



**THE REAL LIFE
COMPANY**

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Media Release

**Critical Illness Accounts for More Than Half of All Deaths in HK¹ and
the Rate of Cancer Relapse can be as High as 90%²**

AIA Hong Kong's Brand New "Protect Elevator" Series for Critical Illness Protection

Redefining Critical Illness Protection with First-in-Market "Cancer Shield Benefit"

Hong Kong, 6 April 2016 – AIA Hong Kong today announced the launch of its "Protect Elevator" Series with two critical illness protection plans, namely, "Protect Elevator Plus" and "Protect Elevator". To address the potential risk of cancer recurrence, "Protect Elevator Plus" offers a first-in-market "Cancer Shield Benefit", providing two additional claim payments for a newly diagnosed or recurring cancer with total benefits payable up to a maximum of 260% of the Initial Face Amount. The protection plan leaves customers free from the worries of high medical expenses while fighting against cancer.

Critical illness has always been a major threat to the health of Hong Kong people which accounts for more than half of all deaths in Hong Kong¹. Cancer is one of the most common types of critical illness and the top killer, accounting for 30% of all deaths in Hong Kong¹. The number of cancer cases has continued to rise over the past two decades³. In the past 10 years, close to 40% of cancer patients were aged 60 and below⁴, indicating that the elderly no longer make up for the majority of cancer occurrences. With advances in medical technology, the survival rate of certain cancers may be as high as 99%⁵ with early and proper treatment. However, cancer treatment costs are extremely high; for example, medical expenses for the treatment of lung cancer over a period of three years may reach HK\$1 million⁶. Moreover, cancer may recur even with treatment. The chance of lung cancer recurring within two years after chemotherapy is as high as 90%².

Ms. Bonnie Tse, General Manager, Business Strategy and Marketing of AIA Hong Kong and Macau, said, "Against the backdrop of a rising number of cancer patients in recent years, cancer is not a disease that cannot be cured. Medical advances have greatly improved the survival rate of cancer patients who receive early and proper treatment. Nevertheless, the risk of relapse, even with treatment, suggests that cancer patients have to bear a long-term financial burden due to medical costs and associated living expenses. To meet the growing market demand for critical illness protection, AIA is launching the new 'Protect Elevator' series featuring the market-first 'Cancer Shield Benefit' in the 'Protect Elevator Plus' plan to provide customers with long-term financial support. The new series delivers on our brand promise as 'The Real Life Company' to walk hand-in-hand with our customers as they navigate through the difficulties in their fight against cancer."

Key features of the "Protect Elevator Plus" and "Protect Elevator" plans include:

- **First-in-market "Cancer Shield Benefit"** – Protect Elevator Plus features a "Cancer Shield Benefit". When the insured's first major illness claim is for cancer, no further premium payments are required. If the insured still has cancer three years after the last diagnosis (whether as a continuation of the preceding cancer or as a new cancer), he/she will be eligible for an additional "Cancer Shield Benefit" equal to 80% of the Initial Face Amount for up to 2 times. Total benefits payable may equal a maximum of 260% of the Initial Face Amount, providing cancer patients long term financial support to ease their burden;
- **Comprehensive coverage for 100 illnesses** – The series covers 54 critical illnesses, 39 early-stage critical illnesses and 7 severe child diseases. It also provides critical illness protection up to the age of 100;
- **Death Benefit** – In the unfortunate event that the insured passes away, death benefit will be paid to the beneficiary, which includes the current face amount and a one-off non-guaranteed cash amount, called additional bonus, provided that the policy has been in force for five years or more;
- **Upgraded protection for the first 10 years** – In the unfortunate event that a customer is diagnosed with any of the 54 covered critical illnesses or dies during the first 10 years of the policy, an additional one-off Coverage Booster (aged 0-30: 50% of the Initial Face Amount; aged 31- or above: 35% of the Initial Face Amount) will be provided;
- **Wealth accumulation for lifelong benefits** – The series offers guaranteed cash value to help customers accumulate wealth. Once the basic policy has been in force for five years, it also provides a non-guaranteed additional bonus in the circumstances of policy surrender, death of the insured or where the benefits for major illness, minor illness, early stage critical illness and / or severe child disease have been paid;

Customers who successfully apply for specified critical illness plans⁷ before 29 June 2016 will be eligible for a premium refund.

Case Illustration

Tony is a non-smoker, aged 35. Assume he purchases AIA's "Protect Elevator Plus" with an initial face amount of US\$150,000. Annual premium is US\$4,674 for an 18-year premium payment term. If Tony is unfortunately diagnosed with cancer, he is not required to pay further premium payments after the first claim for cancer and will be entitled to the Cancer Shield Benefit. This provides two additional cancer protection benefits to help him alleviate his financial burden of medical care expenses.

"AIA Hong Kong" or "the Company" herein refers to AIA International Limited (Incorporated in Bermuda with limited liability).

Assuming he is diagnosed with colorectal cancer in the ninth policy year, the claim payment is 100% of the Initial Face Amount: US\$150,000, which will be paid together with the Coverage Booster for the first 10 years (an additional 35%⁸ of the Initial Face Amount): US\$52,500, and an non-guaranteed additional bonus⁹ of US\$9,675. The total amount of compensation for his first cancer claim is US\$210,000. In the 12th policy year, Tony makes the second claim for receiving continuous treatment for colorectal cancer. The compensation amount is 80% of the Initial Face Amount: US\$120,000. Tony is diagnosed with liver cancer in the 15th policy year. He makes the third claim and the amount of compensation is also US\$120,000, calculated based on the same formula used for the second claim. Total benefits payable to Tony amount to US\$450,000, approximately three times the Initial Face Amount.

