



## IncomePower Life Insurance Plan

IncomePower Life Insurance Plan ("IncomePower" or "the Plan") is a life insurance plan and is not equivalent or similar to any kind of bank deposit. It is underwritten by Hang Seng Insurance Company Limited ("Hang Seng Insurance"). This product information does not contain the full terms of the policy and the full terms can be found in the relevant policy document.

We all travel through different stages in life with different needs and goals as we continue our journey. IncomePower provides sufficient withdrawal liquidity and savings potential to keep our wealth growing so as to reach the richly satisfying and protected life we desire, and to pass on our financial blessings to our succeeding generations, leading us and our beloved ones to the ultimate joy and delight.

IncomePower Life Insurance Plan is well structured to help you create a strong financial back up through a perfect asset growth strategy.

### Plan Highlights

1. Non-guaranteed Monthly Income<sup>(1)</sup> to be paid regularly starting from the 25<sup>th</sup> monthiversary
2. Provides withdrawal liquidity and high potential return to address different wealth management needs
3. Guaranteed acceptance<sup>(2)</sup> without any requirement for medical examination
4. 3 free Supplementary Benefits – Medical Advance Benefit<sup>(3)</sup>, Mental Incapacity Benefit Plus<sup>(4)</sup>, and Accidental Death Benefit<sup>(5)</sup>
5. Change of Life Insured<sup>(6)</sup> is allowed up to 3 times to pass on Monthly Income<sup>(1)</sup> and wealth to the next generation

### Regular Monthly Income<sup>(1)</sup> to accommodate your financial needs

"IncomePower" will provide a non-guaranteed Monthly Income<sup>(1)</sup> on each Monthiversary starting from the 25<sup>th</sup> Monthiversary until policy maturity (i.e. 50<sup>th</sup> Policy Anniversary). You may choose to receive the payment in cash to tailor an income stream to cope with different financial and household needs, or to retain it in the Policy for accumulating interest<sup>(7)</sup>, to reap a rich harvest of protections and wealth growth rewards over a period of time.

### Special Dividend elevates potential non-guaranteed returns

From the 1<sup>st</sup> Policy Anniversary, in the event of specified events such as policy surrender<sup>(8)</sup> (as detailed in the Summary of the Plan section below), "IncomePower" may pay a lump-sum non-guaranteed Special Dividend (if any), providing extra potential returns. For details of the above, please refer to the relevant terms and conditions in the policy provisions.

### Easy Application with Guaranteed Acceptance<sup>(2)</sup>

As long as the Life Insured is eligible to apply for "IncomePower", regardless of the underwriting history, occupation, health and financial status, he/she will enjoy guaranteed acceptance<sup>(2)</sup> without any requirement for medical examination and acceptance.

### Supplementary Benefits to provide extensive protection for you and your beloved ones

#### Medical Advance Benefit<sup>(3)</sup>

Before the Life Insured attains the Insurance Age<sup>(9)</sup> of 90, if the Life Insured is first diagnosed by a Registered Doctor as suffering from Cancer, Heart Attack or Stroke; or is admitted to Hospital for a Confinement of 25 or more consecutive Days due to a Bodily Injury, Sickness, Disease or Illness, (whichever is earlier), Hang Seng Insurance will pay the Medical Advance Benefit<sup>(3)</sup> in one lump sum amount in cash equal to the sum of Monthly Income<sup>(1)</sup> projected for the next 36 Monthiversary following claim approval date or till Benefit Cessation Date of the Basic Plan (whichever is earlier), to provide immediate financial support for the Life Insured and his/her family, to cope with the emergency medical expenses. Any Indebtedness shall be deducted from the Medical Advance Benefit<sup>(3)</sup> payable at the time of payment.

Upon payment of the Medical Advance Benefit<sup>(3)</sup>, Monthly Income<sup>(1)</sup> will then be suspended during the Advance Benefit Period<sup>(10)</sup> and will become payable again after the end of the Advance Benefit Period<sup>(10)</sup> unless this is the Benefit Cessation Date of the Basic Plan.

If a Specified Event for Deduction<sup>(11)</sup> such as Policy Surrender<sup>(8)</sup> occurs during the period from the date of claim approval of Medical Advance Benefit<sup>(3)</sup> and the end of the Advance Benefit Period<sup>(10)</sup> (i.e. Deduction Period for Medical Advance Benefit Paid), the Deduction Portion of Medical Advance Benefit Paid<sup>(12)</sup> will be deducted from any benefit payable under the Basic Plan or any Supplementary Benefit.

This is a non-indemnity type of medical supplementary benefit to be attached to your life insurance policy for providing medical or critical illness protection to cater your future medical needs and/or increasing expenses for medical services.

### Mental Incapacity Benefit Plus<sup>(4)</sup>

The designated Mental Incapacity Benefit Recipient will be paid a Mental Incapacity Benefit, which is equal to the Designated Percentage of Mental Incapacity Benefit (determined by the Policyholder that such percentage could be 10% to 100%) multiplied by Guaranteed Cash Value, plus accumulated Monthly Income<sup>(1)</sup> and interest<sup>(7)</sup> (if any), plus Special Dividend (if any) as at the date of approval of such claim if the Life Insured is diagnosed as a Mentally Incapacitated Person, in accordance with policy provisions. Any Indebtedness shall be deducted from the Mental Incapacity Benefit at the time of payment.

### Accidental Death Benefit<sup>(5)</sup>

If the Life Insured passes away in an accident within the first Policy Year after policy inception, in addition to the Death Benefit, the Beneficiary(ies) designated in the Policy will receive an Accidental Death Benefit<sup>(5)</sup> equal to 10% of the Total Premiums Paid<sup>(13)</sup> for the Basic Plan, less any Indebtedness. Upon the receipt of the Accidental Death Benefit<sup>(5)</sup> by the Beneficiary(ies), this Policy which includes the Basic Plan and all Supplementary Benefits (if any) will be terminated accordingly.

Please refer to the policy provisions for the relevant terms and conditions for the details.

### Life protection for extra peace of mind

The Plan helps you to plan ahead for legacy on wealth, to protect and maintain the quality of life for your beloved family.

- Provides an opportunity for long-term capital growth and to enjoy the life coverage (as detailed in the Summary of the Plan section below).
- You can choose to pay out the Death Benefit to the Beneficiary(ies) either in a lump sum or by monthly instalments to better plan for the future financial needs for your family.
- Change of Life Insured<sup>(6)</sup> is allowed up to 3 times, once you change the person covered under the plan, the new Life Insured will enjoy the life protection until policy maturity, together with transferring the plan's ownership, the new Policyholder will receive Monthly Income<sup>(1)</sup> until policy maturity or to accumulate wealth to fulfill the need of legacy planning which can ensure the stable financial support in the future.

Please refer to the policy provisions for the relevant terms and conditions for the details.

### Illustrative Examples

The following examples are for illustration purpose only, please refer to the policy provisions for details. Monthly Income<sup>(1)</sup> and Special Dividend are non-guaranteed amount to be declared by Hang Seng Insurance at their absolute discretion. As a result, the corresponding portion in the Maturity Benefit, Medical Advance Benefit<sup>(3)</sup>, Mental Incapacity Benefit and Death Benefit are also non-guaranteed. The actual future amounts of benefits and/or returns may be higher or lower than the currently quoted benefits and/or returns. The figures in the following example may differ slightly from the actual amounts due to rounding differences.

