

HSBC Hong Li Nian Nian Ying Annuity Insurance – Type B (Participating)

This is a participating insurance product, its dividend distribution is not certain and could be Zero for some policy years.

This product is issued and managed by HSBC Life Insurance Company Limited, thus the consignment agency assumes no responsibility for investment, payment or risk management of this product.

“We” and “the Company” in this brochure refer to HSBC Life Insurance Company Limited.



HSBC
Life

RIB-1811



Retirement is a brand new phase in life. To enjoy the most precious time of a satisfied retirement? To travel around the world with your family? Or to realize that dream you cherished as a child?

Having had success in business and enjoying family bliss, you definitely expect to be able to enjoy life after retirement, free from care and worries.

HSBC Hong Li Nian Nian Ying Annuity Insurance – Type B (Participating) provides a long term stable income for your retirement life as well as protection to your family, enabling you to share in the business growth results of HSBC Life Insurance Company Limited (“the Company”). Start planning early for your retirement life!



Benefits at a glance

Long Term Stable Annuity Income

From the First Annuity Payment Date, if the insured is alive by 24:00 of each Policy Anniversary before the insured reaches the age of 85, we will distribute the Basic Annuity equals to 100% of the Basic Sum Insured.

From the first Policy Anniversary Date after the Additional Annuity Payment Age, if the insured is alive by 24:00 of each Policy Anniversary before the insured reaches the age of 85, we will distribute the Additional Annuity equals to 200% of the Basic Sum Insured in addition to the Basic Annuity.

Annuity and Maturity Benefit Beneficiary could receive the distributed Basic Annuity and Additional Annuity according to the Annuity Payment Option as agreed.

If the insured is alive by 24:00 of the first Policy Anniversary after the insured reached the age of 85 (i.e. the Policy Maturity Date), we will pay 300% of the Basic Sum Insured as the Maturity Benefit. Insurance contract will be terminated upon the payment of the Maturity Benefit.

Flexible Retirement Arrangement

When applying for this insurance, you may select one from age 50, 55, 60, 65, 70 as the Additional Annuity Payment Age, to arrange your retirement plan with flexibility.

Reversionary and Terminal Bonus added to the Annuity and Maturity Benefit Payment

The insurance contract is entitled to participate into the distribution of the distributable surplus of our participating insurance business, to share the business performance of the Company. Dividend will be distributed in below forms:

1. Reversionary Bonus

- 1) Additional payment of annuity: after the insured having reached the Additional Annuity Payment Age, if the insured is alive by 24:00 of each Policy Anniversary before reached Age 85, in addition to the annuity as agreed in insurance contract, we will pay the latest announced Accumulated Reversionary Bonus.
- 2) Additional payment of Maturity Benefit: If the insured is alive by 24:00 of Policy Maturity Date, in addition to the Maturity Benefit, we will pay the announced Accumulated Reversionary Bonus at that time to the Annuity and Maturity Benefit Beneficiary.
- 3) Additional payment of Death Benefit: If the insured dies before receiving the Additional Annuity, in addition to the Death Benefit, we will pay $(85 - \text{Additional Annuity Payment Age} + 1) \times$ the accumulated reversionary bonus already announced at insured's death to the survived Death Beneficiary. If the insured dies after receiving the Additional Annuity, in addition to the Death Benefit, we will pay the Accumulated Reversionary Bonus already announced at the insured's death \times the number of policy anniversary days from the date of insured death to the Policy Maturity Date to the survived Death Beneficiary .



Benefits at a glance

2. Terminal Bonus

1) Terminal Bonus upon Maturity

If the insured is still alive by 24:00 of the Policy Maturity Date and the insurance contract is in force, we will pay Terminal Bonus to Annuity and Maturity Benefit Beneficiary in a lump sum at Policy Maturity Date of the insurance contract.

2) Terminal Bonus upon Death

If the insured dies after the first Policy Anniversary Date during the policy term, we will pay Terminal Bonus to the survived Death Beneficiary in a lump sum.

3) Terminal Bonus upon Surrender

If you apply for policy surrender (apply for cancelling the insurance contract) after the fifth Policy Anniversary Date during the policy term, we will pay Terminal Bonus to the policy owner in a lump sum.

We will only pay one of the above Terminal Bonus, whichever occurs first among Terminal Bonus upon Maturity, Terminal Bonus upon Death, and Terminal Bonus upon Surrender.

Note: The dividend is not certain. No dividend will be distributed during lapse period. The distributed dividend will not be paid in advance unless the agreed payment condition is satisfied. Details please refer to the insurance contract.

