

LEGISLATIVE COUNCIL BRIEF

Insurance Ordinance¹
(Chapter 41)

**INSURANCE COMPANIES (AMENDMENT) ORDINANCE 2015
(COMMENCEMENT) NOTICE 2017**

**INSURANCE COMPANIES (ACTUARIES' QUALIFICATIONS)
(AMENDMENT) REGULATION 2017**

**INSURANCE COMPANIES (REGISTER OF INSURERS)
(PRESCRIBED FEE) (AMENDMENT) REGULATION 2017**

**INSURANCE COMPANIES (AUTHORIZATION AND ANNUAL
FEES) (AMENDMENT) REGULATION 2017**

**INSURANCE ORDINANCE (AMENDMENT OF SCHEDULES)
NOTICE 2017**

**INSURANCE COMPANIES (DETERMINATION OF LONG TERM
LIABILITIES) REGULATION (AMENDMENT) RULES 2017**

**INSURANCE COMPANIES (MARGIN OF SOLVENCY)
REGULATION (AMENDMENT) RULES 2017**

**INSURANCE COMPANIES (GENERAL BUSINESS) (VALUATION)
REGULATION (AMENDMENT) RULES 2017**

**INSURANCE COMPANIES (ACTUARIES' STANDARDS)
REGULATION (AMENDMENT) RULES 2017**

INTRODUCTION

This paper briefs Members on the various pieces of subsidiary legislation that need to be passed for the planned commencement of the new regulatory regime to be administered by the Insurance Authority ("IA") on 26 June 2017 ("D-day").

¹ The Insurance Companies Ordinance (Cap. 41) will be renamed as "Insurance Ordinance" when section 4 of the Insurance Companies (Amendment) Ordinance 2015 comes into operation.

Subsidiary Legislation Made by the Chief Executive in Council

2. At the meeting of the Executive Council on 11 April 2017, the Council ADVISED and the Chief Executive ORDERED that –

- (i) Insurance Companies (Actuaries' Qualifications) (Amendment) Regulation 2017 (at **Annex A**);
- (ii) Insurance Companies (Register of Insurers) (Prescribed Fee) (Amendment) Regulation 2017 (at **Annex B**); and
- (iii) Insurance Companies (Authorization and Annual Fees) (Amendment) Regulation 2017 (at **Annex C**)

should be made under section 128(1) of the Insurance Ordinance (Cap. 41).

Subsidiary Legislation Made by the Secretary for Financial Services and the Treasury (“SFST”) and IA

3. SFST has made the Insurance Companies (Amendment) Ordinance 2015 (Commencement) Notice 2017 (“the Commencement Notice”) (at **Annex D**) under section 1(2) of the Insurance Companies (Amendment) Ordinance 2015 (“Amendment Ordinance”).

4. IA has made the Insurance Ordinance (Amendment of Schedules) Notice 2017 (“the Schedules Notice”) (at **Annex E**) under section 138(2) of the Insurance Ordinance (Cap. 41) with the approval of the Financial Secretary. IA has also made the following pieces of subsidiary legislation under section 129(1) of the Insurance Ordinance (Cap. 41) –

- (a) Insurance Companies (Determination of Long Term Liabilities) Regulation (Amendment) Rules 2017 (at **Annex F**);
- (b) Insurance Companies (Margin of Solvency) Regulation (Amendment) Rules 2017 (at **Annex G**);
- (c) Insurance Companies (General Business) (Valuation) Regulation (Amendment) Rules 2017 (at **Annex H**); and
- (d) Insurance Companies (Actuaries' Standards) Regulation (Amendment) Rules 2017 (at **Annex I**) (“the Rules”).

JUSTIFICATIONS

5. IA is ready to take over the statutory functions of the Office of the Commissioner of Insurance (“OCI”) to regulate insurance companies

on the D-day. We therefore propose to make the necessary notices, regulations and rules in one go to allow IA to come into operation starting from that day.

6. Enacted in July 2015, the Amendment Ordinance provides for, among other things, the establishment of IA which will take over the statutory functions of OCI, a government department, to regulate insurance companies and the supervisory functions of the existing three Self-regulatory Organizations (“SROs”) ² to regulate insurance intermediaries.

7. To ensure a smooth transition from OCI to IA, the Amendment Ordinance is being commenced in three stages as follows –

Stage 1: IA was established on 7 December 2015 and immediately renamed as the Provisional Insurance Authority (“PIA”) to undertake essential preparatory work;

Stage 2: PIA is to be renamed as IA to take over the functions of the existing OCI to regulate insurance companies; and

Stage 3: IA is to implement the new statutory licensing regime and to take over the regulation of insurance intermediaries from the three SROs.

8. In the long run, IA will be financially and operationally independent of the Government. IA is empowered under the Amendment Ordinance to collect a levy on insurance premiums from policy holders and various fees including authorization fees from insurance companies, licence fees from insurance intermediaries³ and user fees on specific services provided. The long-term target is that about 70% of IA expenditure will be met by income from the levy and the remaining 30% by income from various fees. There will be separate subsidiary legislation for the collection of levy on insurance premiums which, under our current plan, will commence on 1 January 2018.

² The three SROs are the Insurance Agents Registration Board established under the Hong Kong Federation of Insurers, the Hong Kong Confederation of Insurance Brokers and the Professional Insurance Brokers Association.

³ Licence fees payable by insurance intermediaries will be dealt with in Stage 3, when the statutory licensing regime for insurance intermediaries is in place.

Proposals

9. Proposals contained in the various pieces of subsidiary legislation are set out in the ensuing paragraphs.

(A) Appointment of D-Day

10. SFST, via the Commencement Notice (at **Annex D**), appoints 26 June 2017 as the day on which the relevant provisions of the Amendment Ordinance come into operation to enable IA to take over the statutory functions of OCI. The self-regulatory system for insurance intermediaries will continue in the interim.

(B) Annual Authorization Fees

11. Currently, an annual authorization fee is payable to OCI by insurance companies of general business or long term business at a fixed rate of \$227,300 (for a captive insurance company⁴, \$22,600; and for a composite insurance company, \$454,600). The fees have remained unchanged since 1996.

12. The Insurance Companies (Authorization and Annual Fees) (Amendment) Regulation 2017 (at **Annex C**) provides that the annual authorization fees to be collected by IA will consist of two elements, namely, a fixed fee of \$300,000 (for a captive insurance company, \$30,000; and for a composite insurance company, \$600,000) and a variable fee of 0.0039% on insurance liabilities. An incremental approach⁵ will be adopted for introducing the variable fee.

13. Having considered the magnitude of increase as compared to the existing authorization fees and the financial impact on IA, we will set a cap of \$7 million annually on the variable fee. In other words, the maximum annual authorization fee (i.e. the aggregate of fixed and variable fees) payable by an insurance company of long term business or general business will be \$7.3 million. For a composite insurance

⁴ A captive insurance company, a risk financing tool of conglomerates, is set up by the mother company to insure the risk of its group companies only. All policy holders of a captive insurance company are group companies.

⁵

Payment Due Date	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6 and after
Variable Fee Rate	0.0001%	0.0005%	0.0013%	0.0026%	0.0031%	0.0039%

company, the cap will be applied per long term business or general business respectively. The cap will be reviewed from time to time having regard to a number of factors including the overall market situation, financial position of IA and affordability of the trade, etc.

(C) User Fees

14. At present, OCI charges a fee for inspecting⁶ or obtaining a copy of an entry in the Register of Authorized Insurers. IA will charge service fees to recover the cost of providing specific services. Based on the operational experience of OCI, we propose to set the fees for 11 more frequently used service items now. For the remaining service items, IA should conduct its own costing exercise after it has accumulated adequate operational experience.

15. The proposed fee levels for these items, as set out in the Insurance Companies (Register of Insurers) (Prescribed Fee) (Amendment) Regulation 2017 (at **Annex B**), are set with reference to the formula used by Government departments in calculating user fees. Except for obtaining a copy of an entry in the Register of Authorized Insurers⁷, all user fees will only be applicable to insurance companies.

(D) Technical Amendments

16. The existing Cap. 41A sets out the qualifications for appointment of an actuary by insurance companies of long term business. The Insurance Companies (Actuaries' Qualifications) (Amendment) Regulation 2017 (at **Annex A**) amends Cap. 41A to reflect the merger of the Institute of Actuaries of England and the Faculty of Actuaries in Scotland into the Institute and Faculty of Actuaries of the United Kingdom.

17. The existing Schedules 2 to 6 to Cap. 41 prescribe the information and the manner of which to be furnished for the purpose of authorization and regulation of insurance companies. To reflect new requirements under the Amendment Ordinance, the Schedules Notice (at **Annex E**) adds new prescribed forms for submitting applications or

⁶ Currently, \$10 is charged for inspecting the register of insurers or any part thereof. Under the new section 5H(2) of the amended Cap. 41, which will come into operation on the D-day, this service will become free of charge.

⁷ The fee level for this service item is proposed to remain unchanged, i.e. \$6 per page or \$100 for a certified copy (see items 1 and 2 under the new Schedule proposed to be added to Cap. 41B at Annex B).

notifications to IA and introduces textual amendments to Schedules 2 to 6.

18. The existing Cap. 41E to Cap. 41H provide for the detailed regulatory requirements for insurance companies. Specifically, Cap. 41E and Cap. 41F set out the determination of liabilities and margins of solvency of an insurance company in respect of its long term business. Cap. 41G sets out determination of the value of assets and liabilities of an insurance company in respect of its general business while Cap. 41H sets out the standards to be complied with by an appointed actuary. While the requirements will remain unchanged, to tie in with the amendments introduced by the Amendment Ordinance, updates will be made to the cross-references and terms (e.g. replacing “保險業監督” by “保監局” and “regulation” by “rule”) via the Rules (at **Annexes F to I**).

LEGISLATIVE TIMETABLE

19. The legislative timetable is as follows –

Publication in the Gazette	21 April 2017
Tabling before Legislative Council (“LegCo”)	26 April 2017

IMPLICATIONS OF THE PROPOSALS

20. The proposals are in conformity with the Basic Law, including the provisions concerning human rights. The proposals will not affect the current binding effect of Cap. 41. There are no civil service, environmental, productivity, family, gender and sustainability implications. The financial and economic implications are set out in **Annex J**.

MAINLAND RELATIONS AND RELATED PUBLIC RELATIONS MEASURES

21. The proposals have no implication for Mainland relations. No related public relations measure is considered necessary.

PUBLIC CONSULTATION

22. The Government launched a three-month public consultation from October 2012 to January 2013 on the key legislative proposals for the establishment of IA, including the proposals on the funding mechanism. General support was received. In order to iron out the collection mechanism and other implementation details in respect of the new authorization fees and user fees, we have been engaging the insurance industry through the Hong Kong Federation of Insurers since February 2016. The Panel on Financial Affairs of LegCo was consulted on, among other things, the proposals on new authorization fees and user fees on 15 November 2016. Panel Members did not raise any objections.

PUBLICITY

23. A press release will be issued. A government spokesperson will be available to answer enquiries.

ENQUIRIES

24. Enquiries relating to this brief can be addressed to Ms Joan Hung, Principal Assistant Secretary for Financial Services and the Treasury (Financial Services), at 2810 2201.

Financial Services and the Treasury Bureau
Provisional Insurance Authority
19 April 2017

**Insurance Companies (Actuaries' Qualifications)
(Amendment) Regulation 2017**

(Made by the Chief Executive in Council under section 128(1) of the Insurance Ordinance (Cap. 41) after consultation with the Provisional Insurance Authority)

1. Commencement

This Regulation comes into operation on 26 June 2017.

2. Insurance Companies (Actuaries' Qualifications) Regulations amended

The Insurance Companies (Actuaries' Qualifications) Regulations (Cap. 41 sub. leg. A) are amended as set out in sections 3, 4 and 5.

3. Title substituted

The title—

Repeal the title

Substitute

**“Insurance (Actuaries' Qualifications)
Regulation”.**

4. Regulations 1 and 2 substituted

Regulations 1 and 2—

Repeal the regulations

Substitute

“1. Citation

This Regulation may be cited as the Insurance (Actuaries' Qualifications) Regulation.

2. Prescribed qualifications for actuaries appointed under section 15(1)(b) of Ordinance

The prescribed qualifications referred to in section 15(1)(b) of the Ordinance of an actuary to an authorized insurer are any of the qualifications set out in the Schedule.”.

5. Schedule amended (qualifications for appointment as actuary)

(1) The Schedule, English text—

Repeal

“[reg. 2]”

Substitute

“[s. 2]”.

(2) The Schedule, item 1—

Repeal

everything after “Institute”

Substitute

“and Faculty of Actuaries of the United Kingdom.”.

(3) The Schedule—

Repeal item 2.

Clerk to the Executive Council

COUNCIL CHAMBER

2017

Explanatory Note

This Regulation amends the Insurance Companies (Actuaries' Qualifications) Regulations (Cap. 41 sub. leg. A) (*principal Regulations*) to—

- (a) amend the title and citation of the principal Regulations;
- (b) reflect the merger of the Institute of Actuaries of England and the Faculty of Actuaries in Scotland; and
- (c) make textual amendments to the principal Regulations.

Insurance Companies (Register of Insurers) (Prescribed Fee) (Amendment)
Regulation 2017

Section 1

1

**Insurance Companies (Register of Insurers) (Prescribed
Fee) (Amendment) Regulation 2017**

(Made by the Chief Executive in Council under section 128(1) of the
Insurance Ordinance (Cap. 41) after consultation with the Provisional
Insurance Authority)

- 1. Commencement**
This Regulation comes into operation on 26 June 2017.
- 2. Insurance Companies (Register of Insurers) (Prescribed Fee)
Regulations amended**
The Insurance Companies (Register of Insurers) (Prescribed Fee)
Regulations (Cap. 41 sub. leg. B) are amended as set out in sections
3 to 6.
- 3. Title substituted**
The title—
Repeal the title
Substitute

“Insurance (Prescribed Fees) Regulation”.
- 4. Regulation 1 substituted**
Regulation 1—
Repeal the regulation
Substitute

Insurance Companies (Register of Insurers) (Prescribed Fee) (Amendment)
Regulation 2017

Section 5

2

“1. Citation

This Regulation may be cited as the Insurance (Prescribed
Fees) Regulation.”.

