

30 September 2025

Our Ref: CDD/CIF/11

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" – September 2025**

The Insurance Authority ("IA") is pleased to publish the latest edition of "Conduct in Focus" today. The publication is now available on the IA's website at the following link:

Main Issue:

[https://www.ia.org.hk/en/legislative\\_framework/files/Eng\\_Conduct\\_in\\_Focus\\_Issue\\_11\\_September\\_2025.pdf](https://www.ia.org.hk/en/legislative_framework/files/Eng_Conduct_in_Focus_Issue_11_September_2025.pdf)

Special Supplement:

[https://www.ia.org.hk/en/legislative\\_framework/files/Eng\\_Conduct\\_in\\_Focus\\_Issue\\_11\\_September\\_2025\\_Special\\_Supplement.pdf](https://www.ia.org.hk/en/legislative_framework/files/Eng_Conduct_in_Focus_Issue_11_September_2025_Special_Supplement.pdf)

This edition presents a number of regulatory observations and insights. Notably, while the number of complaint cases received by the IA in the first half of 2025 has increased compared to the same period in 2024, it remains below pre-pandemic levels. Nevertheless, this upward trend is worth monitoring, and a deeper analysis is provided in our article.

We also explore the growing interest in establishing insurance agencies that specialize in operating run-off portfolios in Hong Kong. In this context, we outline the key factors the IA will consider when assessing licensing applications in this area.

Another important topic we visit is the duty of insurance brokers when sourcing offshore insurance products for clients. While such arrangements should generally be infrequent, they may arise when suitable local products are limited. In these situations, insurance brokers must clearly explain the limitations and risks involved to ensure clients can make an informed decision.

This edition also reviews the recent cessation of unsolicited MPF-related telemarketing and discusses whether similar regulatory measures may be introduced for the broader insurance industry. Additionally, we share findings from a recent IA's mystery shopping exercise and provide some good practices for roadshow activities.

Finally, as the insurance processes become increasingly digitized, our conduct inspections have identified common pitfalls in system design and implementation, some of which may lead to non-compliant sales practices. To address this, we have prepared a special supplement that outlines these issues and offers practical suggestions for system reviews to help prevent similar problems in future development.

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

Yours faithfully,

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Acting 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