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Retirement annuity  
IncomeBliss Deferred Annuity Plan



合資格延期年金保單  
Qualifying Deferred  
Annuity Policy

# Plan your way to retirement bliss



Product brochure



## Take the lead in crafting your own vision through flexible choices - a future you've worked hard for and deserve.

After working hard to excel in your profession or raise a family, your golden years should be spent savoring the fruits of your success. To fully enjoy this period, financial stability is critical - having a reliable monthly annuity income as well as protection against unforeseen circumstances. But there's more to it - you need the power of choice to take your retirement planning to new heights.

**IncomeBliss Deferred Annuity Plan** ("IncomeBliss"), a participating deferred annuity insurance plan, is certified by the Insurance Authority as a Qualifying Deferred Annuity Policy ("QDAP"). Beyond giving you the advantages of tax incentives and a reliable stream of annuity payments in retirement, **IncomeBliss** empowers you with options to craft your own vision for your golden years. Take control and shape the future you deserve with **IncomeBliss**.



Scan to watch the product video

### Highlights:



**Flexibility to plan your retirement**  
according to your preferences



**Recurring cashflow**  
and opportunities for **potential wealth growth**



**Tax savings**  
to accumulate more for the future



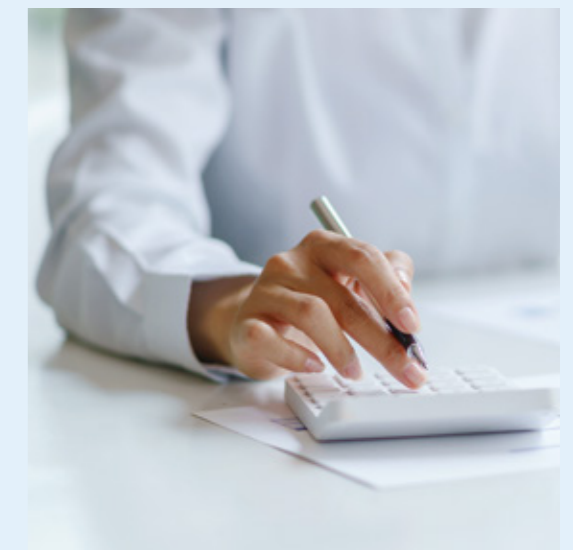
**Premiums waiver**  
or extended grace period for premium payments during hard times



Peace of mind with **life coverage and dementia protection**



**Hassle-free application process**  
for a seamless experience



Note: The "annuitant" in this product brochure shall carry the same meaning as the "Insured" as defined in the policy contract.



## Flexibility to plan your retirement according to your preferences

When it comes to planning for retirement, flexibility is a vital element that ensures your financial strategy can adapt to the ever-changing landscape. With **IncomeBliss**, you have the unparalleled freedom to create a retirement plan that is tailored to your preferences through different options that make your journey a smooth one.



### Make your contributions<sup>1</sup> with a choice of premium payment term

- Enjoy the flexibility of premium payment terms of **5 or 10 years**, allowing you to tailor the plan according to your current financial circumstances



### Align with your retirement timeline

- Choose an annuity period of either **10 or 20 years<sup>2</sup>**, aligning with your long-term goals



### Enhance control with policy currency options

- Select a policy currency that aligns with your preference and retirement goals - **HKD or USD**



### Tailor your annuity income to your needs

- Start receiving monthly annuity payments as early as **age 50<sup>3</sup>**, allowing you to enjoy the benefits of your plan at a time that suits you best
- Choose between **cash payouts** to the annuitant (by default) or leave your annuity payments with us to **accumulate interest<sup>4</sup>**
- Additionally, you can change your annuity payment option at any time **without additional charges<sup>5</sup>**





## Recurring cashflow and opportunities for potential wealth growth

**IncomeBliss** offers a steady flow of monthly annuity payments comprising 2 components:

### monthly guaranteed annuity payments

which are fixed throughout your chosen annuity period



### monthly non-guaranteed annuity payments<sup>6</sup>

which come with the potential for additional returns



## Recurring cashflow and opportunities for potential wealth growth (cont'd)

### Internal Rate of Return (“IRR”)<sup>7,8,9,10</sup>

The following tables present the minimum and maximum IRR for **IncomeBliss** based on a 45-years-old, non-smoking male. The IRR may vary by different factors, including but not limited to annuity start age, policy currency, premium payment mode and benefit period.

		Premium payment mode - annual			
		Policy currency			
Premium payment term	Annuity period	HKD		USD	
		Guaranteed IRR	Total IRR	Guaranteed IRR	Total IRR
5 years	10 years	1.3% - 1.6%	3.2% - 3.6%	1.3% - 1.6%	3.4% - 3.8%
	20 years	1.5% - 1.6%	3.6% - 4.0%	1.5% - 1.6%	3.7% - 4.2%
10 years	10 years	1.2% - 1.5%	3.2% - 3.7%	1.2% - 1.5%	3.4% - 3.8%
	20 years	1.2% - 1.5%	3.7% - 4.2%	1.2% - 1.5%	3.8% - 4.3%

		Premium payment mode - monthly / semi-annual			
		Policy currency			
Premium payment term	Annuity period	HKD		USD	
		Guaranteed IRR	Total IRR	Guaranteed IRR	Total IRR
5 years	10 years	0.8% - 1.5%	2.7% - 3.5%	0.8% - 1.5%	2.9% - 3.7%
	20 years	1.1% - 1.4%	3.2% - 3.9%	1.1% - 1.4%	3.4% - 4.1%
10 years	10 years	0.4% - 1.4%	2.6% - 3.6%	0.4% - 1.4%	2.7% - 3.7%
	20 years	0.7% - 1.3%	3.3% - 4.1%	0.7% - 1.3%	3.4% - 4.2%

The information presented in the tables above is based on specific issue age at 45 and serves as an example solely for illustrative purpose. The above tables do not reflect the IRR of annuity start ages of 50, 80 and 85 as they are not applicable for the issue age of 45. Please note that the IRR in the above tables do not encompass all available options of issue ages and annuity start ages, please refer to the benefit illustration for personalised IRR details.