5. Regulation 2 amended (fees)

Regulation 2—

Repeal

everything after “the Schedule”

Substitute

“must be paid to the Authority.”.

6. Schedule substituted

The Schedule—

Repeal the Schedule

Substitute

“Schedule

[s. 2]

Fees

Column 1 Item	Column 2 Section of Ordinance	Column 3 Matter in respect of which fee must be paid	Column 4 Fee \$
1.	Section 5H(3)(a)	For obtaining a copy of an entry in, or extract of, the register of authorized insurers— (a) by photocopy (each page) (b) by other means (each folio of 100 words or part of it) For each additional copy or extract after the first or top copy, each folio of 100 words or part of it	6 6 6

Column 1 Item	Column 2 Section of Ordinance	Column 3 Matter in respect of which fee must be paid	Column 4 Fee \$
2.	Section 5H(3)(b)	For obtaining a copy of an entry in, or extract of, the register of authorized insurers, certified by an authorized officer of the Authority as a true copy of the entry or extract	100
3.	Section 13A(2)(b)	For each application for approval of the appointment of a controller	18,000
4.	Section 13AC(2)(b)	For each application for approval of the appointment of a director	18,000
5.	Section 13AE(2)(b)	For each application for approval of the appointment of a key person in control functions	18,000
6.	Section 13B(2)(ab)	For each notification of proposing a person to become a controller, if the person proposed is to be entitled to exercise, or control the exercise, of—	

Insurance Companies (Register of Insurers) (Prescribed Fee) (Amendment)
Regulation 2017

Section 6

5

Column 1 Item	Column 2 Section of Ordinance	Column 3 Matter in respect of which fee must be paid	Column 4 Fee \$
		(a) 50% or more of the voting power at any general meeting of the insurer	100,000
		(b) less than 50% of the voting power at any general meeting of the insurer	50,000
7.	Section 15(3B)(b)	For each application for approval of the appointment of an actuary	18,000
8.	Section 128(1)(a)(ii)	For each notification of the appointment of— (a) a controller (other than one to whom section 13A or 13B of the Ordinance applies) ... (b) a director (other than one to whom section 13AC of the Ordinance applies)	5,000 5,000

Insurance Companies (Register of Insurers) (Prescribed Fee) (Amendment)
Regulation 2017

Section 6

6

Column 1 Item	Column 2 Section of Ordinance	Column 3 Matter in respect of which fee must be paid	Column 4 Fee \$
		(c) a key person in control functions (other than one to whom section 13AE of the Ordinance applies) ...	5,000
9.	Section 128(1)(a)(ii)	For each notification of the appointment of— (a) an auditor	5,000
		(b) an actuary (other than one to whom section 15(3A) of the Ordinance applies)	5,000
10.	Section 128(1)(a)(ii)	For requesting the Authority to update the information in the register kept under section 5H(1) of the Ordinance	1,300
11.	Section 128(1)(a)(ii)	For obtaining a duplicate certificate of authorization of an authorized insurer from the Authority	200

Insurance Companies (Register of Insurers) (Prescribed Fee) (Amendment)
Regulation 2017

Section 6 7

Column 1 Item	Column 2 Section of Ordinance	Column 3 Matter in respect of which fee must be paid	Column 4 Fee \$
12.	Section 128(1)(a)(ii)	For obtaining a certificate of compliance of an authorized insurer from the Authority	12,000".

Clerk to the Executive Council

COUNCIL CHAMBER

2017

Insurance Companies (Register of Insurers) (Prescribed Fee) (Amendment)
Regulation 2017

Explanatory Note 8
Paragraph 1

Explanatory Note

This Regulation amends the Insurance Companies (Register of Insurers) (Prescribed Fee) Regulations (Cap. 41 sub. leg. B) (*principal Regulations*) to—

- (a) amend the title and citation of the principal Regulations;
- (b) substitute the Schedule with a new Schedule to the principal Regulations to provide for fees that must be paid to the Insurance Authority; and
- (c) make textual amendments to the principal Regulations.

Insurance Companies (Authorization and Annual Fees) (Amendment) Regulation 2017

(Made by the Chief Executive in Council under section 128(1) of the Insurance Ordinance (Cap. 41) after consultation with the Provisional Insurance Authority)

1. Commencement

This Regulation comes into operation on 26 June 2017.

2. Insurance Companies (Authorization and Annual Fees) Regulation amended

The Insurance Companies (Authorization and Annual Fees) Regulation (Cap. 41 sub. leg. C) is amended as set out in sections 3 to 8.

3. Title substituted

The title—

Repeal the title

Substitute

**“Insurance (Authorization and Annual Fees)
Regulation”.**

4. Section 1A added

Before section 2—

Add

“1A. Interpretation

In this Regulation—

insurance liabilities (保險負債), for an authorized insurer in relation to a payment due date—

- (a) for long term business, means the amount of net liability in the last Form HKL2 set out in Schedule 3 to the Ordinance that was required to be furnished by the insurer to the Authority before the payment due date;
- (b) for general business, means the aggregate of—
 - (i) the amount of unexpired risks carried forward;
 - (ii) the provision for outstanding claims (net amount); and
 - (iii) the provision for IBNR, in the last Forms 1A and 2A set out in Schedule 3 to the Ordinance that were required to be submitted by the insurer to the Authority before the payment due date;

payment due date (付款到期日)—

- (a) for the prescribed fees payable under section 13(1)(a) of the Ordinance, means the date on which the authorized insurer is authorized;
- (b) for the prescribed fees payable under section 13(1)(b) of the Ordinance, means each anniversary of the date referred to in paragraph (a);

variable fee (非固定費用)—see section 3.”

5. Section 2 substituted

Section 2—

Repeal the section

Substitute

“2. Prescribed fees under section 13(1)(a) and (b) of Ordinance

The fees payable under section 13(1)(a) and (b) of the Ordinance consist of a fixed fee and a variable fee set out in Schedules 1 and 2.”

6. Section 3 added

After section 2—

Add

“3. Determination of variable fee

- (1) This section applies to the determination of a variable fee payable by an authorized insurer on a payment due date.
- (2) For Schedule 1, the variable fee is—
 - (a) the amount determined by multiplying the insurance liabilities of the authorized insurer by the variable fee rate corresponding to the reference period in which the payment due date falls; or
 - (b) \$7,000,000, whichever is the lower.
- (3) For Schedule 2, the variable fee is the amount determined by multiplying the insurance liabilities of the authorized insurer by the variable fee rate corresponding

to the reference period in which the payment due date falls.

- (4) The variable fee rates are set out in Schedule 3.”.

7. Schedules 1 and 2 substituted

Schedules 1 and 2—

Repeal the Schedules

Substitute

“Schedule 1

[ss. 2 & 3]

Fees Payable under Section 13(1)(a) and (b) of Ordinance by Authorized Insurer (other than Captive Insurer)

Column 1	Column 2	Column 3	Column 4	Column 5
Item	Section of Ordinance	Fee to be paid	Class of insurance business carried on by authorized insurer (other than captive insurer)	Fee
1.	Section 13(1)(a)	Fee payable upon authorization	(a) Long term business	The aggregate of a fixed fee of \$300,000 and a

Column 1 Item	Column 2 Section of Ordinance	Column 3 Fee to be paid	Column 4 Class of insurance business carried on by authorized insurer (other than captive insurer)	Column 5 Fee
				variable fee
			(b) General business	The aggregate of a fixed fee of \$300,000 and a variable fee
			(c) Both long term business and general business	The aggregate of the fees payable under (a) and (b)
2.	Section 13(1)(b)	Annual fee	(a) Long term business	The aggregate of a fixed fee of \$300,000 and a variable fee
			(b) General business	The aggregate of a fixed

Column 1 Item	Column 2 Section of Ordinance	Column 3 Fee to be paid	Column 4 Class of insurance business carried on by authorized insurer (other than captive insurer)	Column 5 Fee
				fee of \$300,000 and a variable fee
			(c) Both long term business and general business	The aggregate of the fees payable under (a) and (b)

Schedule 2

[ss. 2 & 3]

Fees Payable under Section 13(1)(a) and (b) of Ordinance by Authorized Insurer who is Captive Insurer

Column 1 Item	Column 2 Section of Ordinance	Column 3 Fee to be paid	Column 4 Fee
1.	Section 13(1)(a)	Fee payable upon authorization	The aggregate of a fixed fee of \$30,000 and a variable fee
2.	Section 13(1)(b)	Annual fee	The aggregate of a fixed fee of \$30,000 and a variable fee”.

8. **Schedule 3 added**
After Schedule 2—
Add

“Schedule 3

[s. 3]

Variable Fee Rates

Column 1 Reference period	Column 2 Variable fee rate
From 26 June 2017 to 25 June 2018	0.0001%
From 26 June 2018 to 25 June 2019	0.0005%
From 26 June 2019 to 25 June 2020	0.0013%

Column 1 Reference period	Column 2 Variable fee rate
From 26 June 2020 to 25 June 2021	0.0026%
From 26 June 2021 to 25 June 2022	0.0031%
From 26 June 2022 to 25 June 2023 and each subsequent period of 1 year from 26 June	0.0039%”.

Clerk to the Executive Council

COUNCIL CHAMBER

2017

Explanatory Note

This Regulation amends the Insurance Companies (Authorization and Annual Fees) Regulation (Cap. 41 sub. leg. C) (*principal Regulation*) to—

- (a) amend the title of the principal Regulation;
- (b) substitute Schedules 1 and 2 with new Schedules 1 and 2 and add a new Schedule 3 to the principal Regulation to increase the prescribed fees payable under section 13(1)(a) and (b) of the Insurance Ordinance (Cap. 41); and
- (c) make textual amendments to the principal Regulation.

Insurance Companies (Amendment) Ordinance 2015 (Commencement) Notice 2017

Under section 1(2) of the Insurance Companies (Amendment) Ordinance 2015 (12 of 2015), I appoint 26 June 2017 as the day on which the following provisions of the Ordinance come into operation—

- (a) sections 2(2), 3, 4 and 5(1), (2), (4), (5) and (6);
- (b) section 5(7) (except in so far as it relates to paragraphs (c), (d) and (e) of the new definition of *former auditor*);
- (c) section 5(8), (9), (10) and (11);
- (d) section 5(12) (except in so far as it relates to paragraph (c) of the new definition of *prescribed person*);
- (e) section 5(13);
- (f) section 5(14) in so far as it relates to paragraphs (e) and (h);
- (g) section 5(15) in so far as it relates to the new definitions of *authorized institution, former authority, key person in control functions, Mandatory Provident Fund Schemes Authority, Monetary Authority, pre-amended Ordinance, prescribed fee, Securities and Futures Commission and Tribunal*;
- (h) sections 5(17) and (18), 6 and 10;
- (i) section 12(4) (except in so far as it relates to the new section 4A(2)(ea));
- (j) section 12(5) and (6);
- (k) section 13 in so far as it relates to the new section 4B(1);
- (l) sections 14, 16, 17, 18 and 19(1);

- (m) section 19(2) (except in so far as it relates to the new sections 64F and 80(1));
- (n) sections 19(3), (4), (5) and (6), 20, 21, 22, 23, 24 and 25;
- (o) section 26 (except in so far as it relates to paragraph (f) of the definition of *control function* in the new section 13AE(12));
- (p) sections 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 65, 66 and 67(1), (2), (3), (4), (5), (6), (7), (8), (9), (10), (11), (12) and (13);
- (q) section 67(14) in so far as it relates to the following provisions—
 - (i) the new section 53A(3)(a) (except in so far as it relates to licensed insurance intermediaries);
 - (ii) the new section 53A(3)(ab) and (ac);
- (r) section 67(15), (16) and (17);
- (s) section 67(18) (except in so far as it relates to the new section 64ZZH);
- (t) section 67(20), (21), (22), (23), (24), (25) and (26);
- (u) section 67(27) in so far as it relates to the new section 53A(3F) and (3I);
- (v) sections 67(28), (29) and (30) and 68(1) and (2);
- (w) section 70 (except in so far as it relates to the new section 53D(2)(c), (d) and (e));
- (x) section 71;
- (y) section 73(2) (except in so far as it relates to section 56A in Part IX);
- (z) section 82(5);

- (za) section 88 in so far as it relates to the following provisions—
 - (i) the new Part XII, except—
 - (A) paragraph (b) of the definition of *affected person* in the new section 96; and
 - (B) the definition of *specified decision* in the new section 96 in so far as that definition relates to Part 2 of the new Schedule 9;
 - (ii) the new section 119;
 - (iii) the new section 121, except—
 - (A) subsection (1)(b); and
 - (B) other subsections in so far as they relate to subsection (1)(b) and the new sections 64F and 82(2);
 - (iv) the new section 122;
 - (v) the new section 124 (except in so far as it relates to a responsible officer);
 - (vi) the new sections 125, 126, 127 and 128;
 - (vii) the new section 129 (except in so far as it relates to licensed insurance intermediaries);
 - (viii) the new section 130;
 - (ix) the new section 131(1) (except in so far as it relates to the new section 131(2));
 - (x) the new sections 131(3), 132, 133 and 134(1), (2) and (3);
 - (xi) the new section 134(4) (except in so far as it relates to licensed insurance intermediaries);
 - (xii) the new section 135;

- (xiii) the new section 136 (except in so far as it relates to the new section 123(7));
- (xiv) the new sections 137 and 138(1) and (2);
- (xv) the new Part XIV;
- (zb) section 89(1);
- (zc) section 89(2) (except in so far as it relates to the new section 64ZZC);
- (zd) section 90 in so far as it relates to the following provisions—
 - (i) sections 3, 4, 5 and 6 of the new Schedule 1C;
 - (ii) section 1(a) and (m) of the new Schedule 1D;
 - (iii) section 1(n) of the new Schedule 1D (except in so far as it relates to the new section 64ZZH(1));
 - (iv) section 1(o) of the new Schedule 1D (except in so far as it relates to the new sections 83 and 95);
 - (v) section 1(p) and (q) of the new Schedule 1D;
- (ze) sections 91, 92, 93, 94, 95, 96 and 97;
- (zf) section 98 in so far as it relates to the following provisions—
 - (i) the new Schedule 9 (except Part 2);
 - (ii) the new Schedule 10;
 - (iii) Parts 1, 2 and 3 of the new Schedule 11;
 - (iv) Part 4 of the new Schedule 11 (except paragraphs (j) and (k) of the definition of *specified decision* in section 4);
 - (v) Part 9 of the new Schedule 11;

- (zg) sections 99, 100, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 113, 114, 115, 116, 117, 118, 119, 120, 121(1) and (4), 124, 125(1) and (3), 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154(2), 155, 157, 159, 160, 161, 162(1) and (3), 164, 165, 166, 167, 168, 169 and 170;
- (zh) Schedule 1 (except items 118, 119, 120 and 121);
- (zi) Schedule 2.

