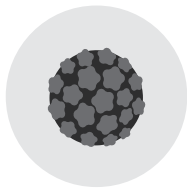


# Understanding your medical protection needs



# The 3 most common critical illness claims data from HSBC Life<sup>1</sup>



## Cancer

Number of diagnoses<sup>2</sup>

2009 ▶ 2019 **↑ 35%**

Average number of new cases (per day)<sup>2</sup>

**96** people



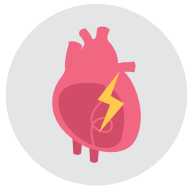
## Stroke

Number of diagnoses<sup>3</sup>

2009 ▶ 2019 **↑ 52%**

Average number of new cases (per day)<sup>3</sup>

**157** people



## Heart disease

**Coronary heart disease is the leading cause of heart disease fatalities<sup>4</sup>**

Number of hospital admissions and fatalities caused by coronary heart disease<sup>4</sup>

**Over 34,000** people

Average number of fatalities per day due to coronary heart disease<sup>5</sup>

**10** people

1. HSBC Life Claims Report: Living claims (May 2021).

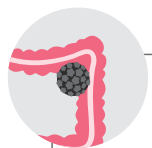
2. Hospital Authority of Hong Kong: Overview of cancer statistics of Hong Kong 2019.

3. HKSAR Government Press Release: Supporting World Stroke Day starts with understanding stroke symptoms and living healthy lifestyle.

4. Hong Kong Department of Health Centre for Health Protection: Health Topics > Non-Communicable Diseases and Healthy Living > Heart Disease (2021).

5. Ming Pao Health: [Heart Disease] Understanding coronary heart disease: causes, symptoms, warning signs and risk factors - 5 questions about the treatments and medical exams related to heart disease, bypass surgery, etc.

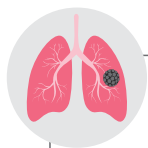
# Rising costs of critical illness treatments in Hong Kong private hospitals



## Colorectal cancer

Colorectal endoscopy and polypectomy<sup>1</sup>  
Laparoscopic colectomy<sup>1</sup>

Total: approx. **HKD332,000**



## Lung Cancer

Radiotherapy<sup>3</sup>  
approx. **HKD30,000 – HKD150,000**

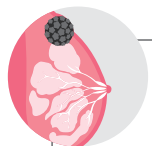
Neoadjuvant Chemotherapy &  
Surgical Resection of Tumors<sup>4</sup>  
approx. **HKD500,000 – HKD800,000**



## Liver Cancer

Surgery/ Transarterial Chemoembolization  
(TACE)/ Radiotherapy<sup>8</sup>

approx. **HKD300,000 – HKD500,000**



## Breast cancer

Lumpectomy<sup>1,2</sup> + Breast Reconstruction

Total: approx. **HKD280,000**

**HSBC VHIS Flexi Plan covers  
post-treatment breast  
reconstruction surgery**

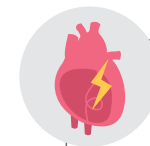


## Stroke

Pre-hospitalisation diagnosis + assessment  
and Ischemic Stroke  
Intravenous Thrombolysis<sup>5</sup>