#### Smart tip:

QDAP is designed to be held for long term. Should you terminate the policy early or cease paying premiums early, you may suffer a significant loss.

For details of early surrender, please refer to the section **IncomeBliss at a glance** in this product brochure.



## Tax savings to accumulate more for the future

**IncomeBliss** is certified by the Insurance Authority as a Qualifying Deferred Annuity Policy (“QDAP”). As a Hong Kong taxpayer, you may apply for tax deduction on the qualifying premiums paid to the plan, if applicable.

For eligibility of tax deductions, please refer to **Tax deduction** under the section **Important information** and the website of the Inland Revenue Department (“IRD”) or to contact the IRD directly for any tax related enquiries.



### Smart tip:

Individual applicants can enjoy a maximum tax deductible limit of HKD60,000<sup>11</sup> annually for qualifying annuity premiums paid, while married couples can collectively benefit from a maximum tax deductible of up to HKD120,000<sup>11</sup>, provided that each taxpayer’s deduction remains under the individual HKD60,000<sup>11</sup> limit.

Using these tax savings, you can explore buying extra protection to bolster the financial well-being of both yourself and your loved ones throughout your retirement. Please note that the above-mentioned tax deduction would not be relevant to people who do not have taxable income, such as retirees aged 65 or above.



## Premiums waiver or extended grace period for premium payments during hard times

### Accident premium waiver benefit<sup>12</sup>

In the event that an annuitant suffers from total disability caused solely and directly by an accident before age 65, for a continuous period of not less than 6 months, all premiums under **IncomeBliss** attributable to the period of total disability will be waived.

### Extended grace period benefit<sup>13</sup>

Starting from the 2<sup>nd</sup> policy year or 1 year after any date of reinstatement of the policy (whichever is later), **IncomeBliss** offers an extended grace period for premium payments of up to 365 days (inclusive of the usual grace period of 31 days) if you are laid off or made redundant, giving valuable financial support to you and your family when facing challenging circumstances.



## Peace of mind with life coverage and dementia protection



### Life protection and flexible death benefit settlement option

Should the annuitant pass away, **IncomeBliss** includes a death benefit payable to the designated beneficiary.

You have the flexibility to choose how the death proceeds are paid out to your loved ones - in a lump sum or by regular instalments.

If payment by instalments is selected, the death proceeds will be paid by instalments at such regular intervals over a specified period to be agreed by the Company. The balance of death proceeds yet to be paid will be accumulated with interest<sup>14</sup> until the full amount of death proceeds and accrued interest (if any) is paid.

Please refer to the section **IncomeBliss at a glance** for details.

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### Dementia advance benefit<sup>15</sup>

If the annuitant is first diagnosed as suffering from Severe Dementias after the end of waiting period<sup>16</sup>, a lump sum death benefit, will be paid in advance to the policy owner as dementia advance benefit<sup>15</sup>. Following this payment, the policy will automatically terminate.

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### Optional protection to suit your insurance needs

You may consider augmenting **IncomeBliss** with a diverse selection of optional supplements<sup>17</sup> such as critical illness, medical, accident, and disability protection to tailor your coverage to your specific needs.

Please note that premiums paid for any supplements<sup>17</sup> attached to **IncomeBliss** will not be qualified for QDAP tax deductions.



## Hassle-free application process for smooth experience

Enjoy the ease of a simple application process with **IncomeBliss**. Without the need for medical underwriting<sup>18</sup>, you can embark on your savings journey sooner than you might have thought possible!

# Illustrative example - the joy of financial security<sup>7,8,9,10</sup>

(The example below is solely for illustrative purposes. The graph below is not drawn to scale.)

Policy owner and annuitant : Raymond (aged 45, non-smoker)	
Occupation	: IT
Family status	: Married

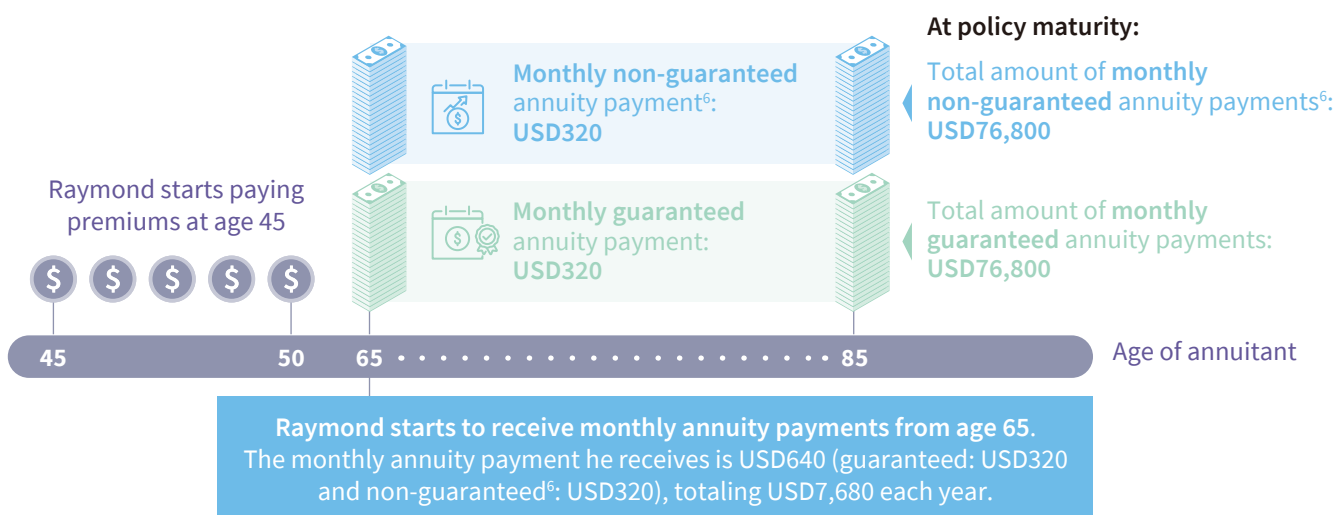
Expecting to retire at age 65, Raymond decides to take out an **IncomeBliss** policy to achieve secure, additional retirement annuity income. He chooses to pay premium for 5 years and receive monthly annuity payments for 20 years.