Source of information:

¹ Statistics for the year 2014, Centre for Health Protection, Department of Health. The number of deaths in Hong Kong in 2014 is 45,710. Research of Critical Illness Trends and Medical Expenses by GfK Hong Kong, an independent market research company, on behalf of AIA (data collected in February 2016).

² The chance of relapse 2 years after chemotherapy of lung cancer can be as high as 90%. Common cancers, the Hong Kong Anti-Cancer Society website. Research of Critical Illness Trends and Medical Expenses by GfK Hong Kong, an independent market research company, on behalf of AIA (data collected in February 2016).

³ 1990-2010 statistics, the Hong Kong Cancer Registry website; Research of Critical Illness Trends and Medical Expenses by GfK Hong Kong, an independent market research company, on behalf of AIA (data collected in February 2016)

⁴ 2004-2013 statistics of average prevalence rate of cancers of different parts of the body, the Hong Kong Cancer Registry website; Research of Critical Illness Trends and Medical Expenses by GfK Hong Kong, an independent market research company, on behalf of AIA (data collected in February 2016).

⁵ The survival rate for breast cancer and prostate cancer can be as high as 99%. American Cancer Society, Cancer Facts and Figures 2016. Research of Critical Illness Trends and Medical Expenses by GfK Hong Kong, an independent market research company, on behalf of AIA (data collected in February 2016).

⁶ Statistics for the year 2013, the Hong Kong Cancer Registry and charges of Union Hospital. Research of Critical Illness Trends and Medical Expenses by GfK Hong Kong, an independent market research company, on behalf of AIA (data collected in February 2016).

⁷ Specified critical illness plans include "Protect Elevator", "Protect Elevator Plus", "Prime Care Pro2", "Executive Care Pro 2", "Multiple Care Pro 2" and "Smart Care Pro". From 31 March to 29 June 2016, existing customers who successfully apply for new policies of "Protect Elevator" / "Protect Elevator Plus" will be eligible for an additional one-month premium refund. Existing customers refer to policyholders or Insureds of "Executive Care Pro" / "Executive Care Pro 2" / "Prime Care Pro" / "Multiple Care Pro" / "Multiple Care Pro 2" / "Smart Care Pro".

⁸ Source: Compensation payment of upgraded protection for the first 10 years varies with the issue age. It provides a coverage equal to 35% of the Initial Face Amount for issue age of 31 or above, and 50% of the Initial Face Amount for issue age of 30 or below. Tony purchases "Protect Elevator Plus" at the age of 35, therefore the coverage is equal to 35% of the Initial Face Amount.

⁹ The projected value of the additional bonus is based on the current bonus scale and is neither indicative of future performance nor guaranteed, therefore the actual additional bonus paid may vary at AIA's sole discretion, which may be less or more favourable than those illustrated. The above example assumes that no cash withdrawal or policy loans are taken throughout the term of the policy and that all premiums are paid in full when due.

The above information is for reference only. For the details of the product features, content and conditions, please refer to the product brochure and the terms & conditions of the Policy contract.



Ms. Bonnie Tse, General Manager, Business Strategy and Marketing of AIA Hong Kong and Macau says AIA's brand new "Protect Elevator" Series is designed to redefine critical illness protection with first-in-market "Cancer Shield Benefit". It provides customers with long-term financial support to give them peace of mind in their fight against cancer.

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About AIA Hong Kong and AIA Macau

AIA Hong Kong and AIA Macau are subsidiaries of AIA Group Limited. AIA Group Limited established its operations in Hong Kong in 1931. We have approximately 12,000 financial planners*, as well as an extensive network of brokerage and bancassurance partners who serve more than 1.8 million customers*. Our products range from individual life, group life, accident, medical and health, personal lines insurance to investment-linked products with numerous investment options. We are also dedicated to providing superb product solutions to meet the financial needs of high net worth customers.

** As of February 2016*

About AIA

AIA Group Limited and its subsidiaries (collectively "AIA" or the "Group") comprise the largest independent publicly listed pan-Asian life insurance group. It has a presence in 18 markets in Asia-Pacific – wholly-owned branches and subsidiaries in Hong Kong, Thailand, Singapore, Malaysia, China, Korea, the Philippines, Australia, Indonesia, Taiwan, Vietnam, New Zealand, Macau, Brunei, a 97 per cent subsidiary in Sri Lanka, a 26 per cent joint venture in India and a representative office in Myanmar and Cambodia.

The business that is now AIA was first established in Shanghai almost a century ago. It is a market leader in the Asia-Pacific region (ex-Japan) based on life insurance premiums and holds leading positions across the majority of its markets. It had total assets of US\$168 billion as of 30 November 2015.

AIA meets the long-term savings and protection needs of individuals by offering a range of products and services including life insurance, accident and health insurance and savings plans. The Group also provides employee benefits, credit life and pension services to corporate clients. Through an extensive network of agents, partners and employees across Asia-Pacific, AIA serves the holders of more than 29 million individual policies and over 16 million participating members of group insurance schemes.

AIA Group Limited is listed on the Main Board of The Stock Exchange of Hong Kong Limited under the stock code "1299" with American Depositary Receipts (Level 1) traded on the over-the-counter market (ticker symbol: "AAGIY").

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