



**THE REAL LIFE
COMPANY**

AIA Hong Kong

AIA Hong Kong Tower,
734 King's Road,
Quarry Bay, Hong Kong
T: (852) 2881 3333

AIA.COM.HK

Media Release

**AIA Launches the New “FlexiWays Rider”
Market First Whole Life Long Term Care Benefit without Medical Underwriting
Offers a Variety of Flexible Benefit Options to Plan Early for Retirement**

Hong Kong, 20 October 2016 – AIA Hong Kong today announced the launch of the new “FlexiWays Rider”. Complementing AIA’s popular insurance savings product AIA “Bonus Power Plan”, the add-on plan helps customers meet their future needs in planning early for their retirement. This unique add-on plan offers extra protection options and allows customers to personalise their **lifetime coverage** according to their needs. This includes the **market-first Whole Life Long Term Care Benefit without medical underwriting**. With the core features of AIA “Bonus Power Plan”, AIA “FlexiWays Rider” enables customers to enjoy comprehensive protection in their golden years.

The all-new AIA “FlexiWays Rider” is tailor-made for AIA “Bonus Power Plan”, and together they offer customers the potential for long-term capital growth so they can better prepare for their retirement. Moreover, customers can choose to pay the premiums for this plan with the accumulated cash value¹ in their AIA “Bonus Power Plan” or make additional payments. Without the inconvenience of medical underwriting, customers of AIA “FlexiWays Rider” can be insured for up to US\$1.5 million, the highest amount available in Hong Kong.

Mr Jacky Chan, Chief Executive Officer of AIA Hong Kong & Macau, said, “According to The Census and Statistics Department, the number of seniors aged 65 and above will surge from around 1.0 million in 2013 to about 2.6 million in 2041, and the proportion of elderly people will rise from one in seven to one in three². These figures reveal the pressing need for customers to plan early for rewarding and fruitful retirement. In the light of this, we designed the AIA “FlexiWays Rider” specifically to complement AIA “Bonus Power Plan” to demonstrate our commitment in offering customers a **total protection and wealth management solution**. AIA “FlexiWays Rider” not only provides customers with greater flexibility in managing their retirement protection and legacy planning, but also gives them peace of mind with comprehensive cover that lasts a lifetime. This pioneering solution validates our brand promise as “The Real Life Company” by helping people live healthier, better and happier lives. It also demonstrates our agility in navigating changes in society and understanding the evolving needs of our customers through different life stages.”

Successful applications for AIA “Bonus Power Plan” and AIA “FlexiWays Rider” will enjoy a two-phased structure of cover with three benefit options. This greater flexibility allows customers to tailor their coverage options and plan in advance for extra protection that best suits their needs, and widen their retirement safety net. Key features of AIA “FlexiWays Rider” include (please refer to the product brochure for product details):

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

Phase I: Accidental Death Benefit

Effective on the purchase date of AIA “Bonus Power Plan” with AIA “FlexiWays Rider”; the benefit will end on the selected Benefit Enhancement Date.

