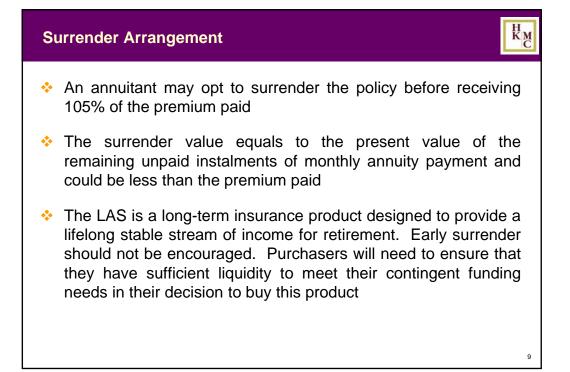


D	Death Benefit	
*	Each annuitant is guaranteed to receive <u>instalments</u> of monthly annuity payment of a total amount equals to 105% of the premium paid (this does not mean when the annuitant dies, the beneficiary(ies) of the annuitant will receive an additional compensation equivalent to 105% of the premium paid)	
*	If an annuitant dies before receiving 105% of the premium paid, the beneficiary(ies) of the annuitant could choose to either receive (a) <u>remaining</u> <u>unpaid monthly instalments</u> until the total accumulated amount of payouts received reached 105% of the premium paid; or (b) a discounted lump sum payment equivalent to the present value of the remaining unpaid monthly instalments	
*	To address the key concern of annuitants about loss of value due to early death	
*	Also important for alleviating the risk of adverse selection: risk of only those anticipating a long life expectancy (hence requiring more payouts) more inclined to participate	



Er	ntry age at 65 (For each HK\$1,00	00,000 premium)
	IRR ¹	4%
Male	Est. monthly fixed payout	approx. HK\$5,800
	(Annuity rate ²)	(approx. 7%)
Female	Est. monthly fixed payout	approx. HK\$5,300
	(Annuity rate)	(approx. 6.4%)