## Scenario 1

Let's see how much annuity income Raymond will achieve with different payment mode for the same notional amount<sup>19</sup> of USD50,000

Premium payment term : 5 years  
 Annuity start age : 65  
 Annuity period : 20 years

Premium payment mode	Annual	Monthly
Premium paid	USD10,000 / year	USD900 / month
Total premiums paid (A)	USD10,000 x 5 = USD50,000	USD900 x 12 x 5 = USD54,000
<b>At policy maturity</b>		
Cumulative amount of monthly annuity payments received (B)	USD153,600	USD153,600
% of total premiums paid (B)/(A)	307%	284%
Guaranteed IRR	1.6%	1.3%
Total IRR	4.2%	4.0%



Note: For the IRR under other premium payment terms and annuity periods, please refer to the IRR table on P.6.

With **IncomeBliss**, Raymond is able to help ensure financial security for both himself and his wife during retirement. Moreover, the assurance of steady annuity income through his **IncomeBliss** policy boosts their happiness and peace of mind during their golden years.



Scenario 2

What if Raymond unfortunately passes away at the end of the 25<sup>th</sup> policy year (aged 70)?

From age 65 to 70, Raymond receives a monthly annuity payment of USD640 (guaranteed: USD320 and non-guaranteed<sup>6</sup>: USD320) for 5 years, totaling **USD38,400**.

When Raymond passes away, his designated beneficiary will receive a death benefit of **USD75,250** calculated as below:

Premium payment mode	Annual	Monthly
Premium paid	USD10,000 / year	USD900 / month
Total premiums paid <sup>20</sup>	USD10,000 x 5 = USD50,000	USD900 x 12 x 5 = USD54,000
At the time of death of the annuitant		
<b>i</b> 101% of an amount equal to the total premiums paid <sup>20</sup> less any monthly guaranteed annuity payments paid <sup>20</sup> under the basic plan	$101\% \times [\text{USD}50,000 - (\text{USD}320 \times 12 \times 5)] = \text{USD}31,108$	$101\% \times [\text{USD}54,000 - (\text{USD}320 \times 12 \times 5)] = \text{USD}35,148$
<b>ii</b> Guaranteed cash value <sup>21</sup>	USD41,050	USD41,050
Death benefit		
The higher of <b>i</b> and <b>ii</b>	USD41,050	USD41,050
<b>+</b> Terminal dividend <sup>6</sup>	USD34,200	USD34,200
Death benefit amount	USD75,250	USD75,250

The policy will end after the death benefit is paid.

## IncomeBliss at a glance

Premium payment term	5 years / 10 years		
Benefit period	From policy inception to end of annuity period		
Issue age	Annuity start age	Annuity period <sup>2</sup>	
		10 years	20 years
	50	18 - 40	18 - 40
	55	18 - 45	18 - 45
	60	18 - 50	18 - 50
	65	18 - 55	18 - 55
	70	18 - 60	N/A
	75	18 - 65	N/A
	80	66 - 70	N/A
85	66 - 75	N/A	
Premium	Fixed and guaranteed		
Policy currency	HKD / USD		
Annual premium		Premium payment term	
		5 years	10 years
	Minimum	HKD38,000 / USD4,800	HKD19,000 / USD2,400
	Maximum	HKD250,000 / USD32,000	
Notional amount <sup>19</sup>		Premium payment term	
		5 years	10 years
	Minimum	HKD190,000 / USD24,000	
	Maximum	HKD1,250,000 / USD160,000	HKD2,500,000 / USD320,000
Annuity start age	Annuity period <sup>2</sup>	Annuity start age	
	10 years	Age 50 / 55 / 60 / 65 / 70 / 75 / 80 / 85	
	20 years	Age 50 / 55 / 60 / 65	
Annuity period <sup>2</sup>	10 years / 20 years		
<u>Guaranteed</u> cash value <sup>21</sup>	Available upon policy surrender		
Monthly annuity payment	<u>Monthly guaranteed annuity payment</u>	Level and steady monthly annuity income during your selected annuity period	
	<u>Monthly non-guaranteed annuity payment<sup>6</sup></u>	Potential monthly annuity income during your selected annuity period	
	Any indebtedness will be deducted from the monthly annuity payment when payable		

