

L.N. 68 of 2017

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

Contents

Rule	Page
1. Commencement	B2895
2. Insurance Companies (Margin of Solvency) Regulation amended.....	B2895
3. Title substituted	B2895
4. Section 2 amended (interpretation).....	B2895
5. Section 3 amended (determination of margins of solvency)	B2897
6. Section 4 amended (long term classes A and B)	B2899
7. Section 5 amended (long term class C).....	B2901
8. Section 8 amended (long term class I)	B2903
9. Section 9 amended (additional business of the nature of general business)	B2903
10. Section 10 amended (prescribed levels of solvency margin)	B2905
11. Section 11 amended (maintenance of funds)	B2905

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)”.

Dr. Moses CHENG Mo-chi
Chairperson,
Provisional Insurance Authority

11 April 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.