Insured will be payable to the Policyholder. If this is the first claim to be made under each of the two Illness Groups, Total Claims Paid ⁵ under Early Stage Critical Illness Benefit (if applicable and if it had not been included in Base Critical Illness Benefit payment deduction) in the corresponding Illness Group (if any) will be deducted from the amount payable under Multiple Critical Illness Benefit. The maximum aggregate claim amounts under this Policy for all Base Critical Illness Benefit, Multiple Critical Illness Benefit and Early Stage Critical Illness Benefit, if applicable, in each of the two Illness Groups is 200% of the Sum Insured. Any claims under the Multiple Critical Illness Benefit are subject to the following:	

- To be eligible to make further Critical Illness claims under this Multiple Critical Illness Benefit, the period elapsed between the dates of first diagnosis of the two critical illness claims (i) is at least one year apart; and (ii) can fulfil the “Three-Year Cancer Waiting Period”[^] requirement if both claims belong to the Cancer Illness Group; and (iii) is at least five years apart if the subsequent claims are made against any covered Critical Illness after the prior claims for “Loss of Independence Existence” or “Terminal Illness” under the Non-Cancer Illness Group has been paid, whichever is the longest.
 - In the case that more than one Critical Illness is diagnosed in the same event, (a single illness that causes two or more covered Critical Illnesses with the same diagnosis date or an accident that results in two or more of the covered Critical Illnesses) we will only pay the benefit relating to one of these Critical Illnesses for which the highest benefit amount is payable.
 - **Each of the Critical Illnesses in the Non-Cancer Illness Group can only be claimed once at most, except “Heart Attack” and “Stroke” which can be claimed twice respectively.**
 - Multiple Critical Illness Benefit will automatically terminate upon (i) the Total Claims Paid⁵ reaching 400% of the Sum Insured (where 200% of the Sum Insured is the maximum entitlement for each of the Cancer Illness Group and the Non-Cancer Illness Group respectively), or (ii) the Life Insured reaches age⁴ of 85, whichever is the earlier.
 - Multiple Critical Illness Benefit is payable if the Life Insured has survived for no less than 14 days following the diagnosis of a Critical Illness; whereas Death Benefit is payable if the Life Insured has survived for less than 14 days following the diagnosis of a Critical Illness.
- [^]“Three-Year Cancer Waiting Period” means
- (a) in relation to cancer of a different organ than the Immediately Preceding Cancer, three years following (and excluding) the date of diagnosis of the Immediately Preceding Cancer; and
 - (b) in relation to cancer of the same organ as the Immediately Preceding Cancer, three years following (and excluding) the first date as of which there are: (i) no signs and no symptoms, and (ii) no symptomatic, clinical and/or imaging evidence of the Immediately Preceding Cancer; provided that:
 - there have been no signs, nor symptoms, nor any diagnosis of the cancer described in clause (a) or (b) above (as the case may be), nor any symptomatic, clinical or imaging evidence of such cancer, for the entire duration of the above relevant three year period, as confirmed by a Registered Medical Practitioner in the appropriate medical specialty, and supported by clinical, radiological, histological and laboratory evidence in regular follow ups; and
 - the dates of diagnosis of cancer and the Immediately Preceding Cancer, respectively, are separated by at least three years.