Rehabilitation therapy +  
Foreign caregiver costs<sup>6,7</sup>

Total: approx. **HKD310,740**



## Heart disease

Percutaneous Coronary Intervention  
(balloon angioplasty)<sup>9</sup>

approx. **HKD300,000**

Coronary Artery Bypass Graft  
(bypass surgery)<sup>10</sup>

approx. **HKD600,000**



## Did you know?

### Public hospitals

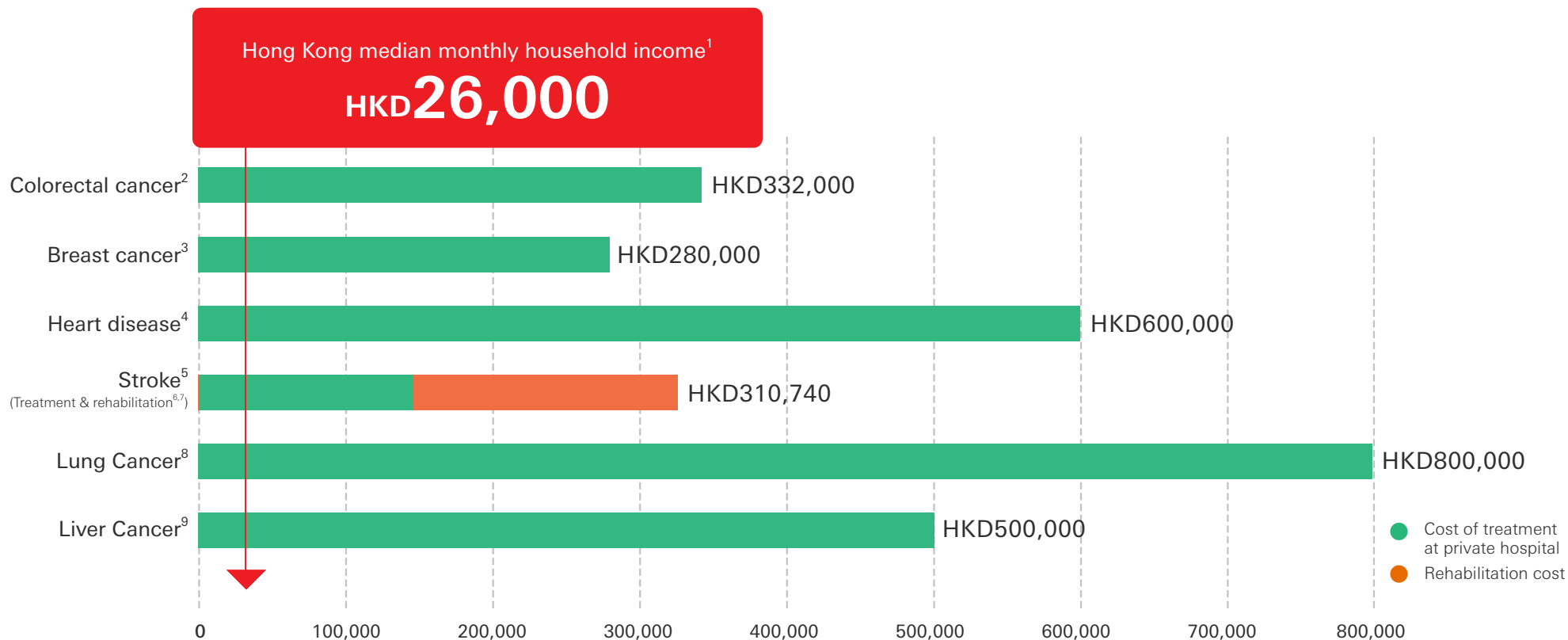
- ▶ Waiting time for surgical bookings: **up to 4 ½ years<sup>11</sup>!**
- ▶ Waiting time for specialist outpatient new case bookings: **up to 3 years<sup>12</sup>!**

1. Hong Kong Adventist Hospital Reference Charges for Common Surgical Procedures - Records of General Ward Charges (as of June 2022).  
2. Hong Kong Breast Cancer And Disease Centre: Breast cancer surgical costs - Is surgery expensive? Covered by medical insurance?  
3. Healthy Matters: Complete guide to lung cancer in Hong Kong - from causes to treatments  
4. Hong Kong Economic Times: Cost of treatment for early-stage lung cancer as high as \$800,000  
5. Hong Kong Sanatorium & Hospital: Emergency Stroke Treatment ASAP Plan.  
6. Hong Kong Sanatorium & Hospital - Physical Medicine & Rehabilitation: Stroke rehabilitation package.  
7. Active Global Specialised Caregivers (Hong Kong).

8. Hong Kong Economic Times: Why liver cancer is the King of Cancer? How much does private hospital treatment cost?  
9. Sing Tao Daily: Private hospitals promoting 'anti-pandemic special' balloon angioplasty packages starting at HKD60,000, comparable to public hospital charges.  
10. Care For Your Heart: How to choose between balloon angioplasty and bypass surgery? Heart specialist outlines characteristics of the two main heart disease surgical procedures.  
11. Hospital Authority: Waiting Time for Surgical Booking.  
12. Hospital Authority: Waiting Time for New Case Booking for Specialist Out-patient Services.