## IncomeBliss at a glance (cont'd)

Annuity payment option	Annuity payment option allows you to have the monthly annuity payment paid out in cash to the annuitant or you can choose to leave the monthly annuity payment with us to accumulate for interest <sup>4</sup>																		
Other non-guaranteed benefits	<p>Terminal dividend<sup>6</sup> may be payable starting from the end of the 6<sup>th</sup> policy year (whichever is earliest):</p> <ul style="list-style-type: none"> <li>• upon policy surrender; or</li> <li>• when the death benefit becomes payable; or</li> <li>• when dementia advance benefit<sup>15</sup> becomes payable</li> </ul>																		
Surrender value	<p>Guaranteed cash value<sup>21</sup></p> <ul style="list-style-type: none"> <li>+ any amount left with us and its interest accrued*</li> <li>+ any terminal dividend<sup>6</sup> payable</li> <li>- any indebtedness and outstanding premiums (if applicable)</li> </ul> <p>If you surrender the policy at the end of the 1<sup>st</sup> policy year, you will receive surrender value of the amount as set out below:</p> <table border="1" data-bbox="646 1084 1468 1418"> <thead> <tr> <th>Policy currency</th> <th>Premium payment term</th> <th>Surrender value per each HKD / USD10,000 of premium paid<sup>a</sup></th> <th>Surrender value as % of premium paid<sup>a</sup></th> </tr> </thead> <tbody> <tr> <td rowspan="2">HKD</td> <td>5 years</td> <td>HKD3,000 – HKD 3,500</td> <td>30% - 35%</td> </tr> <tr> <td>10 years</td> <td>HKD1,500 – HKD 2,300</td> <td>15% - 23%</td> </tr> <tr> <td rowspan="2">USD</td> <td>5 years</td> <td>USD3,000 – USD 3,500</td> <td>30% - 35%</td> </tr> <tr> <td>10 years</td> <td>USD1,500 – USD 2,300</td> <td>15% - 23%</td> </tr> </tbody> </table> <p><sup>a</sup> Assuming annual premium payment mode. The surrender value at the end of the 1<sup>st</sup> policy year will depend on the issue age.</p>	Policy currency	Premium payment term	Surrender value per each HKD / USD10,000 of premium paid <sup>a</sup>	Surrender value as % of premium paid <sup>a</sup>	HKD	5 years	HKD3,000 – HKD 3,500	30% - 35%	10 years	HKD1,500 – HKD 2,300	15% - 23%	USD	5 years	USD3,000 – USD 3,500	30% - 35%	10 years	USD1,500 – USD 2,300	15% - 23%
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Maturity benefit	<p>Any amount left with us and its interest accrued*</p> <ul style="list-style-type: none"> <li>- any indebtedness and outstanding premiums (if applicable)</li> </ul>																		
Life protection	<p>Death benefit is equal to the higher of:</p> <ol style="list-style-type: none"> <li>101% of an amount equal to the total premiums paid<sup>20</sup> less any monthly guaranteed annuity payments paid<sup>20</sup> under the basic plan; and</li> <li>guaranteed cash value<sup>21</sup></li> </ol> <p>as at the time of death of the annuitant</p> <ul style="list-style-type: none"> <li>+ any terminal dividend<sup>6</sup> payable as at the time of death of the annuitant</li> <li>+ any amount left with us to accumulate for interest*</li> <li>- any indebtedness and outstanding premiums (if applicable)</li> </ul>																		

## IncomeBliss at a glance (cont'd)

<p><b>Death benefit settlement option</b></p>	<p>You may choose between the following 2 death benefit settlement options for the payment of the death proceeds:</p> <ul style="list-style-type: none"> <li><b>i Lump sum payment</b> The death proceeds will be paid in a lump sum</li> <li><b>ii Payment by instalments</b> The death proceeds will be paid by instalments at such regular intervals over a specified period of time to be agreed by the Company. The options on settlement term and mode of settlement available for selection may be changed by the Company from time to time at its sole discretion The balance of death proceeds yet to be paid will be accumulated with interest<sup>14</sup>, until the full amount of death proceeds and accrued interest (if any) is paid</li> </ul>
<p><b>Accident premium waiver benefit<sup>12</sup></b></p>	<p>All premiums under <b>IncomeBliss</b> attributable to the period of total disability will be waived if the annuitant suffers from total disability caused solely and directly by an accident below age 65 for a continuous period of not less than 6 months</p>
<p><b>Extended grace period benefit<sup>13</sup></b></p>	<p>Starting from the 2<sup>nd</sup> policy year or 1 year after any date of reinstatement of the policy (whichever is later), extension of grace period for premium payments up to 365 days (inclusive of the usual grace period of 31 days) if you are laid off or made redundant during the premium payment term</p>
<p><b>Dementia advance benefit<sup>15</sup></b></p>	<p>If the annuitant is first diagnosed with Severe Dementias after the end of waiting period<sup>16</sup>, a lump sum death benefit will be paid in advance as dementia advance benefit</p>

\* This is applicable if you choose or have ever chosen to leave the monthly annuity payments with us to accumulate for interest<sup>4</sup>:

- Any monthly guaranteed annuity payment accumulated with us and interest accrued on such annuity payments<sup>4</sup>.
- Any monthly non-guaranteed annuity payment<sup>5</sup> accumulated with us and interest accrued on such annuity payments<sup>4</sup>.

For details of monthly non-guaranteed annuity payment and terminal dividend<sup>6</sup>, please refer to **Non-guaranteed benefits** under the section **Important information**.

## Important information

### Cooling-off period

If you are not completely satisfied with the policy, you have the right to cancel the policy and obtain a refund of any premium(s) paid provided that there is no claim payment made under the policy prior to your request for cancellation. To exercise this right, please return the policy (if applicable) and send your signed written notice of cancellation directly to our Customer Service at Suite 2001, 20/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong within **21 calendar days** immediately following either the day of delivery of the policy or the notice of policy issuance (notifying you of the cooling-off period) to you or your nominated representative (whichever is earlier). The policy will then be cancelled and a refund of any premium(s) and levy paid will be returned to you.