#### Example 1

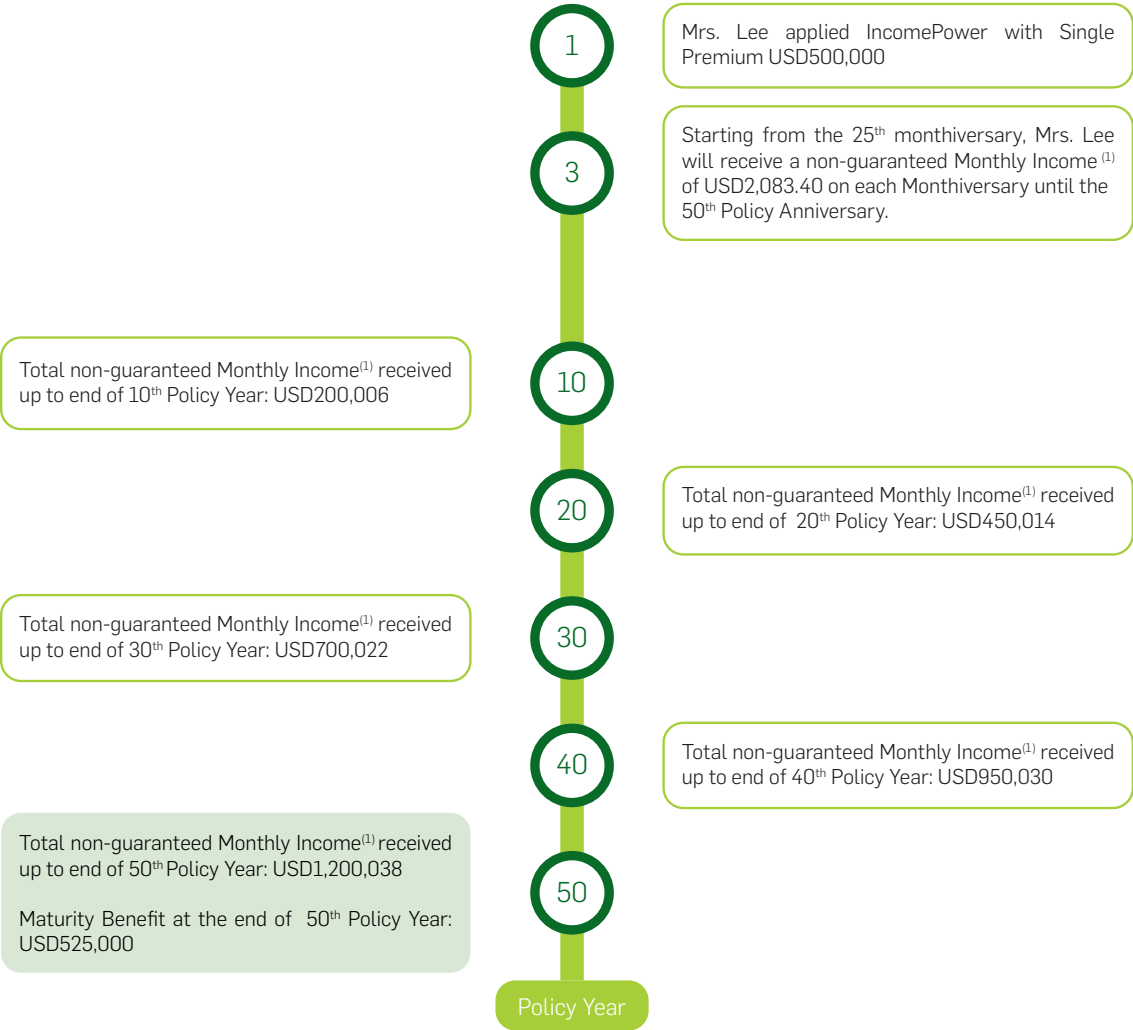
Mrs. Lee, 40 years old, has a 10-year-old daughter. She plans for retirement and wishes to plan ahead to create life-long income for covering future living expenses and to maintain the quality of life for her beloved family. Therefore, she decides to apply for IncomePower Life Insurance Plan.

<b>Policyholder &amp; Life Insured</b>	Mrs. Lee	<b>Initial projected Monthly Income<sup>(1)</sup></b>	USD2,083.40
<b>Insurance Age<sup>(9)</sup> of Life Insured upon Application</b>	40 years old	<b>Premium</b>	USD500,000 (Single Premium)
<b>Beneficiary</b>	Mrs. Lee's daughter	<b>Mental Incapacity Benefit Recipient</b>	Mrs. Lee's husband

Starting from the 25<sup>th</sup> Monthiversary, Mrs. Lee will receive a non-guaranteed Monthly Income<sup>(1)</sup> with USD2,083.40 on each Monthiversary (the total Monthly Income<sup>(1)</sup> per year is USD25,001, i.e. 5% of Total Premiums Paid<sup>(13)</sup>) until the 50<sup>th</sup> Policy Anniversary. She chooses to receive the Monthly Income<sup>(1)</sup> in cash.

Insurance Age <sup>(9)</sup> of Mrs. Lee	50 years old	60 years old	70 years old	80 years old	90 years old
End of Policy Year	10	20	30	40	50
Total non-guaranteed Monthly Income <sup>(1)</sup> received	USD200,006	USD450,014	USD700,022	USD950,030	USD1,200,038
Guaranteed Cash Value	USD395,000	USD500,750	USD505,000	USD510,000	USD515,000
Special Dividend (non-guaranteed)	USD97,500	USD10,000	USD10,000	USD10,000	USD10,000
Total	USD692,506 (139% of Total Premiums Paid <sup>(13)</sup> )	USD960,764 (192% of Total Premiums Paid <sup>(13)</sup> )	USD1,215,022 (243% of Total Premiums Paid <sup>(13)</sup> )	USD1,470,030 (294% of Total Premiums Paid <sup>(13)</sup> )	USD1,725,038 (345% of Total Premiums Paid <sup>(13)</sup> )

Maturity benefit  
(Guaranteed Cash Value + non-guaranteed Special Dividend) = USD525,000



## Medical Advance Benefit<sup>(3)</sup>

On the 10<sup>th</sup> Policy Anniversary, i.e. her Insurance Age<sup>(9)</sup> of 50, Mrs. Lee receives Medical Advance Benefit<sup>(3)</sup> of USD75,002.40 in one lump sum amount in cash (amount equals to the sum of Monthly Income<sup>(1)</sup> projected for the next 36 Monthiversary i.e. USD2,083.40 x 36 months), as she is diagnosed as suffering from breast cancer. Upon payment of the Medical Advance Benefit<sup>(3)</sup>, Monthly Income<sup>(1)</sup> will then be suspended during the Advance Benefit Period<sup>(10)</sup> and will become payable again after the end of the Advance Benefit Period<sup>(10)</sup>.

## Mental Incapacity Benefit Plus<sup>(4)</sup>

If Mrs. Lee remained unconscious after an accident at the 11<sup>th</sup> Policy Anniversary, i.e. her Insurance Age<sup>(9)</sup> of 51, and a Registered Doctor who is a psychiatric specialist has diagnosed Mrs. Lee as Mentally Incapacitated Person. The Mental Incapacity Benefit Plus<sup>(4)</sup> helps Mrs. Lee to free herself from complicated legal processes and obtain emergency cash in time. Mrs. Lee's husband has been designated as the Mental Incapacity Benefit Recipient by Mrs. Lee under the Policy before the accident, he will receive relevant Mental Incapacity Benefit to cope with Mrs. Lee's medical and daily expenses. Mental Incapacity Benefit which equals to Designated Percentage of Mental Incapacity Benefit multiplied by Guaranteed Cash Value, plus accumulated Monthly Income<sup>(1)</sup> and interest<sup>(7)</sup> (if any), plus Special Dividend (if any) as at the date of claim approval of this Supplementary Benefit.

Please refer to the following examples for details:

### Assume the Designated Percentage of Mental Incapacity Benefit of the policy is 40%:

Mrs. Lee's husband will receive Mental Incapacity Benefit, to cope with Mrs. Lee's medical and daily expenses.

Since the Medical Advance Benefit<sup>(3)</sup> has been paid at the 10<sup>th</sup> Policy Anniversary and the claim for Mental Incapacity Benefit is approved during the Deduction Period for Medical Advance Benefit Paid, therefore the Deduction Portion of Medical Advance Benefit Paid<sup>(12)</sup> will be deducted from the Mental Incapacity Benefit payable. Since the Designated Percentage of Mental Incapacity Benefit is 40%, the Deduction Portion of Medical Advance Benefit Paid<sup>(12)</sup> shall be reduced proportionally (i.e. USD20,000.64), Mrs. Lee's husband ultimately receives Mental Incapacity Benefit of USD177,999.36.