# Projected treatment and rehabilitation costs far exceed median income

Cost of treatment for heart disease<sup>1</sup> - HKD600,000 =  
**Hong Kong median monthly household income x 23 times**



Note: All figures are approximations and provided for reference only. The effects of inflation are not reflected in these figures. Actual expenses vary from case to case.

1. Hong Kong Census and Statistics Department: Median Monthly Household Income July 2021-September 2021.  
 2. Hong Kong Adventist Hospital Reference Charges for Common Surgical Procedures - Records of General Ward Charges (as of June 2022).  
 3. Hong Kong Breast Cancer And Disease Centre: Breast cancer surgical costs - Is surgery expensive? Covered by medical insurance?  
 4. Care For Your Heart: How to choose between balloon angioplasty and bypass surgery? Heart specialist outlines characteristics of the two main heart disease surgical procedures.

5. Hong Kong Sanatorium & Hospital: Emergency Stroke Treatment ASAP Plan.  
 6. Hong Kong Sanatorium & Hospital - Physical Medicine & Rehabilitation: Stroke rehabilitation package.  
 7. Active Global Specialised Caregivers (Hong Kong).  
 8. Hong Kong Economic Times: Cost of treatment for early-stage lung cancer as high as \$800,000  
 9. Hong Kong Economic Times: Why liver cancer is the King of Cancer? How much does private hospital treatment cost?