Secretary for Financial Services and
the Treasury

2017

**Insurance Ordinance (Amendment of Schedules) Notice
2017**

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**Insurance Ordinance (Amendment of Schedules) Notice
2017**

(Made by the Provisional Insurance Authority under section 138(2) of the Insurance Ordinance (Cap. 41) with the approval of the Financial Secretary)

1. Commencement

This Notice comes into operation on 26 June 2017.

2. Insurance Ordinance amended

The Insurance Ordinance (Cap. 41) is amended as set out in sections 3 to 7.

3. Schedule 2 amended (directors and controllers)

(1) Schedule 2—

Repeal everything before paragraph 1

Substitute

“Schedule 2

[ss. 7, 14 & 138]

**Controllers, Directors, Key Persons in Control
Functions, Actuaries and Authorized
Representatives of Lloyd’s”.**

(2) Schedule 2, paragraph 1—

Repeal

“to the Authority under this Ordinance in respect of every director and controller of the insurer”

Substitute

“or Lloyd’s to the Authority under this Ordinance”.

- (3) Schedule 2, paragraph 1(a), before “under section 7”—

Add

“in respect of every controller and director of the insurer”.

- (4) Schedule 2, paragraph 1—

Repeal subparagraph (b)**Substitute**

“(b) in respect of every controller, director and key persons in control functions of the insurer under section 14, on any change in any such controller, director or key person in control functions;”.

- (5) Schedule 2, after paragraph 1(b)—

Add

“(ba) in respect of every actuary appointed under section 15(3) (not being an actuary to whom section 15(3A) applies);

(bb) in respect of every actuary appointed pursuant to section 15(3A);

(bc) in respect of every authorized representative appointed pursuant to section 50B.”.

- (6) Schedule 2, paragraph 1—

Repeal subparagraph (d).

- (7) Schedule 2, paragraph 2, heading—

Repeal

“director or controller”

Substitute

“controller, director, key person in control functions or actuary”.

- (8) Schedule 2, paragraph 2—

Repeal

everything after “served by” and before “contain—”

Substitute

“an authorized insurer or insurer on the Authority pursuant to section 7, 14(2) or 15(3) of this Ordinance in respect of a controller, director, key person in control functions or actuary (not being a controller, director or key person in control functions to whom paragraph 3 of this Schedule applies) must”.

- (9) Schedule 2, paragraph 2(a), after “Form A”—

Add

“, A1 or A2”.

- (10) Schedule 2, Chinese text, paragraph 2(b)—

Repeal

“, 本”

Substitute

“——本”.

- (11) Schedule 2, paragraph 2(c)(i), after “Form A”—

Add

“, A1 or A2”.

- (12) Schedule 2, paragraph 3, heading—

Repeal

“ceasing to be director or controller”

Substitute

“becoming or ceasing to be controller, director, key person in control functions, actuary or authorized representative”.

- (13) Schedule 2, paragraph 3—

Repeal

“on the Authority pursuant to section 14(2)”

Substitute

“or Lloyd’s on the Authority pursuant to section 14(2), 15(3) or (3A) or 50B”.

- (14) Schedule 2, paragraph 3—

Repeal subparagraphs (a) and (b)**Substitute**

- “(a) becomes a controller of the insurer within the meaning of section 13A(12) or 13B(1) of this Ordinance;
- (b) becomes a director of the insurer pursuant to section 13AC(1) of this Ordinance;
- (c) becomes a key person in control functions (within the meaning of section 13AE(12) of this Ordinance) of the insurer pursuant to section 13AE(1) of this Ordinance;
- (d) becomes an actuary of the insurer pursuant to section 15(3A) of this Ordinance;
- (e) becomes an authorized representative of Lloyd’s pursuant to section 50B of this Ordinance; or
- (f) ceases to be a controller, director, key person in control functions or actuary of the insurer or an authorized representative of Lloyd’s.”

- (15) Schedule 2, paragraph 3, after “Form C”—

Add

“or C1”.

- (16) Schedule 2, Form A—

Repeal

everything before “Name of Insurer”

Substitute**“Form A**

[para. 2, Sch. 2]

Particulars Required in Respect of Individuals who are Controllers or Directors”.

- (17) Schedule 2, Form A—

Repeal

“Name of Insurer*”

Substitute

“Name of § Authorized Insurer/Insurer*”.

- (18) Schedule 2, Form A, paragraph 1—

Repeal

“he has been known or is”

Substitute

“you have been known or are”.

- (19) Schedule 2, Chinese text, Form A—

Repeal paragraph 6**Substitute**

“6. 現時職業或受僱情況，以及過去 10 年的職業及受僱情況，包括僱主姓名或名稱、業務性質、所擔任的職位及有關日期。”

- (20) Schedule 2, Form A, after paragraph 6—

Add

“6A. To whom are you reporting? Describe the reporting structure or reporting lines that you have in relation to people within the insurer, people at the head office of the insurer and people at the parent company of the insurer, as may be appropriate.”

(21) Schedule 2, Form A, paragraph 7—

Repeal

“Has he at any time been convicted of any criminal offence (other than an offence committed when he was of or under the age of 16 years unless the same was committed within the last 10 years”

Substitute

“Have you been convicted of any criminal offence (other than an offence committed more than 10 years ago when you were of or under the age of 16 years”.

(22) Schedule 2, Form A, paragraph 7—

Repeal

“he was convicted”

Substitute

“you were convicted”.

(23) Schedule 2, Form A, after paragraph 7—

Add

“7A. If, in the last 10 years, you have been—

- (a) refused or restricted from the right to carry on any trade, business or profession by any regulatory authority in Hong Kong or elsewhere;
- (b) censured, disciplined or publicly criticized by any regulatory authority in Hong Kong or elsewhere; or
- (c) the subject of an investigation conducted by any

regulatory authority in Hong Kong or elsewhere, give full particulars.”.

(24) Schedule 2, Form A, paragraph 8—

Repeal

“Has he in the last 10 years, in Hong Kong or elsewhere, been censured, disciplined or publicly criticized by any professional body to which he belongs or belonged”

Substitute

“Have you, in the last 10 years, in Hong Kong or elsewhere, been censured, disciplined or publicly criticized by a professional body to which you belong or belonged,”.

(25) Schedule 2, English text, Form A, paragraph 8—

Repeal

“employment or refused”

Substitute

“employment, or been refused”.

(26) Schedule 2, Form A, paragraph 9—

Repeal

“Has he at any time”

Substitute

“Have you”.

(27) Schedule 2, Form A, paragraph 10—

Repeal

“Has he at any time in the last 10 years”

Substitute

“Have you, in the last 10 years,”.

(28) Schedule 2, Form A, paragraph 10—

- Repeal**
“him”
- Substitute**
“you”.
- (29) Schedule 2, Form A, paragraph 11—
- Repeal**
“Has he, in connection with the formation or management of any”
- Substitute**
“Have you, in connection with the formation or management of a”.
- (30) Schedule 2, Form A, paragraph 11—
- Repeal**
“him towards such a body or insurer or towards any members thereof”
- Substitute**
“you towards the body or insurer or towards any members of the body or insurer”.
- (31) Schedule 2, Form A, paragraph 12—
- Repeal**
“he was associated as”
- Substitute**
“you were associated as”.
- (32) Schedule 2, English text, Form A, paragraph 12—
- Repeal**
“whilst he was associated with it or within one year after he ceased”

- Substitute**
“while you were associated with it or within one year after you ceased”.
- (33) Schedule 2, Form A, paragraph 12, Note—
- Repeal**
“he were”
- Substitute**
“the person were”.
- (34) Schedule 2, Chinese text, Form A, paragraph 13—
- Repeal**
“他”
- Substitute**
“你”.
- (35) Schedule 2, Form A, paragraph 13(a)—
- Repeal**
“is he”
- Substitute**
“are you”.
- (36) Schedule 2, Form A, paragraph 13(b)—
- Repeal**
“has he been a director or controller at any time”
- Substitute**
“have you been a director or controller”.
- (37) Schedule 2, Form A, paragraph 14—
- Repeal**
“Has he”

Substitute

“Have you had”.

- (38) Schedule 2, Form A, paragraph 14—

Repeal

everything after “at”

Substitute

“paragraphs 6 and 13 above? If so, give full particulars.”.

- (39) Schedule 2, Form A, paragraph 15—

Repeal

“Ordinance) by virtue of which he became controller”

Substitute

“Ordinance (Cap. 41)) by virtue of which you became controller, and attach a shareholding chart of the insurer where applicable”.

- (40) Schedule 2, Form A, paragraph 16—

Repeal

“his duties will he”

Substitute

“your duties, will you”.

- (41) Schedule 2, Form A—

Repeal

“he is—”

Substitute

“the individual is—”.

- (42) Schedule 2, Form A—

Repeal

“(a) §Director/Controller/Chief Executive/Managing Director”

Substitute

“(a) §Director/Controller/Chief Executive/Managing Director;”.

- (43) Schedule 2, English text, Form A—

Repeal

“(b) A partner”

Substitute

“(b) a partner”.

- (44) Schedule 2, Form A—

Repeal

“is §Director/Controller/Chief Executive/Managing Director”

Substitute

“is §Director/Controller/Chief Executive/Managing Director.”.

- (45) Schedule 2, Form A—

Repeal

“(Director/Secretary§ of the Insurer.)”

Substitute

“(§Director/Secretary of the §Authorized Insurer/Insurer.)”.

- (46) Schedule 2, Form A—

Repeal

“* Insert name of Insurer.”

Substitute

“* Insert name of Authorized Insurer/Insurer.”.

- (47) Schedule 2, after Form A—

Add

“Form A1

[para. 2, Sch. 2]

Particulars Required in Respect of Individuals who are Actuaries Appointed under Section 15(3) of Insurance Ordinance (Cap. 41) (Not being Actuaries to whom Section 15(3A) of the Ordinance Applies)

Name of Authorized Insurer*

The following are particulars of—

§(a) †.....

§(b) ‡.....

of which †..... is a partner who became Actuary on (date).

1. Family name Other names
.....

Any other name(s) by which you have been known or are known
.....

- 2. Private address.
3. Date of birth.
Place of birth (including town or city).
4. Nationality, including a statement as to whether it was acquired by birth or naturalization.
5. Educational and professional qualifications, including details of actuarial educational and professional qualifications possessed, full

name of the relevant educational organizations and professional bodies and relevant dates.

- 6. Do you possess any one of the prescribed actuarial professional qualifications for the purposes of section 15(1)(b) of the Insurance Ordinance (Cap. 41)? If not, give any other information that enables the Authority to consider whether your actuarial professional qualifications possessed are acceptable.
7. Will you comply with the prescribed standards under section 15C of the Insurance Ordinance (Cap. 41)? If not, give details of other standards being comparable to the prescribed standards with which you will comply, and any other information that enables the Authority to consider whether those other standards are acceptable.
8. Present occupation or employment and occupations and employment during the last 10 years, including the name of the employer, the nature of the business, the position held, details of experience relating to actuarial work and relevant dates.
9. To whom are you reporting? Describe the reporting structure or reporting lines that you have in relation to people within the insurer, people at the head office of the insurer and people at the parent company of the insurer, as may be appropriate.
10. Have you been convicted of any criminal offence (other than an offence committed more than 10 years ago when you were of or under the age of 16 years) by any court, including a military tribunal, in Hong Kong or elsewhere? If so, give full particulars of the court by which you were convicted, the offence and the penalty imposed and the date of the conviction.
11. If, in the last 10 years, you have been—
(a) refused or restricted from the right to carry on any trade, business or profession by any regulatory authority in Hong Kong or elsewhere;
(b) censured, disciplined or publicly criticized by any regulatory

authority in Hong Kong or elsewhere; or

(c) the subject of an investigation conducted by any regulatory authority in Hong Kong or elsewhere,

give full particulars.