Life Protection for Rainy Days

If the insured dies before receiving the Additional Annuity, we will pay the survived Death Beneficiary the greater one of the following as Death Benefit, the insurance contract will be terminated upon the payment of Death Benefit:

- (1) Cash value of the Basic Sum Insured of the insurance contract upon the death of the insured;
- (2) Total paid premium of the insurance contract upon the death of the insured.

If the insured dies after receiving the Additional Annuity, we will pay the Death Beneficiary the greatest one of the following as Death Benefit, the insurance contract will be terminated upon the payment of Death Benefit:

- (1) 10 times of the Basic Sum Insured of the insurance contract upon the death of the insured;
- (2) Total paid premium of the insurance contract upon the death of the insured, deduct the sum of annuity already paid;
- (3) Cash value of the Basic Sum Insured of the insurance contract upon the death of the insured.



Application Process

Simple Quotation Process

Step 1

Decide the Basic Sum Insured you require

Step 2

Choose the annuity payment option, either yearly or monthly

Step 3

Choose the Additional Annuity Payment Age you prefer
(Age 50, 55, 60, 65, 70)

Step 4

Choose the premium payment method that best suits you,
either in a single payment or annually

Step 5

Choose the premium payment period that best suits your needs

Application Rules

HSBC Hong Li Nian Nian Ying Annuity Insurance – Type B (Participating) application rules are as follows:

Entry age: from 30 days to age 65

Policy Term	Premium Payment Period	First Annuity Payment Date	Minimum Entry Age	Maximum Entry Age
Up to age 85	single	5 th anniversary	30 days	Age 65
	3 years		30 days	Age 62
	5 years		30 days	Age 60
	10 years	10 th anniversary	Age 40	Age 55



Example Case

Mr. Feng at aged 40, as the business has gradually entered a period of stability, he has started planning for his retirement after age 60. Mr. Feng expects to have an annuity income that remains stable after retirement. In addition, he would like to be able to provide his family with a certain financial supplement during the period before his planned retirement, because Mr. Feng's wife is a full-time housewife, all the family expenses have to be borne by Mr. Feng. After sound planning for the requirements, Mr. Feng chose to purchase the "HSBC Hong Li Nian Nian Ying Annuity Insurance – Type B (Participating)" for himself, with a premium payment period of three years, a Basic Sum Insured of RMB 100,000, appoint age 60 as the Additional Annuity Payment Age. Annual premium is RMB 2,062,710 and total premium is 6,188,130. On the basis of the requirements of Mr. Feng, the specific policy benefits are as follows:

1、Annuity and Maturity Benefit payment

Before Mr. Feng reaches age 85, he can receive Basic Annuity of RMB 100,000 per year since the 5th anniversary date. From the 1st Policy anniversary date after he reaches age 60, he can receive an Additional Annuity of RMB 200,000 per year in addition to the Basic Annuity. If Mr. Feng is alive on the Policy Maturity Day after he reached age of 85, he can receive the Maturity Benefit of 300,000.

If Mr. Feng is alive by 24:00 of Policy Maturity Date, the aggregate annuity and Maturity Benefit generated from Mr. Feng's policy will be RMB 9,300,000. This means that Mr. Feng can freely enjoy his retirement with peace of mind.

2、Reversionary Bonus and Terminal Bonus

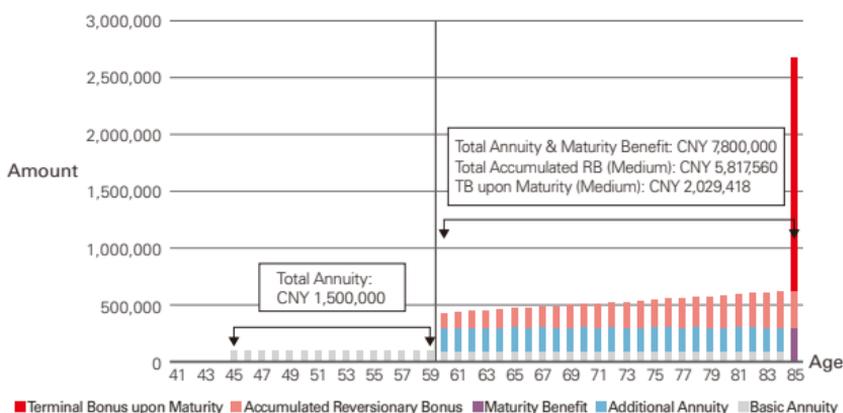
From the 1st anniversary after reaching age 60, Mr. Feng can also collect Accumulated Reversionary Bonus in addition to the annuity. Assuming a medium return level, the aggregated amount of Accumulated Reversionary Bonus from age 60 to 85 will be RMB 5,817,560.

