

3 May 2024

Hang Seng Insurance Introduces FortuneLife Deferred Annuity Life Insurance Plan with Enhanced Benefit to Support Stable Retirement

Hang Seng Insurance announced the launch of the enhanced version of the FortuneLife Deferred Annuity Life Insurance Plan¹ ('FortuneLife'), a Qualifying Deferred Annuity Policy ('QDAP'). This updated plan features a projected Total Internal Rate of Returns ('IRR') ranging from 3.79% to 4.35%² for HKD and USD policies, and from 2.60% to 3.19%² for RMB policy, designed to help individuals secure a stable passive income for a comfortable retirement.

In a recent survey conducted among 550 working professionals in Hong Kong aged 18-65, only about 22% expressed confidence in the adequacy of their retirement funds. Among those feeling confident, about 70% had begun their saving plans early for retirement, and about 61% had incorporated passive income strategies into their retirement plans. Among the total number of respondents, less than one third had purchased QDAP, but about 50% of respondents are now considering or planning to invest in QDAP to ensure a steady income in retirement, with interest particularly strong among the younger demographic, where nearly 60% are keen on these policies.

This survey result confirms a significant trend observed by Hang Seng Insurance: Increasing number of young people are investing in QDAP in recent years, with a 150% increase in QDAP adoption among customers aged 31-40 in 2023 compared to the first year of its launch in 2019. Joe Lam, Chief Executive at Hang Seng Insurance, said, "With Hong Kong residents enjoying the world's second-highest life expectancy according to the latest United Nations statistics, it's crucial to prioritise early retirement planning. QDAP has been instrumental in providing a reliable passive income to support retirement needs."

Additionally, the enhanced FortuneLife plan offers flexible premium payment terms of 5 or 10 years and policy options in HKD, RMB and USD. It also includes multiple accumulation and annuity period choices, application for tax deductions of up to HKD60,000³ per tax assessment year and annual tax savings of up to HKD10,200³. Policyholders of FortuneLife also benefit from life protection, Accidental Death Benefit, Accelerated Death Benefit, and Unemployment Benefits. For details of the enhanced FortuneLife plan, please refer to hangseng.com/annuity.

An exclusive promotional offer is available until 30 June 2024, providing new enrollees with up to 34% off for their first-year premium⁴. Please note that only the premium paid net of any marketing offers (e.g. discount, premium waiver, etc) might be eligible for tax concession.

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Hang Seng Insurance Introduces FortuneLife Deferred Annuity Life Insurance Plan with Enhanced Benefit to Support Stable Retirement/ 2

Photo Caption

Photo 1

Hang Seng Insurance launches an enhanced version of the FortuneLife Deferred Annuity Life Insurance Plan, a Qualifying Deferred Annuity Policy. This updated plan features a projected Total Internal Rate of Returns ranging from 3.79% to 4.35% for HKD and USD policies, and from 2.60% to 3.19% for RMB policy, designed to help individuals secure a stable passive income for a comfortable retirement.



恒生保險
HANG SENG INSURANCE

退休 Bucket List
終於有「穩定」兩個字!

「晉盛」延期年金人壽保險計劃

	預期總內部回報率 ⁽¹⁾	保證內部回報率 ⁽²⁾
港元 / 美元計劃	3.79% - 4.35%	1.90% - 2.65%
人民幣計劃	2.60% - 3.19%	0.44% - 1.27%

成功投保可享高達34%首年保費折扣優惠*

申請高達港幣10,200稅務扣減⁽²⁾

*總保單可申請中國內地之保費扣減及海外保費扣減優惠。詳情請向保險代理人查詢。優惠詳情請向保險代理人查詢。優惠詳情請向保險代理人查詢。

退休要「穩」 恒生保險

成功投保，有機會重取六天日本郵輪假期，率先享受退休體驗！⁽³⁾

恒生銀行全資附屬機構



Hang Seng Insurance Introduces FortuneLife Deferred Annuity Life Insurance Plan with Enhanced Benefit to Support Stable Retirement/ 3

Remarks:

1. FortuneLife Deferred Annuity Life Insurance Plan (“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”). The policyholder is subject to the credit risk of Hang Seng Insurance and early surrender loss. **The information of this press release does not contain the full terms of the policy and the full terms can be found in the relevant policy document.**

2. Internal Rate of Returns for HKD/USD/RMB Policy:

	Projected Total Internal Rate of Returns	Guaranteed Internal Rate of Returns
HKD/USD policy	3.79% - 4.35%	1.90% - 2.65%
RMB policy	2.60% - 3.19%	0.44% - 1.27%

The above is the Internal Rate of Returns (IRR) reference for a 45-year-old male non-smoker. Under the assumption that the Annuity Income and Annual Dividends payable during the Annuity Period are all withdrawn, at policy maturity, the Projected Total IRR is 3.79% - 4.35% while the Guaranteed IRR is 1.90%- 2.65% for HKD/USD policy; the Projected Total IRR is 2.60% - 3.19% while the Guaranteed IRR is 0.44% -1.27% for RMB policy. The Total Rate of Returns is non-guaranteed, and IRR is subject to the selected premium payment mode, payment term, accumulation period, annuity period and annuity income option. The IRR covers both monthly payment and annual payment. 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. Figures are subject to rounding differences. For more details about the Internal Rate of Returns, please refer to the product brochure.