- 12. Have you, in the last 10 years, in Hong Kong or elsewhere, been censured, disciplined or publicly criticized by a professional body to which you belong or belonged, or been dismissed from any office or employment, or been refused entry to any profession or occupation? If so, give full particulars.
- 13. Have you been adjudicated bankrupt by a court in Hong Kong or elsewhere? If so, give full particulars.
- 14. Have you, in the last 10 years, failed to satisfy any debt adjudged due and payable by you as a judgment-debtor under an order of a court in Hong Kong or elsewhere? If so, give full particulars.
- 15. Have you, in connection with the formation or management of a body corporate or insurer, been adjudged by a court in Hong Kong or elsewhere civilly liable for any fraud, misfeasance or other misconduct by you towards the body or insurer or towards any members of the body or insurer? If so, give full particulars.
- 16. Has any body corporate or insurer with which you were associated as actuary appointed under section 15 of the Insurance Ordinance (Cap. 41) in the last 10 years, in Hong Kong or elsewhere, been compulsorily wound up or made any compromise or arrangement with its creditors or ceased trading in circumstances where its creditors did not receive or have not yet received full settlement of their claims, either while you were associated with it or within one year after you ceased to be associated with it? If so, give full particulars.
- 17. Of what bodies corporate or insurers—
 - (a) are you now an actuary appointed under section 15 of the Insurance Ordinance (Cap. 41)?
 - (b) have you been an actuary appointed under section 15 of the

Insurance Ordinance (Cap. 41) during the last 10 years?

- 18. Have you had any other occupation other than that disclosed at paragraphs 8 and 17 above, including any additional engagements accepted by you to carry out any duty or function that is equivalent to any duty or function of actuaries appointed under section 15 of the Insurance Ordinance (Cap. 41)? If so, give full particulars.
- 19. In carrying out your duties, will you be acting on the directions or instructions of any other person? If so, give full particulars.

I certify that the above information is complete and correct to the best of my knowledge and belief.

Date

Signed
(Individual named in paragraph 1 above.)

I certify that†
has supplied the above information and that in respect of* the individual is—

- §(a) an actuary;
- §(b) a partner in ‡ which is an actuary appointed under section 15(3) of the Insurance Ordinance (Cap. 41).

Date

Signed
(§Director/Secretary of the

Authorized Insurer.)

* Insert name of Authorized Insurer.

† Insert name of individual to whom particulars relate.

‡ Insert name of partnership.

§ Delete as necessary.

Form A2

[para. 2, Sch. 2]

Particulars Required in Respect of Individuals who are Key Persons in Control Functions of Captive Insurers within Meaning of Section 13AE(12) of Insurance Ordinance (Cap. 41)

Name of Captive Insurer*

The following are particulars of—

§(a) †.....

§(b) ‡.....

of which †..... is a partner who became a key person in control functions within the meaning of section 13AE(12) of the Insurance Ordinance (Cap. 41) and is responsible for the performance of the §risk management function/financial control function/compliance function/internal audit function/actuarial function/intermediary management function on (date).

- | | |
|---|-------------|
| 1. Family name | Other names |
| | |
| Any other name(s) by which you have been known or are known | |
| | |
2. Private address.
 3. Date of birth.
Place of birth (including town or city).
 4. Nationality, including a statement as to whether it was acquired by birth or naturalization.
 5. Qualifications and experience, including those relating to insurance and allied matters.
 6. Present occupation or employment and occupations and employment during the last 10 years relating to the control functions (within the meaning of section 13AE(12) of the Insurance Ordinance (Cap. 41)), including the name of the employer, the nature of the business, the position held and relevant dates.
 7. Will you be solely responsible or jointly responsible for the control functions with any other person or persons of the captive insurer? For the latter case, give particulars (including name, role and position) of the other key person or persons and describe in detail how you are jointly responsible for the control functions. (Note: Separate form is required for each joint key person in control functions.)
 8. To whom are you reporting? Describe the reporting structure or reporting lines that you have in relation to people within the captive insurer, people at the head office of the captive insurer and people at the parent company of the captive insurer, as may be appropriate. Provide an organizational chart showing where you are in the management and governance structure, business and operational units of the captive insurer and your respective reporting lines.
 9. Have you been convicted of any criminal offence (other than an

offence committed more than 10 years ago when you were of or under the age of 16 years) by any court, including a military tribunal, in Hong Kong or elsewhere? If so, give full particulars of the court by which you were convicted, the offence and the penalty imposed and the date of the conviction.

10. If, in the last 10 years, you have been—
 - (a) refused or restricted from the right to carry on any trade, business or profession by any regulatory authority in Hong Kong or elsewhere;
 - (b) censured, disciplined or publicly criticized by any regulatory authority in Hong Kong or elsewhere; or
 - (c) the subject of an investigation conducted by any regulatory authority in Hong Kong or elsewhere,
 give full particulars.
11. Have you, in the last 10 years, in Hong Kong or elsewhere, been censured, disciplined or publicly criticized by a professional body to which you belong or belonged, or been dismissed from any office or employment, or been refused entry to any profession or occupation? If so, give full particulars.
12. Have you been adjudicated bankrupt by a court in Hong Kong or elsewhere? If so, give full particulars.
13. Have you, in the last 10 years, failed to satisfy any debt adjudged due and payable by you as a judgment-debtor under an order of a court in Hong Kong or elsewhere? If so, give full particulars.
14. Have you, in connection with the formation or management of a body corporate or insurer, been adjudged by a court in Hong Kong or elsewhere civilly liable for any fraud, misfeasance or other misconduct by you towards the body or insurer or towards any members of the body or insurer? If so, give full particulars.
15. Has any body corporate or insurer with which you were associated as key person in control functions (within the meaning of section

13AE(12) of the Insurance Ordinance (Cap. 41)) in the last 10 years, in Hong Kong or elsewhere, been compulsorily wound up or made any compromise or arrangement with its creditors or ceased trading in circumstances where its creditors did not receive or have not yet received full settlement of their claims, either while you were associated with it or within one year after you ceased to be associated with it? If so, give full particulars.

16. Of what bodies corporate or insurers—
 - (a) are you now a key person in control functions (within the meaning of section 13AE(12) of the Insurance Ordinance (Cap. 41))?
 - (b) have you been a key person in control functions (within the meaning of section 13AE(12) of the Insurance Ordinance (Cap. 41)) during the last 10 years?
17. Have you had any other occupation other than that disclosed at paragraphs 6 and 16 above? If so, give full particulars.
18. In carrying out your duties, will you be acting on the directions or instructions of any other person? If so, give full particulars.

I certify that the above information is complete and correct to the best of my knowledge and belief.

Date

Signed
(Individual named in paragraph 1 above.)

I certify that†
has supplied the above information and that in respect
of* the

individual is—

- §(a) a key person in control functions within the meaning of section 13AE(12) of the Insurance Ordinance (Cap. 41) and is responsible for the performance of the §risk management function/financial control function/compliance function/internal audit function/actuarial function/intermediary management function;
- §(b) a partner in ‡ which is a key person in control function within the meaning of section 13AE(12) of the Insurance Ordinance (Cap. 41) and is responsible for the performance of the §risk management function/financial control function/compliance function/internal audit function/actuarial function/intermediary management function.

Date

Signed
 (§Director/Secretary
 of the Captive Insurer.)

- * Insert name of Captive Insurer.
- † Insert name of individual to whom particulars relate.
- ‡ Insert name of partnership.
- § Delete as necessary.”.

(48) Schedule 2, Form B—

Repeal

everything before “Name of Insurer”

Substitute

“Form B

[para. 2, Sch. 2]

Particulars Required in Respect of Bodies Corporate which are Controllers or Directors”.

(49) Schedule 2, Form B—

Repeal

“Name of Insurer*”

Substitute

“Name of † Authorized Insurer/Insurer*”.

(50) Schedule 2, Form B, paragraph 6, Note—

Repeal

“he were”

Substitute

“the person were”.

(51) Schedule 2, English text, Form B, paragraph 9, Note—

Repeal

“his”

Substitute

“the nominee’s”.

(52) Schedule 2, Form B, after paragraph 10—

Add

“10A. If, in the last 10 years, the above-named body corporate has been—

- (a) refused or restricted from the right to carry on any

- trade, business or profession by any regulatory authority in Hong Kong or elsewhere;
- (b) censured, disciplined or publicly criticized by any regulatory authority in Hong Kong or elsewhere; or
- (c) the subject of an investigation conducted by any regulatory authority in Hong Kong or elsewhere, give full particulars.”.
- (53) Schedule 2, Form B, paragraph 11—
Repeal
 “Particulars of circumstances (by reference to section 9(1) of the Insurance Ordinance)”
Substitute
 “Give particulars of circumstances (by reference to section 9(1) of the Insurance Ordinance (Cap. 41))”.
- (54) Schedule 2, Form B, paragraph 11—
Repeal
 “controller.”
Substitute
 “controller, and attach a shareholding chart of the insurer where applicable.”.
- (55) Schedule 2, Chinese text, Form B, paragraph 12—
Repeal
 everything before “債權人達成”
Substitute
 “12. 如在過去 10 年內，上述法人團體透過擔任某法人團體或保險人的董事或控權人，而與該法人團體或保險人有聯繫，則在上述法人團體有此聯繫的期間，或在上述法人團體停止此聯繫後的一年內，該法人團體或

- 保險人有否在香港或其他地方被強制清盤、與其”。
- (56) Schedule 2, English text, Form B, paragraph 12—
Repeal
 “whilst”
Substitute
 “while”.
- (57) Schedule 2, Form B, paragraph 12, Note—
Repeal
 “he were”
Substitute
 “the person were”.
- (58) Schedule 2, Form B—
Repeal
 “(Director/Secretary† of body corporate.)”
Substitute
 “(†Director/Secretary of body corporate.)”.
- (59) Schedule 2, Form B—
Repeal
 “Director/Controller/Chief Executive/Managing Director”
Substitute
 “†Director/Controller/Chief Executive/Managing Director;”.
- (60) Schedule 2, Form B—
Repeal
 “partner is Controller”
Substitute
 “partner is Controller.”.

- (61) Schedule 2, Form B—
Repeal
 “(Director/Secretary† of the Insurer.)”
Substitute
 “(†Director/Secretary of the †Authorized Insurer/Insurer.)”
- (62) Schedule 2, Form B—
Repeal
 “Insert name of Insurer”
Substitute
 “Insert name of Authorized Insurer/Insurer”.
- (63) Schedule 2, Form C—
Repeal everything before paragraph 1
Substitute

“Form C

[para. 3, Sch. 2]

Particulars Required under Section 14(2) of Insurance Ordinance (Cap. 41) in Respect of Person Becoming Controller within Meaning of Section 13A(12) or 13B(1) of the Ordinance, Director Pursuant to Section 13AC(1) of the Ordinance, Key Person in Control Functions within Meaning of Section 13AE(12) of the Ordinance Pursuant to Section 13AE(1) of the Ordinance or Authorized Representative of

Lloyd’s Pursuant to Section 50B of the Ordinance, or Ceasing to be Controller, Director, Key Person in Control Functions or Authorized Representative”.

- (64) Schedule 2, Form C, paragraph 1—
Repeal
 “Name of authorized insurer”
Substitute
 “Name of †authorized insurer/Lloyd’s”.
- (65) Schedule 2, Form C, paragraph 1—
Repeal subparagraphs (a) and (b)
Substitute
 “†(a) become a controller within the meaning of section †13A(12)/13B(1) of the Insurance Ordinance (Cap. 41);
 †(b) become a director pursuant to section 13AC(1) of the Insurance Ordinance (Cap. 41);
 †(c) become a key person in control functions (within the meaning of section 13AE(12) of the Insurance Ordinance (Cap. 41)) pursuant to section 13AE(1) of the Insurance Ordinance (Cap. 41);
 †(d) become an authorized representative of Lloyd’s pursuant to section 50B of the Insurance Ordinance (Cap. 41);
 †(e) ceased to be a †controller/director/key person in control functions/authorized representative.”.
- (66) Schedule 2, Form C, paragraph 3—
Repeal subparagraphs (a) and (b)
Substitute

- “†(a) became a controller within the meaning of section †13A(12)/13B(1) of the Insurance Ordinance (Cap. 41);
- †(b) became a director pursuant to section 13AC(1) of the Insurance Ordinance (Cap. 41);
- †(c) became a key person in control functions (within the meaning of section 13AE(12) of the Insurance Ordinance (Cap. 41)) pursuant to section 13AE(1) of the Insurance Ordinance (Cap. 41);
- †(d) became an authorized representative of Lloyd’s pursuant to section 50B of the Insurance Ordinance (Cap. 41);
- †(e) ceased to be a †controller/director/key person in control functions/authorized representative.”.

(67) Schedule 2, Form C, paragraph 4—

Repeal

everything after “becoming,”

Substitute

“is—

- †(a) a controller within the meaning of section †13A(12)/13B(1) of the Insurance Ordinance (Cap. 41);
- †(b) a director pursuant to section 13AC(1) of the Insurance Ordinance (Cap. 41);
- †(c) a key person in control functions (within the meaning of section 13AE(12) of the Insurance Ordinance (Cap. 41)) pursuant to section 13AE(1) of the Insurance Ordinance (Cap. 41);
- †(d) an authorized representative of Lloyd’s pursuant to section 50B of the Insurance Ordinance (Cap. 41),

and that there has been no change in any information provided under that section in respect of that person.”.

(68) Schedule 2, Form C, paragraph 5—

Repeal

“director/controller”

Substitute

“controller/director/key person in control functions/authorized representative”.

(69) Schedule 2, Form C—

Repeal

“(Director/Secretary† of the Insurer)”

Substitute

“†(†Director/Secretary of the Authorized Insurer)/(Chairman of Lloyd’s)”.

