

27 March 2026

Our Ref: CDD/CIF/12

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" – March 2026

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:

https://www.ia.org.hk/en/legislative_framework/files/ENG_Conduct_in_Focus_Issue_12_March_2026.pdf

This edition focuses on conduct and compliance themes relevant to the intermediary sector, with particular emphasis on (i) agency hierarchy and downline management, (ii) use of social media in insurance promotion, and (iii) observations from the IA's enforcement work.

Agency hierarchy and downline management:

Many individual insurance agents perform management functions that extend beyond front-line regulated activities. As they progress through the agency hierarchy, they increasingly assume responsibility for mentoring and supervising downline agents, and play an important role in shaping business culture within their teams. The publication sets out the IA's regulatory considerations for such arrangements, including the standards of oversight and accountability expected of agent managers to promote appropriate conduct by their downline agents.

Use of social media in insurance promotion:

With insurance practitioners increasingly using social media to promote insurance products, the IA reiterates the core conduct principles and compliance expectations applicable to digital communications. This edition highlights common risk areas and practical considerations to help ensure that promotional content is clear, fair and not misleading.

Observations from the IA's enforcement work:

Key observations drawn from the IA's enforcement work are also included, with reference to recent disciplinary actions arising from deficiencies in the anti-money laundering and counter-terrorist financing ("AML/CFT") controls of certain licensed broker companies. These cases

underscore the importance of robust and effective AML/CFT frameworks to safeguard the integrity of the insurance industry.

Other topics covered include the latest complaints statistics for the full year of 2025, an at-a-glance review of intermediary statistics (e.g. age profile, turnover and licence duration), and findings from focus group sessions on public perceptions of insurance intermediaries.

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

Yours faithfully,

Alan Wu
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