As the Designated Percentage of Mental Incapacity Benefit is less than 100%, upon payment of the Mental Incapacity Benefit, the Total Premiums Paid<sup>(13)</sup>, Policy Amount, Guaranteed Cash Value, Special Dividend (if any), Monthly Income<sup>(1)</sup> (if any) and subsequent premium (if any) under this Policy will be adjusted and reduced proportionally and the Death Benefit will be adjusted accordingly. After the end of the Advance Benefit Period<sup>(10)</sup>, Monthly Income<sup>(1)</sup> will be resumed with an adjusted amount of USD1,250.00.

# Death Benefit Settlement Options

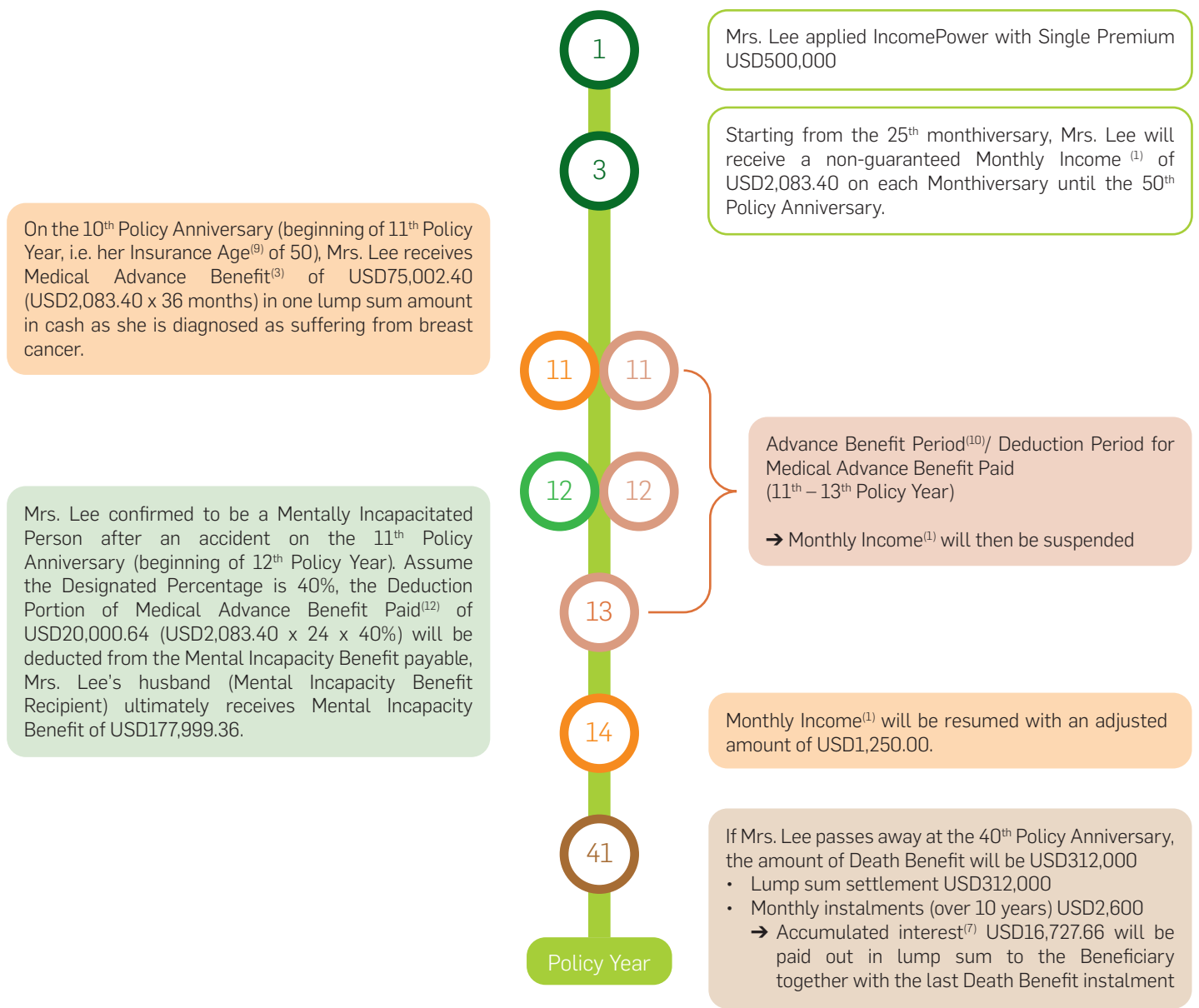
The Plan provides the Death Benefit Settlement Option for Mrs. Lee to choose. If Mrs. Lee passes away at the 40<sup>th</sup> Policy Anniversary, i.e. her Insurance Age<sup>(9)</sup> of 80, the amount of Death Benefit will be USD312,000.

## (i) Lump sum settlement

If Mrs. Lee has chosen lump sum settlement earlier, the Beneficiary (Mrs. Lee's daughter) will receive a lump sum Death Benefit of USD312,000.

## (ii) Monthly instalments

Assuming she has chosen that all of the Death Benefit will be paid to the Beneficiary (Mrs. Lee's daughter) by monthly instalments USD2,600 over a settlement period of 10 years. The remaining balance of any unpaid Death Benefit at a non-guaranteed interest rate<sup>(7)</sup> will be held until the full amount of the Death Benefit has been paid to the Beneficiary(ies). Non-guaranteed accumulated interest<sup>(7)</sup> USD16,727.66 will be paid out in lump sum to the Beneficiary (Mrs. Lee's daughter) together with the last Death Benefit instalment.



## Example 2

Mr. Chan wants to plan ahead for his newborn son (Insurance Age<sup>(9)</sup> 0) as education funding and long-term savings. Therefore he decides to apply IncomePower Life Insurance Plan for his son. This plan also allows for the Life Insured to be changed for passing down wealth through generations.

<b>Policyholder</b>	Mr. Chan	<b>Life Insured</b>	Mr. Chan's son
<b>Insurance Age<sup>(9)</sup> of Lifer Insured</b>	30 days	<b>Premium</b>	USD1,000,000 (Single Premium)
<b>Beneficiary</b>	Mrs. Chan		

Starting from the 25<sup>th</sup> Monthiversary, Mr. Chan will receive a non-guaranteed Monthly Income<sup>(1)</sup> with USD4,166.70 on each Monthiversary (the total Monthly Income<sup>(1)</sup> per year is USD50,000, i.e. 5% of Total Premiums Paid<sup>(13)</sup>) until the 50th Policy Anniversary. He chooses to receive the Monthly Income<sup>(1)</sup> in cash.

<b>Insurance Age<sup>(9)</sup> of Mr. Chan's son</b>	<b>3 years old</b>	<b>17 years old</b>	<b>20 years old</b>	<b>30 years old</b>	<b>40 years old</b>	<b>50 years old</b>
End of Policy Year	3	17	20	30	40	50
Total Premiums Paid <sup>(13)</sup> (USD)	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total non-guaranteed Monthly Income received (USD)	50,000	750,006	900,007	1,400,011	1,900,015	2,400,019
Guaranteed Cash Value (USD)	600,000	1,000,000	1,001,500	1,010,000	1,020,000	1,030,000
Special Dividend (non-guaranteed) (USD)	350,000	20,000	20,000	20,000	20,000	20,000
Total (USD)	1,000,000	1,770,006	1,921,507	2,430,011	2,940,015	3,450,019
% of Total Premiums Paid <sup>(13)</sup>	100%	177%	192%	243%	294%	345%

When Mr. Chan's son reaches Insurance Age<sup>(9)</sup> of 3, the projected total cash value is estimated to be equal to Total Premiums Paid<sup>(13)</sup>, i.e. USD1,000,000. For policy with USD as policy currency and Single Premium payment term, the breakeven point of Guaranteed Cash Value is 17 years, i.e. when his son reaches Insurance Age<sup>(9)</sup> of 17. When his son reaches Insurance Age<sup>(9)</sup> of 20, the projected total cash value is almost 2 times the Total Premiums Paid<sup>(13)</sup>.

