

Healthcare Conference 2006, Edinburgh

**Workshop C2: Approaches to reviewing CI Premiums
Steve Griffiths and Craig Colton**

Sample letter for premium increases

Private and Confidential

Mr Sample
46 Hughenden Court
Clacton-on-Sea
Essex
AB1 2CD

Date: <Letter date>

Reference: <Policy number>

Dear Mr Sample

Your HSBC Life (UK) Ltd < Product Name >

The premiums you pay on your HSBC Life policy are reviewable and may be changed based on the claims we experience for everyone of a similar age, gender and smoking habits as yourself. Since you took out your policy, the claims we have paid out on this type of policy have increased in recent years. As a result of this, and in line with the policy terms and conditions, we need to increase the premium you pay.

The premium for your current sum assured will increase to the amount shown on the attached endorsement on the date indicated.

No action is required from you as a result of this letter, as the revised premium will be automatically debited from your account starting from the collection date shown on the attached endorsement.

<Add if indexation>

{In addition, one of the features of your policy is that your benefit increases automatically in line with the Retail Price Index. As a result, we will shortly write to you and also confirm the benefit increase that you qualify for and the relevant increase in premium that you would need to pay.}

Your policy remains an important way to provide financial security in the event that you suffer one of the critical illnesses covered by your policy or in the event of your death. It provides a valuable financial safety net for you and those who depend on you. Indeed, the fact that we have paid so many claims (over £350million so far), proves how valuable the cover has been for many people.

Should you have any queries regarding your policy, please call us on 0845 745 6125 (textphone 0845 766 0391). Lines are open 8am to 6pm Monday to Friday (excluding public holidays). To ensure that we carry out your instructions accurately, to help us to continually improve our service and in the interests of security, we may monitor and/or record your telephone call with us.

Yours sincerely

Ian Humphreys
Senior Customer Services Manager
HSBC Life (UK) Limited

[THE POLICY ENDORSEMENT IS UNALTERED]

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Sample letter for premium decrease

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Mr Sample
46 Hughenden Court
Clacton-on-Sea
Essex
AB1 2CD

Date: <Letter date>

Reference: <Policy number>

Dear Mr Sample

Your HSBC Life (UK) Ltd < Product Name >

The premiums you pay on your HSBC Life policy are reviewable and may be changed based on the claims we experience for everyone of a similar age, gender and smoking habits as yourself. Since you took out your policy, the claims we have paid out on this type of policy have decreased in recent years. As a result, we can now offer you a reduced premium.

The premium for your current sum assured will decrease to the amount shown on the attached endorsement on the date indicated.

This good news may prompt you to review your current level of cover. If you wish to do so, please contact a Financial Planning Manager at your local branch who will be pleased to help you.

No action is required from you as a result of this letter, as the revised premium will be automatically debited from your account starting from the collection date shown on the attached endorsement.

<Add if indexation>

{One of the features of your policy is that your benefit increases automatically in line with the Retail Price Index. As a result, we will shortly write to you and also confirm the benefit increase that you qualify for and the relevant increase in premium that you would need to pay.}

Should you have any queries regarding your policy, please call us on 0845 745 6125 (textphone 0845 766 0391). Lines are open 8am to 6pm Monday to Friday (excluding public holidays). To ensure that we carry out your instructions accurately, to help us to continually improve our service and in the interests of security, we may monitor and/or record your telephone call with us.

Yours sincerely

Ian Humphreys
Senior Customer Services Manager
HSBC Life (UK) Limited

[THE POLICY ENDORSEMENT IS UNALTERED]