

L.N. 63 of 2024

Insurance (Submission of Statements, Reports and Information) Rules

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Insurance (Submission of Statements, Reports and Information) Rules

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

1. Commencement

These Rules come into operation on the day on which sections 33 and 34 of the Insurance (Amendment) Ordinance 2023 (20 of 2023) come into operation.

2. Interpretation

(1) In these Rules—

Council of Lloyd's (勞合社議會) means the Council of Lloyd's established by the Lloyd's Act 1982 (1982 c. xiv U.K.);

digital signature (數碼簽署) has the meaning given by section 2(1) of the Electronic Transactions Ordinance (Cap. 553);

electronic signature (電子簽署) means a digital representation of an individual's approval or consent in relation to an electronic record in a form which is acceptable to the Authority;

insurance liabilities (保險負債) has the meaning given by rule 2(1) of the Insurance (Valuation and Capital) Rules;

marine insurer (海事保險人) has the meaning given by rule 2 of the Insurance (Marine Insurers and Captive Insurers) Rules;

multifactor authentication (多重因素認證) refers to the use of 2 or more than 2 unique forms of verification to perform any functions as required at an online communication system approved by the Authority;

submission transitional period (呈交過渡期) means the period of 3 years from the commencement date.

- (2) In these Rules, where a document (including a statement, return or report) must be signed or approved by a specified individual for the purposes of the relevant provision, and such document is submitted electronically by means of an online communication system approved by the Authority for this purpose, the signing or approval requirement may be satisfied by any of the following methods—
- (a) confirmation of the document submitted by the specified individual using multifactor authentication;
 - (b) attachment of the specified individual's digital signature to the document submitted; or
 - (c) attachment of the specified individual's electronic signature to the document submitted.

3. Financial statements to be submitted to the Authority

- (1) For the purposes of section 17(1) of the Ordinance, an authorized insurer must submit to the Authority, in respect of each financial year—
- (a) if the authorized insurer is a HK insurer—its financial statements as defined by section 357(1) of the Companies Ordinance (Cap. 622); or
 - (b) in any other case—the financial statements that—
 - (i) the authorized insurer is required to prepare under the laws of its place of incorporation, establishment, formation or domiciliation; and

- (ii) contain information that the Authority considers to be comparable to the information contained in the financial statements referred to in paragraph (a).
- (2) An authorized insurer must submit the financial statements referred to in subrule (1), together with a report of its appointed auditor on those statements as required under applicable law, by depositing the statements and appointed auditor's report on the statements with the Authority within a specified period of 4 months after the end of the period to which they relate.
- (3) The statements and appointed auditor's report submitted under subrule (2) must be produced in the Chinese or the English language or, if not so produced, must be accompanied by a complete Chinese or English translation.
- (4) In this rule—
appointed auditor (委任核數師) refers to an auditor appointed under section 15 of the Ordinance.

4. Information to be submitted to the Authority

- (1) For the purposes of section 17(1) of the Ordinance, an authorized insurer must submit annual returns by depositing the forms comprising such returns with the Authority within the specified period after the end of the financial year to which the returns relate, where such specified period is—
 - (a) 3 months or 6 months (as the case may be), as specified by the Authority in the relevant form, in the case of an annual return in respect of a financial year ending within the submission transitional period; or

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- (b) 3 months or 4 months (as the case may be), as specified by the Authority in the relevant form, in the case of an annual return in respect of a financial year ending after the submission transitional period.
- (2) Subject to subrule (3), for the purposes of section 17(1) of the Ordinance, an authorized insurer must submit quarterly returns by depositing the forms comprising such returns with the Authority within the specified period after the end of each quarter ending respectively on 31 March, 30 June, 30 September and 31 December (unless otherwise specified by the Authority in specific forms), where such specified period is—
- (a) 4 or 8 weeks (as the case may be), as specified by the Authority in the relevant form, in the case of a quarterly return in respect of a quarter ending within the submission transitional period; or
- (b) 4 or 6 weeks (as the case may be), as specified by the Authority in the relevant form, in the case of a quarterly return in respect of a quarter ending after the submission transitional period.
- (3) In the case of a marine insurer, which has its financial year ending on a date other than 31 March, 30 June, 30 September and 31 December, in addition to the returns required under subrule (2), the Authority may request the insurer to submit a quarterly return in respect of a quarter of its financial year as specified by the Authority within a specified period after the end of such quarter, where such specified period is—
- (a) 4 or 8 weeks (as the case may be), as specified by the Authority in the relevant form, in the case of a quarterly return in respect of a quarter ending within the submission transitional period; or