Assumptions:

- The above example assumes that all premiums have been paid under the Policy; no partial surrender<sup>(8)</sup> has been made; no policy loan has been taken; no policy changes have been made, and that there is no Indebtedness under the Policy.
- The above example assumes that all the Monthly Income<sup>(1)</sup> are withdrawn.
- The above content is based on the illustration summary of the Plan for the assumed scenario and may differ from the actual circumstances. The examples are provided only for reference and should not be regarded as a substitute for professional advice. The actual coverage is subject to the terms and conditions of the Policy. Customers should take into account their own actual circumstances and insurance needs and affordability before considering enrolling in this Plan. They are also advised to seek professional advice in relation thereto. Please refer to the policy provisions for the exact terms, conditions and exclusions of this Plan. For details, please contact the staff of Hang Seng Bank Limited ("Hang Seng Bank").

## Summary of the Plan

<b>Payment Term (years)</b>	Single Premium	2	5	10
<b>Life Insured's Insurance Age<sup>(9)</sup> upon Application</b>	15 days to age 75		15 days to age 70	15 days to age 65
<b>Minimum Premium</b>	USD 125,000/ RMB 400,000	USD 31,250/ RMB 200,000	USD 12,500/ RMB 80,000	USD 6,250/ RMB 40,000
<b>Payment Mode</b>	i. Single Premium  ii. Annual Premium  iii. Monthly Premium			
<b>Premium Rate</b>	Same premium rate applies regardless of Insurance Age <sup>(9)</sup> or sex of the Life Insured			
<b>Policy Currency<sup>(14)</sup></b>	USD / RMB			
<b>Policy Term</b>	50 years			
<b>Guaranteed Cash Value</b>	Can only be withdrawn upon surrender or partial surrender <sup>(8)</sup> , cancellation, lapse, termination or maturity of the Policy.			
<b>Monthly Income<sup>(1)</sup></b>	A non-guaranteed Monthly Income <sup>(1)</sup> on each Monthiversary starting from the 25 <sup>th</sup> Monthiversary			
<b>Monthly Income<sup>(1)</sup> Option</b>	1. Receive the payment by cash  2. Default option: to accumulate Monthly Income <sup>(1)</sup> in full to accumulate interest <sup>(7)</sup> . You are free to withdraw the accumulated Monthly Income <sup>(1)</sup> and interest <sup>(7)</sup> (if any) at any time while the Policy is in force.  You may change the option by submitting to written request to Hang Seng Insurance. Upon our acceptance, such request shall be effective. If no option has been selected, option 2: Accumulate with Interest <sup>(7)</sup> will apply.			

<b>Special Dividend</b>	<p>Special Dividend is a non-guaranteed amount to be declared by Hang Seng Insurance at their absolute discretion.</p> <p>Special Dividend (if any) is payable when the Policy is in force and upon the occurrence of the following (whichever is the earliest):</p> <ol style="list-style-type: none"> <li>1. the death of the Life Insured (if the Guaranteed Cash Value plus Special Dividend is higher than 101% of Total Premiums Paid<sup>(13)</sup> for the Basic Plan);</li> <li>2. the cancellation, lapse or termination of the Policy; or</li> <li>3. Surrender<sup>(8)</sup>, whether in full or in part of the Policy; or</li> <li>4. any payment of Mental Incapacity Benefit; or</li> <li>5. the Benefit Cessation Date of the Basic Plan</li> </ol> <p>Upon the partial surrender<sup>(8)</sup> of the Policy, a portion of the Special Dividend (if any) attributable to the reduced portion of the Policy Amount will be declared and such amount, if any, will be payable as part of the partial surrender<sup>(8)</sup> payment.</p> <p>For details of the above, please refer to the relevant terms and conditions in the policy provisions.</p>
<b>Death Benefit</b>	<p>If the Life Insured passes away when the Policy is in force, the Beneficiary(ies) will receive the Death Benefit (calculated as at the date of death of the Life Insured), which is equal to:</p> <p>(i) 101% of Total Premiums Paid<sup>(13)</sup> for the Basic Plan; or</p> <p>(ii) Guaranteed Cash Value plus Special Dividend (if any),</p> <p>whichever is higher;</p> <p>Plus accumulated Monthly Income<sup>(1)</sup> &amp; interest<sup>(7)</sup> (if any);</p> <p>Less Indebtedness (if any)</p> <p>If Medical Advance Benefit<sup>(3)</sup> has been paid and the Life Insured dies during the Deduction Period for Medical Advance Benefit Paid, the Deduction Portion of Medical Advance Benefit Paid<sup>(12)</sup> will be deducted from the Death Benefit payable.</p>



<b>Death Benefit Settlement Option</b>	<p>Upon the Policyholder's written request, the Beneficiary will receive the Death Benefit in</p> <ol style="list-style-type: none"> <li>1. Lump Sum Settlement (Default option), and/or</li> <li>2. Monthly Instalments <ul style="list-style-type: none"> <li>• A change request form has to be submitted to Hang Seng Insurance if monthly instalments is selected.</li> <li>• Whilst the Life Insured is alive, the Policyholder may elect in writing that all or part of the Death Benefit will be paid to the Beneficiary(ies) by monthly instalments over a settlement period of 10 years or 20 years. The remaining balance of any unpaid Death Benefit will be held at a non-guaranteed interest rate<sup>(7)</sup> determined by Hang Seng Insurance at their sole discretion until the full amount of the Death Benefit has been paid to the Beneficiary(ies). The accumulated interest<sup>(7)</sup> (if any) will be paid to the Beneficiary(ies) in the last instalment. If only part of the Death Benefit is chosen to pay out as monthly instalments, the rest will be paid out in lump-sum to the Beneficiary upon the death of the Life Insured and claim approval.</li> <li>• Monthly instalment option will not be exercised if the Death Benefit is less than the minimum instalment amounts and in that event, the Death Benefit will be paid to the Beneficiaries in a lump-sum. The requirement on minimum instalment amounts is determined by Hang Seng Insurance from time to time.</li> </ul> </li> </ol>
<b>Maturity Benefit</b>	<p>When your plan reaches the end of its policy term, we will pay a Maturity Benefit equal to:</p> <p>Guaranteed Cash Value;</p> <p>Plus accumulated Monthly Income<sup>(1)</sup> &amp; interest<sup>(7)</sup> (if any);</p> <p>Plus Special Dividend (if any);</p> <p>Less Indebtedness (if any)</p>
<b>Change of Life Insured<sup>(6)</sup></b>	<ul style="list-style-type: none"> <li>• At any time after the Payment Cessation Date or the 1<sup>st</sup> Policy Anniversary (whichever is later) while the Policy is in force, Policyholder can apply for a change of Life Insured<sup>(6)</sup>.</li> <li>• Policyholder can apply for a change of Life Insured<sup>(6)</sup> up to 3 times per Policy without any administrative charge subject to terms specified.</li> </ul> <p>Please refer to the policy provisions for the full details and conditions</p>
<b>Supplementary Benefits</b>	<ul style="list-style-type: none"> <li>• Medical Advance Benefit<sup>(3)</sup></li> <li>• Mental Incapacity Benefit Plus<sup>(4)</sup></li> <li>• Accidental Death Benefit<sup>(5)</sup></li> </ul>

## Key Exclusions:

### Supplementary Benefit — Medical Advance Benefit<sup>(3)</sup>

No benefit will be paid by Hang Seng Insurance for a Bodily Injury, Sickness, Disease or Illness resulting directly or indirectly from, or caused by or contributed by (in whole or in part), any of the following:

- i. Infection from any Human Immunodeficiency Virus (HIV), Acquired Immunodeficiency Syndrome (AIDS) or any AIDS-related condition; or
- ii. any self-inflicted Bodily Injury or attempted suicide while sane or insane; or
- iii. intoxication by alcohol or drugs not prescribed by a Registered Doctor; or
- iv. Life Insured participated in illegal activity or attempted violation of the law;
- v. Hospital Confinement for isolation, quarantine and/or medical surveillance purpose; or
- vi. any condition which existed before the Issue Date of this Policy or effective date of this Supplementary Benefit or effective date of last reinstatement or effective date of last Change of Life Insured<sup>(6)</sup>, whichever is the latest, in respect of the Life Insured and which presented sign or symptom of which the Policyholder or Life Insured was aware of or should reasonably have been aware of as of the Issue Date of this Policy or effective date of this Supplementary Benefit or effective date of last reinstatement or effective date of last Change of Life Insured<sup>(6)</sup>, whichever is the latest.

