

19 September 2025

Our Ref: INS/TEC/6/20/6 Sub-file 12

By Email Only

To: Chief Executives of all authorized insurers carrying on long term business

Dear Sir/Madam,

GL34: Guideline on Governance and Management of Fund(s) of Participating Business

Pursuant to section 133 of the Insurance Ordinance (Cap. 41), the Insurance Authority (“IA”) has published a revised Guideline on Governance and Management of Fund(s) of Participating Business (GL34). Enclosed please find a copy of the revised GL34 which is also available on the IA website (https://www.ia.org.hk/en/legislative_framework/guidelines.php).

The GL34 is revised to enhance the governance of participating business. We have taken into account comments from insurers as well as industry and professional bodies during the consultation process. The revised GL34 provides, among other things, requirements on the establishment and role of Participating Business Committees and enhancement to corporate policy on participating business. The revised GL34 will take effect on 31 March 2026 (except for section 4 on corporate policy which will take effect on 30 June 2026).

To streamline those requirements which may be applicable to both GL34 and the Guideline on Underwriting Long Term Insurance Business (Other Than Class C Business) (GL16), we are revising GL16 which is expected to be available for consultation with the industry later this year.

Should you have any questions in relation to the above, please contact your case officer or email us at enquiry@ia.org.hk.

Yours faithfully,

Tony Chan
Associate Director
Policy and Legislation Division
Insurance Authority

Encl.

c.c. Chairman, The Hong Kong Federation of Insurers
President, The Actuarial Society of Hong Kong