3. Apply for up to HKD60,000 total tax deduction per assessment year with the qualifying annuity premiums. The tax saved within each assessment year can be up to HKD10,200 per taxpayer per tax year. Any general tax information provided is for your reference only, and you should not make any tax-related decisions based on such information alone. Please note that only the premium paid net of any marketing offers (e.g. discount, premium waiver, etc) might be eligible for tax concession and the actual tax benefits of this Policy would depends on personal tax position (e.g. salaries income and assessable profits) and you should always consult with a professional tax advisor if you have any doubts. The Life insurance plan is underwritten by Hang Seng Insurance. Subject to terms and conditions; please be aware of the associated product risks and credit risks. Surrender may result in loss.
4. The above information is intended as a general summary of information for reference only. For details, please visit <https://www.hangseng.com/en-hk/personal/insurance-mpf/retirement-wealth-education/fortunelife-deferred-annuity/>.

[^]The promotion period of the premium offer of the plan (USD/HKD policy) is from 1 May 2024 to 30 June 2024 (both days inclusive) (“Promotion Period”). For the Terms and Conditions relating to the first-year premium discount, please visit https://www.hangseng.com/content/dam/hase/emkt/lifeins_offer.pdf

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Important Information about QDAP

Certification of QDAP - “The Plan” has been certified by the Insurance Authority (“IA”) as a Qualifying Deferred Annuity Policy (“QDAP”). The IA certification of this plan is not a recommendation or endorsement of the policy nor does it guarantee the commercial merits of the policy or its performance. It does not mean the policy is suitable for all policyholders nor is it an endorsement of its suitability for any particular policyholder or class of policyholders. The policy has been certified by the IA but such certification does not imply official recommendation. The IA does not take any responsibility for the contents of the product, makes no representation as to its accuracy or completeness, expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the product.

Tax Implication on QDAP - Please note that the QDAP status of this product does not necessarily mean you are eligible for tax deduction available for QDAP premiums paid. This product’s QDAP status is based on the features of the product as well as certification by the IA and not the facts of your own situation. You must also meet all the eligibility requirements set out under the Inland Revenue Ordinance and any guidance issued by the Inland Revenue Department of HKSAR before you can claim these tax deductions. Please note that the Plan may be sold to the person(s) aged 65 or above, who may have plan to retire or retired during the premium payment period of the Plan. In this case, you may wish to further visit your eligibility of tax deduction for your premiums paid during the premium payment period and seek your independent tax advice as appropriate. Policyholders who are not subject to salaries tax or tax under personal assessment in HKSAR might not be eligible for tax deduction benefits. Any general tax information provided is for your reference only, and you should not make any tax-related decisions based on such information alone. Please note that only the premium paid net of any marketing offers (e.g. discount, premium waiver, etc.) might be eligible for tax concession and the actual tax benefits of this policy would depend on personal tax position (e.g. salaries income and assessable profits) and you should always consult with a professional tax advisor if you have any doubts. Please note that the tax law, regulations or interpretations are subject to change and may affect related tax benefits including the eligibility criteria for tax deduction. We do not take any responsibility to inform you about any changes in the laws and regulations or interpretations, and how they may affect you. Further information on tax concessions applicable to QDAP may be found at the website of IA.

About Hang Seng Insurance

Hang Seng Insurance Company Limited (‘Hang Seng Insurance’), established in 1965, is a wholly-owned subsidiary of Hang Seng Bank. Leveraging Hang Seng Bank’s local extensive network of online and offline banking channels, Hang Seng Insurance is one of the top players in Hong Kong insurance market, offering a diverse range of personal insurance and corporate employee benefit products and services that meet the needs of customers from all walks of life and at all life stages.



Appendix 1

The enhanced version of Hang Seng Insurance's FortuneLife Deferred Annuity Life Insurance Plan offers a projected Total Rate of Returns ranging from 3.79% to 4.35% for HKD and USD policies, and from 2.60% to 3.19%, for RMB policy.

