



Prevalence of dementia among the elderly

Dementia is one of the major causes of disability and dependency among older people worldwide and places significant challenges on families and societies, according to the World Health Organization (“WHO”)¹.

It is worth mentioning that the average annual growth rate of people impaired by dementia in Macau is about 15%². According to the estimates of Alzheimer’s Disease International, there will be 11,000 of the old-aged in Macau suffering from dementia in 2030, and by 2050 the number will toll up to 26,000³.

With an increasing prevalence of dementia in older adults, more regular unpaid care or support will be required from their caregivers. According to a survey, research has found that **the government is the main source of income for over 95% of retirees**. Of these, more than 48% have no other source of income. In addition, 4 in 10 elderlies say they don’t have enough resources or money to prepare for contingencies⁴. The responsibilities being placed on family members could have detrimental effects on their livelihoods.

The population of the elderly has increased⁵, so as the number of those eligible for senior citizen benefits. This demonstrates the strong demand for medical services from the elderly, and maintaining the quality of these health care and social assistance could undermine the social and economic development of our community.

Working dementia caregivers: Challenges and Needs⁶

How much do you know about the challenges facing dementia caregivers?

Financial stability

68%

of respondents perceived that care recipients do not have adequate financial resources



Only 16%

of care recipients have insurance support



Support network

36% of respondents devoted



= 1/2 full-time job

Mental healthiness

Nearly 80%

of respondents reported feeling down, feelings of depression, or hopelessness in the past two weeks at the time of the survey

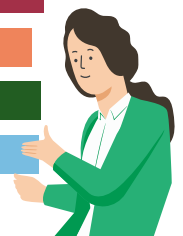


Information accessibility

Over 50%

of respondents handle various caregiving tasks daily such as IADL⁺, ADL⁺⁺, financial support and supervision/emotional support

The dual roles of working caregivers demand significant time and resources



Working dementia caregivers and their loved ones may consider to start a **more comprehensive financial planning** to build a **safety net**.

⁺ Instrumental Activities of Daily Living (IADL) include shopping, preparing meals and taking medications.

⁺⁺ Activities of Daily Living (ADL) include eating, walking and bathing.

The above research findings are based on results generated from an online survey conducted by 171 working dementia caregivers from July to August 2020 and two focus groups with 17 dementia caregivers conducted in August 2020.

Thinking about the future

When facing a diagnosis, it is important to create an action plan that may include estate planning, legal and money matters, daily and advance-care planning to cope with your future needs. Putting financial plans together before a diagnosis of dementia, or soon after such, can help secure your economic power. You can also look into the types of financial relief and subsidy that are available.

Being a caregiver is both a time-consuming and costly role¹⁷. You will need to consider the costs that you will face when it comes to caring for someone with dementia. Among others, these may range from ongoing treatment for symptoms, the accompany of follow-up visits to doctor and medical treatment, home adaptation for mobility, to day-time or full-time caring services and other safety-related expenses. Keep in mind that dementia is a progressive disease and that needs will change over time.

Cost of a diagnosis, treatment, medication, therapies and daily care are listed below for general reference:

Diagnosis of dementia is a complicated matter. While there is no one-size-fits-all procedure, below is a typical dementia patient journey. The information contained in the below diagram is for general information purposes only. These do not constitute any kind of advice or recommendations. Always seek independent medical or professional advice before making any decision regarding treatment and/or medication.

Pre-diagnosis	Diagnosis	Treatment/Therapies	Continuing care
<ul style="list-style-type: none"> There are two common standardised screening tests: <ul style="list-style-type: none"> Montreal Cognitive Assessment (MoCA) Mini-Mental State Examination (MMSE) 	<ul style="list-style-type: none"> For a complete diagnosis, additional head and neck imaging tests are usually carried out: <ul style="list-style-type: none"> Computerised Tomography Scan (CT Scan) Magnetic Resonance Imaging Scan (MRI) 	<ul style="list-style-type: none"> Medication treatment – To improve memory, awareness and the ability to function, ie cholinesterase inhibitors, such as Donepezil and Memantine (taken daily) Therapies – Cognitive training and other therapeutic interventions are specific forms of non-pharmacological intervention, such as memory clinics, occupational therapy, speech therapy, physiotherapy, music and natural therapies (twice per month) 	<ul style="list-style-type: none"> Day-to-day care to ensure the patient is receiving good care: <ul style="list-style-type: none"> Acupuncture (twice per month) Massage to relieve pain and anxiety (twice per month) Nursing home (monthly cost)

Estimated one-off costs*:

- MoCA and MMSE	MOP1,000**
- CT Scan and MRI Scan	MOP6,800 – MOP30,000**

Estimated recurring monthly costs*:

- Medication (taken daily)	MOP1,600**
- Therapies (twice per month)	MOP2,100**
- Daily care	MOP22,600 – MOP44,000**
- Acupuncture (twice per month)	
- Massage (twice per month)	
- Nursing home	

* Tests shown under Pre-diagnostic and Diagnosis stages are assumed to be one-off costs, while the assumption made on the monthly costs under Treatment/Therapies and Continuing care are based on the frequencies stated.