# Worldwide medical inflation: are you prepared for it?

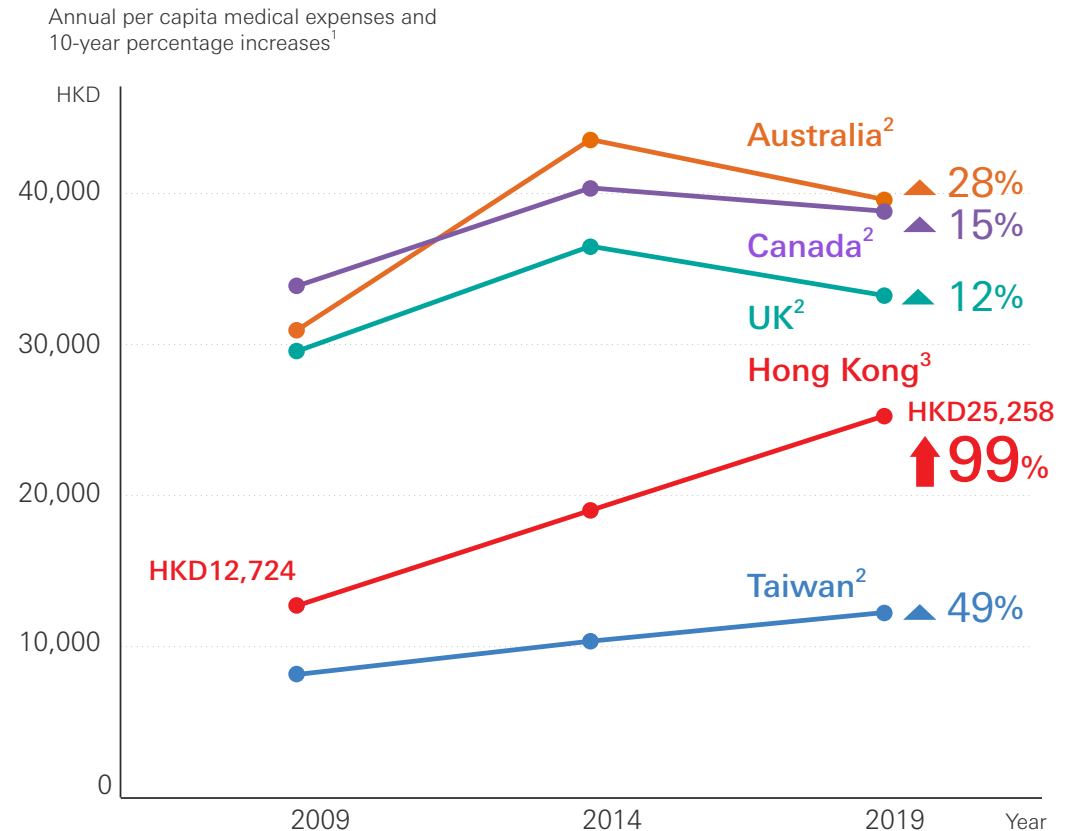


**Medical costs worldwide are on an upward spiral.** No matter where you choose to receive treatment, it's important to consider whether your existing medical protection is enough to cover the costs of medical inflation and overseas treatment.

## Reasons for seeking overseas treatment:

- ▶ Serious illness that requires different treatment options overseas
- ▶ Planning immigration/relocation
- ▶ Children studying overseas soon

## 10-year medical inflationary trends in selected overseas destinations



1. Hong Kong Federation of Insurers - Medical Claims Statistics 2010 and Medical Claims Statistics 2019.

2. Department of Statistics, Taiwan Ministry of Health and Welfare; 109<sup>th</sup> Summary of Taiwan Nationals' Medical & Healthcare Expenses Statistics; Per capita regular medical and healthcare expenses (Organisation for Economic Co-operation and Development health statistics) (8 February 2022).

3. Hong Kong Department of Health - Health Facts of Hong Kong (2013, 2018 and 2021 editions).

# Purchasing a Voluntary Health Insurance Scheme (VHIS) plan - 6 key factors to consider

The earlier you buy, the earlier you have peace of mind

The younger and healthier the insured  
 ↓  
 the lower the premiums



No waiting period

HSBC VHIS Flexi Plan:  
 No waiting period  
 Policy is effective immediately once approved!



Worldwide medical coverage

HSBC VHIS plans provide worldwide medical coverage<sup>1</sup>

- ✓ Immigration
- ✓ Children leaving for overseas study



For details, please refer to P.10: Geographic coverage

Full coverage<sup>2</sup>

HSBC VHIS Flexi Plan  
 Full coverage<sup>2</sup> :

OR

Plans with itemised sub-limits

For details, please refer to P.11: Type of coverage

Tax deduction<sup>3</sup>

Premiums paid for family members are also tax-deductible<sup>4</sup>

Annual tax deduction limit per life insured: HKD8,000



For details, please refer to P.12: Tax deduction

Coverage for unknown pre-existing conditions<sup>5</sup>

The VHIS plans on the market typically have a waiting period of 30 days to 1 year for unknown pre-existing conditions; some don't provide full coverage until the 4<sup>th</sup> policy year.

HSBC VHIS Flexi Plan provides guaranteed full coverage starting from the policy's effective date.

1. Applicable to HSBC VHIS Flexi Plan (Diamond level) and HSBC VHIS Standard Plan only. Worldwide shall mean no geographical limitation. Except for psychiatric treatment and cash benefit for lower ward class are applicable to Hong Kong only. Please refer to the Additional Benefit Provisions Endorsement for more details.  
 2. Full coverage means the actual amount of eligible expenses and other expenses charged and payable in accordance to the terms and benefits of HSBC VHIS Flexi Plan.  
 3. Tax deduction eligibility is only applicable to policyholders or his/her spouse who are Hong Kong taxpayers. Tax deduction for the qualifying

premiums paid under VHIS policy (not including levy) will be based on the premiums paid after deducting the premium discount (if any) for each year of assessment. The actual tax saving may be lower than the illustrated amount and is subject to review and agreement by the Inland Revenue Department of the Hong Kong SAR on a case by case basis. For more information, please refer to www.ird.gov.hk or seek independent tax advice.  
 4. Family members include the taxpayer's spouse and children, and the taxpayer's and their spouse's paternal grandparents, maternal grandparents, parents and siblings.  
 5. Symptoms or medical conditions which the life insured is not aware of at the time of policy application.

