

Press Release
7 November 2019

FTLife launches the all-new Prosperous Deferred Annuity Plan Helping customers start retirement planning straight away (Updated Version)

FTLife always seeks to provide customers with comprehensive protection and help them live fulfilling lives. It is pleased to offer the new Prosperous Deferred Annuity Plan (“Prosperous”), which is a “Qualifying Deferred Annuity Policy” certified by the Insurance Authority. The plan enables the policyholder to start retirement planning while enjoying a tax deduction by the government at the same time.

FTLife CEO Gerard Yang said, “While medical services keep improving, people are becoming more health-conscious, thereby living longer lives. Last year, the average expected lifespans for male and female in Hong Kong reach 82.2 and 87.6 years¹ respectively. Considering this, people may spend over 20 years after retirement, so it’s important to start planning as early as possible. FTLife ‘Prosperous’ helps young customers to prepare a steady stream of monthly incomes they can receive later in life.”

Competitive Advantages of Prosperous Deferred Annuity Plan

Design your own retirement plan and enjoy annuity period up to 30 years

Prosperous is suitable for people from the age of 30 to 70. It offers many options in premium payment period, accumulation period and annuity period. Among which, customers can opt for a 30-year annuity period to receive steady incomes for daily expenses. The Policy Holder can change the payment methods they see fit during the annuity period. For example, they can choose to keep the monthly annuity payment² in the policy to accumulate with interests² and grow wealth continuously in times of financial abundance.

Death Benefit/Flexible payment options of a lump sum or monthly annuity payment continuity to beneficiary

In the unfortunate event of the annuitant’s death, the plan can help protect the beloved ones. A lump-sum up to 115% of the total premiums paid³ will be paid as death benefit⁴ or, with prior arrangement, the beneficiary can continue to receive the unpaid monthly annuity payment² (only applicable to the annuitant’s death during the annuity period) until the end of the annuity period.

Unique-in-market⁵ protection during annuity period

The plan specially offers the following protection items during the annuity period for your total peace of mind:

- **Travel Medical and Accidental Benefit⁶**: the plan allows you to enjoy your travel without worries by providing Travel Medical Benefit to reimburse medical expenses resulted from overseas injury or illness up to USD10,000 and Travel Accidental Benefit up to 100% of total premiums paid³ in lump sum.
- **Terminal Illness Benefit⁷**: if the Annuitant is diagnosed with Terminal Illness during the annuity period, a lump-sum Death Benefit will be paid in advance, and additional installment payments equal to the last Monthly Annuity Payment² (including both guaranteed and non-guaranteed portions) will be paid to the Policy Holder immediately preceding the date of diagnosis of Terminal Illness continually in the next 12 months or until the death of the Annuitant (whichever is earlier) to help mitigate the financial burden during such difficult time.

Also, upon successful application of Prosperous, you will have access to the **24-hour “Free Worldwide Emergency Assistance Services”⁸** for immediate support wherever you may be. The maximum benefit (per incident) reaches up to USD 1,000,000, including services of emergency evacuation or repatriation and delivery of mortal remains.

Enjoy tax deduction⁹ with total internal rate of return ranging from 3.74% to 4.8%¹⁰

FTLife Chief Product Officer Christine Yeung says “Prosperous is a good example showing FTLife commitment in taking care of customers’ future. The annuitant will receive the Monthly Annuity Payment², out of which no less than 50% is guaranteed. The total internal rate of return of the plan ranges from 3.74% to 4.8%¹⁰.”

Taxpayers are allowed to claim a tax deduction⁹ for their qualifying deferred annuity premiums up to a maximum limit of HKD 60,000 per assessment year. Calculated by using the highest rate (17%) of the progressive tax rates, the tax savings amount reaches up to HKD 10,200.

Example^{10,11}

A client takes out a Prosperous with a 5-year premium payment period and an annual premium payment of HKD 60,000. After an accumulation period of 20 years, he can receive over HKD 50,000 as an annual annuity payment (including guaranteed monthly annuity payment and non-guaranteed monthly annuity payment) for an annuity period of 20 years. The total monthly annuity payment received (including both guaranteed and non-guaranteed portions) will be about 3.6 times the total premiums paid³. Upon policy maturity, the guaranteed internal rate of return is 2.2%, and the total internal rate of return is 4.8%.

Enjoy first-year premium refund for extra financial ease

FTLife Chief Marketing Officer Angela Yam said, “To encourage customers to start planning for a better future at the earliest, during the promotion period until 31 December 2019, those who successfully enrolled in Prosperous with the designated annualised first-year premium will enjoy the first-year premium refund. If any of the designated health protection plan is applied at the same time, an extra first-year premium refund will be given, and the total first-year premium refund rate can be as high as 9%, allowing them to enjoy more comprehensive protection with even lower costs.”

Remarks:

1. *Women and Men in Hong Kong – Key Statistics*, 2019 Edition, published by Census and Statistics Department, Hong Kong Special Administrative Region.
2. Monthly Annuity Payment includes the Guaranteed Monthly Annuity Payment and Non-guaranteed Monthly Annuity Payment (if any). Monthly Annuity Payment will be payable upon completion of each policy month after the commencement of the Annuity Period until the end of the Annuity Period. You may choose to leave the Monthly Annuity Payment in the policy and accumulated at a non-guaranteed current interest rate. Non-guaranteed Monthly Annuity Payment can be adjusted on each Policy Monthly Anniversary and the actual amount during the Annuity Period may vary. The amount of Non-guaranteed Monthly Annuity Payment will be determined based on the actual experiences and forecasts under the basic plan of the policy (including but not limited to investment returns, claims and policy renewal experience).
3. Total premiums paid refers to the total amount of premium(s) due and paid. For policy with premium prepayment, the prepaid premium in premium deposit account will not be calculated in the total premiums paid.
4. Please refer to the policy terms for the details of Death Benefit.
5. “Unique-in-market” item is concluded based on the same type of qualified deferred annuity policies in the market as of 7 September 2019.