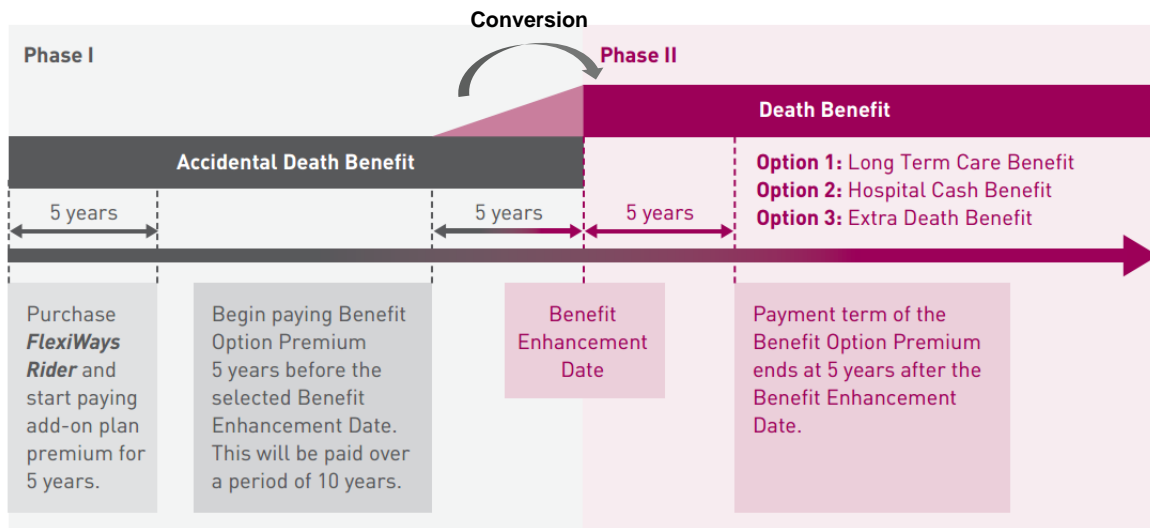
- Customers of AIA “Bonus Power Plan” who also purchase the add-on plan must select the sum assured, Benefit Enhancement Date and Phase II benefit option on application. The sum assured of the add-on plan will be paid if the insured passes away due to a covered accident within this period of cover.
- Customers can change the Phase II benefit option at any time before they begin to pay the premium for the benefit option (i.e. five years before the Benefit Enhancement Date).

Phase II: Death Benefit and Retirement Coverage Enhancement of the Customer’s Choice

Starts on the Benefit Enhancement Date and lasts a lifetime.

- Apart from the Death Benefit, customers can choose one of the following three benefit options:
 - **Market First Whole Life Long Term Care Benefit with no medical underwriting required** — Once the Long Term Care Benefit is in effect, the insured will receive this benefit in the unfortunate event that they suffer a continued Loss of Independent Existence due to an accident or serious illness. This lifetime benefit will be paid in cash, reaching a maximum of US\$7,500 per month and will increase by 3% per year. Moreover, the premiums payable for the add-on plan will be waived during the period that the insured is receiving the benefit payment. The Death Benefit will be reduced by any advance payments made under the Long Term Care Benefit; **or**
 - **Whole Life Hospital Cash Benefit** — Should the insured become hospitalised for a covered injury or illness, a daily cash benefit for each day of hospitalisation will be paid to help the customer cover medical costs. This lifetime benefit is paid up to a maximum of 100 days per year. The payment under the Hospital Cash Benefit will be doubled if the insured is admitted to the intensive care unit (ICU), with a benefit amount based on the number of days confined in the ICU. The Death Benefit will be reduced by any advance payments made under the Hospital Cash Benefit; **or**
 - **Extra Death Benefit** — In addition to the original Death Benefit, an Extra Death Benefit equivalent to 10% of the sum assured under the AIA “FlexiWays Rider” will be paid.

AIA Launches the New “FlexiWays Rider”
 Market First Whole Life Long Term Care Benefit without Medical Underwriting
 Offers a Variety of Flexible Benefit Options to Plan Early for Retirement
 20 October 2016
 Page three



From now until 29 November 2016, successful applications for AIA “Bonus Power Plan” along with AIA “FlexiWays Rider” will receive up to 6.5%³ of premium refund.

Case Study

Let’s take 45-year-old financial controller Mr Chan, who is a non-smoker, married with a daughter, as an example. Mr Chan hopes to start planning early for a relaxed retirement, which is why he purchases the AIA “Bonus Power Plan” to potentially earn high returns over the long term. He complements this basic plan by purchasing AIA “FlexiWays Rider” with a sum assured of US\$550,000. He selects the anniversary of this add-on plan at age 65 as the Benefit Enhancement Date, and Long Term Care Benefit as the Benefit Option for Phase II on top of Death Benefit.

The total premium of AIA “Bonus Power Plan” (five-year premium payment term) purchased by Mr Chan amounts to US\$250,000 and the Phase I premium of AIA “FlexiWays Rider” amounts to US\$5,475. He will then be covered by the Accidental Death Benefit (sum assured US\$550,000 of this add-on plan) until the Benefit Enhancement Date at age 65.