(70) Schedule 2, after Form C—

Add

“Form C1

[para. 3, Sch. 2]

Particulars Required in Respect of Person Becoming Actuary of Authorized Insurer Pursuant to Section 15(3A) of Insurance Ordinance (Cap. 41) or Ceasing to be Actuary

1. Name of Authorized Insurer* of which a person has—

- †(a) become an actuary pursuant to section 15(3A) of the Insurance Ordinance (Cap. 41);
- †(b) ceased to be an actuary.
- 2. Name of the person.‡
- 3. Date on which the person—
 - †(a) became an actuary of the authorized insurer;
 - †(b) ceased to be an actuary of the authorized insurer.
- †4. Confirmation that the person has become, or, after becoming, is an actuary pursuant to section 15(3A) of the Insurance Ordinance (Cap. 41) and that there has been no change in any information provided under that section in respect of that person.
- †5. Reasons for ceasing to be an actuary—
 - †(a) resignation (a written notice signed by the actuary pursuant to section 15B(2)(a) of the Insurance Ordinance (Cap. 41) is †attached/submitted separately);
 - †(b) the actuary has been so appointed for a fixed term and decides not to seek reappointment (a written notice signed by the actuary pursuant to section 15B(2)(b) of the Insurance Ordinance (Cap. 41) is †attached/submitted separately);
 - †(c) other reasons to be specified.

Date

Signed

(†Director/Secretary of the Authorized Insurer.)

* Insert name of Authorized Insurer.

† Delete as necessary.

‡ Insert name of individual, body corporate or partnership.”.

4. Schedule 3 amended (accounts and statements)

- (1) Schedule 3, Part 1, paragraph 1(1), definition of *statutory business*, paragraph (b)—

Repeal

“or”.

- (2) Schedule 3, Part 1, paragraph 1(1), definition of *statutory business*, paragraph (c)—

Repeal the semicolon

Substitute

“; or”.

- (3) Schedule 3, Part 1, paragraph 1(1), definition of *statutory business*, after paragraph (c)—

Add

“(d) the business of insurance against liability described in section 28 of the Building Management Ordinance (Cap. 344) and any regulation made under section 41 of the Ordinance;”.

- (4) Schedule 3, Part 8, Form 1—

Repeal

“Property damage	Statutory business
\$	\$”

Substitute

	“Statutory business	
Property damage	Employees’ compensation	Owners’ corporation liability
\$	\$	\$”.

- (5) Schedule 3, Part 8, Form 1A—

Repeal

“Property damage	Statutory business
§	§”

Substitute

	“Statutory business	
Property damage	Employees’	Owners’ corporation
§	compensation	liability
	§	§”.

5. Schedule 4 amended (proposed appointment of controller within the meaning of section 13A(12) or authorized representative under section 50B)

- (1) Schedule 4—

Repeal everything before paragraph 1**Substitute****“Schedule 4**

[ss. 13A, 13AC, 13AE & 138]

**Proposed Appointment of Controller within
Meaning of Section 13A(12), Director Pursuant to
Section 13AC(1), Key Person in Control
Functions within Meaning of Section 13AE(12),
Actuary Pursuant to Section 15(3A) or
Authorized Representative under Section 50B”.**

- (2) Schedule 4, paragraph 1(a)—

Repeal

everything after “to be”

Substitute

“provided by an authorized insurer to the Authority—

- (i) under section 13A(3)(a) of this Ordinance in respect of the proposed appointment of an individual as a controller (within the meaning of section 13A(12) of this Ordinance) of the insurer;
- (ii) under section 13AC(3)(a) of this Ordinance in respect of the proposed appointment of a person as a director of the insurer pursuant to section 13AC(1) of this Ordinance;
- (iii) under section 13AE(3)(a) of this Ordinance in respect of the proposed appointment of an individual as a key person in control functions (within the meaning of section 13AE(12) of this Ordinance) of the insurer; or
- (iv) under section 15(3B)(a) of this Ordinance in respect of the proposed appointment of a person as an actuary of the insurer pursuant to section 15(3A) of this Ordinance; and”.

- (3) Schedule 4, paragraph 1(b)—

Repeal

“furnished”

Substitute

“provided”.

- (4) Schedule 4, paragraph 2, heading, after “proposed controller”—
-
- Add**

“, proposed director, proposed key person in control functions, proposed actuary”.

- (5) Schedule 4, paragraph 2(a)—

Repeal

“furnished by an insurer”

Substitute

“provided by an authorized insurer”.

- (6) Schedule 4, paragraph 2(a)—

Repeal

everything after “pursuant to” and before “contain”

Substitute

“provisions referred to in subparagraph (ab) must”.

- (7) Schedule 4, paragraph 2(a)(i), after “Form A”—

Add

“, A1 or A2”.

- (8) Schedule 4, after paragraph 2(a)—

Add

“(ab) The provisions are—

- (i) for an individual proposed to be appointed as a controller (within the meaning of section 13A(12) of this Ordinance), section 13A(3)(a) of this Ordinance;
- (ii) for a person proposed to be appointed as a director, section 13AC(3)(a) of this Ordinance;
- (iii) for an individual proposed to be appointed as a key person in control functions (within the meaning of section 13AE(12) of this Ordinance), section 13AE(3)(a) of this Ordinance; or

(iv) for a person proposed to be appointed as an actuary, section 15(3B)(a) of this Ordinance.”.

- (9) Schedule 4, paragraph 2(b)—

Repeal

“furnished”

Substitute

“provided”.

- (10) Schedule 4, Form A—

Repeal

everything before “Name of Proposer”

Substitute

“Form A

[para. 2, Sch. 4]

Particulars Required in Respect of Individuals who are Proposed to be Appointed as Controller within Meaning of Section 13A(12) of Insurance Ordinance (Cap. 41), Director Pursuant to Section 13AC(1) of the Ordinance or Authorized Representative under Section 50B of the Ordinance”.

- (11) Schedule 4, Form A, paragraph 1—

Repeal

“he has been known or is”

Substitute

- “you have been known or are”.
- (12) Schedule 4, Chinese text, Form A, paragraph 5—
Repeal
 “與保險有關連事宜”
Substitute
 “有關保險事宜方面”.
- (13) Schedule 4, Chinese text, Form A, paragraph 6—
Repeal
 “目前的”
Substitute
 “現時”.
- (14) Schedule 4, Form A, after paragraph 6—
Add
 “6A. To whom are you reporting? Describe the reporting structure or reporting lines that you have in relation to people within the insurer, people at the head office of the insurer and people at the parent company of the insurer, as may be appropriate.”.
- (15) Schedule 4, Form A, paragraph 7—
Repeal
 “Has he at any time been convicted of any criminal offence (other than an offence committed when he was of or under the age of 16 years unless the same was committed within the last 10 years”
Substitute
 “Have you been convicted of any criminal offence (other than an offence committed more than 10 years ago when you were of or under the age of 16 years”.

- (16) Schedule 4, Form A, paragraph 7—
Repeal
 “he was convicted”
Substitute
 “you were convicted”.
- (17) Schedule 4, Form A, after paragraph 7—
Add
 “7A. If, in the last 10 years, you have been—
 (a) refused or restricted from the right to carry on any trade, business or profession by any regulatory authority in Hong Kong or elsewhere;
 (b) censured, disciplined or publicly criticized by any regulatory authority in Hong Kong or elsewhere; or
 (c) the subject of an investigation conducted by any regulatory authority in Hong Kong or elsewhere,
 give full particulars.”.
- (18) Schedule 4, Form A, paragraph 8—
Repeal
 “Has he in the last 10 years, in Hong Kong or elsewhere, been censured, disciplined or publicly criticized by any professional body to which he belongs or belonged”
Substitute
 “Have you, in the last 10 years, in Hong Kong or elsewhere, been censured, disciplined or publicly criticized by a professional body to which you belong or belonged.”.
- (19) Schedule 4, Form A, paragraph 8—
Repeal

- “employment or refused”
Substitute
 “employment, or been refused”.
- (20) Schedule 4, Chinese text, Form A—
Repeal
 “十足” (wherever appearing).
- (21) Schedule 4, Form A, paragraph 9—
Repeal
 “Has he at any time”
Substitute
 “Have you”.
- (22) Schedule 4, Form A, paragraph 10—
Repeal
 “Has he at any time in the last 10 years”
Substitute
 “Have you, in the last 10 years.”
- (23) Schedule 4, Form A, paragraph 10—
Repeal
 “him”
Substitute
 “you”.
- (24) Schedule 4, Form A, paragraph 11—
Repeal
 “Has he, in connection with the formation or management of any”
Substitute

- “Have you, in connection with the formation or management of a”.
- (25) Schedule 4, Form A, paragraph 11—
Repeal
 “him towards such a body or insurer or towards any members thereof”
Substitute
 “you towards the body or insurer or towards any members of the body or insurer”.
- (26) Schedule 4, Form A, paragraph 12—
Repeal
 “he was associated as”
Substitute
 “you were associated as”.
- (27) Schedule 4, English text, Form A, paragraph 12—
Repeal
 “this Ordinance”
Substitute
 “the Insurance Ordinance (Cap. 41)”.
- (28) Schedule 4, English text, Form A, paragraph 12—
Repeal
 “whilst he was associated with it or within one year after he ceased”
Substitute
 “while you were associated with it or within one year after you ceased”.
- (29) Schedule 4, Form A, paragraph 12, Note—

Repeal

“he were”

Substitute

“the person were”.

- (30) Schedule 4, Chinese text, Form A, paragraph 13—

Repeal

“他”

Substitute

“你”.

- (31) Schedule 4, Form A, paragraph 13(a)—

Repeal

“is he now a director or controller (within the meaning of section 9 of this Ordinance)”

Substitute

“are you now a director or controller (within the meaning of section 9 of the Insurance Ordinance (Cap. 41))”.

- (32) Schedule 4, Form A, paragraph 13(b)—

Repeal

“has he been a director or controller (within the meaning of section 9 of this Ordinance)”

Substitute

“have you been a director or controller (within the meaning of section 9 of the Insurance Ordinance (Cap. 41)) during the last 10 years”.

- (33) Schedule 4, Form A, paragraph 14—

Repeal

“Has he”

Substitute

“Have you had”.

- (34) Schedule 4, Form A, paragraph 14—

Repeal

everything after “at”

Substitute

“paragraphs 6 and 13 above? If so, give full particulars.”.

- (35) Schedule 4, Form A, paragraph 15—

Repeal

“his duties, will he”

Substitute

“your duties, will you”.

- (36) Schedule 4, Form A, after paragraph 15—

Add

“16. Any additional information that you consider to be relevant or material to this application.”.

- (37) Schedule 4, Chinese text, Form A—

Repeal

“上述資料是由+ 提供的”

Substitute

“+ 已提供上述資料”.

- (38) Schedule 4, Form A—

Repeal

“he is—”

Substitute

“the individual is—”.

(39) Schedule 4, Form A—

Repeal

“controller within the meaning of section 13A(12) of this Ordinance” (wherever appearing)

Substitute

“#controller within the meaning of section 13A(12) of the Insurance Ordinance (Cap. 41)/director pursuant to section 13AC(1) of the Insurance Ordinance (Cap. 41)”.

(40) Schedule 4, Form A—

Repeal

“section 50B of this Ordinance”

Substitute

“section 50B of the Insurance Ordinance (Cap. 41)”.

(41) Schedule 4, Form A—

Repeal

“(Director/Secretary# of the Insurer)”

Substitute

“#(#Director/Secretary of the Authorized Insurer)”.

(42) Schedule 4, Form A—

Repeal

“Lloyd’s)#”

Substitute

“Lloyd’s”.

(43) Schedule 4, Form A—

Repeal

“Insurer or Lloyd’s”

Substitute

“Authorized Insurer or Lloyd’s”.

(44) Schedule 4, after Form A—

Add

“Form A1

[para. 2, Sch. 4]

Particulars Required in Respect of Individuals who are Proposed to be Appointed as Key Persons in Control Functions within Meaning of Section 13AE(12) of Insurance Ordinance (Cap. 41)

Name of Proposer*

The following are particulars of—

#(a)†

#(b)‡

of which †..... is a partner.

1. Family name Other names

Any other name(s) by which you have been known or are known

2. Private address.

3. Date of birth.
Place of birth (including town or city).

4. Nationality, including a statement as to whether it was acquired by birth or naturalization.
5. Qualifications and experience, including those relating to insurance and allied matters.
6. Present occupation or employment and occupations and employment during the last 10 years relating to the control functions (within the meaning of section 13AE(12) of the Insurance Ordinance (Cap. 41)), including the name of the employer, the nature of the business, the position held and relevant dates.
7. Specify the kind of control functions (within the meaning of section 13AE(12) of the Insurance Ordinance (Cap. 41)) that you will be responsible for. Will you be solely responsible or jointly responsible for the control functions with any other person or persons of the insurer? For the latter case, give particulars (including name, role and position) of the other key person or persons and describe in detail how you are jointly responsible for the control functions. (Note: Separate form is required for each joint key person in control functions.)
8. To whom are you reporting? Describe the reporting structure or reporting lines that you have in relation to people within the insurer, people at the head office of the insurer and people at the parent company of the insurer, as may be appropriate. Provide an organizational chart showing where you are in the management and governance structure, business and operational units of the insurer and your respective reporting lines.
9. Have you been convicted of any criminal offence (other than an offence committed more than 10 years ago when you were of or under the age of 16 years) by any court, including a military tribunal, in Hong Kong or elsewhere? If so, give full particulars of the court by which you were convicted, the offence and the penalty imposed and the date of the conviction.
10. If, in the last 10 years, you have been—

- (a) refused or restricted from the right to carry on any trade, business or profession by any regulatory authority in Hong Kong or elsewhere;
 - (b) censured, disciplined or publicly criticized by any regulatory authority in Hong Kong or elsewhere; or
 - (c) the subject of an investigation conducted by any regulatory authority in Hong Kong or elsewhere,
- give full particulars.
11. Have you, in the last 10 years, in Hong Kong or elsewhere, been censured, disciplined or publicly criticized by a professional body to which you belong or belonged, or been dismissed from any office or employment, or been refused entry to any profession or occupation? If so, give full particulars.
 12. Have you been adjudicated bankrupt by a court in Hong Kong or elsewhere? If so, give full particulars.
 13. Have you, in the last 10 years, failed to satisfy any debt adjudged due and payable by you as a judgment-debtor under an order of a court in Hong Kong or elsewhere? If so, give full particulars.
 14. Have you, in connection with the formation or management of a body corporate or insurer, been adjudged by a court in Hong Kong or elsewhere civilly liable for any fraud, misfeasance or other misconduct by you towards the body or insurer or towards any members of the body or insurer? If so, give full particulars.
 15. Has any body corporate or insurer with which you were associated as key person in control functions (within the meaning of section 13AE(12) of the Insurance Ordinance (Cap. 41)) in the last 10 years, in Hong Kong or elsewhere, been compulsorily wound up or made any compromise or arrangement with its creditors or ceased trading in circumstances where its creditors did not receive or have not yet received full settlement of their claims, either while you were associated with it or within one year after you ceased to be associated

with it? If so, give full particulars.