## Who should choose a VHIS plan with a deductible?



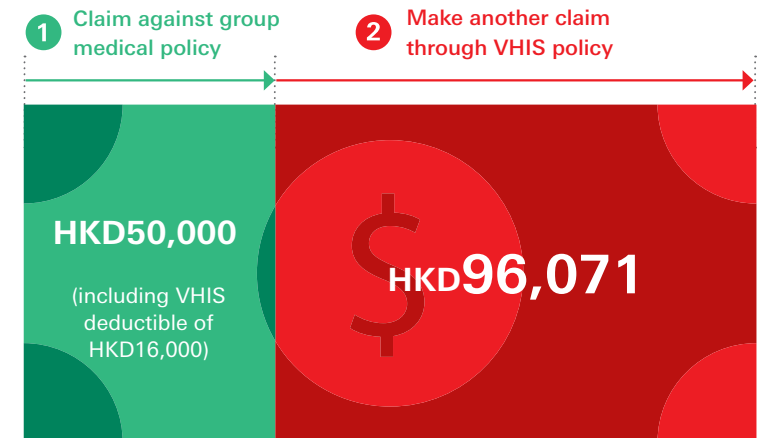
If you already have a group medical policy or basic medical insurance, VHIS plans with deductibles may be more suitable for you.

Karen, 33<sup>1</sup>, has a group medical policy, but is worried that group coverage might not provide adequate protection. She therefore decides to take up an HSBC VHIS Flexi Plan (Silver level) to fill her protection gap. She chooses a deductible of HKD16,000, in which the premium will be cheaper than zero deductible.

| Issue age       | Protection level | Standard premium (annual) | Annual benefit limit | Annual deductible |
|-----------------|------------------|---------------------------|----------------------|-------------------|
| 33 <sup>1</sup> | Silver           | HKD6,967                  | HKD25,000,000        | HKD16,000         |

After purchasing the policy, Karen is diagnosed with endometriosis (chocolate cyst). Her doctor recommends removing the cyst as soon as possible through surgery, the total cost of which is HKD146,071. Karen decides to:

- 1 Claim medical expenses against her group medical policy, for a benefit amount of HKD50,000<sup>2</sup>.
- 2 Since Karen's group medical policy already exceeds the deductible of HKD16,000, she can use her HSBC VHIS policy to claim the balance: HKD96,071.



**Karen can enjoy comprehensive coverage at lower premiums, without having to pay for any expenses out of her own pocket.**

1. The Policy Anniversary at which the Life Insured reaches the specified age based on age at next birthday.

2. The claimable amount limits for group medical policies may be different and can vary according to the individual; for illustrative purposes only.

## Impacts of a serious illness:



Medical expenses



Falling income



Financial burden



An additional lump sum benefit can help alleviate these burdens

## What to consider before purchasing additional critical illness protection?



### Is the scope of coverage broad enough?

Choose a plan that provides a relatively large lump sum benefit for critical illnesses such as cancer, stroke, heart disease, etc.



### Will a critical illness benefit payment affect the policy value?

Acquire a policy whose value will remain unchanged after a benefit payment, and will continue to provide health protection and wealth growth potential.



### How to deal with market fluctuations?

Exercise the **Policy Value Management Option** to lock-in the current policy value and reduce the impact of market volatility.