AIA Launches the New "FlexiWays Rider"
Market First Whole Life Long Term Care Benefit without Medical Underwriting
Offers a Variety of Flexible Benefit Options to Plan Early for Retirement
20 October 2016
Page four

Let's assume Mr Chan does not withdraw any cash from AIA "Bonus Power Plan" before age 60, choosing instead to let it accumulate in his policy. At age 65, the projected total cash value⁴ of his AIA "Bonus Power Plan" is US\$482,882 (non-guaranteed cash value of US\$280,525 + guaranteed cash value of US\$202,537). Mr Chan then chooses to withdraw cash⁵ annually from AIA "Bonus Power Plan" starting at age 60 until age 69 to pay for the Phase II Benefit Option Premium of AIA "FlexiWays Rider", retaining the financial flexibility he needs. The total premium for 10 years amounts to US\$249,980 (US\$24,998 x 10 years). During the first five years of the Benefit Option Premium payment term, the payment amount of this benefit will be 110% of the total Benefit Option Premium paid under the add-on plan if Mr Chan passes away.

Starting from the Benefit Enhancement Date at age 65, Mr Chan will be eligible for the Long Term Care Benefit if the claim conditions of the Long Term Care Benefit (unable to perform three or more of the Activities of Daily Living for at least six consecutive months) are met. The monthly benefit payout is US\$2,750⁶ (0.5% of the sum assured of this add-on plan) and is payable throughout his lifetime. In the unfortunate event of Mr Chan's death, the Death Benefit is the sum assured of this add-on plan (US\$550,000) less any advance payments made under the Long Term Care Benefit.

When Mr Chan reaches age 70, the basic plan retains a projected total cash value⁴ of US\$688,043 (non-guaranteed cash value of US\$445,050 + guaranteed cash value of US\$242,993) after cash withdrawal⁵ from AIA "Bonus Power Plan" to pay for the Benefit Option Premium. At age 85, the amount will be further increased to US\$2,150,225 (non-guaranteed cash value of US\$1,826,682 + guaranteed cash value of US\$323,544). This allows him to enjoy potential high long-term returns and benefit from retirement cover and legacy planning for his loved ones.

Note: The figures in the above example may differ slightly from the actual amount due to rounding differences. The above information, case illustration and figures are hypothetical and for illustrative purposes. For details of the product features, content and conditions, please refer to the product brochure and the policy contract. Please refer to the policy contract for the definitions of any capitalised terms, and the exact terms and conditions of cover.

AIA Launches the New “FlexiWays Rider”
Market First Whole Life Long Term Care Benefit without Medical Underwriting
Offers a Variety of Flexible Benefit Options to Plan Early for Retirement
20 October 2016
Page five



Mr. Jacky Chan, Chief Executive Officer of AIA Hong Kong and Macau introduces the unique features of AIA's brand new “Flexiways Rider”: market-first Whole Life Long Term Care Benefit without medical underwriting and life insurance coverage up to US\$1.5 million, the highest amount available in Hong Kong.

AIA Launches the New "FlexiWays Rider"
Market First Whole Life Long Term Care Benefit without Medical Underwriting
Offers a Variety of Flexible Benefit Options to Plan Early for Retirement
20 October 2016
Page six

Promotional video of "FlexiWays Rider" <https://youtu.be/iIK4-oGLdVE>

Notes:

1. The above assumes that the projected total cash value of the AIA "Bonus Power Plan" is sufficient to cover 10 years of premium payment for the selected Benefit Option of the AIA "FlexiWays Rider". Cash withdrawals made will be deducted first from the cash value of the policy's encashable Reversionary Bonus and the associated Extra Bonus (collectively, "Cash Value of Encashable Bonuses") (if any), and then any withdrawal which exceeds the remaining balance of the Cash Value of Encashable Bonuses will be deducted from the guaranteed cash value and any associated cash value of Extra Bonus (from and after the 3rd Policy Anniversary), which in turn will reduce the Face Amount of the policy. Therefore, the subsequent guaranteed cash value, face values and cash values of Reversionary Bonus (if any) and Extra Bonus (if any) and total premiums paid as used in the calculation of the Death Benefit will be adjusted accordingly based on the reduced Face Amount. In case the actual amounts of Reversionary Bonus and Extra Bonus of the AIA "Bonus Power Plan" are less than the projected amounts and cannot cover the Benefit Option Premium of all years, the policy owner will be required to resume paying the Benefit Option Premium. Customers should carefully consider the premium requirements in light of their own personal financial circumstances.
2. Research Office of the Legislative Council Secretariat, Research Brief, Issue No. 1, 2014-2015
3. From now until 29 November 2016, customers who successfully apply for the following new policies may enjoy a premium refund:
Premium refund of 4.5%: purchase of both AIA "Bonus Power Plan" (5-year premium payment term) and AIA "FlexiWays Rider" or
Premium refund of 6.5%: purchase of both AIA "Bonus Power Plan" (10-year premium payment term) and AIA "FlexiWays Rider" or
Premium refund of 6.5%: purchase of AIA "Bonus Power Plan" (10-year premium payment term) with annual premium of at least HK\$/MOP 20,000 or US\$2,500.
The promotional period is from now till 29 November 2016 (based on application date), both dates inclusive. New Policies should be issued on or before 31 January 2017 (with applications made during the promotional period). Late applications are not eligible for the promotional offers.
4. The total cash value illustrated in the above case is the sum of the AIA "Bonus Power Plan's" guaranteed cash value plus the non-guaranteed cash values of any Reversionary Bonus and Extra Bonus and is based on the current surrender value and bonus scales. The current surrender value and bonus scales are neither indicative of future performance nor guaranteed. Past performance or current performance of our business should not be interpreted as a guide for future performance. The actual Reversionary Bonus and Extra Bonus payable throughout the duration of the policy may vary at AIA's sole discretion, which may be less or more favourable than those illustrated. The above example assumes that no policy loans are taken throughout the term of the policy and that all premiums are paid in full when due. To receive the amounts illustrated, the policy owner must surrender his policy at the respective policy anniversary. This policy will be terminated when the total cash value has been withdrawn entirely.
5. The above case assumes that the projected total cash value of the AIA "Bonus Power Plan" is sufficient to cover 10 years of premium payment for the selected Benefit Option of the AIA "FlexiWays Rider". Cash withdrawals made will be deducted first from the cash value of the policy's encashable Reversionary Bonus and the associated Extra Bonus (collectively, "Cash Value of Encashable Bonuses") (if any), and then any withdrawal which exceeds the remaining balance of the Cash Value of Encashable Bonuses will be deducted from the guaranteed cash value and any associated cash value of Extra Bonus (from and after the 3rd Policy Anniversary), which in turn will reduce the Face Amount of the policy. Therefore, the subsequent guaranteed cash value, face values and cash values of Reversionary Bonus (if any) and Extra Bonus (if any) and total premiums paid as used in the calculation of the Death Benefit will be adjusted accordingly based on the reduced Face Amount. In case the actual amounts of Reversionary Bonus and Extra Bonus of the AIA "Bonus Power Plan" are less than the projected amounts and cannot cover the Benefit Option Premium of all years, the policy owner will be required to resume paying the Benefit Option Premium. Customers should carefully consider the premium requirements in light of their own personal financial circumstances.
6. Monthly benefit will grow by 3% per year on each anniversary of this add-on plan following the first payment of this benefit.

####

AIA Launches the New “FlexiWays Rider”
Market First Whole Life Long Term Care Benefit without Medical Underwriting
Offers a Variety of Flexible Benefit Options to Plan Early for Retirement
20 October 2016
Page six

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 over 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 July 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 49 per cent joint venture in India and representative offices 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\$181 billion as of 31 May 2016.

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”).

AIA Hong Kong
Ms. Deronie Tan
+852 2881 4413

Bentley Communications Limited
Mr. Kevin Chan
+852 3960 1903

####