6. Travel Medical and Accidental Benefit only covers injury or illness of the Annuitant in overseas travels. Travel Medical Benefit (payable to the Policy Holder) reimburses medical expenses resulted from overseas injury or illness up to 10% of total premiums paid per policy year, and up to USD 10,000 per Annuitant and per policy. Travel Accidental Benefit provides a lump-sum payment for death (payable to Beneficiary) or disability (payable to the Policy Holder) of the Annuitant resulted from overseas accidents up to 100% of total premiums paid, and up to USD 200,000 per Annuitant and per policy. If the Annuitant's place of residence is in Hong Kong, Macau Special Administrative Region or the People Republic of China, we will only pay for (i) the medically necessary treatments; or (ii) the injury resulting in place(s) other than Hong Kong, Macau Special Administrative Region or the People Republic of China that lead to Travel Medical and Accidental Benefit. Please refer to the policy provisions for details of Travel Medical and Accidental Benefit.
7. Terminal Illness means the Unequivocal Diagnosis by a doctor of an illness that is expected to result in the death of the Annuitant within 12 months. The Terminal Illness Benefit will only be paid once. We will cease to pay any claim including the Death Benefit once we approve the Terminal Illness Benefit and the policy will be terminated after this benefit is paid.
8. "Free Worldwide Emergency Assistance Services" is provided by the third-party service provider. We reserve the right to change the terms and conditions of "Free Worldwide Emergency Assistance Services" without prior notice and will not be liable for any services provided by the third-party service provider.
9. HKD 60,000 is the maximum tax deductions per tax payer per year for qualifying annuity premiums and MPF tax-deductible voluntary contributions. Whether tax deduction is allowable for all or any part of qualifying annuity premiums paid under QDAP shall be subject to your individual circumstances (as tax payer), the provisions of the Inland Revenue Ordinance (Cap. 112 of the Laws of the Hong Kong SAR) and the Inland Revenue Department's discretion. For details on tax deductions, please visit Inland Revenue Department (IRD) of HKSAR website and consult your tax and accounting advisors for tax advice.
10. The calculation of total internal rate of return includes Guaranteed Monthly Annuity Payment, Non-guaranteed Monthly Annuity Payment, Guaranteed Cash Value and non-guaranteed Terminal Dividend (if any), assuming the monthly annuity payments are received monthly by the annuitant. The total internal rate of return illustrated is calculated on a best estimate basis which is based on the current dividend scale and is neither indicative of future performance nor guaranteed. Past performance or current performance of our business should not be interpreted as a guide for future performance. The actual Non-guaranteed Monthly Annuity Payment and non-guaranteed Terminal Dividend payable throughout the duration of the policy may vary at the sole discretion of the Company, which may be more or less favourable than those illustrated. The value illustrated assumes that no cash withdrawal or policy loans are taken throughout the term of the policy and that all premiums are paid in full when due.
11. The above example is for your reference only. It assumes that the customer is a taxpayer and has taxable income in the assessment year, and the amount of tax deductions does not exceed the personal limit. The calculation of tax savings is determined by the amounts of personal income, tax deductions and allowances, and eligible deferred annuity premium paid. The actual tax savings also depends on the marginal tax rate of the taxpayer.

Prosperous Deferred Annuity Plan is a qualifying deferred annuity policy, but this does not mean that the qualifying deferred annuity premiums paid by the policyholder and relevant persons are eligible for tax deduction. The nature of qualifying deferred annuity policy for this product depends on the product characteristics and the certification issued by the Insurance Authority, and not on the individual circumstances of the policyholder and related persons. Policyholders and the relevant persons should meet all eligibility requirements under the Inland Revenue Ordinance of the Hong Kong Special Administrative Region Inland Revenue Department before claiming tax deductions. The general tax information provided in this document is for reference only and does not constitute any tax or financial advice. FTLife does not provide any tax, legal or accounting advice or consultation.

Information contained in this document is intended as a general summary of information for reference only. Please refer to the relevant product brochure and client incentive leaflet for details of Prosperous. Please refer to the policy provision for full details of Terms & Conditions.

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About FTLife Insurance Company Limited

FTLife Insurance Company Limited ("FTLife") is one of Hong Kong's most well-established life insurance companies and a wholly-owned subsidiary of NWS Holdings Limited. Capitalising on a heritage of professionalism and excellence in serving clients, FTLife seeks to become a leading insurance group in Asia. It serves individual and institutional clients from a diverse portfolio of financial protection and wealth management products. FTLife aims to excel by cultivating lasting relationships and dedicates itself to providing clients with best-of-breed financial services to help them lead fulfilling lives.

NWS Holdings Limited

NWS Holdings Limited (Hong Kong Stock Code: 659), as the diversified industries flagship of New World Development Company Limited (Hong Kong Stock Code: 17), invests and operates a wide range of businesses predominantly in Hong Kong and across Greater China. The Group's core businesses include toll roads, commercial aircraft leasing, construction and insurance, while it also manages a strategic portfolio spanning sectors from environment, logistics, facilities management to transport.

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FTLife Insurance Company Limited (Incorporated in Bermuda with limited liability)