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- (b) 4 or 6 weeks (as the case may be), as specified by the Authority in the relevant form, in the case of a quarterly return in respect of a quarter ending after the submission transitional period.
- (4) For the purposes of section 17(1) of the Ordinance, an authorized insurer must submit monthly returns (if any) by depositing the forms comprising such returns with the Authority within a specified period of 2 weeks after each month end.
- (5) For the purposes of section 25B(3)(b) of the Ordinance, the authorized insurer concerned must submit its statement on the redetermined value of its assets and liabilities consisting of the forms specified by the Authority for that purpose.
- (6) The returns and statements deposited under subrules (1), (2), (3) and (5) must be signed or approved on behalf of the authorized insurer concerned by a controller of that insurer (within the meaning of section 13A of the Ordinance) and a key person in the financial control function of that insurer. Alternatively, the authorized insurer may choose to have a director of the insurer, or a member of Council of Lloyd's (in the case of Lloyd's), sign or approve such returns or statements in place of either its controller or key person in financial control function or both.
- (7) The returns and statements deposited under subrule (4) must be signed or approved on behalf of the authorized insurer concerned by a controller (within the meaning of section 13A of the Ordinance), a key person in the financial control function, or a director of that insurer.

(8) In this rule—

annual return (周年申報表), as submitted in respect of each financial year of an authorized insurer, means—

- (a) for an authorized insurer carrying on long term business, except for Lloyd's, the forms for that financial year that are specified by the Authority with respect to—
 - (i) the insurer's financial position and capital adequacy;
 - (ii) the insurer's business related information; and
 - (iii) the insurer's supplementary and governance information;
- (b) for an authorized insurer carrying on general business, except for marine insurers, captive insurers and Lloyd's, the forms for that financial year that are specified by the Authority with respect to—
 - (i) the insurer's financial position and capital adequacy;
 - (ii) the insurer's business related information; and
 - (iii) the insurer's supplementary and governance information;
- (c) for a marine insurer, the forms for that financial year that are specified by the Authority for marine insurers;
- (d) for a captive insurer, the forms for that financial year that are specified by the Authority for captive insurers;
- (e) for Lloyd's, the forms for that financial year that are specified by the Authority for Lloyd's;

- (f) for a special purpose insurer, the forms for that financial year that are specified by the Authority for special purpose insurers; or
- (g) despite paragraphs (a), (b), (c), (d), (e) and (f), for an authorized insurer that is subject to section 25A of the Ordinance (other than an insurer that is exempted under the Insurance (Maintenance of Assets in Hong Kong) Rules), the forms specified by the Authority with respect to the insurer's assets and liabilities and the amount of assets in Hong Kong required;

monthly return (每月申報表), as submitted in respect of each calendar month of an authorized insurer, in so far as applicable, means the forms for that month that are specified by the Authority with respect to business related information;

quarterly return (季度申報表), as submitted in respect of each quarter of a calendar year, means—

- (a) for an authorized insurer carrying on long term business, except for Lloyd's, the forms for that quarter that are specified by the Authority with respect to—
 - (i) the insurer's financial position and capital adequacy;
 - (ii) the insurer's business related information; and
 - (iii) the insurer's supplementary information;
- (b) for an authorized insurer carrying on general business, except for marine insurers, captive insurers and Lloyd's, the forms for that quarter that are specified by the Authority with respect to—
 - (i) the insurer's financial position and capital adequacy;

- (ii) the insurer's business related information; and
- (iii) the insurer's supplementary information;
- (c) for a marine insurer, the forms for that quarter that are specified by the Authority for marine insurers;
- (d) for a captive insurer, the forms for that quarter that are specified by the Authority for captive insurers; or
- (e) for Lloyd's, the forms for that quarter that are specified by the Authority for Lloyd's.