### Certification by the Insurance Authority

Such certification is not a recommendation or endorsement of **IncomeBliss**, nor does it guarantee the commercial merits of **IncomeBliss** 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. **IncomeBliss** has been certified by the Insurance Authority but such certification does not imply official recommendation. The Insurance Authority does not take any responsibility for the contents of the product brochure of **IncomeBliss**, 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 brochure of **IncomeBliss**.

### Tax deduction

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 Insurance Authority 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 term 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 term and seek your independent tax advice as appropriate.

Any general tax information provided is for your reference only, and you should not make any tax-related decisions based on such information alone. 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 [www.ia.org.hk/en](http://www.ia.org.hk/en).

### Non-guaranteed benefits

The plan is designed to provide both life insurance protection and growth potential for savings through a combination of:

- (a) guaranteed benefits such as cash value, monthly guaranteed annuity payment, dementia advance benefit, and death benefit; and
- (b) monthly non-guaranteed annuity payment and terminal dividend (collectively "non-guaranteed benefits").

#### How do we determine your non-guaranteed benefits?

The premiums from you and the owners of other policies pooled together will form a participating fund and will be invested. We will make deductions for expenses, surrenders, insurance benefits, profit sharing and charges from this participating fund, of which the charges include profits and costs for operating this participating fund. The value of this participating fund is called "asset share". It is an important reference to help us determine your non-guaranteed benefits.

## Important information (cont'd)

When we determine the amount of the non-guaranteed benefits of your policy, we will take into account the following:

- (a) the asset share;
- (b) both the current and the expected future amount of guarantees; and
- (c) the returns we expect the participating fund to earn in the future.

The surplus of the participating fund will then be shared between you (and owners of other policies) and us through profit sharing. We aim to allocate 80% of the surplus to you, while 20% will become another part of our profits.

Your participating policy is designed to be held for long term. When we determine your non-guaranteed benefits, we also take into account the policy duration, and they are adjusted downward in the early policy years to reflect this.

### **What will affect your non-guaranteed benefits?**

In the plan, profit and loss arising from investment return, insurance benefits, policy persistency and expenses will impact your asset share, and hence your non-guaranteed benefits.

We consider the past performance and future outlook of these factors, in relevant policies of **IncomeBliss**, when determining your non-guaranteed benefits:

- **Investment return**

This includes changes in interest rates that will cause changes in interest earnings, as well as changes in market value of the assets in the participating fund due to changes in financial markets and economic conditions. These may result from risks or changes in factors, such as interest rates, currency risk, liquidity risk, credit / default risk, volatility risk in both fixed income investment and equity investment and also general investment conditions.

- **Insurance benefits**

These include the cost of providing death benefit, monthly annuity payments and other insurance benefits.

- **Policy persistency**

This includes policy surrenders, partial surrenders and policy lapses.

- **Expenses**

These include both expenses directly related to the policy (e.g. distribution costs and taxes) and indirect expenses allocated to the product group (e.g. office rent). If the actual expenses become higher, there will be less money available to pay you as non-guaranteed benefits.

We may also apply smoothing when determining the non-guaranteed benefits. The value of the participating fund may go up and down sharply within days. Instead of sharing with you the gains or losses immediately, we may even out some short-term fluctuations.

As your policy will be grouped together with other similar policies, the non-guaranteed benefits of your policy may also vary if the characteristics of policies in your group change.

Based on these, we conduct a detailed analysis of the participating business and determine the non-guaranteed benefits to be declared at least annually.

### **Interest on accumulated monthly guaranteed annuity payment and monthly non-guaranteed annuity payment**

You can choose to leave the monthly guaranteed annuity payment and monthly non-guaranteed annuity payment with us to earn interest.

The interest rate is not guaranteed. We determine the interest rate from time to time based on the past investment performance, as well as future investment outlook of the assets. We may also make reference to the interest rates in the market.

## Important information (cont'd)

### Investment objective and strategy

#### Investment objective

The overall objective of investing the participating fund is to ensure that the guarantees we committed to the policies are met, while seeking competitive and stable returns over a medium to long term.

#### Investment strategy

We employ a rigorous and disciplined approach in determining strategic asset allocations which defines the nature of assets and how much we invest in. We monitor market positions carefully and frequently, and update our allocations when appropriate. In addition, we may complement our investment strategies with the use of derivatives and other financial agreements to manage liquidity, achieve an efficient portfolio management and effective risk management or pre-invest partially or fully expected future premiums to reduce the uncertainty of future investment earnings.

From time to time we will review the investment strategies and asset allocations, and will modify them if necessary. We aim to ensure all guarantees are met while maintaining total return potential for the non-guaranteed benefits. We also aim to generate stable income to fund the non-guaranteed interest rate on your annuity payments left with us on deposit. In this context, we assess factors such as risk tolerance, changes in market conditions and economic outlook in order to maintain an optimal portfolio for the plan.

#### Selection of assets

We maintain a robust asset portfolio for the participating funds by investing in a wide range of investments, primarily with exposure to the U.S. and Asia (including Hong Kong and Mainland China). We may also consider using reinsurance assets as alternatives for fixed income assets. Generally, we aim to match the currency of fixed income investments and the underlying policy currency denomination to the extent appropriate investments are available and acceptable. However, taking into consideration the aforementioned market constraints, we also invest in assets that are not denominated in the same currency as the underlying policies ("currency mismatch"). In such case, we may consider using derivatives to hedge the currency risk, and more broadly to ensure a proper matching between the assets and the policies. Some specific strategies may embed a currency mismatch as it may bring additional returns or be a source of diversification. We also aim at maintaining adequate liquidity with respect to the policies and an appropriate level of risk diversification.