Product Summary

	<p>For purposes of the definition of “Three-Year Cancer Waiting Period”, if an organ in the body has both a left and a right component (such as, but not limited to, the lungs or kidneys), the left side and right side of the organ shall be considered one and the same organ.</p> <p>Immediately Preceding Cancer means the immediate last diagnosed cancer under the Cancer Illness Group for which any of the Critical Illness Benefits has been paid.</p>
<p>Optional Early Stage Critical Illness Benefit (Advance Payment) (Additional premium is required)</p>	<p>Should the Life Insured be diagnosed with any one of the 68 covered Early Stage Critical Illnesses in any of the two Illness Groups (please refer to Early Stage Critical Illness Benefit (Advance Payment) factsheet for a detailed list of Early Stage Critical Illnesses and the Illness Groups) before age⁴ of 85 by a Registered Medical Practitioner, Early Critical Illness Benefit which equals to 20% of the Basic Plan Sum Insured (except for certain illnesses as mentioned below) will be payable to the Policyholder. The maximum aggregate claim amount for Early Stage Critical Illness Benefit is 100% of the Basic Plan Sum Insured. Any claims under this optional Supplementary Benefit is subject to the following terms:</p> <ul style="list-style-type: none"> • Each of the 68 Early Stage Critical Illness can only be claimed once except “Carcinoma-in-situ or Early Stage Cancer” and “Coronary Angioplasty” which can be claimed twice respectively. • Per claim benefit amount limit for “Carcinoma- in-situ or Early Stage Cancer” and “Coronary Angioplasty” is HKD300,000/USD37,500 across all the Life Insured’s inforce Critical Illness policies issued by us. • Death Benefit, Surrender Value, Base Critical Illness Benefit and Multiple Critical Illness Benefit will be reduced by the amount of benefit paid under Early Stage Critical Illness Benefit accordingly. The premium payable under this Policy will not be reduced. • Upon the payment of any Base Critical Illness Benefit, this benefit will automatically terminate. • Coverage of some Early Stage Critical Illnesses terminates before the Life Insured’s age⁴ is 85 (please refer to Early Stage Critical Illness (Advance Payment) factsheet for details). • In the case that more than one Early Stage Critical Illness is diagnosed in the same event, the benefit relating to one of those Early Stage Critical Illness for which the highest benefit amount will be payable. <p>Please refer to the provisions for Early Stage Critical Illness Benefit (Advance Payment) for the detailed terms and conditions.</p>
<p>Annual Dividend</p>	<p>This is a participating policy. The dividend will be determined annually by the Company at the Company’s discretion and credited on each Policy Anniversary where the Total Claims Paid under this Policy is less than 100% of the Sum Insured, provided that all premiums due up to such Policy Anniversary have been paid before the expiry of the grace period or are deemed to be paid after the operation of the automatic premium loan (if applicable).</p> <p>Please refer to “More about Participating Policy” for more information.</p>

Surrender Value	Surrender Value is the amount derived from the tabular Surrender Value shown in Policy Schedule 2 and is calculated based on the relevant Sum Insured at any time.
Net Surrender Value	Net Surrender Value is an amount equal to the positive balance of the Surrender Value less the Total Claims Paid, plus any accumulated dividends with interest (if any).
Death Benefit	<ul style="list-style-type: none"> • The higher of the Sum Insured or the Total Basic Plan Premium Paid⁶; less the Total Claims Paid⁵ (if any), subject to a minimum of zero; plus • Compassionate Death Benefit which is 5% of the Sum Insured; plus • Accumulated non-guaranteed dividends with interest (if any)
Indebtedness	<p>Indebtedness is the sum of all outstanding Policy Loan, and any interest accrued on such Policy Loan, plus any outstanding premiums under this Policy.</p> <p>Any Indebtedness on this Policy outstanding at the time of any payment under this policy shall be deducted from the amount otherwise payable under this Policy.</p>
Embedded Benefits	<p>Payor's Benefit</p> <p>Unemployment Benefit</p> <p>Waiver of Premium on Disability Benefit</p>
Optional Benefits	<p>Early Stage Critical Illness Benefit (Advance Payment)</p> <p>Accidental Death and Dismemberment Benefit</p> <p>Hospital Cash Benefit</p>

Major Exclusion - Basic Plan

- Any pre-existing condition from which the Life Insured was suffering prior to the Issue Date, the Policy Date or the effective date of the last reinstatement, whichever is the latest; or
- Any illness contracted by the Life Insured within the first ninety (90) days following the Issue Date, the Policy Date or the effective date of the last reinstatement, whichever is the latest, or
- Any Human Immunodeficiency Virus (HIV) or any HIV-related illness including Acquired Immune Deficiency Syndrome (AIDS) or any mutations, derivation or variations thereof (except for the Critical Illness "HIV Due to Blood Transfusion and Occupationally Acquired HIV"). Please refer to Policy Schedule 4 for the definition of the Critical Illnesses.
- "Loss of Independence Existence" and "Terminal Illness" will not be covered after Total Claims Paid reaches 100% of the Sum Insured.

The above are only the major exclusions and please refer to the Policy Provisions and the respective Supplementary Benefits Provisions (where applicable) for the detailed list of exclusions.

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

Important Notes

Cooling-off period

HSBC Comprehensive Critical Illness Protection Plan is a life insurance plan with critical illness element. 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, subject to any market value adjustment (applicable to single premium policies) (see section below for details of market adjustment), 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 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 projected total Net Surrender Value you may receive may be less than the total premium you have paid.

Market value adjustment for single premium policy

During the Cooling-off Period, the single premium policy is subject to market value adjustment, which refers to the amount of the shortfall (if any) by which the value of investment for the single premium at the time when the cancellation notice on the Policy is received by us has fallen below the amount of the single premium paid.