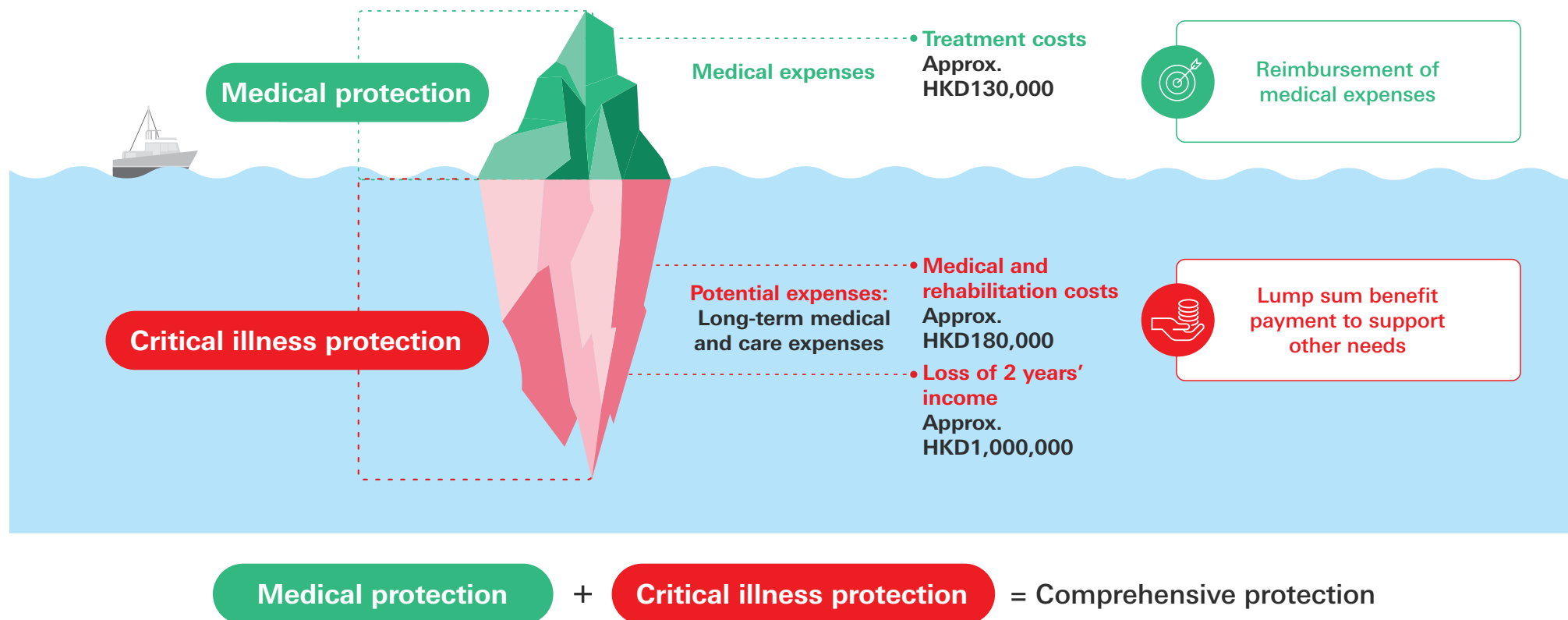


## Combining critical illness and medical protections



Scenario\*: John is self-employed and has a family to support. Unfortunately, he has just had a stroke and needs immediate surgery. He'll also need to take a 2-year break from work for his recovery journey. So he's really worried that the very substantial medical expenses and loss of income during his rehabilitation will create a heavy financial burden that impacts not only his life but his family's.

In fact, John can use a combination of medical and critical illness protections to cover the expenses and overcome his financial challenges.



\* Above example is for illustrative purpose only.

## HSBC VHIS Flexi Plan

Comprehensive medical coverage includes unknown pre-existing conditions and geographic coverage that can be selected based on individual needs.

# Full coverage<sup>1</sup>

## Hospitalisation and surgical fees

Recognised by 10Life:



## HSBC Health Goal Insurance Plan

Protects your health and wealth, alleviating the financial burden of a serious illness and complementing the reimbursement provided by a VHIS plan.

Cancer, heart disease or stroke<sup>2</sup>  
**Additional lump sum benefit as a %  
of total premium paid**

# 150%<sup>3</sup>

► Policy value not affected by claims

► Provides **long-term wealth growth opportunities**

## HSBC Wealth Goal Insurance Plan II

Enables you to build a substantial fund for medical/ living expenses

**Projected total return<sup>4</sup> up to**

# 5.3%<sup>5</sup>

**Helping you achieve your long-term wealth goals**

1. Full coverage means the actual amount of eligible expenses and other expenses charged and payable in accordance to the terms and benefits of HSBC VHIS Flexi Plan.  
2. Critical Illness Benefits consist of Cancer Benefit (Additional Payment), Heart Disease Benefit (Additional Payment) and Stroke Benefit (Additional Payment). Each of these benefits is payable once only and subject to a one-year waiting period from the last claim of any such diseases covered under these benefits. These benefits will terminate when the life insured attains the age of 80, payout of the relevant benefit(s) or the policy is terminated (whichever is earlier). Any payments outstanding at the time of Benefit Payment under the policy must be paid to us before we make the relevant Benefit Payment. Please refer to the Policy Provisions for the definitions of cancer, heart disease and stroke; and under what circumstances one may be excluded from the above