- 16. Of what bodies corporate or insurers—
 - (a) are you now a key person in control functions (within the meaning of section 13AE(12) of the Insurance Ordinance (Cap. 41))?
 - (b) have you been a key person in control functions (within the meaning of section 13AE(12) of the Insurance Ordinance (Cap. 41)) during the last 10 years?
- 17. Have you had any other occupation other than that disclosed at paragraphs 6 and 16 above? If so, give full particulars.
- 18. In carrying out your duties, will you be acting on the directions or instructions of any other person? If so, give full particulars.
- 19. Any additional information that you consider to be relevant or material to this application.

I certify that the above information is complete and correct to the best of my knowledge and belief.

Date

Signed
(Individual named in paragraph 1 above.)

I certify that† has supplied the above information and that in respect of* the individual is—

- #(a) proposed to be appointed as a key person in control functions within the meaning of section 13AE(12) of the Insurance Ordinance (Cap. 41) and is responsible for the performance of

the #risk management function/financial control function/compliance function/internal audit function/actuarial function/intermediary management function;

- #(b) a partner in ‡ which is proposed to be appointed as a key person in control functions within the meaning of section 13AE(12) of the Insurance Ordinance (Cap. 41) and is responsible for the performance of the #risk management function/financial control function/compliance function/internal audit function/actuarial function/intermediary management function.

Date

Signed
(#Director/Secretary of the Authorized Insurer.)

- * Insert name of Authorized Insurer.
- † Insert name of individual to whom particulars relate.
- ‡ Insert name of partnership.
- # Delete as necessary.

Form A2

[para. 2, Sch. 4]

Particulars Required in Respect of Individuals who are

Proposed to be Appointed as Actuaries under Section 15 of Insurance Ordinance (Cap. 41) where Section 15(3A) of the Ordinance Applies

Name of Proposer*

The following are particulars of—

#(a)†

#(b)‡

of which †..... is a partner.

1. Family name Other names
.....
Any other name(s) by which you have been known or are known
.....
2. Private address.
3. Date of birth.
Place of birth (including town or city).
4. Nationality, including a statement as to whether it was acquired by birth or naturalization.
5. Educational and professional qualifications, including details of actuarial educational and professional qualifications possessed, full name of the relevant educational organizations and professional bodies and relevant dates.
6. Do you possess any one of the prescribed actuarial professional qualifications for the purposes of section 15(1)(b) of the Insurance Ordinance (Cap. 41)? If not, give any other information that enables the Authority to consider whether your actuarial professional qualifications possessed are acceptable.
7. Will you comply with the prescribed standards under section 15C of the Insurance Ordinance (Cap. 41)? If not, give details of other

standards being comparable to the prescribed standards with which you will comply, and any other information that enables the Authority to consider whether those other standards are acceptable.

8. Present occupation or employment and occupations and employment during the last 10 years, including the name of the employer, the nature of the business, the position held, details of experience relating to actuarial work and relevant dates.
9. To whom are you reporting? Describe the reporting structure or reporting lines that you have in relation to people within the insurer, people at the head office of the insurer and people at the parent company of the insurer, as may be appropriate.
10. Have you been convicted of any criminal offence (other than an offence committed more than 10 years ago when you were of or under the age of 16 years) by any court, including a military tribunal, in Hong Kong or elsewhere? If so, give full particulars of the court by which you were convicted, the offence and the penalty imposed and the date of the conviction.
11. If, in the last 10 years, you have been—
 - (a) refused or restricted from the right to carry on any trade, business or profession by any regulatory authority in Hong Kong or elsewhere;
 - (b) censured, disciplined or publicly criticized by any regulatory authority in Hong Kong or elsewhere; or
 - (c) the subject of an investigation conducted by any regulatory authority in Hong Kong or elsewhere,
give full particulars.
12. Have you, in the last 10 years, in Hong Kong or elsewhere, been censured, disciplined or publicly criticized by a professional body to which you belong or belonged, or been dismissed from any office or employment, or been refused entry to any profession or occupation? If so, give full particulars.

13. Have you been adjudicated bankrupt by a court in Hong Kong or elsewhere? If so, give full particulars.
14. Have you, in the last 10 years, failed to satisfy any debt adjudged due and payable by you as a judgment-debtor under an order of a court in Hong Kong or elsewhere? If so, give full particulars.
15. Have you, in connection with the formation or management of a body corporate or insurer, been adjudged by a court in Hong Kong or elsewhere civilly liable for any fraud, misfeasance or other misconduct by you towards the body or insurer or towards any members of the body or insurer? If so, give full particulars.
16. Has any body corporate or insurer with which you were associated as actuary appointed under section 15 of the Insurance Ordinance (Cap. 41) in the last 10 years, in Hong Kong or elsewhere, been compulsorily wound up or made any compromise or arrangement with its creditors or ceased trading in circumstances where its creditors did not receive or have not yet received full settlement of their claims, either while you were associated with it or within one year after you ceased to be associated with it? If so, give full particulars.
17. Of what bodies corporate or insurers—
 - (a) are you now an actuary appointed under section 15 of the Insurance Ordinance (Cap. 41)?
 - (b) have you been an actuary appointed under section 15 of the Insurance Ordinance (Cap. 41) during the last 10 years?
18. Have you had any other occupation other than that disclosed at paragraphs 8 and 17 above, including any additional engagements accepted by you to carry out any duty or function that is equivalent to any duty or function of actuaries appointed under section 15 of the Insurance Ordinance (Cap. 41)? If so, give full particulars.
19. In carrying out your duties, will you be acting on the directions or instructions of any other person? If so, give full particulars.

20. Any additional information that you consider to be relevant or material to this application.

I certify that the above information is complete and correct to the best of my knowledge and belief.

Date

Signed

(Individual named in paragraph 1 above.)

I certify that† has supplied the above information and that in respect of* the individual is—

#(a) proposed to be appointed as an actuary under section 15 of the Insurance Ordinance (Cap. 41) where section 15(3A) of the Insurance Ordinance (Cap. 41) applies;

#(b) a partner in ‡ which is proposed to be appointed as an actuary under section 15 of the Insurance Ordinance (Cap. 41) where section 15(3A) of the Insurance Ordinance (Cap. 41) applies.

Date

Signed

(#Director/Secretary of the Authorized Insurer.)

* Insert name of Authorized Insurer.

- † Insert name of individual to whom particulars relate.
‡ Insert name of partnership.
Delete as necessary.”

(45) Schedule 4, Form B—

Repeal

everything before “Name of Insurer”

Substitute

“Form B

[para. 2, Sch. 4]

**Particulars Required in Respect of Bodies
Corporate which are Proposed to be Appointed as
Directors Pursuant to Section 13AC(1) of
Insurance Ordinance (Cap. 41)”.**

(46) Schedule 4, Form B—

Repeal

“Name of Insurer”

Substitute

“Name of Authorized Insurer”.

(47) Schedule 4, Form B—

Repeal

“controller within the meaning of section 13A(12) of this Ordinance,”

Substitute

“director pursuant to section 13AC(1) of the Insurance Ordinance (Cap. 41),”.

(48) Schedule 4, English text, Form B—

Repeal

“such a controller”

Substitute

“a director”.

(49) Schedule 4, English text, Form B—

Repeal

“above-named Insurer”

Substitute

“above-named Authorized Insurer”.

(50) Schedule 4, Form B, paragraph 6—

Repeal

“this Ordinance”

Substitute

“the Insurance Ordinance (Cap. 41)”.

(51) Schedule 4, Form B, paragraph 6, Note—

Repeal

“he were”

Substitute

“the person were”.

(52) Schedule 4, Form B, paragraph 8, after “years.”—

Add

“Attach a shareholding chart of the insurer where applicable.”.

(53) Schedule 4, English text, Form B, paragraph 9, Note—

Repeal

“his”

Substitute

“the nominee’s”.

- (54) Schedule 4, Form B, after paragraph 10—

Add

“10A. If, in the last 10 years, the above-named body corporate has been—

- (a) refused or restricted from the right to carry on any trade, business or profession by any regulatory authority in Hong Kong or elsewhere;
- (b) censured, disciplined or publicly criticized by any regulatory authority in Hong Kong or elsewhere; or
- (c) the subject of an investigation conducted by any regulatory authority in Hong Kong or elsewhere,

give full particulars.”.

- (55) Schedule 4, Form B, paragraph 11—

Repeal

“this Ordinance”

Substitute

“the Insurance Ordinance (Cap. 41)”.

- (56) Schedule 4, Chinese text, Form B, paragraph 11—

Repeal

everything before “債權人達成”

Substitute

“11. 如在過去 10 年內，上述法人團體透過擔任某法人團體或保險人的董事或控權人，而與該法人團體或保險人有聯繫，則在上述法人團體有此聯繫的期間，或在上列法人團體停止此聯繫後的一年內，該法人團體或保險人是否有在香港或其他地方被強制清盤、與其”。

- (57) Schedule 4, English text, Form B, paragraph 11—

Repeal

“whilst”

Substitute

“while”.

- (58) Schedule 4, Form B, paragraph 11, Note—

Repeal

“he were”

Substitute

“the person were”.

- (59) Schedule 4, Form B—

Repeal

“(Director/Secretary† of body corporate.)”

Substitute

“(†Director/Secretary of body corporate.)”.

- (60) Schedule 4, Form B—

Repeal

“corporate is proposed to be appointed as a controller within the meaning of section 13A(12) of this Ordinance.”

Substitute

“corporate is proposed to be appointed as a director pursuant to section 13AC(1) of the Insurance Ordinance (Cap. 41);”.

- (61) Schedule 4, Form B—

Repeal

“partner is proposed to be appointed as a controller within the meaning of section 13A(12) of this Ordinance.”

Substitute

“partner is proposed to be appointed as a director pursuant to section 13AC(1) of the Insurance Ordinance (Cap. 41).”.

- (62) Schedule 4, Form B—

Repeal

“(Director/Secretary† of the insurer.)”

Substitute

“(†Director/Secretary of the Authorized Insurer.)”.

- (63) Schedule 4, Form B—

Repeal

“Insert name of Insurer”

Substitute

“Insert name of Authorized Insurer”.

6. Schedule 5 amended (person proposing to become controller within the meaning of section 13B(1))

- (1) Schedule 5, Form A—

Repeal

everything before “Name of Authorized Insurer”

Substitute**“Form A**

[para. 2, Sch. 5]

Particulars Required in Respect of Individuals who are Proposing to Become Controllers within Meaning of Section 13B(1) of Insurance Ordinance (Cap. 41)”.

- (2) Schedule 5, Form A, after paragraph 6—

Add

“6A. To whom are you reporting? Describe the reporting structure or reporting lines that you have in relation to people within the insurer, people at the head office of the insurer and people at the parent company of the insurer, as may be appropriate. Attach a proposed shareholding chart of the insurer where applicable.”.

- (3) Schedule 5, Form A, paragraph 7—

Repeal

“Have you at any time been convicted of any criminal offence (other than an offence committed when you were of or under the age of 16 years unless the same was committed within the last 10 years”

Substitute

“Have you been convicted of any criminal offence (other than an offence committed more than 10 years ago when you were of or under the age of 16 years”.

- (4) Schedule 5, Form A, after paragraph 7—

Add

“7A. If, in the last 10 years, you have been—

- (a) refused or restricted from the right to carry on any trade, business or profession by any regulatory authority in Hong Kong or elsewhere;
- (b) censured, disciplined or publicly criticized by any regulatory authority in Hong Kong or elsewhere; or
- (c) the subject of an investigation conducted by any regulatory authority in Hong Kong or elsewhere,

give full particulars.”.

- (5) Schedule 5, Form A, paragraph 8—

Repeal

“you in the last 10 years, in Hong Kong or elsewhere, been censured, disciplined or publicly criticized by any professional body to which you belong or belonged”

Substitute

“you, in the last 10 years, in Hong Kong or elsewhere, been censured, disciplined or publicly criticized by a professional body to which you belong or belonged,”.

- (6) Schedule 5, English text, Form A, paragraph 8—

Repeal

“employment or refused”

Substitute

“employment, or been refused”.

- (7) Schedule 5, Form A, paragraph 9—

Repeal

“at any time”.

- (8) Schedule 5, Form A, paragraph 10—

Repeal

“you at any time in the last 10 years”

Substitute

“you, in the last 10 years,”.

- (9) Schedule 5, Form A, paragraph 11—

Repeal

“management of any”

Substitute

“management of a”.

- (10) Schedule 5, Form A, paragraph 11—

Repeal

“such a body or insurer or towards any members thereof”

Substitute

“the body or insurer or towards any members of the body or insurer”.

- (11) Schedule 5, Form A—

Repeal

“this Ordinance” (wherever appearing)

Substitute

“the Insurance Ordinance (Cap. 41)”.