If Mr. Feng is alive by 24:00 of Policy Maturity Date, Mr. Feng can collect Terminal Bonus upon Maturity as well. Assuming a medium return level, Mr. Feng's Terminal Bonus on Policy Maturity Date will be RMB 2,029,418.

3、Death Benefit

If Mr. Feng is died before collecting additional annuity at age 60, the Death Benefit we would pay to the Death Beneficiary is up to RMB 6,188,130. Assuming a medium return level, we would pay Accumulated Reversionary Bonus up to RMB 3,160,976 and Terminal Bonus up to RMB 856,866 to the Death Beneficiary as additional death payment as well. The aforesaid death benefits in total would be up to RMB 10,205,972.

If Mr. Feng is died after collecting additional annuity at age 60, the Death Benefit we would pay to the Death Beneficiary is up to RMB 5,446,690. Assuming a medium return level, we would pay Accumulated Reversionary Bonus RMB 3,218,675 and Terminal Bonus RMB 901,964 at the same time to the Death Beneficiary as additional death payment. The aforesaid death benefits in total would be up to RMB 9,566,329.



Note:

1.Dividend (Accumulated Reversionary Bonus and Terminal Bonus) distribution is not certain. In above example, both the Accumulated Reversionary Bonus and the Terminal Bonus upon policy maturity are illustrated based on the assumption of a medium return level, which are descriptive and shall not be interpreted as actual performance. The illustration is based on the company's actuarial and other assumptions, and represents neither the company's historical performance nor a forecast on the future investment return.

2.In above example, the illustrated amount of "Death Benefit" refers to the largest possible amount on the assumption of a medium return level. "Death Benefit" is affected by various factors, including policy cash value upon insured death, Basic Sum Insured, paid-up premium, terminal bonus upon insured death, etc. The actual amount of "Death Benefit" might be different from the illustrated amount in above example.

In line with the above example, we provide detailed benefit illustration table at a low, medium and high return level:

(Unit: RMB yuan)

Policy Year	Age	Premium of the Year	Accumulated Premium	Death Payment = Death Benefit + Reversionary Bonus upon Death			Annuity or Maturity Benefit of the Year			Survival Payment of the Year = Annuity or Maturity Benefit + Terminal Bonus upon Maturity			Accumulated Survival Payment = Accumulated Annuity & Maturity Benefit + Accumulated Reversionary Bonus + Terminal Bonus upon Maturity			Cash Value of Basic Sum Insured	Surrender Payment = Cash Value of Basic Sum Insured + Cash Value of Reversionary Bonus + Terminal Bonus upon Surrender		
				Low	Medium	High	Low	Medium	High	Low	Medium	High	Low	Medium	High				
1	41	2,062,710	2,062,710	2,062,710	2,062,710	2,062,710	0	0	0	0	0	0	0	0	1,240,320	1,240,320	1,264,366	1,269,604	
2	42	2,062,710	4,125,420	4,125,420	4,125,420	4,388,823	0	0	0	0	0	0	0	0	2,834,860	2,909,202	2,925,531	2,931,760	
3	43	2,062,710	6,188,130	6,188,130	6,444,804	6,782,692	0	0	0	0	0	0	0	0	4,583,590	4,736,958	4,736,958	4,770,190	
4	44	0	6,188,130	6,188,130	6,657,213	7,182,465	0	0	0	0	0	0	0	0	4,718,550	4,965,606	4,965,606	5,007,340	
5	45	0	6,188,130	6,188,130	6,870,687	7,583,824	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	4,757,980	4,757,980	5,308,998	6,134,853	
6	46	0	6,188,130	6,188,130	7,086,227	7,986,795	100,000	100,000	100,000	100,000	100,000	100,000	200,000	200,000	4,797,640	4,797,640	5,488,334	6,466,042	
7	47	0	6,188,130	6,188,130	7,300,869	8,391,378	100,000	100,000	100,000	100,000	100,000	100,000	300,000	300,000	4,838,760	4,838,760	5,674,275	6,845,231	
8	48	0	6,188,130	6,188,130	7,515,553	8,797,572	100,000	100,000	100,000	100,000	100,000	100,000	400,000	400,000	4,880,960	4,880,960	5,867,068	7,212,726	
9	49	0	6,188,130	6,188,130	7,730,369	9,205,405	100,000	100,000	100,000	100,000	100,000	100,000	500,000	500,000	4,924,290	4,924,290	6,067,033	7,588,905	
10	50	0	6,188,130	6,188,130	7,954,334	9,614,876	100,000	100,000	100,000	100,000	100,000	100,000	600,000	600,000	4,968,770	4,968,770	6,274,445	7,974,127	
15	55	0	6,188,130	6,188,130	9,065,801	11,687,477	100,000	100,000	100,000	100,000	100,000	1,000,000	1,000,000	1,000,000	5,209,970	5,209,970	7,434,725	10,050,388	
20	60	0	6,188,130	6,188,130	13,803,211	18,827,427	300,000	300,000	428,747	458,610	458,610	1,800,000	1,800,000	1,928,747	5,287,570	5,287,570	8,107,997	12,063,501	
25	65	0	6,188,130	4,834,060	9,232,190	13,634,357	300,000	300,000	465,298	504,374	3,300,000	3,300,000	4,181,667	4,388,245	4,534,060	4,534,060	8,197,319	12,568,944	
30	70	0	6,188,130	3,959,850	8,383,937	13,519,941	300,000	300,000	503,033	551,945	4,800,000	4,800,000	6,620,882	7,052,090	3,659,850	3,659,850	7,503,260	12,629,831	
35	75	0	6,188,130	2,945,070	7,053,486	12,813,418	300,000	300,000	541,989	601,395	6,300,000	6,300,000	9,252,417	9,959,388	2,845,070	2,845,070	6,332,393	12,131,199	
40	80	0	6,188,130	1,766,570	5,169,759	11,464,130	300,000	300,000	582,206	652,789	7,800,000	7,800,000	12,082,500	13,119,788	1,466,570	1,466,570	4,576,546	10,938,721	
45	85	0	6,188,130	1,000,000	3,259,636	10,018,716	300,000	300,000	2,653,144	3,925,554	9,300,000	9,300,000	17,146,978	25,362,579	0	0	0	0	

