

Protection Planning

The only time to start financial protection for your family is now.

Every day we strive to provide the best for our families, but life is unpredictable. No matter how hard we try, unexpected events can undermine everything we have worked for.

The unpredictability of life, the increased costs of living and surging inflation rates are all things that we need to consider and account for.

However, with careful planning, you can safeguard your family financially against whatever mishaps and economic fluctuations the future may hold.

Preparation is key

With a solid financial plan, you won't ever have to worry about your family's future financial situation ever again.

Would you like to find out more?

We offer support for your financial planning and investments. We can also help arrange your investment portfolio to help you plan for your family's future, and to provide the financial protection they deserve.

How to start planning your family's future?

Thinking about the unpredictable and uncertainties in life may be unsettling. A good way to ensure your future is secure from the unanticipated is by protecting yourself with adequate insurance.

Insurance

Here are four questions to help you with some of the basics of insurance when planning financial protection for your family:

- Why do I need insurance?**
 - To protect you and your family from financial loss or hardship if something unexpected happens, such as death, disability or critical illnesses.
 - Insurance can also be a form of savings and investment
 - To have a steady source of income during your retirement years.
 - To leave a legacy for your loved ones in your absence.

- How much is enough?**

As life changes, so do your financial needs. How do you determine how much insurance coverage is sufficient? There are some factors to consider, including your personal circumstances, risk tolerance, financial needs and goals.

As a rule of thumb, you need at least 10 times your annual salary for basic life insurance. In calculating this, it is also subject to the following considerations:

- Number and age of dependants
- Children's educational needs
- Lifestyle needs
- Outstanding debts
- Investment needs

- Does my insurance policy really take care of what is important?**

The basic philosophy is to identify your requirements before you choose the appropriate insurance protection. Being insured is not about how many policies you have, but rather, what you are covered for and whether this will protect you and your family in the future.

For example, you may think that you are well protected on a lifetime policy, but given rising medical costs, these plans may not be adequate to cover your medicinal expenses in the future, particularly if you are diagnosed with a critical illness.

- Which insurance would be right for me at this stage of my life?**

As you enter different stages of life, your financial needs will change. To have a better understanding about how insurance plans address certain needs at various stages in life, take a look at the table below.

Each insurance plan has its own unique features to give you flexibility in selecting the policy which is most suitable for your circumstances.

Life Stage	whole life plans	Endowment plans	Term insurance	Annuities	Investment linked plans
Getting started : The Single Life	✓	✓	✓		✓
Managing a growing family	✓	✓	✓		✓
Building your nest egg		✓		✓	✓
Retirement: The Golden Years	✓	✓		✓	

Each insurance plan has its own unique features to give you flexibility in selecting the policy which is most suitable for your circumstances:

- Lifetime Insurance**

This type of insurance offers protection over your lifetime and protects you in events of death and temporary or permanent disability. In the event a claim is needed to be made, the policy will pay out the sum insured plus any cash value that has been accumulated over time. If you would like an insurance policy which offers life insurance along with coverage for emergencies such as hospital admission and other medical expenses, then this policy type is for you.

- Endowment Insurance**

If you would like to ensure that the funds you have accumulated cover things like your children's education or your retirement, while at the same time offering life insurance, then an Endowment policy may be the best option. With Endowment insurance, the policy holder can enjoy the following two additional benefits:

 - May be eligible to receive certain payouts over an agreed time period, including paying out the total benefit at the end of the insurance term if you are still alive.
 - Your insurance benefit will be inherited to your children in the event you pass away prematurely.

By offering these two types of additional benefits, this kind of insurance is referred to as 'Endowment'.

- Fixed-term Insurance**

Fixed-term life insurance provides protection for the policy holder over a fixed period. Usually, this kind of insurance is offered to cover periods of 5, 10, or 15 years, with fixed, affordable premiums. As the policy holder, you will have the freedom in deciding how much of a premium you would like to pay. Fixed-term insurance is something you can choose as an alternative source of funding for your children's education also.

- Annuities**

Annuities are a type of life insurance product that provide a routine, monthly payout of benefits to the policy holder upon reaching the retirement age.