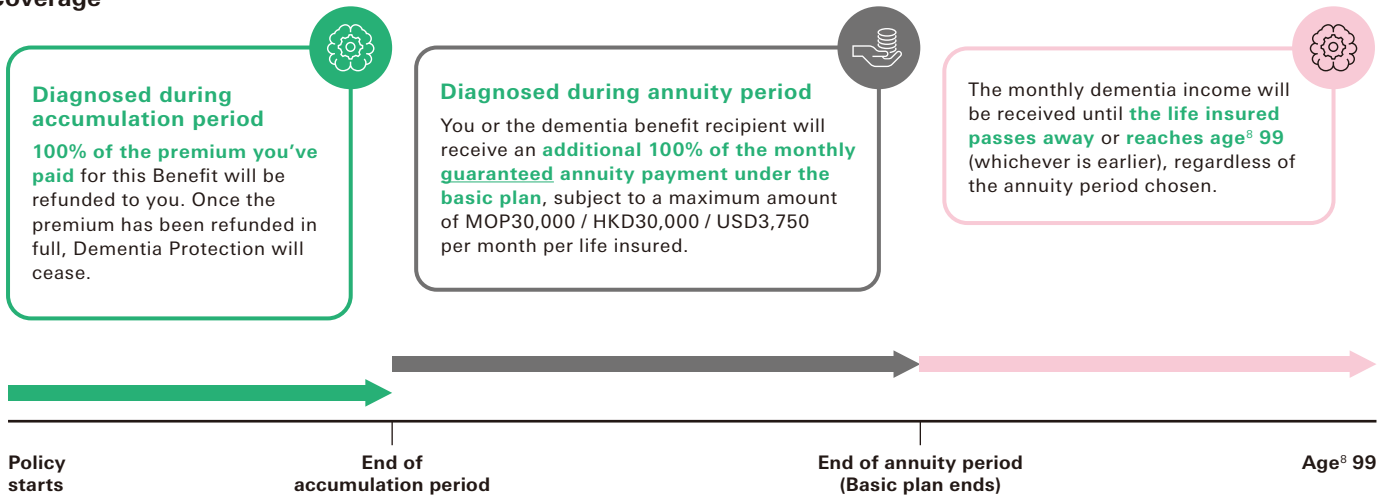
** The cost indications are for general reference only. Costs vary greatly from one individual to another, with dependencies including but not limited to facilities and locations. Please seek professional medical advice as necessary.

Dementia Protection

Dementia is a progressive disease of the brain, and it is often accompanied by fluctuating emotions and poor verbal expression. In the later stages of the disease, dementia sufferers rely heavily on others to help them with their daily needs.

At HSBC Life, we understand that **Severe Dementia**⁷ can be overwhelming for those with the physical or financial responsibility to take care of loved ones and shoulder the long-term medical costs. That's why we introduced **Dementia Protection** ("Benefit"), which is an optional supplementary benefit of the HSBC Flourish Income Annuity Plan ("HSBC Flourish Income" or "Basic Plan"). For an additional premium on top of your Basic Plan, you may be able to cover yourself against financial worries if the life insured is diagnosed with Severe Dementia⁷, together with our value-added service.

Coverage



Value-Added Services



After dementia diagnosis

Expert medical consultation services

Upon diagnosis of severe dementia, your dementia benefit recipient can activate the **Global Medical Care Services** offered by our chosen service provider, Preferred Global Health Ltd ("PGH") to connect you with Harvard-level specialists⁹ for further professional medical advice. It is imperative that you should receive medical specialist advice to make the best medical decision for your dementia situation in a timely manner.

What should you know before applying for Dementia Protection?

