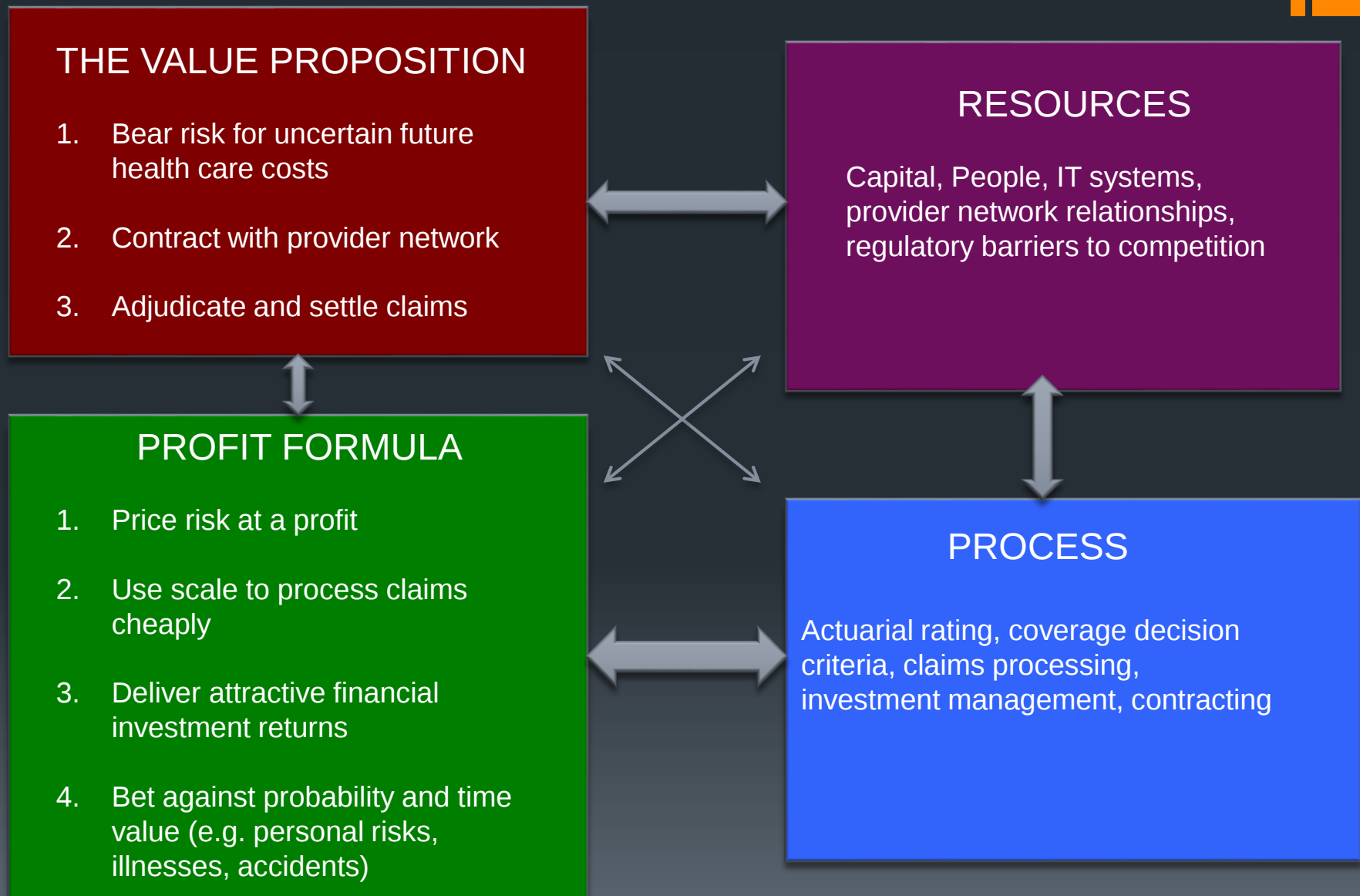




Insurance

Insurance Business Model



Major Hong Kong Insurance Companies



AIA



PRUDENTIAL

 **Manulife**

HSBC 

Insurance

4 Key Advantages of Hong Kong Insurance

Advantages	Reason
1. Cheaper fee for same coverage	Hong Kong's life expectancy is the highest in world, surpassing Japan in 2016, and one key factor for insurance calculation basis is on life expectancy.
2. Annuity products: Higher return with more balanced portfolio	Hong Kong insurance company can invest in the globe while China insurance company, according to regulations, can only invest in China.
3. More advanced product features	Hospitalization coverage around the world (good for kids who study abroad); and Critical Illness covers more than 168 diseases.
4. Currency hedging	Hong Kong insurance in US\$ basis is investing under US\$ while China insurance in US\$ basis is investing under RMB basis.

Tax Deduction Policies

- VHIS（自愿医保计划）
- TVC（可扣税强基金自愿性公款）
- QDAP（合资格年金保费）

VHIS



- VHIS stands for Voluntary Health Insurance Scheme. It is a policy implemented by the Food and Health Bureau, aiming to encourage the insured citizens to use private health care facilities, and therefore lighten the burden on public health system.
- More info can be found on : <https://www.vhis.gov.hk/>

TVC



- To encourage the public to save early for retirement financial planning purpose, legislation has been passed to provide tax incentives for scheme members to make tax deductible voluntary contributions (TVC) starting from 1 April 2019.
- Holders of contributions account or personal MPF account are eligible to make TVC. TVC can only be withdrawn upon scheme member reaching age 65.

QDAP



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

- Deferred annuity has an accumulation phase. A policyholder can pay premiums by a lump-sum or by installments, which are then invested and accumulated during the accumulation phase. A policyholder will start receiving the annuity payouts after a certain period of time (e.g. on retirement).
- Additionally, Qualifying Deferred Annuity Policy (QDAP) enjoys tax deductions.



TAX DEDECTIONS (UPPER LIMITS)

VHIS*

8,000 HKD

TVC + DQAP

60,000 HKD

* Per individual