

INSURANCE & FINANCIAL PRACTITIONERS ALLIANCE (IFPA)

- ◆ Hong Kong Chamber of Insurance Intermediaries (HKCII)
 - ◆ Independent Financial Advisors Association Limited (IFAA)
 - ◆ The General Agents and Managers Association of Hong Kong (GAMAHK)
 - ◆ The Hong Kong General Insurance Agents Association (HKGIAA)
 - ◆ The Life Underwriters Association of Hong Kong (LUAHK)
 - ◆ LOMA Society of Hong Kong (LOMA) - Observer
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June 23, 2014

The Bills Committee on Insurance companies (Amendment) Bill 2014

The Legislative Council

By email

Dear Sirs,

Views on the Bill

I am writing on behalf of Insurance & Financial Practitioners Alliance (IFPA) to raise our concerns and reaffirm our standpoints on the Insurance Companies (Amendment) Bill 2014. We urge your kind attention to the below issues:

1. Sole Regulatory Governance (Opposition to the ‘supervision by HKMA’)

To ensure consistency of regulation, IIA should be the primary and leading regulator for all insurance intermediaries, including banks and their employees, and be the sole regulator to set conduct standards and requirements. Hence, we oppose the supervision by HKMA to the insurance intermediary activities of banks; meanwhile, the inspection and investigation powers in relation to regulated activities of banks must be vested to IIA instead of HKMA.

2. Industry Representation of Governing Board

In order to tap the true voice and reflect the real situation of the industry, we suggest that Governing Board should include at least two directors who are frontline intermediaries from both the life and non-life insurance areas instead of only with knowledge of and experience in the insurance industry.

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3. Industry Representation of Disciplinary Committee

To ensure a fair and transparent disciplinary process, IIA Disciplinary Committee should be set up independently from IIA and with frontline intermediaries. We proposed the Disciplinary Body should be constituted by an independent chairman with a legal or judicial background; two officers from the IIA or their delegates; two independent persons at least one of whom with a legal or judicial background and an appointed person, either with an insurance company, agency or broking background depending on the particular case under action who supported by a pool of such suitable people to be drawn from.

4. Best Interest

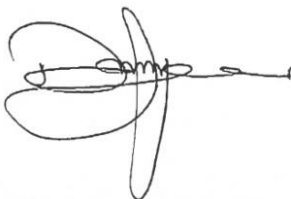
For the issue of Best Interest stated in the consultation paper, although it has amended some wordings on the Bill, we do concern the legal liability which may be aroused in the future.

Thank you for your attention and we look forward to receiving your updates on the subject matter. Please feel free to contact our IFPA Secretariat Ms. Ephele Wong at 2893-9699/ Email: info@gama.com.hk for any question.

Yours sincerely,

For and On behalf of

Insurance & Financial Practitioners Alliance



Davey Lee

1st Convener