QDAP	FortuneLife Deferred Annuity Life Insurance Plan		
Premium Payment Term	5 or 10 Years		
Accumulation Period	5, 10, 15 or 20 Years		
Annuity Period	20 or 30 Years		
Key Benefits	<ul style="list-style-type: none"> Passive long-term stable income stream with Incremental Annuity Income¹ Various plan options that offer different potential return⁺ 		
		<i>Projected Total Internal Rate of Returns⁺</i>	<i>Guaranteed Internal Rate of Returns</i>
	<i>HKD/USD policy</i>	3.79% - 4.35%	1.90% - 2.65%
	<i>RMB policy</i>	2.60% - 3.19%	0.44% - 1.27%
	<ul style="list-style-type: none"> Apply for up to HKD60,000 of total tax deduction per assessment year with the qualifying annuity premiums. The tax saved within each assessment year can be up to HKD10,200 per taxpayer per tax year^{2*} Annual Dividends³ to enhance wealth Extended various supplementary benefits, including life protection, Accidental Death Benefit, Accelerated Death Benefit, and Unemployment Benefits Easy application with guaranteed acceptance⁶ For details, please refer to hangseng.com/annuity. 		
	<p>⁺ The above is the Internal Rate of Returns (IRR) reference for a 45-year-old male non-smoker. Under the assumption that the Annuity Income⁵ and Annual Dividends payable³ during the Annuity Period⁴ are all withdrawn, at policy maturity, the projected total IRR is 3.79% - 4.35% while the guaranteed IRR is 1.90% - 2.65% for HKD/USD policy; the projected total IRR is 2.60% - 3.19% while the guaranteed IRR is 0.44% - 1.27% for RMB policy. The Total Rate of Returns is non-guaranteed, and IRR is subject to the selected premium payment mode, payment term, accumulation period, annuity period⁴ and annuity income⁵ option. The IRR are covered both monthly payment and annual payment. 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. Figures are subject to rounding differences. For more details about the Internal Rate of Returns, please refer to the product brochure.</p> <p>[*] Please note that only the premium paid net of any marketing offers (e.g. discount, premium waiver, etc) might be eligible for tax concession.</p>		



Appendix 1 (continued)

Promotion	<p>From now until 30 June 2024, customers who successfully enroll in FortuneLife can enjoy a discount of up to 34% off for their first-year premium[^].</p> <p>[^]The promotion period of the premium offer of the plan (USD/HKD policy) is from 1 May 2024 to 30 June 2024 (both days inclusive) ("Promotion Period"). For the terms and conditions relating to the first-year premium discount, please visit https://www.hangseng.com/content/dam/hase/emkt/lifeins_offer.pdf</p>
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Product & Offer Terms and Conditions apply. Please note the relevant product risks, credit risk and early surrender loss.

For product information, including detailed terms and conditions, risks and exclusions and notes on participating policy, please visit <https://www.hangseng.com/en-hk/personal/insurance-mpf/retirement-wealth-education/fortunelife-deferred-annuity/>.

Remarks:

1. The Monthly Guaranteed Annuity Income⁵ will be increased by a fixed amount, which is equivalent to 5% of the Initial Monthly Guaranteed Annuity Income⁵, each year during the Annuity Period⁴. The incremental amount will be proportionally reduced should there be any partial surrender. Please note that the incremental amount may or may not be able to offset future inflation. You may refer to the "Product Risk – Inflation Risk" section for details.

2. Assumptions

- You are a Hong Kong taxpayer and have taxable income;
- The "Qualifying Deferred Annuity Premium" paid by you during the year of tax assessment is HKD60,000;
- You do not have any other tax-deductible MPF voluntary contribution accounts for the year of tax assessment;
- The total tax deduction for eligible annuity premiums and tax-deductible MPF voluntary contributions in the applicable year of tax assessment is HKD60,000 per taxpayer;
- The calculation is based on the taxpayer's highest tax rate of 17% in the progressive tax rate.

Tax deduction under salaries tax and personal assessment with Inland Revenue Department from premiums paid under this product shall be subject to your individual circumstances. It is also at Inland Revenue Department's discretion when your premiums are paid over the premium payment period. For tax relevant information, please refer to the website of Inland Revenue Department (www.ird.gov.hk). Relevant promotions or premium discount amount will not be counted into the tax reduction allowance.

3. The Policyholder may choose to withdraw Annual Dividends in cash or accumulate them with interest. The Annual Dividend Option has to be the same as the Annuity Income⁵ Option. Annual Dividends and the interest rate used for Annual Dividends and Annuity Income⁵ accumulations are not guaranteed. Please refer to the illustration summary for prevailing interest rate.
4. Annuity Period refers to the period during which Annuity Income⁵ is payable. The Annuity Period of "FortuneLife" is 20 years or 30 years, subject to the plan chosen.
5. Annuity Income includes Monthly Guaranteed Annuity Income, Annual Guaranteed Bonus and Special Guaranteed Bonus. The Annuity Income is payable to the Annuitant during the Annuity Period⁴, until the end of the Annuity Period⁴. The Policyholder may choose to withdraw it in cash or accumulate it with interest³.
6. The maximum total premium amount for guaranteed acceptance (per Life Insured) may differ and is subject to the Insurance Age 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 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.