### Supplementary Benefit — Mental Incapacity Benefit Plus<sup>(4)</sup>

No benefit will be paid by Hang Seng Insurance for mental incapacity resulting directly or indirectly from, or caused by or contributed by (in whole or in part), any of the following:

- i. any self-inflicted injury or attempted suicide while sane or insane; or
- ii. intoxication by alcohol or drugs not prescribed by a Registered Doctor; or
- iii. any condition which existed before the Issue Date of this Policy or effective date of this Supplementary Benefit or effective date of last reinstatement, whichever is the latest, in respect of the Life Insured and which presented sign or symptom of which the Policyholder or Life Insured was aware of or should reasonably have been aware of as of the Issue Date of this Policy or effective date of this Supplementary Benefit or effective date of last reinstatement, whichever is the latest.

### Supplementary Benefit — Accidental Death Benefit<sup>(5)</sup>

If the death of the Life Insured results from any of the following, Hang Seng Insurance will not pay the Accidental Death Benefit<sup>(5)</sup>:

- i. suicide or trying to commit suicide;
- ii. wilful self-inflicted injury;
- iii. engaging in hazardous sports, other than those stated in the application;
- iv. taking or absorbing any drug, medicine, sedative or poison, except as prescribed by a Registered Doctor;
- v. inhaling any gas or fumes, except accidentally in the course of duty;
- vi. insanity or mental infirmity or mental disease;
- vii. committing or trying to commit a criminal offence;
- viii. war or any act incidental to war;
- ix. service in the armed forces, or any auxiliary civilian force, of any country or territory at war; or service in any force of an international body; or
- x. entering, operating, or servicing, riding in or on, ascending or descending from any kind of device designed for flight in or beyond the earth's atmosphere except while the Life Insured is a passenger or air crew in an aircraft operated by a commercial passenger airline on a regular scheduled passenger trip over its established passenger route.

It does not contain the full terms of the Policy and the full terms can be found in the policy provisions.

## Remarks

1. Monthly Income may be payable on every Monthiversary starting from the 25<sup>th</sup> Monthiversary until the Benefit Cessation Date of the Basic Plan, provided that the Policy is in force and all premiums due up to such Monthiversary have been fully paid. The amount of Monthly Income is non-guaranteed and will be determined by us on each Monthiversary at our absolute discretion. Monthly Income will be proportionally reduced in case the Policy has been partially surrendered<sup>(8)</sup> or upon payment of the Mental Incapacity Benefit Plus<sup>(4)</sup>.
2. Guaranteed acceptance is subject to the maximum total premium amount (per Life Insured), which the limit is the same for all Insurance Age<sup>(9)</sup> of the Life Insured. Total premium amount refers to the total premium amount of the Plan and other life insurance plans determined by Hang Seng Insurance. For details of the underwriting requirements, please contact our Hang Seng Bank branch staff. This Plan is subject to the relevant requirements on nationality, and/or addresses of the Policyholder and/or Life Insured as determined by

Hang Seng Insurance from time to time. Hang Seng Insurance reserves the right to accept or decline any applications for the Plan based on the information provided by the Life Insured and/or Policyholder during enrollment.

3. The Medical Advance Benefit takes effect after (i) the Payment Cessation Date, or (ii) the 2<sup>nd</sup> Policy Anniversary, or (iii) one year after the effective date of last reinstatement pursuant, or (iv) one year after the effective date of last Change of Life Insured<sup>(6)</sup> pursuant (whichever is the latest). While the Medical Advance Benefit is still in force and before the Life Insured attains 90 years of Insurance Age<sup>(9)</sup>, if the Life Insured is (i) first diagnosed by a Registered Doctor as suffering from Cancer, Heart Attack or Stroke; or (ii) is admitted to Hospital for a Confinement of 25 or more consecutive Days due to a Bodily Injury, Sickness, Disease or Illness, where such confinement is certified by a Registered Doctor to be Medically Necessary (whichever is earlier), upon receipt of acceptable proof and where approved by Hang Seng Insurance, we shall pay the Medical Advance Benefit. The Medical Advance Benefit will be paid in one lump sum amount in cash which equals to the sum of Monthly Income<sup>(1)</sup> projected for the Advance Benefit Period<sup>(10)</sup> as at the date of claim approval of Medical Advance Benefit. Any Indebtedness shall be deducted from the Medical Advance Benefit payable at the time of payment. Upon payment of the Medical Advance Benefit, Monthly Income<sup>(1)</sup> will then be suspended during the Advance Benefit Period<sup>(10)</sup> and will become payable again after the end of the Advance Benefit Period<sup>(10)</sup> unless this is the Benefit Cessation Date of the Basic Plan. The Medical Advance Benefit is only payable once while this Policy is in force and provided that the Life Insured is alive as at the date of claim approval of Medical Advance Benefit. In the event a Specified Event for Deduction<sup>(11)</sup> occurs during the Deduction Period for Medical Advance Benefit Paid, the Deduction Portion of Medical Advance Benefit Paid<sup>(12)</sup> will be deducted from any benefit payable under the Basic Plan or any Supplementary Benefit. In the event that the Policy is cancelled or lapsed, we reserve the right to claim the Deduction Portion of Medical Advance Benefit Paid<sup>(12)</sup> from you. No adjustment on the payment of Medical Advance Benefit will be made if the amount of Monthly Income<sup>(1)</sup> within Advance Benefit Period<sup>(10)</sup> changes subsequent to the date of claim approval of Medical Advance Benefit. Please refer to the policy provisions for the definitions and other details of Medical Advance Benefit.
4. If the Life Insured is diagnosed as a Mentally Incapacitated Person while this Policy is in force, we will pay the Mental Incapacity Benefit which equals to Designated Percentage of Mental Incapacity Benefit X (a) Guaranteed Cash Value, plus (b) accumulated Monthly Income<sup>(1)</sup> & interest<sup>(7)</sup> (if any), plus (c) Special Dividend (if any) as at the date of claim approval of this Supplementary Benefit. Any Indebtedness shall be deducted from the Mental Incapacity Benefit at the time of payment. If the Medical Advance Benefit<sup>(3)</sup> has been paid and the claim for Mental Incapacity Benefit is approved during the Deduction Period for Medical Advance Benefit Paid, the Deduction Portion of Medical Advance Benefit Paid<sup>(12)</sup> will be deducted from the Mental Incapacity Benefit payable. If the Designated Percentage of Mental Incapacity Benefit is less than 100%, the Deduction Portion of Medical Advance Benefit Paid<sup>(12)</sup> shall be reduced proportionally. The Mental Incapacity Benefit is only payable once while this Policy is in force. Only when a Mental Incapacity Benefit Recipient is designated in this Policy by the Policyholder, such Mental Incapacity Benefit Recipient will be entitled to this Supplementary Benefit. Mental Incapacity Benefit Recipient must be aged 18 or above at the time of designation. While the Policy is in force, the Policyholder may designate or change the Designated Percentage of Mental Incapacity Benefit and/or Mental Incapacity Benefit Recipient by giving a written request in a form specified by Hang Seng Insurance. The Designated Percentage of Mental Incapacity Benefit shall be a whole number percentage between 10% to 100%, subject to our requirements as determined by us from time to time. A change of Designated Percentage of Mental Incapacity Benefit and/or Mental Incapacity Benefit Recipient shall be effective only if accepted and recorded by Hang Seng Insurance. The Mental Incapacity Benefit is paid only if the Mental Incapacity Benefit Recipient has been designated. In case (i) there is a guardian or committee appointed under the Mental Health Ordinance (Cap.136 Laws of Hong Kong SAR) (or if there is a guardian or committee appointed under similar laws in another jurisdiction) or an enduring power of attorney covering this Policy; and/or (ii) the Policyholder is not the Life Insured; and/or (iii) this Policy has been assigned, this Supplementary Benefit will only be paid to the designated Mental Incapacity Benefit Recipient with the consent of the guardian or committee or attorney (as applicable in (i)); and/or the Policyholder (as applicable in (ii)); and/or the assignee (as applicable in (iii)), as the case may be. In case there is a dispute or in the Company's reasonable belief, there is a dispute between the Mental Incapacity Benefit Recipient and any other person, including but not limited to the Policyholder, Life Insured's guardian or committee, attorney, Beneficiary(ies) or assignee, Hang Seng Insurance reserves the right to withhold payment until such dispute is resolved. If the Designated Percentage of Mental Incapacity Benefit is 100%, upon payment of the Mental Incapacity Benefit, the Policy which includes the Basic Plan and all Supplementary Benefits (if any) will be terminated and the Company will be fully discharged from all further liability. If the Designated Percentage of Mental Incapacity Benefit is less than 100%, upon payment of the Mental Incapacity Benefit, the Total Premiums Paid<sup>(13)</sup>, Policy Amount, Guaranteed Cash Value, Special Dividend (if any), Monthly Income<sup>(1)</sup> (if any) and subsequent premium (if any) under this Policy will be adjusted and reduced proportionally and the Death Benefit will be adjusted accordingly. A revised Policy Schedule will be issued to the Policyholder.
5. Accidental Death Benefit will be automatically terminated (i) when such Accidental Death Benefit is paid out, or (ii) when the Life Insured has been changed, or (iii) on the date the Policy of basic plan lapses, terminates, expires, becomes void, is surrendered<sup>(8)</sup> or cancelled, or (iv) on the Benefit Cessation Date of this Supplementary Benefit (whichever is the earliest).
6. Our acceptance of any Change of Life Insured request will be entirely at our absolute discretion and shall be subject to satisfactory proof of the insurability of the new Life Insured, the Policyholder having adequate insurable interest in the new Life Insured and any other requirements as determined by us from time to time. The Company will issue a Policy Endorsement and a revised Policy Schedule to effect the Change of Life Insured. Upon Change of Life Insured, we may adjust the Total Premiums Paid<sup>(13)</sup>, Policy Amount, Guaranteed Cash Value, Special Dividend (if any), Monthly Income<sup>(1)</sup> (if any) and Death Benefit at our absolute discretion.

