

## HKMC Life Annuity Scheme

### Tentative key design features\*

1. Type of Annuity	<ul style="list-style-type: none"> <li>Immediate lifetime guaranteed fixed annuity</li> </ul>																			
2. Eligibility	<ul style="list-style-type: none"> <li>Permanent Hong Kong residents</li> </ul>																			
3. Issue age	<ul style="list-style-type: none"> <li>Aged 65 or above</li> </ul>																			
4. Premium payment	<ul style="list-style-type: none"> <li>Single premium</li> </ul>																			
5. Policy currency	<ul style="list-style-type: none"> <li>Hong Kong dollar</li> </ul>																			
6. Minimum premium	<ul style="list-style-type: none"> <li>HK\$50,000</li> </ul>																			
7. Maximum premium	<ul style="list-style-type: none"> <li>HK\$1,000,000 (to be applied to each annuitant on a cumulative basis)</li> </ul>																			
8. Coverage period	<ul style="list-style-type: none"> <li>Lifetime</li> </ul>																			
9. Annuity basis	<ul style="list-style-type: none"> <li>Immediate guaranteed fixed monthly annuity payment until the death of the annuitant</li> </ul>																			
10. Tentative estimated levels of monthly payout (based on internal rate of return of 3% to 4%)	<table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="4" style="text-align: center;">At the entry age of 65, for each HK\$100,000 premium</th> </tr> <tr> <th colspan="2"></th> <th style="text-align: center;">Internal rate of return</th> <th style="text-align: center;">3%</th> <th style="text-align: center;">4%</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Male</td> <td style="text-align: center;">Estimated monthly fixed payout (Annuity rate)</td> <td style="text-align: center;">about HK\$500 (around 6%)</td> <td style="text-align: center;">about HK\$580 (around 7%)</td> <td></td> </tr> <tr> <td style="text-align: center;">Female</td> <td style="text-align: center;">Estimated monthly fixed payout (Annuity rate)</td> <td style="text-align: center;">about HK\$450 (around 5.4%)</td> <td style="text-align: center;">about HK\$530 (around 6.4%)</td> <td></td> </tr> </tbody> </table>	At the entry age of 65, for each HK\$100,000 premium						Internal rate of return	3%	4%	Male	Estimated monthly fixed payout (Annuity rate)	about HK\$500 (around 6%)	about HK\$580 (around 7%)		Female	Estimated monthly fixed payout (Annuity rate)	about HK\$450 (around 5.4%)	about HK\$530 (around 6.4%)	
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11. Death benefit	<ul style="list-style-type: none"> <li>Each annuitant is guaranteed to receive instalments of monthly annuity payment of total amount equals to 105% of the premium paid</li> <li>If an annuitant dies before receiving 105% of the premium paid, the beneficiary(ies) of the annuitant will receive the remaining unpaid monthly instalments or a lump-sum amount</li> </ul>																			
12. Surrender arrangement	<ul style="list-style-type: none"> <li>An annuitant may opt to surrender the policy before receiving 105% of the premium paid</li> <li>The surrender value equals to the present value of the remaining unpaid instalments of monthly annuity payment</li> </ul>																			
13. Health underwriting	<ul style="list-style-type: none"> <li>Not required</li> </ul>																			

\* For reference only, subject to independent external validation and calibration, and approval by insurance industry regulatory authority