#### Asset allocations

You can find the current target asset allocations below:

Assets <sup>^</sup>	Allocations <sup>*</sup>	
	Participating fund within the first 10 policy years	Participating fund after the first 10 policy years
Government bonds, corporate bonds, reinsurance asset and other similar instruments	70% - 100% <sup>#</sup>	100%
Growth assets	0% - 30% <sup>#</sup>	0%

<sup>^</sup> The bond allocation includes sub-asset classes like (i) developed market investment-grade corporate bonds, (ii) emerging market investment-grade bonds, (iii) high yield bonds, and may include (iv) reinsurance assets and (v) developed market government bonds. The growth assets allocation includes sub-asset classes like (i) listed equities and (ii) private equities, and may include (iii) real estate and (iv) hedge funds.

<sup>\*</sup> The total actual allocation will be equal to 100%, and there may be some holdings in cash. In addition, we may accept certain degree of deviation from the above targets across asset classes in order to manage the portfolio efficiently or to optimise the portfolio based on the prevailing market condition and views.

<sup>#</sup> The target asset allocation varies across policy years: the target allocation to bond assets (i.e. government bonds, corporate bonds, reinsurance asset and other similar instruments) will generally be on the lower end of this range in the early policy years and towards the higher end of this range thereafter; conversely, the target allocation to growth assets will generally be on the higher end of this range in the early policy years and towards the lower end of this range thereafter.

For more details, please refer to the relevant participating policy fact sheet which can be found at our website

<https://www.axa.com.hk/participating-policy-fact-sheets>.

For the fulfilment ratios and total value ratios of our participating life insurance plans, please refer to our website at

<https://www.axa.com.hk/fulfilment-ratios-and-total-value-ratios>.

## Important information (cont'd)

### Product risk

#### Policy currency

If your policy is denominated in a currency other than your local currency, you may face an exchange rate risk. Upon currency conversion, the amounts you receive and the premiums you pay may vary as a result of changes in exchange rate.

#### Non-guaranteed benefits

The non-guaranteed benefits of the plan include monthly non-guaranteed annuity payment and terminal dividend. These non-guaranteed benefits are determined by the Company from time to time at our absolute discretion. Please refer to **Non-guaranteed benefits** under the section **Important information** for the main risks that may affect your non-guaranteed benefits.

#### Non-payment of premium

You should pay premiums for the whole of your premium payment term. Any premiums remaining outstanding at the end of the grace period (or extended grace period, if applicable) under the basic plan may lead to termination of your policy. You may lose the insurance protection offered by the policy and the policy value (if any) to be received may be considerably less than your premiums paid.

Only qualifying annuity premiums paid will be eligible for tax deduction. Any outstanding premiums during the grace period (or extended grace period, if applicable) are not qualified for tax deduction. Please also note that you may or may not enjoy tax deduction on all or part of the premiums paid as required for policy reinstatement or overdue premiums paid during or after the grace period (or extended grace period, if applicable). Please refer to the website of the IRD or to contact the IRD directly for any tax related enquiries. And you should always consult with a professional tax advisor if you have any doubts.

#### Early surrender

The policy is designed to be held for long term. Policy owners have the right to surrender the policy; however, surrender of the policy may result in a significant loss where you may get back considerably less than your premiums paid. Please refer to the section **IncomeBliss at a glance** for the calculation of the surrender value.

#### Inflation

The cost of living in the future might be higher than it is today due to inflation. In case the actual rate of inflation is higher than expected, the purchasing power of the amounts you receive under the policy may be lower than expected.

### Termination

The policy will automatically terminate upon the earliest occurrence of any of the following:

- (a) when the policy lapses, or is cancelled or surrendered; or
- (b) on the death of the annuitant; or
- (c) on the maturity date; or
- (d) when the indebtedness equals to or exceeds the total amount of (i) the guaranteed cash value; and (ii) the value of any monthly guaranteed annuity payment and monthly non-guaranteed annuity payment accumulated with us and interest accrued on such annuity payments; or
- (e) when the right of policy termination is exercised pursuant to the cross-border provision of the policy; or
- (f) when surrender value is equal to zero; or
- (g) when the dementia advance benefit becomes payable under the basic plan.

## Important information (cont'd)

### Key exclusions

We will not pay any benefit under the dementia advance benefit upon any of the following:

- (a) for Severe Dementias resulting directly or indirectly from, or caused or contributed by (in whole or in part) any pre-existing conditions of the annuitant; or
- (b) if the annuitant (i) experiences symptoms or signs for (even if the annuitant has not consulted a medical practitioner); or (ii) receives treatment, medication or investigation for; or (iii) is diagnosed with Severe Dementias within the period of 5 years (for **IncomeBliss** with a premium payment term of 5 years) or 10 years (for **IncomeBliss** with a premium payment term of 10 years), following the policy date or any date of reinstatement of the policy, whichever is later.

We will not waive premiums under accident premium waiver benefit for total disability resulting directly or indirectly from, or caused or contributed by (in whole or in part), any of the following:

- (a) any pre-existing conditions; or
- (b) any congenital defect or disease which has manifested or was diagnosed before the annuitant attains age 18 (except Eisenmenger's Syndrome); or
- (c) Human Immunodeficiency Virus (HIV) and / or any HIV-related illness including Acquired Immune Deficiency Syndrome (AIDS) and / or any mutations, derivations or variations thereof (except AIDS / HIV due to Blood Transfusion and Occupationally Acquired AIDS / HIV); or
- (d) any self-inflicted injury or suicide, whether sane or insane; or
- (e) intoxication by alcohol or drugs not prescribed by a medical practitioner; or
- (f) any criminal act; or
- (g) travel in any aircraft, except as a fare paying passenger in a commercial aircraft or aircrew working on an aircraft; or
- (h) any act due to war, declared or not; or
- (i) military, naval or air service for any country at war, declared or not.

