

Insurance Frequently Asked Questions



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1. What insurance products are in scope for FATCA?

Insurance products affected by FATCA include cash value insurance.

2. I have an insurance policy with HSBC. Will I be affected by FATCA?

The requirement to provide additional documentation will depend on the type of Insurance policy and your personal circumstances. We will correspond with affected customers in due course with instructions. If you would like more information, you should contact your local tax professional for any tax advice.

3. Do I need to do anything at this stage under FATCA?

Requirements under the FATCA regulations affect global financial institutions from 1 July 2014. We will correspond with affected customers in due course with instructions. If you would like more information, you should contact your local tax professional for any tax advice.

4. If my insurance policy is affected by FATCA, when will you contact me for information?

Requirements under the FATCA regulations affect global financial institutions from 1 July 2014. We will correspond with affected customers in due course with instructions. If you would like more information, you should contact your local tax professional for any tax advice.

5. My insurance policy covers my partner who is a US citizen. Will I be affected by FATCA? Will I need to fill in a form?

FATCA applies to both holders of some joint insurance policies and the requirement to provide additional documentation will depend on the type of Insurance policy and your personal circumstances. We will correspond with affected customers in due course with instructions. If you would like more information, you should contact your local tax professional for any tax advice.

6. What happens if I don't fill in the forms you have asked for under FATCA?

If you fail to supply the forms by the due date we will then be unable to establish your status in accordance with FATCA requirements. This may require that we report details about you to the Malta tax authorities. HSBC may also decide not to provide you with additional services in the future unless documentation is subsequently provided.

7. I have a bank account and an insurance policy. Will I have to follow the same procedure twice for FATCA?

We will try to limit the number of times we request this information from you however if you have multiple insurance policies and/or accounts with different members of the HSBC Group then you may receive more than one request for FATCA documentation.

8. Will all insurance companies comply with FATCA?

FATCA is a piece of US legislation which applies in Malta through the implementation of the Model 1 Inter-Governmental Agreement entered into between Malta and the United States and the relative local rules implementing provisions for complying with FATCA. We cannot comment on other insurance companies or banks' compliance to FATCA requirements.

9. If I have a claim on my life insurance will you still honour it even if I don't fill in the forms for FATCA?

We will continue to honour our existing contractual commitments. However if you fail to supply the forms by the due date we will then be unable to establish your status in accordance with FATCA requirements. HSBC may decide not to provide you with additional services in the future unless documentation is subsequently provided.

10. Is FATCA affecting all insurance policy beneficiaries or just me as a policy holder?

This will depend on the nature of the Insurance policy and your personal circumstances. We will correspond with affected customers in due course with instructions. If you would like more information, you should contact your local tax professional for any tax advice.

11. What can I do if the information you have on me is not up to date/correct for FATCA?

Contact your local branch or HSBC Malta Contact Centre on 2380 2380 and follow the normal procedures for updating your information.

12. Will a Life Insured policy be affected if the beneficiary is a US Person?

The requirement to provide documentation on any beneficiaries will depend on the type of Insurance policy and your personal circumstances. We will correspond with affected customers in due course with instructions. If you would like more information, you should contact your local tax professional for any tax advice.

13. How will FATCA affect the cash value of my policy if I am classified as 'recalcitrant'?

We may be required to report details about you to the Malta tax authorities. HSBC may also decide not to provide you with additional services in the future unless the correct documentation for FATCA purposes is provided. If you would like more information, you should contact your local tax professional for any tax advice.

14. Is there any withholding requirement on insurance products?

There is generally no withholding requirement on us however if we are unable to establish your status in accordance with FATCA requirements, we may need to report details about you to the Malta tax authorities. If you would like more information, you should contact your local tax professional for any tax advice.