

“HKMC Retirement Solutions” introduces new product and promotional offers

The following is issued on behalf of the Hong Kong Monetary Authority:

The Hong Kong Mortgage Corporation Limited (HKMC) announced today (May 8) the launch of the Policy Reverse Mortgage Programme (PRMP) as a new product to its "HKMC Retirement Solutions", and introduced a series of offers to promote the new product together with the Reverse Mortgage Programme (RMP) and the HKMC Annuity Plan (Note 1).

At today's "HKMC Retirement Solutions" Expo launch ceremony, the Executive Director and Chief Executive Officer of the HKMC, Mr Raymond Li, said, "The company is committed to promoting the development of retirement planning market. In the past few years, we have launched the RMP and the HKMC Annuity Plan, which have collectively helped over 10 000 Hong Kong citizens turn their assets amounting to more than HK\$20 billion into stable stream of income, so as to support their retirement lives. Today, we further introduce the PRMP as another tool available in the market which can provide retirees with immediate, stable and lifelong stream of income for enhancing the quality of their retirement lives."

The PRMP enables the borrowers to use life insurance policy as collateral to draw down loans. The borrowers can opt to receive monthly payouts either over a fixed period of time or throughout their lifetime. They may also borrow lump-sum payouts for specific purposes. In general, the borrowers do not need to repay the loans during their lifetime. After they have passed away, the lenders will use the amount recovered from the death benefits of the life insurance policy to repay the loans.

"The payout calculation of this product is based on its death benefits instead of its cash value. In other words, the PRMP can meet people's retirement needs by converting assets, which supposed to be granted after death, into instant cash flows. It also possesses immediate, stable and lifelong features which are commonly shared by other products under the 'HKMC Retirement Solutions'," Mr Raymond Li added. The PRMP will open for applications from May 30 this year. Please refer to Annexes A and B for its eligibility criteria, key features and costs.

Meanwhile, promotional offers will be introduced to further promote the "HKMC Retirement Solutions":

	RMP	PRMP
Promotional period	May 9 to November 8	May 30 to November 8

Offers*	Extra Cash Incentive: Where an application is submitted during the promotional period and the respective loan remains valid after the cooling-off period, the borrower will be entitled to a cash incentive equivalent to 1-month payout amount.
	HKMC Annuity Plan
Promotional period	May 9 to November 8
Offers*	<p>1. Premium discount for existing customers: If the existing customers (Note 2) apply for the HKMC Annuity Plan during the promotional period, each of the qualifying policies will be eligible for a two per cent premium discount.</p> <p>2. Premium discount for friends and family members: If the existing customers refer friends or family members to apply for the HKMC Annuity Plan during the promotional period, the qualifying policy of each referee will be eligible for a one per cent premium discount.</p> <p>3. Premium discount for group purchase: If two or more customers apply for the HKMC Annuity Plan together during the promotional period, each of the qualifying policies will be eligible for a one per cent premium discount.</p>

* Terms and conditions apply

Furthermore, the maximum premium amount per person of the HKMC Annuity Plan will be increased to HK\$3 million, which will take effect from May 9. Increasing the maximum premium amount per person can raise the guaranteed monthly annuity payment to a higher level to support retirement living.

For enquiries, please call the HKMC Annuity Plan Hotline at 2512 5000 or the RMP and the PRMP Hotline at 2536 0136.

A two-day "HKMC Retirement Solutions" Expo is being held at MCP Central, Tseung Kwan O starting from today, with the support and participation of different organisations. In addition to the information about the "HKMC Retirement Solutions", exhibitions and seminars on site also introduce services including age-friendly housing design, property agency services and daily life support such that visitors will find useful information to enable "Retirement Today Made Possible".

Note 1: HKMC's subsidiaries include HKMC Insurance Limited and HKMC Annuity Limited. The RMP and the PRMP are operated by HKMC Insurance Limited. The HKMC Annuity Plan is operated by HKMC Annuity Limited.

Note 2: An existing customer is either (i) a policyowner of an inforce policy issued by the HKMC Annuity Limited as at May 8; or (ii) a borrower of the RMP

with the first drawdown of loan on or before May 8.