3. Benefit ts Payments. You should consult with professionals or seek professional advice if you are in doubt about the definitions and exclusions.  
4. Return is calculated based on a 30-year period.  
5. Projected total return: calculated as a multiple of projected net cash value relative to total basic plan premium paid.  
Calculations based on a 40-year-old male policyholder who has made a lump sum premium payment and projections for the 30th policy year. The projected return is calculated using the current assumed investment returns and therefore is not guaranteed. Please refer to the "Key risks - Non-guaranteed benefit" for the details of key risk factors.

## Does VHIS only cover local medical expenses?



Let's assume Karen has purchased

**HSBC VHIS Flexi Plan (Silver level)\***

Geographic coverage: Asia<sup>1</sup>, Australia and New Zealand

Scenario: while on a business trip to the UK, Karen falls and breaks her right arm, which requires immediate bone realignment surgery at a local hospital.

Even though her VHIS Flexi Plan (Silver level) only provides full coverage for medical expenses incurred in Asia<sup>1</sup>, Australia and New Zealand, she in fact also enjoys the **worldwide medical coverage<sup>2</sup>** of HSBC VHIS Standard Plan. As a result, she can still make a claim while she's abroad. Even though there are itemised sub-limits, the coverage lightens her financial burden by covering some of the medical expenses.



### Different regions covered<sup>3</sup> by HSBC VHIS Flexi Plan

No matter which plan level you choose for your HSBC VHIS Flexi Plan, you will simultaneously enjoy the **worldwide medical coverage<sup>2</sup>** of HSBC VHIS Standard Plan. That means you'll still be covered even if you're travelling or have emigrated.

1. Asia means Afghanistan, Bangladesh, Bhutan, Brunei, Greater China, India, Indonesia, Japan, Kazakhstan, Kyrgyzstan, Laos, Malaysia, Mongolia, Myanmar, Nepal, Philippines, Singapore, South Korea, Tajikistan, Thailand, Timor-Leste, Turkmenistan, Uzbekistan and Vietnam. Greater China means mainland China, Hong Kong, Macau and Taiwan.  
2. Worldwide means no geographical limitation. Except for psychiatric treatment and cash benefit for lower ward class are applicable to Hong Kong only. Please refer to the Additional Benefit Provisions Endorsement for more details.

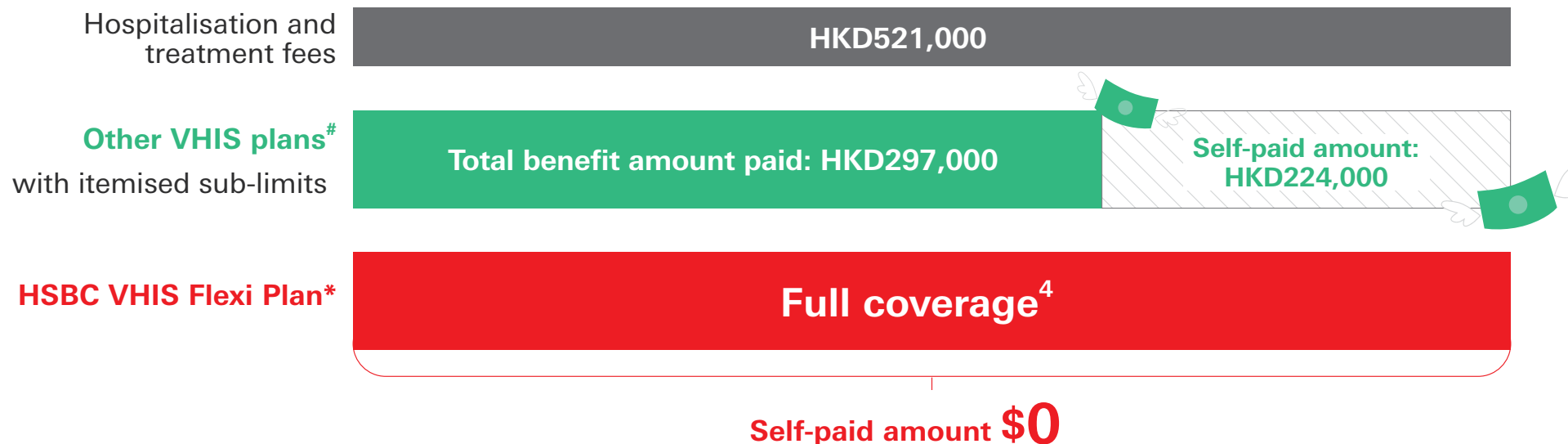
3. Different plan levels of HSBC VHIS Flexi Plan cover different geographic regions: Bronze - Greater China<sup>1</sup>, Silver and Gold - Asia<sup>1</sup>, Australia and New Zealand, Diamond - Global<sup>2</sup>.

