

16 August 2024

Our Ref: CDD/CIF/09

By Email

To: Chief Executives of all Authorized Insurers,
Responsible Officers of all Licensed Insurance Agencies and
Licensed Insurance Broker Companies

Dear Sir/Madam,

"Conduct in Focus" – August 2024

The summer edition of the Insurance Authority ("IA")'s periodical "Conduct in Focus" is now available on the IA's website. You can read it – or listen to the articles – by accessing the following link:

https://www.ia.org.hk/en/legislative_framework/files/Eng_Conduct_in_Focus_Issue_9_Aug_2024.pdf

Want to take a deep dive into the role of insurance brokers in the life insurance market? Look at the standards, controls and processes demanded by the IA on referral business to stop policy holders (particular Mainland China Visitors) from being put at risk of unlicensed selling? Take a peek into the IA's current thinking on how commission structures should be aligned with the "treating customers fairly" principle? Then this edition of Conduct in Focus is for you.

Other topics include our latest complaints and disciplinary statistics; best practices for general insurers on sending out renewal notices; a call to action for insurers and broker companies to join the SMS Sender Registration Scheme to protect customers from scams; highlighting the benefits to policy holders of using insurers' online self-service portals; and the restructuring of the IA's Market Conduct Division into the Conduct Supervision Division and the Enforcement Division to underpin the IA's dual emphasis on prevention and deterrence.

The five-year transitional period since the IA took on the regulation of licensed insurance intermediaries, finally comes to an end on 23 September 2024, when the IA starts charging fees for processing insurance intermediary licensing applications and related notifications. The final fee structure has taken full account of feedback received from stakeholders in the industry consultation conducted by the IA. We look back at the work done in the past five years and explore how this additional income stream will assist in sustaining the IA's capacity over the long term to perform its vital public function.

Occasionally, we like to try new things at the IA! So Conduct in Focus is coming to you for the first time in both written and audio form! Hope you enjoy it!

Thank you for your interest and if you have any questions or comments, please e-mail to conductsupervision@ia.org.hk.

Wishing you all the very best,

Peter Gregoire
General Counsel
Head of Conduct Supervision Division
Insurance Authority

c.c. The Hong Kong Federation of Insurers
 The Hong Kong Confederation of Insurance Brokers
 Professional Insurance Brokers Association