Dementia Protection is an optional supplementary Benefit of the HSBC Flourish Income Annuity Plan:

- Additional premium is required;
- Not applicable to aggregate premium policies and policies with a 1-year accumulation period;
- Can only be selected as part of the application for the Basic Plan for a life insured aged⁸ **between 55 and 70**¹⁰

Please refer to the respective supplementary benefit factsheet and Policy Provisions of this supplementary benefit for detailed terms, conditions, key risks and exclusions of dementia protection and its corresponding value-added services.

How does Dementia Protection work?

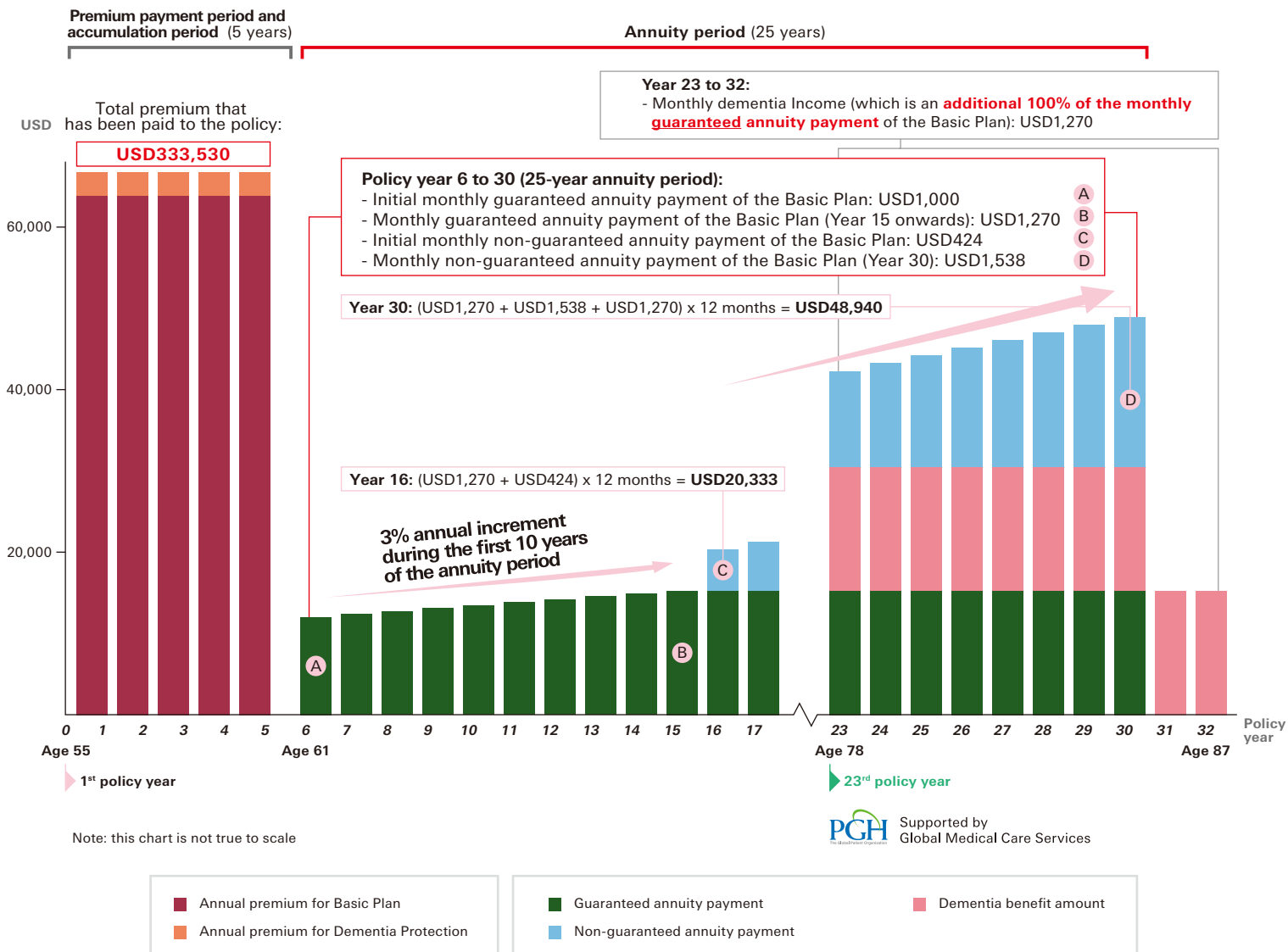


Mr Lee is a 55-year-old professional

Mr Lee has a strong desire for a stable income throughout his retirement years. He plans to receive an annuity after his retirement to support the living expenses of his wife and himself. When he noticed that some of his friends had relatives with severe dementia, he became worried about getting the disease himself, and wants to alleviate any potential financial concerns for his family just in case.