Note:

- In the example, the reversionary bonus and the terminal bonus are based on a low, medium and high return level, which are purely descriptive and shall not be interpreted as actual performance. The illustration is based on the company's actuarial and other assumptions, and does not represent the company's historical performance nor a forecast on the future investment return. Dividend (Accumulated Reversionary Bonus and Terminal Bonus) distribution is not certain.**
- The age listed in the above table refers to the reached age of the insured at each policy year end.
- "Annuity or Maturity Benefit of the Year" is illustrated based on Yearly Payment Option, which its amount refers to the annuity or maturity benefit distributed at each policy year-end. "Annuity of the Year" will be distributed at 24:00 of each Policy Anniversary Date from the First Anniversary Date until the insured reaches age 85. Annuity and Maturity Benefit Beneficiary could receive the distributed annuity according to the agreed Annuity Payment Option. If the Annuity Payment Option is Monthly Payment, the amount of "Annuity of the Year" received for each month before Policy Maturity Date (includes the month of Policy Maturity Date) equals to one twelfth (1/12) of the annuity distributed at the last policy year-end. Maturity Benefit will be paid in a lump sum at the Policy Maturity Date.
- "Survival Payment of the Year" is illustrated based on Yearly Payment Option, it equals to the sum total of annuity and accumulated reversionary bonus (if applicable) distributed at the policy year-end. The illustration at the end of the policy term also includes Terminal Bonus upon maturity. If the Annuity Payment Option is Monthly Payment, the amount of "Survival Payment of the Year" for each month before Policy Maturity Date (includes the month of Policy Maturity Date) equals to one twelfth (1/12) of the sum total of annuity and accumulated reversionary bonus (if applicable) distributed at the last policy year-end. Survival Payment of the Year will be distributed at 24:00 of each Policy Anniversary Date until the insured reaches age 85. Annuity and Maturity Benefit Beneficiary could receive the distributed annuity and announced accumulated reversionary bonus according to the agreed Annuity Payment Option and payment condition. The accumulated reversionary bonus will not be paid in advance unless the payment condition is satisfied. "Survival Payment of the Year" at Policy Maturity will be paid in a lump sum.
- "Death Payment" includes Death Benefit, Reversionary Bonus upon Death and Terminal Bonus upon Death. Death Benefit is the year-end value of the policy year. Reversionary Bonus upon Death and Terminal Bonus upon Death are both year-end values of the last policy year.
- "Surrender Payment" includes the cash value of Basic Sum Insured, the cash value of Reversionary Bonus and Terminal Bonus upon Surrender (since the 5th Policy Anniversary Date). The cash value of Basic Sum Insured does not include the annuity or Maturity Benefit distributed at the year-end, the cash value of Reversionary Bonus does not include the additional payment of annuity at the year-end.

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