- (12) Schedule 5, English text, Form A, paragraph 12—

Repeal

“whilst”

Substitute

“while”.

- (13) Schedule 5, Form A, paragraph 12, Note—

Repeal

“he were”

Substitute

“the person were”.

- (14) Schedule 5, Chinese text, Form A, paragraph 13(a)—

Repeal

“那些”

Substitute

“哪些”.

- (15) Schedule 5, Form A, paragraph 13(b), after “(Cap. 41)”—

Add

“during the last 10 years”.

- (16) Schedule 5, English text, Form A, paragraph 14, after “you”—

Add

“had”.

- (17) Schedule 5, Form A, paragraph 14—

Repeal

everything after “at”

Substitute

“paragraphs 6 and 13 above? If so, give full particulars.”.

- (18) Schedule 5, English text, Form A, paragraph 15—

Repeal

“duties”

Substitute

“duties,”.

- (19) Schedule 5, Form A, after paragraph 15—

Add

“16. Any additional information that you consider to be relevant or material to this application.”.

- (20) Schedule 5, Form B—

Repeal

everything before “Name of Authorized Insurer”

Substitute**“Form B**

[para. 2, Sch. 5]

Particulars Required in Respect of Bodies Corporate which are Proposing to Become Controllers within Meaning of Section 13B(1) of Insurance Ordinance (Cap. 41)”.

- (21) Schedule 5, Form B—

Repeal

“of this Ordinance” (wherever appearing)

Substitute

“of the Insurance Ordinance (Cap. 41)”.

- (22) Schedule 5, Form B, paragraph 6, Note—

Repeal

“he were”

Substitute

“the person were”.

- (23) Schedule 5, Form B, paragraph 8, after “years.”—

Add

“Attach a proposed shareholding chart of the insurer where applicable.”.

- (24) Schedule 5, English text, Form B, paragraph 9, Note—

Repeal

“his”

Substitute

“the nominee’s”.

- (25) Schedule 5, Form B, after paragraph 10—

Add

“10A. If, in the last 10 years, the above-named body corporate has been—

- (a) refused or restricted from the right to carry on any trade, business or profession by any regulatory authority in Hong Kong or elsewhere;
- (b) censured, disciplined or publicly criticized by any regulatory authority in Hong Kong or elsewhere; or
- (c) the subject of an investigation conducted by any regulatory authority in Hong Kong or elsewhere,

give full particulars.”.

- (26) Schedule 5, English text, Form B, paragraph 11—

Repeal

“whilst”

Substitute

“while”.

- (27) Schedule 5, Form B, paragraph 11, Note—

Repeal

“he were”

Substitute

“the person were”.

- (28) Schedule 5, Form B—

Repeal

“(Director/Secretary† of body corporate.)”

Substitute

“(†Director/Secretary of body corporate.)”.

7. Schedule 6 amended (person who has become controller of authorized insurer in contravention of section 13B(2))

- (1) Schedule 6, Form A—

Repeal

everything before “Name of Authorized Insurer”

Substitute

“Form A

[para. 2, Sch. 6]

Particulars Required in Respect of Individuals who have Become Controllers in Contravention of Section 13B(2) of Insurance Ordinance (Cap. 41)”.

- (2) Schedule 6, Form A—

Repeal

“this Ordinance” (wherever appearing)

Substitute

“the Insurance Ordinance (Cap. 41)”.

- (3) Schedule 6, Chinese text, Form A, paragraph 1—

Repeal

“他”

Substitute

“你”.

- (4) Schedule 6, Form A, after paragraph 6—

Add

“6A. To whom are you reporting? Describe the reporting structure or reporting lines that you have in relation to people within the insurer, people at the head office of the insurer and people at the parent company of the insurer, as may be appropriate.”.

- (5) Schedule 6, Form A, paragraph 7—

Repeal

“Have you at any time been convicted of any criminal offence (other than an offence committed when you were of or under the age of 16 years unless the same was committed within the last 10 years”

Substitute

“Have you been convicted of any criminal offence (other than an offence committed more than 10 years ago when you were of or under the age of 16 years”.

- (6) Schedule 6, Form A, after paragraph 7—

Add

“7A. If, in the last 10 years, you have been—

- (a) refused or restricted from the right to carry on any trade, business or profession by any regulatory authority in Hong Kong or elsewhere;
- (b) censured, disciplined or publicly criticized by any regulatory authority in Hong Kong or elsewhere; or
- (c) the subject of an investigation conducted by any regulatory authority in Hong Kong or elsewhere, give full particulars.”.

- (7) Schedule 6, Form A, paragraph 8—

Repeal

“you in the last 10 years, in Hong Kong or elsewhere, been censured, disciplined or publicly criticized by any professional body to which you belong or belonged”

Substitute

“you, in the last 10 years, in Hong Kong or elsewhere, been censured, disciplined or publicly criticized by a professional body to which you belong or belonged.”.

- (8) Schedule 6, English text, Form A, paragraph 8—

Repeal

“employment or refused”

Substitute

“employment, or been refused”.

- (9) Schedule 6, Form A, paragraph 9—

Repeal

“at any time”.

- (10) Schedule 6, Form A, paragraph 10—

Repeal

- “you at any time in the last 10 years”
Substitute
 “you, in the last 10 years,”.
- (11) Schedule 6, Form A, paragraph 11—
Repeal
 “management of any”
Substitute
 “management of a”.
- (12) Schedule 6, Form A, paragraph 11—
Repeal
 “such a body or insurer or towards any members thereof”
Substitute
 “the body or insurer or towards any members of the body or insurer”.
- (13) Schedule 6, English text, Form A, paragraph 12—
Repeal
 “whilst”
Substitute
 “while”.
- (14) Schedule 6, Form A, paragraph 12, Note—
Repeal
 “he were”
Substitute
 “the person were”.
- (15) Schedule 6, Chinese text, Form A, paragraph 13(a)—
Repeal

- “那些”
Substitute
 “哪些”.
- (16) Schedule 6, Form A, paragraph 13(b), after “(Cap. 41)”—
Add
 “during the last 10 years”.
- (17) Schedule 6, English text, Form A, paragraph 14, after “you”—
Add
 “had”.
- (18) Schedule 6, Form A, paragraph 14—
Repeal
 everything after “at”
Substitute
 “paragraphs 6 and 13 above? If so, give full particulars.”.
- (19) Schedule 6, Form A, paragraph 15, after “of section 13B(1) of the Insurance Ordinance (Cap. 41)”—
Add
 “, and attach a shareholding chart of the insurer where applicable”.
- (20) Schedule 6, English text, Form A, paragraph 16—
Repeal
 “duties”
Substitute
 “duties,”.
- (21) Schedule 6, Form B—
Repeal

everything before “Name of Authorized Insurer”

Substitute

“Form B

[para. 2, Sch. 6]

Particulars Required in Respect of Bodies Corporate which have Become Controllers in Contravention of Section 13B(2) of Insurance Ordinance (Cap. 41)”.

(22) Schedule 6, Form B—

Repeal

“this Ordinance” (wherever appearing)

Substitute

“the Insurance Ordinance (Cap. 41)”.

(23) Schedule 6, Form B, paragraph 6, Note—

Repeal

“he were”

Substitute

“the person were”.

(24) Schedule 6, English text, Form B, paragraph 9, Note—

Repeal

“his”

Substitute

“the nominee’s”.

(25) Schedule 6, Form B, after paragraph 10—

Add

“10A. If, in the last 10 years, the above-named body corporate has been—

(a) refused or restricted from the right to carry on any trade, business or profession by any regulatory authority in Hong Kong or elsewhere;

(b) censured, disciplined or publicly criticized by any regulatory authority in Hong Kong or elsewhere; or

(c) the subject of an investigation conducted by any regulatory authority in Hong Kong or elsewhere,

give full particulars.”.

(26) Schedule 6, Form B, paragraph 11—

Repeal

“Particulars”

Substitute

“Give particulars”.

(27) Schedule 6, Form B, paragraph 11, after “of section 13B(1) of the Insurance Ordinance (Cap. 41)”—

Add

“, and attach a shareholding chart of the insurer where applicable”.

(28) Schedule 6, English text, Form B, paragraph 12—

Repeal

“whilst”

Substitute

“while”.

- (29) Schedule 6, Form B, paragraph 12, Note—

Repeal

“he were”

Substitute

“the person were”.

- (30) Schedule 6, Form B—

Repeal

“(Director/Secretary[‡] of body corporate.)”

Substitute

“([‡]Director/Secretary of body corporate.)”.

Chairperson,
Provisional Insurance Authority

2017

Explanatory Note

This Notice amends Schedules 2 to 6 to the Insurance Ordinance (Cap. 41) to specify new forms, and to make textual amendments to the Schedules.

**Insurance Companies (Determination of Long Term
Liabilities) Regulation (Amendment) Rules 2017****Contents**

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**Insurance Companies (Determination of Long Term
Liabilities) Regulation (Amendment) Rules 2017**

(Made by the Provisional Insurance Authority under section 129(1) of the
Insurance Ordinance (Cap. 41))

- 1. Commencement**
These Rules come into operation on 26 June 2017.
- 2. Insurance Companies (Determination of Long Term Liabilities)
Regulation amended**
The Insurance Companies (Determination of Long Term Liabilities) Regulation (Cap. 41 sub. leg. E) is amended as set out in rules 3 to 12.
- 3. Title substituted**
The title—
Repeal the title
Substitute
“Insurance (Determination of Long Term Liabilities) Rules”.
- 4. Section 2 amended (interpretation)**
(1) Section 2—
Repeal
“this Regulation”
Substitute
“these Rules”.

(2) Section 2—

Add in alphabetical order

“*insurer* (保險人) means—

- (a) a company that is seeking authorization or is authorized under section 8 of the Ordinance to carry on insurance business; or
- (b) an association of underwriters that is seeking approval or is approved under section 6(1)(c) of the Ordinance;”.

5. **Section 3 amended (application)**

Section 3—

Repeal

“This Regulation shall”

Substitute

“These Rules”.

6. **Section 4 amended (determination of long term liabilities)**

(1) Section 4(1)—

Repeal

“this Regulation”

Substitute

“these Rules”.

(2) Section 4(3)—

Repeal

“prejudice to the generality of subsections”

Substitute

“limiting subrules”.

(3) Section 4(3), English text—

Repeal

“sections”

Substitute

“rules”.

7. **Section 5 amended (method of calculation)**

Section 5(1), English text—

Repeal

“subsections”

Substitute

“subrules”.

8. **Section 8 amended (rates of interest)**

(1) Section 8(2), English text—

Repeal

“subsection”

Substitute

“subrule”.

(2) Section 8(2), English text—

Repeal

“subsections”

Substitute

“subrules”.

(3) Section 8(4), English text—

- Repeal**
“subsection”
- Substitute**
“subrule”.
- (4) Section 8(5), English text—
- Repeal**
“section”
- Substitute**
“rule”.
- (5) Section 8(6), English text—
- Repeal**
“subsections”
- Substitute**
“subrules”.
- (6) Section 8(7)(b), English text—
- Repeal**
“subsection”
- Substitute**
“subrule”.
- (7) Section 8(8), English text—
- Repeal**
“subsection” (wherever appearing)
- Substitute**
“subrule”.

9. **Section 12 amended (expenses)**
Section 12(2), English text—
- Repeal**
“subsection”
- Substitute**
“subrule”.
10. **Section 14 amended (valuation of future premiums)**
- (1) Section 14(1), English text—
- Repeal**
“section”
- Substitute**
“rule”.
- (2) Section 14(2), English text—
- Repeal**
“section”
- Substitute**
“rule”.
- (3) Section 14(2), English text—
- Repeal**
“subsection”
- Substitute**
“subrule”.
- (4) Section 14(4), English text—
- Repeal**
“subsections” (wherever appearing)

Substitute

“subrules”.

11. Section 15 amended (acquisition expenses)

(1) Section 15(1), English text—

Repeal

“section” (wherever appearing)

Substitute

“rule”.

(2) Section 15(1), English text—

Repeal

“subsection”

Substitute

“subrule”.

(3) Section 15(2), English text—

Repeal

“subsection”

Substitute

“subrule”.

(4) Section 15(3), English text—

Repeal

“subsection”

Substitute

“subrule”.

(5) Section 15(4), English text—

Repeal

“section”

Substitute

“rule”.

12. Section 16 amended (nature and term of assets)

Section 16(b), English text—

Repeal

“sections”

Substitute

“rules”.

Chairperson,
Provisional Insurance Authority

2017

Explanatory Note

These Rules amend the Insurance Companies (Determination of Long Term Liabilities) Regulation (Cap. 41 sub. leg. E) (*Regulation*) to—

- (a) amend the title of the Regulation; and
- (b) make textual amendments to the Regulation.

Insurance Companies (Margin of Solvency) Regulation (Amendment) Rules 2017

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Insurance Companies (Margin of Solvency) Regulation (Amendment) Rules 2017

(Made by the Provisional Insurance Authority under section 129(1) of the Insurance Ordinance (Cap. 41))

1. **Commencement**
These Rules come into operation on 26 June 2017.
2. **Insurance Companies (Margin of Solvency) Regulation amended**
The Insurance Companies (Margin of Solvency) Regulation (Cap. 41 sub. leg. F) is amended as set out in rules 3 to 11.
3. **Title substituted**
The title—
Repeal the title
Substitute
“Insurance (Margin of Solvency) Rules”.
4. **Section 2 amended (interpretation)**
 - (1) Section 2—
Repeal
“this Regulation”
Substitute
“these Rules”.
 - (2) Section 2, definition of *first calculation* and *second calculation*—

Repeal

“section 4(1) to (3)”

Substitute

“rule 4(1), (2) and (3)”.