- Investment-linked Insurance plans**

With an investment-link insurance policy you are getting the best of both worlds: insurance and investment. We will allocate a portion of your premiums into investment funds where they will be looked after by a professional fund manager. The insurance company invests your premium, along with the premiums of other investors, in a portfolio of assets.

On maturity, or when a claim is made due to death, you will receive a sum that is equivalent to the market value of the units you own.

Need advice?

We provide sound financial and investment advice, as well as assisting you in crafting the most suitable portfolio to help you with your protection planning.

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You must read and consider the relevant policy documents before deciding whether to purchase an insurance policy. You may ask for copies of the relevant policy documents from any HSBC branch.

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- A structured deposit is not a traditional deposit and is essentially a combination of a deposit and an investment product, where the return is dependent on the performance of some underlying financial instrument. Buying a life insurance policy is a long-term commitment. An early termination of the policy usually incurs a high cost and the surrender value payable may be less than the total premiums paid.

Tips on how to get protected

Insurance helps to ensure the future needs of you and your family will always be met.

- Protection: Best be prepared for storms**

Insurance plans are your shelter for your loved ones when unfortunate things happen that may result in financial loss or hardship due to death or disability.

- Lifetime Insurance Plan**

Is an insurance policy that provides for life-long insurance coverage through premiums. As the policy holder, you also have the ability to save. In the event of death or total and permanent disability, the policy will pay out the sum insured plus any cash value that you have accumulated over time.
- Term insurance**

Is a life insurance policy with set coverage duration. Once the term of coverage has expired, it is up to the policy holder to decide whether to renew the life insurance term or to let the coverage end. In some ways this type of protection can be more cost-effective.
- Health and medical insurance**

Covers you for various medical conditions. There are three main types of plans:

 - Critical illness** pays a lump sum when the insured dies or is diagnosed with a critical illness. Illnesses covered vary but usually include heart attack, stroke, most cancers, kidney failure and major organ transplants.
 - Medical expense insurance** provides benefits for certain medical costs that result from illnesses or accidents. It refunds the in-patient expenses incurred at the hospital, as well as certain out-patient expenses.
 - Disability income and long-term care** takes care of the living expenses of a person who becomes partially or totally disabled as a result of an accident or certain illnesses and are unable to work.

DID YOU KNOW?

According to Consumer Choice Indonesia 2016, stroke affects more than 12 in every 1000 people in Indonesia, and it accounts for 14.5% of all deaths in hospital patients throughout Indonesia. One in seven deaths is caused by stroke, accounting for 15% of total deaths. While according to the Health Research and Development section of the Ministry of Health, a health survey conducted in 2014 indicated the 5 following causes as the major causes of death in Indonesia:

- Brain aneurysm or hemorrhages
- Heart Disease
- Complications from Diabetes
- Tuberculosis
- Hypertension and complications from high blood pressure

- Savings: Ensure a long-lasting supply**

Sometimes, you're worried whether your savings alone will be enough. Certain insurance plans may be the answer to maintaining a long-lasting financial supply for rainy days, or even a catastrophe, and also for your golden years.

- Endowment plan**

They are ideal if you want to save and stay protected at the same time. Upon maturity or when a person dies or becomes totally and permanently disabled during the policy period, the policy will pay out the sum insured plus any bonuses accumulated over time.

- Investment: Explore the alternative to grow your wealth**

Protecting your finances is also a way to protect you and your family. Insurance can also be an alternative investment opportunity, providing you with protection while you grow your wealth.

- Investment-linked plans**

Is a life insurance policy that combines investment and protection. Your premiums provide not only a life insurance cover, but part of the premiums will also be invested in a professionally managed fund. The insurance company invests your premium, along with the premiums of other investors, in a portfolio of assets.

On maturity or when a claim is made due to death, you will receive a sum that is equivalent to the market value of the units you own.

DID YOU KNOW?

The Indonesian Life Insurance Association (AAJ) says that the total number of individual insurance policy holders in Indonesia in 2016 has increased by 15% to 19.1 million people from 16.6 million in 2015.

Need our advice and suggestions?

We provide sound financial and investment advice, as well as assisting you in crafting the most suitable portfolio to help your plans for protecting you and your family.

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