Mr Lee chooses HSBC Flourish Income Annuity Plan and dementia protection to meet his needs:

Annual premium	Basic Plan: USD63,848 Dementia protection: USD2,858	Total premium that has been paid to the policy	USD333,530
Premium payment period/ Accumulation period	5 years	Annuity period	25 years



Total amount of monthly annuity payment for 25-year annuity period:	USD541,444
Total amount of monthly dementia income until Mr Lee passes away:	USD152,400
Projected total amount of monthly annuity payment plus total monthly dementia income:	USD693,844 → 208%¹¹ of total premium that has been paid to the policy

The figures as shown in the above example are subject to rounding adjustment and are for illustrative purposes only.

Case:

- Mr Lee pays his premiums in the first five years to receive monthly annuity payments¹² from age 61 (the 6th policy year) for 25 years.
- He nominates his wife, who is the sole beneficiary of his Basic Plan, as the Benefit's recipient. He also assigns her to receive the monthly annuity payments of the Basic Plan ("Cash out" must be selected as the payment option of the monthly annuity payment) should he be diagnosed with Severe Dementia⁷ during the annuity period.
- Mr Lee **is diagnosed with Severe Dementia**⁷ at age 78 (the 23rd policy year). The monthly dementia income relieves his family of financial difficulties. Mr Lee and his wife are also supported by Global Medical Care Services, where their personal care manager arranges an in-depth evaluation of the diagnosis and treatment options from Harvard-level specialists⁹.

Assumptions for the illustrative example:

- Monthly payment as the annuity payment option. The monthly annuity payment is projected based on the current dividend scales and interest rate(s) which are not guaranteed and may vary from time to time. The actual future amount may be lower or higher than the illustrated above.
- All premiums are paid in full when due during the premium payment period.
- No adjustment affecting scales of the non-guaranteed dividends and special bonuses has been made during the policy term.
- The interest rate¹³ used for accumulated dividends and accumulated monthly annuity payments (if any) is 3.7% p.a. (for USD policies).
- The percentage of the total premiums paid is not guaranteed.

Value-Added Services to cater to your every need

Global Medical Care Services¹⁴ by Preferred Global Health Ltd



About 1 in 3 of people with dementia are misdiagnosed¹⁵. To arrive at a full, correct diagnosis, it is vital to consult with other specialists after a primary doctor. A second medical opinion also helps address the chance of medication error, like drugs that are not necessary or effective for the type of dementia¹⁶.

We understand that having a correct and complete diagnosis and the most appropriate treatment plan that is informed by the latest science and knowledge of therapies is ultimately important for the life insured of dementia protection and for their caregivers and family. To serve this objective, we bring in the medical second opinions and personal care services from our chosen medical service partner, Preferred Global Health Ltd (PGH), to support you and your caregiver from the point of receiving a diagnosis of Severe Dementia⁷.

PGH will arrange a ground-up second medical opinion from an interdisciplinary team of Harvard-level specialists⁹ that are experts in dementia care and research to give you access to latest information and world-class medical advice for treatment and care decisions.

You and your caregiver will be supported by a dedicated Personal Care Manager at PGH, a licensed healthcare professional, working on your behalf to arrange the services, including translation of medical records, and helping to address your questions and ensure you receive the best possible attention.

PGH services are subject to the relevant terms and conditions of the policy. Services outside the Benefits may incur additional costs not borne by this policy.

Diagnosis Verification and Treatment Plan



Your medical case and diagnosis will be comprehensively reviewed by a team of Harvard-level specialists⁹ from recognized top hospital in the US and who will provide their recommendation on diagnosis and treatment plan in a written report.

Doctor-to-Doctor Dialogue



Partnering your local medical team with the specialist at the top US hospital⁹ via secure video conferencing to discuss, share knowledge and support the optimal treatment plan for you.



PGH customer testimonial:

What differentiates PGH from the rest is its capability to appoint first-rate medical institutions, professionals, and other resources in the United States.

I would like to thank you personally as well as all the team and PGH for the outstanding service and care. I truly feel that you have gone beyond what I would consider to be a normal level of service.