(3) Section 2—

Add in alphabetical order

“*insurer* (保險人) means—

- (a) a company that is seeking authorization or is authorized under section 8 of the Ordinance to carry on insurance business; or
- (b) an association of underwriters that is seeking approval or is approved under section 6(1)(c) of the Ordinance;”.

5. Section 3 amended (determination of margins of solvency)

(1) Section 3(1)—

Repeal

“this Regulation”

Substitute

“these Rules”.

(2) Section 3(2)—

Repeal

“Companies (Determination of Long Term Liabilities) Regulation”

Substitute

“(Determination of Long Term Liabilities) Rules”.

6. Section 4 amended (long term classes A and B)

(1) Section 4(1), English text—

Repeal

“subsection”

Substitute

“subrule”.

(2) Section 4(1)—

Repeal

“subsections (3), (4)”

Substitute

“subrules (3)”.

(3) Section 4(3)(a)—

Repeal

“subsections (4),”

Substitute

“subrules”.

(4) Section 4—

Repeal subsection (4).

(5) Section 4(5), English text—

Repeal

“subsection”

Substitute

“subrule”.

(6) Section 4(6), English text—

Repeal

“subsection”

Substitute

“subrule”.

- (7) Section 4(7), English text—

Repeal

“subsection”

Substitute

“subrule”.

- (8) Section 4(9), English text—

Repeal

“subsection” (wherever appearing)

Substitute

“subrule”.

7. Section 5 amended (long term class C)

- (1) Section 5(1)—

Repeal

“subsections (2) to (5)”

Substitute

“subrules (2), (3), (4) and (5)”.

- (2) Section 5(3), English text—

Repeal

“section”

Substitute

“rule”.

- (3) Section 5(4), English text—

Repeal

“subsection” (wherever appearing)

Substitute

“subrule”.

- (4) Section 5(5), English text—

Repeal

“section”

Substitute

“rule”.

- (5) Section 5(5), English text—

Repeal

“subsection”

Substitute

“subrule”.

8. Section 8 amended (long term class I)

Section 8, English text—

Repeal

“the First Schedule”

Substitute

“Schedule 1”.

9. Section 9 amended (additional business of the nature of general business)

- (1) Section 9(1), English text—

Repeal

“the First Schedule”

Substitute

“Schedule 1”.

- (2) Section 9(2) and (3), English text—

Repeal

“this section”

Substitute

“this rule”.

10. Section 10 amended (prescribed levels of solvency margin)

- (1) Section 10(2)(a), English text—

Repeal

“section”

Substitute

“rule”.

- (2) Section 10(2)(b)—

Repeal

“sections 4 to 8”

Substitute

“rules 4, 5, 6, 7 and 8”.

11. Section 11 amended (maintenance of funds)

Section 11—

Repeal

“22(3)(b)(ii) and 23(2)(b)(ii)”

Substitute

“22(3)(a)(ii) and (b)(ii)(B) and 23(2)(a)(ii) and (b)(ii)(B)”.

Chairperson,
Provisional Insurance Authority

2017

Explanatory Note

These Rules amend the Insurance Companies (Margin of Solvency) Regulation (Cap. 41 sub. leg. F) (*Regulation*) to—

- (a) amend the title of the Regulation; and
- (b) make textual amendments to the Regulation.

**Insurance Companies (General Business) (Valuation)
Regulation (Amendment) Rules 2017**

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Insurance Companies (General Business) (Valuation) Regulation (Amendment) Rules 2017

(Made by the Provisional Insurance Authority under section 129(1) of the
Insurance Ordinance (Cap. 41))

1. Commencement

These Rules come into operation on 26 June 2017.

2. Insurance Companies (General Business) (Valuation) Regulation amended

The Insurance Companies (General Business) (Valuation)
Regulation (Cap. 41 sub. leg. G) is amended as set out in rules 3 to
15.

3. Title substituted

The title—

Repeal the title

Substitute

“Insurance (General Business) (Valuation) Rules”.

4. Section 1 amended (application)

(1) Section 1(1)—

Repeal

“(1) Subject to subsection (2), this Regulation applies”

Substitute

“These Rules apply”.

(2) Section 1—

Repeal subsections (2) and (3).

5. Section 2 amended (interpretation)

(1) Section 2—

Repeal

“this Regulation—”

Substitute

“these Rules—”.

(2) Section 2, definition of *independent qualified valuer*,
paragraph (a)—

Repeal

“Insurance Authority”

Substitute

“Authority”.

(3) Section 2, definition of *insurer*, paragraph (a)—

Repeal

“which is seeking authorization or which”

Substitute

“that is seeking authorization or”.

(4) Section 2, definition of *insurer*, paragraph (b)—

Repeal

“which is seeking approval or which”

Substitute

“that is seeking approval or”.

(5) Section 2, definition of *listed*—

Repeal

“Insurance Authority”

Substitute

“Authority”.

- (6) Section 2, definition of *net tangible assets*—

Repeal

“it is declared that”.

- (7) Section 2, definition of *ready market price*, paragraphs (a) and (b)—

Repeal

“Insurance Authority”

Substitute

“Authority”.

- (8) Section 2, definition of *relevant date*—

Repeal

“this Regulation applies”

Substitute

“these Rules apply”.

- (9) Section 2, definition of *total eligible asset value*—

Repeal

“this Regulation” (wherever appearing)

Substitute

“these Rules”.

- (10) Section 2, English text, definition of *total eligible asset value*—

Repeal

“section”

Substitute

“rule”.

6. Section 3 amended (land and buildings)

- (1) Section 3(1), English text—

Repeal

“subsection” (wherever appearing)

Substitute

“subrule”.

- (2) Section 3(1)(a)(i), (b) and (c)—

Repeal

“open” (wherever appearing).

- (3) Section 3(2)—

Repeal

“Insurance Authority” (wherever appearing)

Substitute

“Authority”.

- (4) Section 3(2)—

Repeal

“open” (wherever appearing).

7. Section 4 amended (listed shares or securities, unit trusts or mutual funds)

- (1) Section 4(1)(b)(ii)—

Repeal

“Insurance Authority which rating is considered by him”

Substitute

“Authority which rating is considered by it”.

- (2) Section 4(2)(b)—

Repeal

“Insurance Authority and considered by him”

Substitute

“Authority and considered by it”.

8. Section 5 amended (shares in investment subsidiaries)

- (1) Section 5(1), English text—

Repeal

“section” (wherever appearing)

Substitute

“rule”.

- (2) Section 5(2)—

Repeal

“this Regulation”

Substitute

“these Rules”.

- (3) Section 5(2), English text—

Repeal

“section”

Substitute

“rule”.

- (4) Section 5(3), English text—

Repeal

“subsections”

Substitute

“subrules”.

- (5) Section 5(3)—

Repeal

“this Regulation”

Substitute

“these Rules”.

- (6) Section 5(3), English text—

Repeal

“section” (wherever appearing)

Substitute

“rule”.

- (7) Section 5(4), English text—

Repeal

“subsection”

Substitute

“subrule”.

- (8) Section 5(6), English text—

Repeal

“section”

Substitute

“rule”.

9. Section 6 amended (shares in other insurers)

- (1) Section 6(1), English text—

Repeal

- “section” (wherever appearing)
Substitute
“rule”.
- (2) Section 6(2), English text—
Repeal
“subsections”
Substitute
“subrules”.
- (3) Section 6(3)—
Repeal
“any regulation”
Substitute
“the rules”.
- (4) Section 6(3)—
Repeal
“this Regulation”
Substitute
“these Rules”.
- (5) Section 6(3)—
Repeal
“59(1)(a)”
Substitute
“129(1)(a)”.
- (6) Section 6(3)—
Repeal

- “if the regulation”
Substitute
“if the rules”.
- (7) Section 6(3)—
Repeal
“it is declared that subsection”
Substitute
“subrule”.
- (8) Section 6(4) and (5), English text—
Repeal
“section”
Substitute
“rule”.
- (9) Section 6(6)—
Repeal
“Insurance Authority” (wherever appearing)
Substitute
“Authority”.
- (10) Section 6(6), English text—
Repeal
“section”
Substitute
“rule”.
- (11) Section 6(6), English text—
Repeal

- “subsection”
Substitute
“subrule”.
- (12) Section 6(7), English text—
Repeal
“subsection” (wherever appearing)
Substitute
“subrule”.
- (13) Section 6(8), English text—
Repeal
“this section”
Substitute
“this rule”.
- (14) Section 6(8)(b)(ii), English text—
Repeal
“section” (wherever appearing)
Substitute
“rule”.
- (15) Section 6(8)(b)(ii)—
Repeal
“Companies (Margin of Solvency) Regulation”
Substitute
“(Margin of Solvency) Rules”.
- (16) Section 6(8)(b)(iii)—
Repeal

- “with regulations”
Substitute
“with the rules”.
- (17) Section 6(8)(b)(iii)—
Repeal
“59(1)(aa)”
Substitute
“129(1)(b)”.
- (18) Section 6(8)(b)(iii)—
Repeal
“the regulations”
Substitute
“the rules”.
- (19) Section 6(8)(b)(iii)—
Repeal
“Insurance Authority”
Substitute
“Authority”.
- (20) Section 6(9)—
Repeal
“it is declared that subsection”
Substitute
“subrule”.
- (21) Section 6(9)—
Repeal

“Insurance Authority”

Substitute

“Authority”.

10. Section 7 amended (other unlisted shares)

(1) Section 7(2)—

Repeal

“it is declared that subsection”

Substitute

“subrule”.

(2) Section 7(2)—

Repeal

“Insurance Authority”

Substitute

“Authority”.

11. Section 11 amended (discounting of claims)

(1) Section 11—

Repeal

“Insurance Authority”

Substitute

“Authority”.

(2) Section 11, English text—

Repeal

“the Third Schedule”

Substitute

“Schedule 3”.

12. Section 12 amended (additional amount for unexpired risks)

Section 12, English text—

Repeal

“the Third Schedule”

Substitute

“Schedule 3”.

13. Section 13 amended (other asset or liability)

Section 13—

Repeal

“this Regulation” (wherever appearing)

Substitute

“these Rules”.

14. Section 14 amended (asset value to be admitted not exceeding a specified extent for each category of assets)

(1) Section 14(1)—

Repeal

“this Regulation”

Substitute

“these Rules”.

(2) Section 14(1)(e)(i) and (ii), English text—

Repeal

“section”

Substitute

“rule”.

- (3) Section 14(2), English text—

Repeal

“This section”

Substitute

“This rule”.

- (4) Section 14(3), English text—

Repeal

“subsection”

Substitute

“subrule”.

- (5) Section 14(4), English text—

Repeal

“section” (wherever appearing)

Substitute

“rule”.

- (6) Section 14(4), English text—

Repeal

“subsection”

Substitute

“subrule”.

15. Section 15 amended (asset to be admitted at lower value)

Section 15—

Repeal

“this Regulation”

Substitute

“these Rules”.

Chairperson,
Provisional Insurance Authority

2017

Explanatory Note

These Rules amend the Insurance Companies (General Business) (Valuation) Regulation (Cap. 41 sub. leg. G) (*Regulation*) to—

- (a) amend the title of the Regulation; and
- (b) make textual amendments to the Regulation.

**Insurance Companies (Actuaries' Standards)
Regulation (Amendment) Rules 2017**

(Made by the Provisional Insurance Authority under section 129(1) of the
Insurance Ordinance (Cap. 41))

1. Commencement

These Rules come into operation on 26 June 2017.

2. Insurance Companies (Actuaries' Standards) Regulation amended

The Insurance Companies (Actuaries' Standards) Regulation (Cap. 41 sub. leg. H) is amended as set out in rules 3 and 4.

3. Title substituted

The title—

Repeal the title

Substitute

“Insurance (Actuaries' Standards) Rules”.

4. Schedule amended (standards to be complied with by an actuary)

(1) The Schedule, English text—

Repeal

“[s. 2]”

Substitute

“[r. 2]”.

(2) The Schedule—

Repeal

“Insurance Authority and the Secretary for Financial Services and the Treasury”

Substitute

“Authority”.

Chairperson,
Provisional Insurance Authority

2017

Explanatory Note

These Rules amend the Insurance Companies (Actuaries' Standards) Regulation (Cap. 41 sub. leg. H) (*Regulation*) to—

- (a) amend the title of the Regulation; and
- (b) make textual amendments to the Regulation.

Financial and Economic Implications

According to the findings of the consultancy study¹ commissioned by the Government, IIA will face a shortfall of about \$650 million in the first four years of operation. With the approval of the Legislative Council, the Government has provided \$450 million to IIA in 2016-17. We will seek the approval of the Legislative Council for providing the remaining \$200 million to IIA in 2018-19, subject to a review of the progress of IIA's transitional work.

2. The consultant's projection is that IIA would be able to fully recover its operating cost via income from the market and be financially independent of the Government in the fifth year. Major sources of income are levy on premiums paid by policy holders (accounting for 70% of IIA's income), authorization fees paid by insurance companies, licence fees paid by insurance intermediaries, and user fees (altogether accounting for 30% of IIA's income). Having critically considered OCI's operational experience and existing caseload, the estimated income from user fees will be around \$5 million in the first year with the 11 proposed fee items in place. Under the proposed incremental approach, the estimated income from authorization fee will be around \$50 million in the first year and will gradually increase to around \$125 million in the sixth year.

3. On economic implications, the proposed increase in annual authorization fees would impose additional costs on authorized insurance companies but the additional costs should be relatively small in comparison with their gross premium income.

¹ The consultancy study was carried out by the PricewaterhouseCoopers and first concluded in 2010. The projection on the estimated cashflow of IIA was updated in November 2015 having regard to the additional regulatory functions undertaken by OCI since 2010 and the latest market conditions. The Government consulted the Legislative Council Panel on Financial Affairs on the funding proposal in December 2015.