Suicide

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.

Eligibility

HSBC Comprehensive Critical Illness Protection Plan is generally available to anyone who is between 15 days after birth to Age⁷ of 65. 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

HSBC Comprehensive Critical Illness Protection Plan is available in Hong Kong dollars and US dollars, and 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.

Policy loan

If you need access to ready cash, you might consider borrowing from the Plan provided that the amount borrowed (including any previous unpaid borrowed amount) does not exceed 90% of the Net Surrender Value. You will be advised of the rate of interest from time to time. Any partial surrender, Policy Loan and accrued loan interest may reduce the Surrender Value, Death Benefit of the Policy and when the Policy Loan with accrued interest exceeds the Net Surrender Value, the Company has the right to lapse this Policy at any time, subject to the terms and conditions of the Policy document. Please be reminded that any indebtedness on this Policy outstanding at the time of any payment under the Policy shall be deducted from the amount otherwise payable under this Policy. The Company's claim for any indebtedness shall be prior to any claim of

the Policyholder or the Beneficiary or the assignee or other persons under the Policy.

No application for Policy Loan will be accepted after the Total Claims Paid reaches 100% of the Sum Insured.

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.

Important Notes

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 unless the Net Surrender Value calculated as the date immediately preceding the due date of the relevant unpaid premium is greater than zero and you have elected a non-forfeiture option which will then take effect; or if no non-forfeiture option is elected and the amount of Net Surrender Value is sufficient to pay the relevant unpaid premium, an automatic premium loan equivalent to the amount of the unpaid premium will be granted and applied to pay such due premium. Interest will apply on the principal of all Policy Loans (including automatic premium loan) made under the Policy and you will be advised of such rate of interest at that time, which may be adjusted by the Company at its discretion from time to time.

Termination condition

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 a 30-day grace period, the Policy will terminate with effect from the due date of the first unpaid premium and Net Surrender Value (if any) will be refunded to you unless non-forfeiture option will take effect or an automatic premium loan will be granted.
- The Policy Loan with accrued interest exceeds the Net Surrender Value; and
- 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.

Please refer to Policy Provisions for detailed terms and conditions on termination.

Surrender policy

If you surrender the Policy, you will receive the Net Surrender Value of the Policy less indebtedness (if any).

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 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 scales for calculating dividends are not guaranteed and are determined by the Company from time to time. Whether dividends are payable and the size of the dividends to be paid depend on how well the Company has performed with regard to investment returns on the assets supporting the policies as well as other factors including but not limited to claims, lapse experience, expenses, and the long term future performance outlook. 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.
- Equity risk – The risk that the prices and volatilities of equity type investments will change 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.

The accumulation interest rate on dividends and Guaranteed Cash Bonuses is not guaranteed and may be adjusted by the Company as its discretion from time to time.

Key Risks

Risks from the delay or missing the payment of premiums due

You should pay the premium for the entire premium payment term. Any delay or missing of the payment of premiums due may lead to policy lapse and the amount, if any, you get back may be significantly less than what you have paid.

Risks from surrender

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.

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 a Policy Loan or surrender the Policy in full or in part subject to the respective Policy Terms, however this may cause the Policy to lapse or to be terminated earlier than the original Policy Term, and the amount (if any) you get back may be less than the premiums paid. You may also apply for withdrawal of any amounts that are left within the Policy to accumulate but the amount available for withdrawal is not guaranteed and the amount of Death Benefit and Net Surrender Value will reduce accordingly subsequent to the withdrawal.

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 fluctuations.

More About Participating Policy

Participating policy

Policies under HSBC Comprehensive Critical Illness Protection Plan are participating policies which consist of both the guaranteed benefits and non-guaranteed benefits. The non-guaranteed benefits comprise the policy dividends which allow Policyholders to participate in the financial performance of the life insurance operation. The policy dividends, if any, are in form of annual dividends which are declared by the Company on an annual basis. Once declared, the amount of annual dividend for the year becomes vested and will be credited to your Policy. Please refer to page on "Product Summary" above for more detail of annual dividends.

The policy dividends are not guaranteed, whether they are payable and the size of the dividends to be paid depend on how well the Company has performed with regard to investment returns on the assets supporting the policies, as well as other factors including but not limited to claims, lapse experience, expenses, and the long term future performance outlook. Please refer to section "Key risks - Non-guaranteed benefit" for the detail of key risk factors. If the performance over the long term is better than assumed level, then dividends paid would increase and if performance is worse than expected then dividends paid would reduce.