Endnotes:

1. World Health Organization (22 Sep 2020). Ageing and health. Retrieved from: <https://www.who.int/news-room/fact-sheets/detail/ageing-and-health>.
2. Social Welfare Bureau, Macao SAR Government (2012). Preventing dementia in the community, Macau.
3. Alzheimer's Disease International (2015). Alzheimer's Disease International Report 2014, London.
4. Research: 95% of the elderly income depends on the government. Macao Daily, http://www.macaodaily.com/html/2021-03/10/content_1500984.htm/.
5. Government of Macao Special Administrative Region. Statistics and Census Service (2017), Macao Population Projection (2016-2036), Macau.
6. Working dementia caregivers: Challenges and Needs (2020).
7. "Severe dementia" means an unequivocal diagnosis, by a registered medical practitioner who is a specialist of neurologist, psychiatrist or neuropsychiatrist of severe permanent cognitive impairment resulting in the permanent need for continuous supervision of the life insured, with a Mini Mental State Examination score of less than 10 out of 30-point questionnaire.
8. Age means the age of the life insured or the policyholder where applicable at his/her next birthday.
9. As defined by our chosen Service Provider PGH, Harvard-level specialists refer to specialists from Harvard Medical School-affiliated hospitals or from other top 1% hospitals in the US as ranked by US News & World Report.
10. For the Basic Plan with 5-year premium payment period, 5-year accumulation period and annuity period to age 99, the issuing age would be between 55 and 65.
11. The percentage of the total premiums paid is not guaranteed. Please also refer to section "Assumptions for the illustrative example" for detailed assumptions.
12. A monthly annuity payment means a monthly guaranteed annuity payment plus a monthly non-guaranteed annuity payment (if any).
13. The interest rate used for accumulated dividends and accumulated monthly annuity payments (if any) is not guaranteed and may be adjusted by the Company at its discretion from time to time. The actual interest rate may be lower or higher than 3.7% p.a. (for USD policies).
14. Each life insured per policy is entitled to Global Medical Care Services once per life (regardless of how many HSBC Flourish Income policies a life insured owns) during his/her policy term(s).
15. The Telegraph (18 September 2018). "The pain of being misdiagnosed with Alzheimer's is more common than we realise, doctors say". National Post.
16. Pfister, B., et al (27 June 2017). "Drug-related problems and medication reviews among old people with dementia." BMC Pharmacol Toxicol, vol 18, 1:52. doi.org/10.1186/s40360-017-0157-2.
17. The Hong Kong Jockey Club (2010). Dementia trends: Impact of the ageing population and societal implications for Hong Kong. "The cost of institutional care for persons with dementia over the age of 60 would increase from HKD1.6 billion in 2010 to HKD4.2 billion in 2036 and the cost of informal care would go up from HKD10.4 billion to HKD27 billion over the same time".

Disclaimers:

The figures as shown and the relative proportion of various values depicted in the above charts are subject to rounding adjustment. The actual benefit amount may change from time to time and may be lower or higher than those illustrated above. Please refer to the figures shown in your insurance proposal for details. The information shown above is intended as a general summary and for illustrative purposes only and does not intend to predict the actual amount payable under your policy. You should read this material in conjunction with the respective product brochure, supplementary benefit factsheet of dementia protection, Policy Provisions and illustration.

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Dementia protection is an optional supplementary Benefit to the HSBC Flourish Income Annuity Plan, which is underwritten by the Company. In respect of an eligible dispute (as defined in the admissibility scope in the Mediation Scheme for Financial Consumption Disputes) arising between the Company and you out of the selling process or processing of the related transaction, the Company is required to enter into a Financial Dispute Resolution Scheme process with you; however, any dispute over the contractual terms of the above insurance product should be resolved between the Company and you directly.

Preferred Global Health Ltd is a leading global patient organisation based in Boston, Massachusetts, United States, with more than 20 years' experience in patient advocacy and supporting the path to recovery. PGH is an independent company that works on behalf of patients and their families. PGH is not owned by the medical centres nor does it have contractual ties to them or the participating doctors. Global Medical Care Services are provided by PGH to the Company customers of **Dementia Protection optional supplementary benefit** of the **HSBC Flourish Income Annuity Plan** who have received a diagnosis of severe dementia from a qualified doctor. The Company does not represent PGH which is an independent service provider. The Company shall neither be liable nor responsible for any loss, damages or costs which may be incurred (directly or indirectly) due to or arising from the above mentioned services or any kind of services which may be provided by PGH. The Company is not directly affiliated in any way with Harvard, and any reference to Harvard is only for identification and reference purposes on content provided by PGH and does not imply an association between the Company and Harvard. The description on dementia herein is only intended as preliminary information, which shall not constitute any medical advice. Please seek the advice of your medical professional for further guidance.