5. Auditor's report in relation to returns to be submitted to the Authority

- (1) Subject to subrule (2), an authorized insurer must submit an auditor's report on each of the specified annual forms included within an annual return under rule 4(1).
- (2) The auditor's report submitted pursuant to subrule (1) must contain a statement as to whether, in the auditor's opinion—
 - (a) the authorized insurer maintains proper records in accordance with section 16 of the Ordinance for the purpose of preparing the specified annual forms;
 - (b) the specified annual forms are prepared in accordance with the books and records of the authorized insurer;
 - (c) the specified annual forms are prepared in accordance with any applicable rules, guidelines or other regulatory instruments issued by the Authority relating to such forms;
 - (d) the authorized insurer has complied with or failed to comply with the capital requirements prescribed under section 10 of the Ordinance as at the last day of its financial year;

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- (e) where the authorized insurer is subject to section 21B, 22A, or 22B of the Ordinance, the insurer has complied with or failed to comply with—
 - (i) sections 22 and 23 of the Ordinance; and
 - (ii) Part 6 of the Insurance (Valuation and Capital) Rules,
as at the last day of its financial year;
 - (f) where the authorized insurer is subject to section 25AA, 25AAC, or 25AAD of the Ordinance, the insurer has complied with or failed to comply with—
 - (i) sections 25AAB and 25AAE of the Ordinance; and
 - (ii) Part 6 of the Insurance (Valuation and Capital) Rules,
as at the last day of its financial year; and
 - (g) where the authorized insurer is subject to section 25A of the Ordinance, the assets in Hong Kong held by the insurer enable the insurer to comply with the requirement stipulated in section 25A of the Ordinance as at—
 - (i) the last day of its financial year; and
 - (ii) 2 such other dates in the financial year as the auditor providing the report may elect which are separated by a period of at least 3 months.
- (3) Where an authorized insurer is subject to section 25B of the Ordinance, the specified forms under rule 4(5) must be submitted together with the auditor's report.
- (4) The auditor's report submitted pursuant to subrule (3) must contain a statement as to whether, in the auditor's opinion, the assets in Hong Kong held by the authorized

insurer enable the insurer to comply with the requirement stipulated in section 25B of the Ordinance as at the date specified in the notice issued under that section.

- (5) The auditor providing the report under subrules (1) and (3) must be a person who—
- (a) is a certified public accountant (practising), a CPA firm or a corporate practice as defined by section 2(1) of the Accounting and Financial Reporting Council Ordinance (Cap. 588);
 - (b) is not prohibited under section 20AAZZR of the Accounting and Financial Reporting Council Ordinance (Cap. 588) from holding any appointment as an auditor of a company; and
 - (c) is not disqualified under section 393 of the Companies Ordinance (Cap. 622).

- (6) In this rule—

CPA firm (會計師事務所) has the meaning given by section 2(1) of the Accounting and Financial Reporting Council Ordinance (Cap. 588);

specified annual forms (指明周年申報表格) means the forms in an annual return which are required to be reported by auditor as specified in the relevant form and listed in a notice published in the Gazette by the Authority.

6. Actuary's report in respect of long term business

- (1) For the purposes of sections 17(1) and 18(1) and (2) of the Ordinance, an authorized insurer carrying on long term business must submit the actuary's report of the investigation referred to in section 18(1)(b) of the Ordinance by depositing such report with the Authority within the specified period after the end of the period to which the report relates, where such specified period is—

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- (a) 6 months, during the submission transitional period; and
 - (b) 4 months, after the submission transitional period has ended.
- (2) The actuary's report and any statement submitted under subrule (1) must be produced—
- (a) in written form; and
 - (b) in the Chinese or the English language or, if not so produced, must be accompanied by a complete Chinese or English translation.
- (3) The actuary's report under subrule (1) must be signed by the actuary and include—
- (a) the general principles, details of methods, assumptions (with justification), and analysis used by the actuary in its valuation of the insurance liabilities in respect of the authorized insurer's long term business by each type of long term business;
 - (b) a certificate by the actuary—
 - (i) stating whether in the actuary's opinion, proper records have been kept by the authorized insurer adequately for the purpose of the valuation of the insurance liabilities in respect of the insurer's long term business;
 - (ii) stating whether the actuary is satisfied with the completeness, accuracy and consistency of the data used in the valuation of the insurance liabilities in respect of the authorized insurer's long term business;

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- (iii) confirming that the insurance liabilities in respect of the authorized insurer's long term business have been valued in accordance with the Insurance (Valuation and Capital) Rules and the relevant guidelines as issued by the Authority;
 - (iv) stating whether in the actuary's opinion, the valuation of the insurance liabilities in respect of the authorized insurer's long term business makes appropriate provision for the insurer's policy obligations;
 - (v) stating whether the actuary is satisfied that the authorized insurer complied with the requirements stipulated under sections 21B and 22 of the Ordinance as at the date to which the valuation relates;
 - (vi) stating whether in the actuary's opinion, there is a prudent and satisfactory relationship between the nature and term of the assets, and the nature and term of the liabilities, of the authorized insurer's long term business;
 - (vii) confirming that the actuary has complied with the prescribed standards, or such other standards as the Authority accepts as being comparable to the prescribed standards under section 15C of the Ordinance, which are applicable to the actuary and specifying the relevant applicable standards with which the actuary has complied; and
 - (viii) containing such other information as the actuary considers necessary, including any qualification, amplification or explanation considered appropriate.