7. The accumulation interest rates are not guaranteed and will be determined by Hang Seng Insurance at its discretion from time to time. Please refer to the proposal for prevailing accumulation interest rate for Monthly Income<sup>(1)</sup>.
8. If the Policyholder surrenders the Policy after the cooling-off period and when the Policy is in force, the surrender proceeds to be received may be less than the total premium and levy paid. Please refer to the illustration summary of this Plan for details. If Policyholder surrenders the Policy within the policy term, the surrender proceeds payable to the Policyholder will be an amount equal to the Guaranteed Cash Value plus Special Dividend (if any) plus accumulated Monthly Income<sup>(1)</sup> and interest<sup>(7)</sup> (if any) minus Indebtedness (if any) as at the date the surrender request. Upon partial surrender, the Policy Amount and Total Premiums Paid<sup>(13)</sup> will be adjusted and reduced proportionally and consequential adjustments will be made in the calculations of Guaranteed Cash Value, Special Dividend (if any), Monthly Income<sup>(1)</sup> (if any), and Death Benefit in accordance with the terms of this Policy. If Medical Advance Benefit<sup>(3)</sup> has been paid and surrender (in full or in part) occurs during the Deduction Period for Medical Advance Benefit Paid, the Deduction Portion of Medical Advance Benefit Paid<sup>(12)</sup> will be deducted from the surrender benefit payable. Deduction Portion of Medical Advance Benefit Paid<sup>(12)</sup> will be proportionally reduced in case the Policy has been partially surrendered<sup>(8)</sup>.
9. Insurance Age means, at any date, the age of the Life Insured or the Policyholder (where applicable) on the last birthday prior to (or on the birthday the same day as) the Policy Date or the relevant Policy Anniversary.
10. Advance Benefit Period means the period starting from the date of the 1<sup>st</sup> Monthiversary following the claim approval date of Medical Advance Benefit<sup>(3)</sup> and ending on (i) the 36<sup>th</sup> Monthiversary following such claim approval date or (ii) Benefit Cessation Date of the Basic Plan (whichever is earlier).
11. Specified Event for Deduction means any of the following events that occurs during the Deduction Period for Medical Advance Benefit Paid: (i) the death of the Life Insured; (ii) surrender<sup>(8)</sup>, whether in full or in part, of this Policy; (iii) cancellation, lapse or termination of this Policy; or (iv) the claim for Mental Incapacity Benefit is approved.
12. Deduction Portion of Medical Advance Benefit Paid means the portion of Medical Advance Benefit<sup>(3)</sup> paid for the period between the next Monthiversary following the occurrence of a Specified Event for Deduction<sup>(11)</sup> and the end of Advance Benefit Period<sup>(10)</sup>.
13. Total Premiums Paid<sup>(13)</sup> is the total amount of premiums due and paid for the Basic Plan.
14. If you enroll the Plan in foreign currency, all premium payable and policy benefits of this Plan will be recorded in the corresponding foreign currency. Since the two-way exchange of foreign currency and Hong Kong dollar bears the risk of exchange rate fluctuation, you should consider exchange rate risk before making the decision to enroll in the Plan. If you pay the premium or receive policy benefits in Hong Kong dollars, Hang Seng Insurance will convert the relevant amount from Hong Kong dollars to the corresponding foreign currency or from the corresponding foreign currency to Hong Kong dollars at the market-based prevailing exchange rate on the date your premium is processed or your policy benefits are settled. The exchange rate applicable at the relevant time is determined by Hang Seng Insurance and would be varied from time to time. The foreign currency exchange rate can go up or down. If you pay the premium in Hong Kong dollars, when the corresponding foreign currency appreciates against the Hong Kong dollars, the annual premium payable in Hong Kong dollars at the subsequent Policy Years would be higher than initial annual premium. If you settle the policy benefits in Hong Kong dollars and the corresponding foreign currency depreciates against the Hong Kong dollars when your policy benefits are settled in Hong Kong dollars, you could lose a substantial portion of your policy benefit value in Hong Kong dollars.

## Product risks

### Credit risk

The benefits of this Plan are subject to the credit risk of Hang Seng Insurance. The premium that you pay will become parts of Hang Seng Insurance's assets, and the life insurance plans of Hang Seng Insurance involve policy benefits such as Death Benefit, surrender benefit and maturity value payable to the Policyholders or Beneficiaries or Mental Incapacity Benefit Recipient by Hang Seng Insurance. You should bear the credit risk associated with Hang Seng Insurance [i.e. the risk that Hang Seng Insurance may not be able to deliver its obligations bound by the policies (including the payment of policy benefits) due to financial difficulties].

### Risk affecting non-guaranteed benefit determination

The Monthly Income and Special Dividend of this Plan are not guaranteed and are determined by Hang Seng Insurance from time to time. Whether Monthly Income and Special Dividend are payable and the amount which Hang Seng Insurance distributes or pays depend on the performance of relevant participating policies with regard to investment returns on the assets supporting the policies, as well as other factors including but not limited to claims, persistency, expenses, and the long term future performance outlook (both economic and non-economic factors). 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 interest earnings and the values of assets 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 and alternative investments will change and lead to investment loss. It is worth noting that private equity investments may involve higher level of volatility risk and liquidity risk than public equity investments.
  - **Credit risk** — The risk of investment losses due to the default or change in credit quality 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.

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

You should pay the premium for the entire premium payment term when due. 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 your premiums paid.

## Risks from surrender

If you surrender the policy after the expiry of the cooling-off period, the surrender proceeds to be received may be significantly less than the Total Premiums Paid<sup>(13)</sup>. Please refer to the illustration summary of this Plan for the projected surrender values. All details regarding policy surrender should be referred to the relevant policy provisions.

## Risk from partial surrender

The policy can be partially surrendered at any time after the cooling-off period. If the Policyholder has made any withdrawals through partial surrender, the Total Premiums Paid<sup>(13)</sup> and Policy Amount of the policy will be decreased accordingly. This will reduce the Guaranteed Cash Value, Special Dividend (if any), Monthly Income (if any) and Death Benefit accordingly.

## Liquidity risk

This Plan is designed to be held for a long-term period. Should you have liquidity needs for any unexpected events, you may apply for 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 significantly 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 Cash Value and Death Benefit will be reduced accordingly subsequent to the withdrawal.