\* HSBC VHIS Flexi Plan (Silver level) is used as an example for illustrative purpose only.

## Full coverage vs itemised sub-limits

A 30-year-old<sup>1</sup> male life insured is diagnosed with colorectal cancer and requires surgical resection of tumors and a 7-day hospital stay. In addition, he also requires nonsurgical cancer treatment:

| Hospitalisation and treatment fees: HKD521,000  |                                   |                                   |
|---|-----------------------------------|-----------------------------------|
| Hospitalisation and other expenses <sup>2</sup> | Total surgical costs <sup>3</sup> | Chemotherapy and Targeted Therapy |
| HKD38,000                                       | HKD213,000                        | HKD270,000                        |



1. The Policy Anniversary at which the Life Insured reaches the specified age based on age at next birthday.  
 2. Reference from 2021 Union Hospital Common Surgeries Fees.  
 3. Include surgeon's fee, anaesthetist's fee and operating theatre charges.

4. Full coverage means the actual amount of eligible expenses and other expenses charged and payable in accordance to the terms and benefits of HSBC VHIS Flexi Plan.  
<sup>#</sup> The example uses the upgraded VHIS Flexi Plans on the market for illustrative purposes, with a monthly premium of approx. HKD558.  
<sup>\*</sup> HSBC VHIS Flexi Plan (Bronze level) is used as an example for illustrative purpose only, with a monthly premium of approx. HKD682.

## Examples of tax deduction\*

### Example 1: Single male





Jasper has a VHIS policy, for which he pays an annual premium of HKD12,000, which exceeds the HKD8,000 limit. The tax deduction amount he can apply for is therefore HKD8,000.



|                                     |   |                                   |
|-------------------------------------|---|-----------------------------------|
| Annual premium payable<br>HKD12,000 | Exceeds upper limit of per insured person<br>HKD8,000 | Tax-deductible amount<br>HKD8,000 |
|-------------------------------------|---|-----------------------------------|

### Example 2: Married woman supporting father-in-law, mother-in-law and son

Lenny holds 4 VHIS policies, with herself, her father-in-law, mother-in-law and son as life insured respectively. Two of the policies exceed the upper limit of HKD8,000.

|   | Annual premium | Tax-deductible amount   | Tax savings <sup>1</sup> |
|---|----------------|-------------------------|--------------------------|
| Lenny            | HKD5,000       | HKD5,000                | HKD750                   |
| Father-in-law  | HKD16,000      | HKD8,000                | HKD1,200                 |
| Mother-in-law  | HKD12,000      | HKD8,000                | HKD1,200                 |
| Son            | HKD2,500       | HKD2,500                | HKD375                   |
|   |                | <b>Total: HKD23,500</b> | <b>Total: HKD3,525</b>   |

1. Assuming a tax rate of 15%.

\* Above examples are for illustrative purpose only.

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(Digital Policy Value Projections)



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