

HSBC Eminent Goal Multi-Currency Insurance Plan

Your plan not keeping up with the changes in your life? That's because you haven't found the right plan for you! Alex, on the other hand, has found a multi-currency insurance plan that offers 9 major currencies for selection, giving him the flexibility to change his policy currency to respond to different circumstances and opportunities. Not only that, the plan also provides a policy split option, which allows the policy to be divided into at most three split policies. And these new split policies can in turn be split into more policies to accommodate his wealth allocation and other needs at different life stages.

Alex is a 30-year-old AI engineer. His wife has just given birth to twin daughters, Jenny and Kelly. Alex has been asked by his company to take up an engineer position in their UK office, and he wants to grow his wealth to pave the way for his relocation to the UK with his family.

Alex decides to purchase HSBC Eminent Goal Multi-Currency Insurance Plan, with himself as policyholder and life insured. The total premium is USD360,000, paid over a 3-year premium payment period. One of the key advantages of this plan is that it allows the policyholder to exercise the currency switch option at any time starting from the third policy anniversary* to suit different life goals. The two scenarios below show how this plan gives Alex the agility to respond to changes and meet emerging needs.

Midway through the 15th policy year, Kelly tells her father she wants to attend culinary school in Australia when she graduates from university. Alex wants to help Kelly pursue her dream. It so happens that, at the same time, the GBP is experiencing a major fall in value. So Alex exercises both the policy split and the currency switch options at the same time, dividing the original policy, policy A, into policies B1 and B2[^]. He switches policy B1 to GBP at a low exchange rate, and policy B2 to AUD to help fund Kelly's future studies in Australia.

At the time the Policy Split Option and the Currency Switch Option are exercised, the projected Net Cash Value of Policy B1 and B2 combined will remain the same as that of Policy A, Besides, no market value adjustment will be adopted.

After moving to the UK, Alex enjoys a great deal of career success, which gives him the financial confidence to start building a retirement reserve for his eventual retirement back in Hong Kong. As for his daughters, Jenny hopes to stay in the UK to start her own business after graduating from university, while Kelly is still keen on culinary studies in Australia.

By the middle of the 21st policy year, the GBP is rising sharply. Alex again exercises the policy split option as well as the currency switch option. He splits policy B1 into policies C1 and C2[^]. He changes the policy currency of C1 to HKD to prepare for his eventual retirement back in Hong Kong. C2, a GBP policy, will serve as Jenny's startup fund.

As we can see, Alex has taken advantage of the rise of the GBP to switch policy C1 to HKD, thereby further accumulating his wealth to meet his retirement needs. One thing to keep in mind is that the currency switch option will be exercised using the prevailing exchange rate as of the date the Company exercised the option. At the same time, Alex changes both the policyholder and the life insured of policy B2 to Kelly to pass on some of his wealth to Kelly and give her the financial backing she needs for pursuing her dream in Australia.

Thanks to the 3 split policies, 3 different goals are reached. Policy C1 provides the wealth growth to enable Alex and his wife to enjoy a great retirement. Policy C2 provides startup capital for Jenny. Policy B2 serves as an education fund for Kelly and helps her chase her dream.

From Alex's story, we can see that HSBC Eminent Goal Multi-Currency Insurance Plan not only provides a Currency Switch Option and a Policy Split Option, but allows the life insured to be changed to give the policyholder the flexibility to suit different life stages and legacy planning needs. And since no market value adjustment is required for exercising the Currency Switch Option, the policyholder enjoys greater cost-effectiveness. The plan also provides life coverage in addition to wealth management flexibility.

In every life plan, there will always be unknowns. Want to know how HSBC Eminent Goal Multi-Currency Insurance Plan can help you make the most of the wonderful journey ahead? Talk to our insurance specialists today.