The key feature of participating policies over other forms of insurance policies is that in addition to the guaranteed benefits receivable, Policyholders will also benefit from additional dividend payments if the insurance company's performance is better than that required to support the guaranteed benefits. The better the performance, the greater the dividend payments, and, conversely, the worse the performance, the lower the dividend payments.

Dividend philosophy

The Company conducts regular review on the level of dividends payable to Policyholders. Both the actual performance in the past and also management's outlook of the long term future performance will be assessed against the assumed level, and where variances arise, gains and losses will be shared with Policyholders in a fair and equitable manner through the adjustment of dividend scales.

When considering the adjustment of dividend scales, the Company also operates a smoothing philosophy in order to maintain a more stable payout to Policyholders, so the level of dividends will only be changed if the actual performance is significantly different from the assumed level over a period of time or if management's expectation of the long term future performance changes substantially.

In order to ensure the fairness between Policyholders of the Plan, the Company will carefully consider the experiences of different groups of policies (e.g. different products, currencies, issue years etc.) so that each group of policies will receive a fair return reflecting mostly its own performance. To balance the interest between Policyholders and shareholders, a dedicated committee is established to provide independent advice on the management of the participating policies and the determination of dividends.

More About Participating Policy

Investment policy and strategy

The Company follows an asset strategy that:

- i) Help to ensure that we can meet the guaranteed benefits that we have committed to you;
- ii) Delivers to you competitive long-term returns through the non-guaranteed dividends; and
- iii) Abides by a pre-defined set of risk tolerance.

The assets supporting the participating policies predominantly consist of fixed income assets issued by government and corporate entities with good credit quality (average A-rated or above) and long term prospects. Growth assets, including equity-type investments and alternative investments such as property, private equity and hedge fund, as well as structured products including derivatives, are utilized in order to deliver returns reflecting real economic growth in the long run.

Our investment portfolios are well diversified in different types of assets, and are invested in different geographical markets (mainly Asia, US and Europe), currencies (mainly HKD and USD) and industries. The assets are carefully managed and monitored according to a pre-defined set of risk appetite.

Target asset allocation

Asset type	Allocation%
Fixed income	80%-100%
Growth assets	0%-20%
- Equities	0%-15%
- Alternative investments	0%-15%

There could be slight deviation from the above range due to market fluctuation.

Actual allocations will take into consideration past investment performance of the assets supporting the policies, prevailing market conditions and future outlook, and the guaranteed and non-guaranteed benefits of the policies. This includes assessing factors such as risk tolerance and real economic growth over the appropriate time horizon.

Accumulation interest rate

Policyholders can choose to accept their dividends, either in cash or to leave them with the Company to accumulate with interests (if applicable). The rates of interest are not guaranteed and will be determined by the Company from time to time. The review on such accumulation interest rates will be conducted regularly with reference to the portfolio bond yields, prevailing market conditions, outlook on bond yields, and the likelihood of Policyholders leaving their payment for accumulation.

The Policy in determining the dividends and accumulation 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 dividend history for reference purposes. The past performance or current performance of the Company's business may not be a guide for future performances.

Endnotes

- 1 Source: "Top Ten Cancers in 2013" from Hong Kong Cancer Registry (<http://www3.ha.org.hk/cancereg/Statistics.html#cancerfacts>) data generated from Cancer Statistics Query System (CanSQS).
- 2 Please refer to the Policy Provision for the detailed terms and conditions.
- 3 Critical Illness refers to the 60 Critical Illnesses listed in the Policy Provision.
- 4 The policy anniversary at which you reach the specified age based on age at next birthday.
- 5 Total Claims Paid refers to the total accumulated claims paid by us under the Policy including Base Critical Illness Benefit payment and Multiple Critical Illness Benefit payment and Early Stage Critical Illness Benefit payment (if applicable) under the two Illness Groups (Cancer Illness & Non-Cancer Illness Groups).
- 6 Total Basic Plan Premium Paid under Death Benefit refers to the total amount of premiums (excluding loaded premiums and premiums of Supplementary Benefits, if applicable) due (whether or not actually paid) in respect of the Basic Plan as of the date of death of the Life Insured.
- 7 Age means your age at your next birthday.

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 HSBC Comprehensive Critical Illness 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.

Go to www.hsbc.com.hk

Visit any HSBC branch

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