Pre-existing conditions shall mean any condition, disability, illness or accidental bodily injury:

- (a) which existed or continued to exist; or
  - (b) for which the annuitant experienced symptoms or signs (even if the annuitant has not consulted a medical practitioner); or
  - (c) for which the annuitant received or continued to receive treatment, medication or any investigation; or
  - (d) where diagnostic tests showed the pathological existence;
- prior to the policy date or any date of reinstatement of the policy, whichever is later.

### Suicide exclusion

If the annuitant commits suicide within 1 year from (a) the policy date; (b) any date of reinstatement of the policy, whichever is later, whether sane or insane, the death proceeds will be limited to a refund of the premiums paid without interest. The amount of premiums to be refunded will be calculated from (a) the policy date; or (b) any date of reinstatement of the policy, whichever is later.

If the annuitant commits suicide within 1 year from the date of any increase in the notional amount and / or supplement amount(s), whether sane or insane, such increase shall be deemed not to have taken effect in determining the death proceeds payable. The additional premium paid for the increase in the notional amount and / or supplement amount(s) will be refunded without interest.

Any indebtedness, outstanding premium, any previous withdrawals from the policy, and benefits paid or payable by us under the policy will be deducted from the death proceeds.

## Important information (cont'd)

### Levy on insurance premium

Levy collected by the Insurance Authority through the Company will be imposed on the policy at the applicable rate. Policyholders must pay the levy in order to avoid any legal consequences.

### Rights of third parties

The policy is excluded from the application of the Contracts (Rights of Third Parties) Ordinance (Cap 623 of the Laws of Hong Kong) ("TP Ordinance"). Any person or entity which is not a party to the policy shall have no rights under the TP Ordinance to enforce any terms of the policy.

### U.S. Foreign Account Tax Compliance Act

Under the U.S. Foreign Account Tax Compliance Act ("FATCA"), a foreign financial institution ("FFI") is required to report to the U.S. Internal Revenue Service ("IRS") certain information on U.S. persons that hold accounts with that FFI outside the U.S. and to obtain their consent to the FFI passing that information to the IRS. An FFI which does not sign or agree to comply with the requirements of an agreement with the IRS ("FFI Agreement") in respect of FATCA and / or who is not otherwise exempt from doing so (referred to as a "nonparticipating FFI") will face a 30% withholding tax ("FATCA Withholding Tax") on all "withholdable payments" (as defined under FATCA) derived from U.S. sources (initially including dividends, interest and certain derivative payments).

The U.S. and Hong Kong have signed an inter-governmental agreement ("IGA") to facilitate compliance by FFIs in Hong Kong with FATCA and which creates a framework for Hong Kong FFIs to rely on streamlined due diligence procedures to (i) identify U.S. indicia, (ii) seek consent for disclosure from its U.S. policyholders and (iii) report relevant tax information of those policyholders to the IRS.

FATCA applies to the Company and the policy. The Company is a participating FFI. The Company is committed to complying with FATCA. To do so, the Company requires you to:

- (i) provide to the Company certain information including, as applicable, your U.S. identification details (e.g. name, address, the US federal taxpayer identifying numbers, etc); and
- (ii) consent to the Company reporting this information and your account information (such as account balances, interest and dividend income and withdrawals) to the IRS.

If you fail to comply with these obligations (being a "Non-Compliant Accountholder"), the Company is required to report "aggregate information" of account balances, payment amounts and number of non-consenting US accounts to IRS.

The Company could, in certain circumstances, be required to impose FATCA Withholding Tax on payments made to, or which it makes from, your policy. Currently the only circumstances in which the Company may be required to do so are:

- (i) if the Inland Revenue Department of Hong Kong Government fails to exchange information with the IRS under IGA (and the relevant tax information exchange agreement between Hong Kong and the U.S.), in which case the Company may be required to deduct and withhold FATCA Withholding Tax on withholdable payments made to your policy and remit this to the IRS; and
- (ii) if you are (or any other account holder is) a nonparticipating FFI, in which case the Company may be required to deduct and withhold FATCA Withholding Tax on withholdable payments made to your policy and remit this to the IRS.

You should seek independent professional advice on the impact FATCA may have on you or your policy.