## Inflation risk

Your current planned benefit may not be sufficient to meet your future needs since the cost of living may become higher in the future than it is today due to inflation, therefore you may receive less from the Plan in real term in the future even if Hang Seng Insurance meets all of its contractual terms and obligations.

## Policy currency risk

By choosing the Plan denominated in currencies other than local currency, you are subject to exchange rate risks. Exchange rate fluctuates from time to time. Upon the currency conversion, 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.

If you enroll "IncomePower" in Renminbi as policy currency, you may elect to pay premiums and receive policy benefits in Renminbi or Hong Kong Dollar. However, Hang Seng Insurance reserves the right in determining the premium in which you pay and the policy benefits in which you receive.

Renminbi is currently not freely convertible and conversion of Renminbi may be subject to certain policy, regulatory requirements and/or restrictions (which are subject to changes from time to time without notice). The actual conversion arrangement will depend on the policy, regulatory requirements and/or restrictions prevailing at the relevant time. As Renminbi is currently not freely convertible and is subject to exchange controls by the Chinese government, Renminbi currency conversion is subject to availability and Hang Seng Insurance may not have sufficient Renminbi at the relevant time.

You have considered the aforesaid exchange rate risk factors, conversion arrangement and the potential loss associated before applying for the Plan.

## Policy termination

Hang Seng Insurance has the right to terminate your Policy under any of the following circumstances:

- If you cannot make the premium payment by the end of a 30-day Grace Period (unless if the Automatic Premium Loan is sufficient to cover the amount of the relevant unpaid premium);
- The policy loan with accrued interest exceeds the Guaranteed Cash Value plus accumulated Monthly Income and interest (if any) (i.e. Net Cash Value before Indebtedness);
- If Hang Seng Insurance reasonably considers that by continuing the Policy or the relationship with you, Hang Seng Insurance may break any laws, or Hang Seng Insurance or a member of the HSBC Group, may be exposed to action censure from any authorities.

Hang Seng Insurance also has the right to terminate your Policy according to any supplementary benefits term. For details of the above, please refer to the policy provisions.

## Important notes

### Cooling-off period

"IncomePower" is a life insurance plan with saving elements and is not equivalent or similar to any kind of bank deposit.

Part of the premium pays for the insurance and related costs. If you are not satisfied with your policy, you have a right to cancel it within the cooling-off period (that is, 21 calendar days\* immediately following either the day of delivery of the policy or the Cooling-off Notice to you/ your nominated representative (whichever is earlier)) and obtain a refund of any premiums and levy paid (less any market value adjustment for investment-linked or non-linked single pay payment/single premium policy. The basis of calculation of market value adjustment includes single premium interest rate, New Money Crediting Interest Rate, Guaranteed Crediting Interest Rate Lock and General Crediting Interest Rate (if applicable)). A written form designated by us, notwithstanding whether the cooling-off reason will be provided or not, must be signed by you and returned by mail to Hang Seng Insurance Company Limited at 18/F, Tower 1, HSBC Centre, 1 Sham Mong Road, Kowloon, Hong Kong or returned to any Hang Seng Bank branches (except MTR station outlets)<sup>^</sup> within the Cooling-off Period.

**Note:**

\* If the last day of the period does not fall on a working day, the period will include the next working day.

<sup>^</sup> Only applicable to personal customer.

### Grace Period

The Plan offers a Grace Period of 30 days for payment of any premium when due. Any premiums remaining outstanding by the end of the Grace Period may lead to termination of your Policy. For details, please refer to the relevant terms and conditions in the policy provisions.

### Suicide

If the Life Insured passes away by suicide within one year of the Issue Date or from the effective date of last reinstatement or the effective date of the last Change of Life Insured (whichever is later), whether in a sane or insane condition, Hang Seng Insurance's liability will be limited to the amount paid to Hang Seng Insurance less any amount Hang Seng Insurance may have paid to you since the Policy Date. Please refer to policy provisions of the Basic Plan for detailed terms and conditions.

### Claim procedures of Life Insurance

If you need to make a claim, you can request a claim form through any one of the methods below:

- (1) download from Form Centre in Hang Seng Bank website: <https://www.hangseng.com/en-hk/personal/forms/>; or
- (2) request from any Hang Seng Bank branch; or
- (3) through the Claims Service Hotline (852) 2288 6992.

Please complete and submit the claim form to Hang Seng Insurance at Life Claims Department, 18/F Tower 1, HSBC Centre, 1 Sham Mong Road, Kowloon, Hong Kong by mail or any Hang Seng Bank branch within the specified period together with requested proof. Hang Seng Insurance Claims Service Team will process the claim (additional information may be required from the claimant), and settle the claim payment.

Please remember that it is important to lodge your claim within the specified time frame. If you do not do so, we may not be able to consider your claim.

Please note after a claim for Medical Advance Benefit has been made, in the event a Specified Event for Deduction occurs during the Deduction Period for Medical Advance Benefit Paid, the Deduction Portion of Medical Advance Benefit Paid will be deducted from any benefit payable under the Basic Plan or any Supplementary Benefit. In the event that the Policy is cancelled or lapsed, we reserve the right to claim the Deduction Portion of Medical Advance Benefit Paid from you. Please refer to the relevant policy provisions for details of Medical Advance Benefit.

## **Policy loan**

You may apply for a policy loan in respect of "IncomePower" while the Policy is in force. Loan interest will be applied and charged by Hang Seng Insurance and you will be advised of the rate of interest from time to time. Any policy loan and accrued loan interest may reduce the Monthly Income, Cash Value, Death Benefit and other benefits payable of the Policy. When, at any time, the policy loan with accrued interest exceeds the Net Cash Value before Indebtedness, Hang Seng Insurance has the right to lapse the Policy. Policy loan may cause the Policy to lapse or be terminated. For details, please refer to the policy provisions.

## **Philosophy in deciding the dividends, investment policy and strategy**

For details of the philosophy in deciding the dividends, investment policy and strategy, please refer to section Notes on Participating Policy.

For the subsequent updates on dividends, investment policy and strategy, and the historical fulfillment ratios of this Plan, please refer to Hang Seng Bank website:

<https://www.hangseng.com/en-hk/personal/insurance-mpf/other/policy-dividend/>

## **Commission disclosure**

Hang Seng Insurance would provide Hang Seng Bank the relevant commission and performance bonus in accordance to the selling of this Plan. The existing sales staff remuneration policy employed by Hang Seng Bank would take into account various aspects of the staff performance but not solely on the sales amount.

## **Dispute resolution**

- Hang Seng Bank is an insurance agency authorised by Hang Seng Insurance and the product is a product of Hang Seng Insurance but not Hang Seng Bank; and
- 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 Hang Seng Bank and you out of the selling process or processing of the related insurance product transaction, Hang Seng Bank will enter into a Financial Dispute Resolution Scheme process with you; however, any dispute over the contractual terms of the insurance products should be resolved between Hang Seng Insurance and you directly.

This Plan is underwritten by Hang Seng Insurance which is authorised and regulated by the Insurance Authority of the Hong Kong SAR. This Plan is intended only for sale in the Hong Kong SAR.



## Tax Reporting and Financial Crime

Hang Seng Insurance and other members of the HSBC Group have certain obligations to Hong Kong and foreign legal or regulatory bodies and government or tax authorities, and are bound by HSBC Group's requirements, regarding you and your policy and Hang Seng Insurance may from time to time request consent and information from you in relation to these obligations and requirements.

There are consequences, which will be set out in your policy terms, if you fail to provide to Hang Seng Insurance consent or 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 Hang Seng Insurance may:

- take such actions as are necessary to enable it or a member of the HSBC Group to meet these obligations and requirements;
- 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 from the policy in the event of benefits or payments withholding and/or policy termination by Hang Seng Insurance as mentioned above plus the total amount that you have received from the policy (if any) before policy termination may be less than the total amount of the premium(s) you have paid. Hang Seng Insurance recommends that you seek your own independent professional advice on your tax liabilities.