7. Actuary's report in respect of general business

- (1) For the purposes of sections 17(1) and 18A(1) of the Ordinance, an authorized insurer carrying on general business (other than an authorized insurer that is exempted under Insurance (Exemption to Appointment of Actuary) Rules) must submit the actuary's report of the review referred to in section 18A(1)(b) of the Ordinance by depositing such report with the Authority within the specified period after the end of the period to which the report relates, where such specified period is—
 - (a) 6 months, during the submission transitional period; and
 - (b) 4 months, after the submission transitional period has ended.
- (2) The actuary's report and any statement submitted under subrule (1) must be produced—
 - (a) in written form; and
 - (b) in the Chinese or the English language or, if not so produced, must be accompanied by a complete Chinese or English translation.
- (3) The actuary's report under subrule (1) must be signed by the actuary and include—
 - (a) the general principles, details of methods and assumptions (with justification), and analysis used by the actuary in its valuation of the insurance liabilities in respect of the authorized insurer's general business; and
 - (b) a certificate by the actuary—

- (i) stating whether the actuary is satisfied with the completeness, accuracy and consistency of the data used in the valuation of the insurance liabilities in respect of the authorized insurer's general business;
- (ii) confirming that the insurance liabilities in respect of the authorized insurer's general business have been valued in accordance with the Insurance (Valuation and Capital) Rules and the relevant guidelines as issued by the Authority;
- (iii) stating whether in the actuary's opinion, the valuation of the insurance liabilities in respect of the authorized insurer's general business makes appropriate provision for the insurer's policy obligations;
- (iv) confirming that the actuary has complied with the prescribed standards, or such other standards as the Authority accepts as being comparable to the prescribed standards under section 15C of the Ordinance, which are applicable to the actuary and specifying the relevant applicable standards with which the actuary has complied; and
- (v) containing such other information as the actuary considers necessary, including any qualification, amplification or explanation considered appropriate.

8. Modification to specified period under section 17(1) of the Ordinance by virtue of section 17(2) of the Ordinance

Without limiting section 17(2) of the Ordinance, at the written request of an authorized insurer, the Authority may exercise its

discretion to extend the specified period referred to in rules 3(2), 4(1), (2), (3) and (4), 6(1) and 7(1) by a period not exceeding 3 months where circumstances warranting an extension of the specified period are shown by the insurer.

Stephen YIU Kin-wah
Insurance Authority

29 April 2024

Explanatory Note

These Rules prescribe the information that authorized insurers must submit to the Authority, and the deadlines, frequency and methods of submission. They also specify the requirements for submitting auditor's reports and reports on actuarial investigations or reviews. These Rules apply to all authorized insurers, unless otherwise stated.

2. Rule 1 sets out the date of commencement of these Rules.
3. Rule 2 defines the terms and expressions used in the Rules, and provides for the signing or approval of documents required under these Rules using multifactor authentication or a digital or electronic signature.
4. Rule 3 requires an authorized insurer to submit financial statements as required under the Companies Ordinance (Cap. 622), or the laws of its place of incorporation, establishment, formation or domiciliation.
5. Rule 4 sets out the requirement for an authorized insurer to submit annual, quarterly, or monthly returns, in accordance with the stated signing or approval requirements. The returns must include the information specified regarding the insurer's financial position and other relevant matters.
6. Rule 5 sets out the auditor's reporting requirements for certain forms within the insurer's annual returns, and specifies the statements containing the opinion required to be given by auditors in the auditor's report.

Insurance (Submission of Statements, Reports and Information) Rules

Explanatory Note
Paragraph 7

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7. Rules 6 and 7 prescribe the submission requirements for the report and statement of the actuarial investigation and actuarial review for long term business and general business, respectively.
8. Rule 8 allows the Authority to exercise its discretion to extend the submission deadlines under these Rules by up to 3 months if the authorized insurer applies in writing for an extension.