## Remarks

1. Any payment made to AXA in excess of premium due under the policy will be deposited into the Future Premium Deposit Account ("FPDA") maintained with AXA. The balance of the FPDA may accumulate interest on a daily basis at an interest rate as may be determined by AXA from time to time at its sole discretion. Fund(s) will be automatically deducted from the balance of the FPDA to settle any premium(s) due. Withdrawal from the FPDA is free of charge.
2. The annuity period of 10 years is applicable to policies with issue age of 18 - 75 while the annuity period of 20 years is applicable to policies with issue age of 18 - 55. The issue age for different annuity periods may vary, please refer to the section **IncomeBliss at a glance** for more details.
3. Only applicable to policies with issue age of 18 - 40.
4. The monthly annuity payment will be left with us to accumulate for interest. The interest rate is not guaranteed and shall be determined by the Company from time to time. Withdrawal from the balance of monthly annuity payment accumulated is free of charge.
5. You may request to change your annuity payment option by sending written notice (in such form and manner satisfactory to us) to the Company. The change of annuity payment option is free of charge. Any approved change to the annuity payment option will take effect from the next policy monthiversary.
6. We may review and adjust the monthly non-guaranteed annuity payment and terminal dividend from time to time at our absolute discretion. Under some circumstances, the monthly non-guaranteed annuity payment and terminal dividend can be zero.  
The actual amount of monthly non-guaranteed annuity payment may increase or decrease during the annuity period.
7. The projected values of benefits are rounded to the nearest whole number, while the IRRs are rounded to the nearest one decimal place.
8. The projected values of benefits and total IRRs are based on the Company's latest dividend scales. The projected values, total IRRs and dividend scales are not guaranteed and may be changed by the Company from time to time at our absolute discretion. The actual amounts payable and actual total IRRs may be higher or lower than those illustrated.
9. The IRRs and Scenario 1 of illustrative example assume that (i) the monthly annuity payments (which comprise of monthly guaranteed annuity payments and monthly non-guaranteed annuity payments) are paid in cash at each policy monthiversary during the annuity term; (ii) all premiums are paid in full when due and as planned; (iii) total premiums paid excludes the levy collected by the Insurance Authority; (iv) no death benefit, surrender value or dementia advance benefit has been paid before or becomes payable; (v) no withdrawal has been made before, except for the amount of monthly annuity payment paid at each policy monthiversary during the annuity term; (vi) there is no indebtedness under the policy; and (vii) the notional amount (as defined in remark 19) of the policy remain(s) unchanged throughout the contract term of the policy. The above assumptions (except (iv)) apply to Scenario 2 of the illustrative example, which illustrates the payment of death benefit at the end of the 25<sup>th</sup> policy year.
10. The calculation of guaranteed IRRs takes into account:
  - (i) the premiums paid for the basic plan; and
  - (ii) the monthly guaranteed annuity payment paid to you at each policy monthiversary during the annuity term.While the total IRRs take into account:
  - (i) the premiums paid for the basic plan; and
  - (ii) the monthly annuity payment paid to you at each policy monthiversary during the annuity term.

11. This maximum tax deduction limit is the aggregate limit for Mandatory Provident Fund Tax Deductible Voluntary Contribution and deferred annuity premiums. It is also based on the information on allowance published by the Inland Revenue Department as of the print date of this brochure and is subject to change from time to time. Only qualified annuity premiums paid in relation to the annuity payments can be tax deductible. Please note any premiums paid for any supplements attached to **IncomeBliss** will not be qualified for tax deduction.
12. Eligibility for the accident premium waiver benefit is subject to certain criteria and exceptions. The Company will waive all premiums under **IncomeBliss** attributable to the period of total disability if the annuitant suffers from total disability for a continuous period of not less than 6 months and the accidental bodily injury which causes such total disability occurs on or after the annuitant's 18<sup>th</sup> birthday and before the policy anniversary on or immediately following the annuitant's 65<sup>th</sup> birthday. This accident premium waiver benefit can be claimed once only among all policies of **IncomeBliss** on the annuitant. Once this accident premium waiver benefit is claimed under any one of the policies of **IncomeBliss** issued by the Company on the annuitant, this benefit under all of such **IncomeBliss** policies will automatically cease and no longer be available. Please refer to the policy contract for further details.
13. Eligibility for the extended grace period benefit is subject to certain criteria and exceptions. The policy owner must provide the relevant evidence to the Company. The extended grace period benefit can be claimed once only under the policy. Please refer to the policy contract for further details.
14. The interest rate is not guaranteed and will be determined by the Company from time to time at our sole discretion.
15. Eligibility for the dementia advance benefit is subject to certain criteria and exceptions. The benefit payable under this dementia advance benefit is equivalent to the amount of death benefit payable under **IncomeBliss** as if the annuitant died on the date of first diagnosis of Severe Dementias. Once this dementia advance benefit becomes payable, the policy will automatically terminate. Please refer to the policy contract for further details.
16. Waiting period means a period of 5 years for basic plan with a premium payment term of 5 years; or 10 years for basic plan with a premium payment term of 10 years, following the policy date or any date of reinstatement of the policy, whichever is later. Please refer to the policy contract for further details.
17. The application for the supplement(s) is / are subject to the relevant terms and conditions, and the administrative rules and underwriting requirements of AXA. For details of the supplement(s), please refer to the relevant product brochure and policy contract.
18. The exemption from medical underwriting may not be applicable to the supplement(s) (if any) attached to **IncomeBliss**.
19. The notional amount, equivalent to the total premiums paid for the basic plan under annual premium payment mode, is used for the calculation of premium and relevant policy values of **IncomeBliss**. It is not equivalent to the death benefit of the annuitant and is one of the factors in determining the death benefit payable.  
The minimum notional amount is subject to change and may be specified by the Company from time to time.
20. If you have changed the notional amount or the premium payment mode of the policy, the total premiums paid and the monthly guaranteed annuity payments applied in the calculation of the death benefit will be adjusted. These will not be equivalent to the actual total premiums paid and the actual monthly guaranteed annuity payments that you have received from the policy.
21. The underlying cash value rate used to calculate the cash value is guaranteed by the Company. If there is any change in the notional amount, the corresponding cash value will be adjusted accordingly.

**Notes:**

- AXA reserves the final right to approve any application.
- Unless otherwise specified, all ages mentioned in this product brochure refer to the age of the annuitant on his or her last birthday.

**IncomeBliss Deferred Annuity Plan** is underwritten by AXA China Region Insurance Company (Hong Kong) Limited (“AXA”, the “Company”, or “we”).

The plan is subject to the terms, conditions and exclusions of the relevant policy contract. AXA reserves the final right to approve any application. This product brochure contains general information only and does not constitute any contract between any parties and AXA. It is not a policy. For detailed terms, conditions and exclusions of the plan, please refer to the relevant policy contract, which will be made available by the Company upon request.



**IncomeBliss Deferred Annuity Plan**  
**Product brochure**

**Find out more about IncomeBliss**

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