## Notes on participating policy

Hang Seng Insurance issues participating policies, which are life insurance contracts providing both guaranteed and non-guaranteed benefits. The guaranteed benefits may include the following: 1) guaranteed death benefits, and 2) guaranteed cash values and 3) guaranteed maturity values. The non-guaranteed benefits include policy dividends, which may be paid or varied at the discretion of Hang Seng Insurance. The policy dividends of this Plan, if any, are in form of:

- Monthly Income which is declared by the Hang Seng Insurance on a monthly basis. Once declared, the amount of Monthly Income for that month becomes vested and will be credited to your policy.
- Special Dividend which is a one-off entitlement declared at maturity, or upon early termination of the Policy (e.g. death, surrender etc.) before maturity. Special Dividend may also be partially declared upon partial surrender or any payment of Mental Incapacity Benefit. The amount of Special Dividend may change from time to time based on the performance over the entire period before such declaration as well as the prevailing market condition and the actual amount will not be determined until it is payable.

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 performance of relevant participating policies is better than that required to support the underlying guarantees. The better the performance, the greater the Monthly Income and Special Dividend payments, and, conversely, the worse the performance, the lower the Monthly Income and Special Dividend payments.

## Dividend philosophy

Monthly Income and Special Dividend allow Policyholders to participate in the financial performance of the life insurance operations. Whether Monthly Income and Special Dividend are payable and the size of the dividend which Hang Seng Insurance distributes or pays depend on the performance of relevant participating policies with regard to investment returns on the assets supporting the policies, as well as other factors including but not limited to claims, persistency, expenses, and the long term future performance outlook (both economic and non-economic factors). Performance of policies managed similarly are pooled together when deciding the amount of Monthly Income and Special Dividend to be paid. Please refer to section "Product risks-Risk affecting Non-guaranteed benefit determination" on the product brochure for the detail of key risk factors.

Hang Seng Insurance regularly reviews the level of Monthly Income and Special Dividend payable to Policyholders. Both the past actual performance and management's expectations of the long-term future performance will be assessed against the expected level. If variances arise, Hang Seng Insurance may consider sharing such variances with Policyholders through the adjustment of Monthly Income and Special Dividend scales. If the performance over the long term is better than expected, then the amount paid would increase. If performance is below expectation, then amount paid would decrease.

When considering the adjustment of Monthly Income and Special Dividend scales, Hang Seng Insurance strives to maintain a more stable payout to the Policyholders by smoothing. This means that the Monthly Income and Special Dividend level will only be changed if the actual performance is significantly different from the expected level over a certain period of time or if management's long-term future performance expectations change substantially.



In order to achieve broad fairness between Policyholders of participating products, Hang Seng Insurance will carefully consider the experiences of different groups of policies so that each group of policies will receive a fair return reflecting mostly its own performance. Hang Seng Insurance has also established a dedicated committee to review the fairness of treatment to Policyholders and to provide independent advice on the management of the participating policies and the determination of dividend level.

## Investment strategy

Hang Seng Insurance operates an investment strategy with key objectives as follows:

- i. Ensure that we can meet the guaranteed benefits that we have committed to you;
- ii. Deliver to your competitive long-term returns through the non-guaranteed dividends; and
- iii. Abide by a pre-defined set of risk appetite.

## Participating Policy (Policy Currency: USD)

The assets supporting the participating policies are carefully managed and monitored according to a predefined set of risk appetite. The asset portfolio predominantly consists of fixed income assets issued by government and corporate entities with good credit quality and long term prospects. It may also include a small portion of high-yield fixed income assets to enhance yield. Growth assets, including but not limited to equities, properties, hedge funds and private equities are managed on prudent basis and may be utilized in order to enhance investment performance in the long run. Subject to our investment strategy, financial derivatives may be used for hedging or efficient portfolio management.

The asset portfolio is well diversified in different types of assets, and is invested in global geographical markets (mainly US, Europe, Asia including HK) and industries. Investment for fixed income assets are mainly in HKD and USD to match the currency of the underlying policies while growth assets are invested in various currencies for diversification.

## Participating Policy (Policy Currency: RMB)

The assets supporting the participating policies are carefully managed and monitored according to a predefined set of risk appetite. The asset portfolio consists of fixed income assets (including both onshore bonds in China Inter-bank Bond Market ("CIBM") and offshore bonds in offshore ("CNH") Renminbi market). It may also include a small portion of high-yield fixed income assets to enhance yield. Growth assets, including but not limited to equities, properties, hedge funds, and private equities are managed on prudent basis and may be utilized in order to enhance investment performance in the long run. Subject to our investment strategy, financial derivatives may be used for hedging or efficient portfolio management. However, investing in RMB denominated assets is subject to applicable laws, regulations and guidelines issued by relevant regulatory authorities from time to time. Any change of the applicable laws, regulations and guidelines may lead to an update to the investment strategy and the associated investment performance may be affected.

The asset portfolio is well diversified in different types of assets, and is invested in global geographical markets (mainly US, Europe, Asia including HK) and industries. Investment for fixed income assets are mainly in RMB to match the currency of the underlying policies while growth assets are invested in various currencies for diversification.

## Strategic asset allocation

The current long-term target strategy is to allocate assets attributed to this product as follows:

Asset Type	Allocation %
Fixed Income Assets	60%-100%
Growth Assets (including private equity)	0%-40%

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. As the performance of the growth assets investment plays an important role in determining the level of non-guaranteed benefits, under normal circumstances and free from any investment and operational constraints, it is expected that the allocation to growth assets will fall within the higher end of the range as specified, in order to optimize the chance of achieving the illustrated level of non-guaranteed benefits. A good part of the growth assets investment is allocated to private equity. Due to the illiquid nature of private equity, there may be divergence in actual asset allocation and actions may be taken to rebalance the asset allocation from time to time. The management and investment strategy of the asset portfolio may be subject to change depending on the market conditions and economic outlook, and we would inform Policyholders should there be any material changes.

## Accumulation Interest Rate

Policyholders can choose to receive the Monthly Income in cash, or to accumulate in full in Hang Seng Insurance to accumulate interest.

Policyholders can submit a written request to Hang Seng Insurance to change the default Death Benefit Settlement Option. If monthly instalments are selected, the remaining balance of any unpaid Death Benefit will be held at a non-guaranteed interest rate until the full amount of the Death Benefit has been paid to the Beneficiary(ies).

The accumulation interest rates are not guaranteed and will be determined by Hang Seng Insurance at its discretion from time to time. Hang Seng Insurance reviews the accumulation interest rates regularly with reference to the portfolio yields of fixed income assets, prevailing market conditions, the outlook on fixed income asset yields, the cost associated with the provision of the accumulation service, 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 Hang Seng Insurance from time to time. For any subsequent updates, please visit

<https://www.hangseng.com/en-hk/personal/insurance-mpf/other/policy-dividend/>

You may also visit the above website to understand the historical fulfillment ratio of dividend distribution for reference purposes. However, the past performance or current performance of Hang Seng Insurance's business may not be a guide for future performances.

This product brochure is issued by Hang Seng Insurance containing only a consolidated and summary description of this Plan and is for reference only. You should read this product brochure in conjunction with the respective product factsheet(s), Notes on Participating Policy and illustration summary and refer to the policy provisions for the detailed terms and conditions and charges of this Plan.

Please refer to the relevant policy provisions for exact terms, conditions and exclusions of this Plan, and the policy provisions will be considered final. For details of this Plan and the policy terms, please contact any Hang Seng Bank branch. Specimen copy of the Policy provisions will be provided upon request.

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## IncomePower Insurance Plan

Hang Seng Insurance Company Limited is a wholly-owned subsidiary of Hang Seng Bank Limited.

28/F, Hang Seng 113, 113 Argyle Street, Mongkok, Hong Kong.

Hang Seng Insurance is authorised and regulated by the Insurance Authority to carry on long-term insurance business in the Hong Kong Special Administrative Region.

Hang Seng Bank is an insurance agency of Hang Seng Insurance. IncomePower Insurance Plan is underwritten by Hang Seng Insurance and it is only intended for sale through Hang Seng Bank in the Hong Kong Special Administrative Region.

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 Hang Seng Bank and you out of the selling process or processing of the related insurance product transaction, Hang Seng Bank 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 Hang Seng Insurance and you directly.

Hang Seng Insurance 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 full terms and conditions.

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