

**Updates on the Implementation of
the Insurance Companies (Amendment) Ordinance 2015**

Overall progress

- The Insurance Authority (“IA”) will replace the Office of the Commissioner of Insurance (“OCI”) to regulate insurance companies with effect from 26 June 2017. The OCI will be disbanded on the same day.
- The appointments of IA senior executives were announced on 5 May 2017. The Chief Executive has appointed Mr John Leung Chi-yan, the incumbent Commissioner of Insurance, as the Chief Executive Officer of the IA from 26 June 2017 to 25 June 2018, and made the following Executive Director appointments for a term of three years –
 - (a) Ms Carol Hui Mei-ying as the Executive Director, Long Term Business;
 - (b) Mr Simon Lam Sui-kong as the Executive Director, General Business;
 - (c) Mr Stephen Po Wai-kwong as the Executive Director, Market Conduct; and
 - (d) Mr Raymond Tam Wai-man as the Executive Director, Policy and Development.

All of the EDs will be on board before the D-day.

- Since some of the vacancies at the Assistant Manager and Manager levels have not been filled, the IA has launched another round of recruitment exercise in mid-May 2017.
- The new levels of authorisation fees applicable to insurers will take effect on 26 June 2017. The Government has tabled the subsidiary legislation before the Legislative Council (LegCo) to enable the IA to collect levy on insurance premiums payable by policy holders. Subject to the approval of the LegCo, the collection of levy will commence on 1 January 2018. Insurers will collect the levy from policy holders on behalf of the IA. Publicity activities and

preparatory work will begin in the latter half of this year.

- 41 Heung Yip Road, Wong Chuk Hang has been selected as the long term office of the IA. As a transitional arrangement, the Government has agreed that the IA could temporarily occupy the existing premises of the OCI at the Queensway Government Offices before relocation to the long term office.

Transition of codes and guidelines

- The IA has sent out all amended Guidelines (GL 1 to GL 18) to insurers. Except GL4 (on "Fit and Proper" criteria) and GL18 (on pecuniary penalty in respect of insurers), the amendments are technical in nature. For GL4 and GL18, the IA has also provided its responses to insurers' comments / questions via the HKFI.
- As reported at the previous meeting of the Working Group, to tie in with the transition, technical amendments will also be made to the existing Minimum Requirements for Insurance Brokers promulgated by OCI. In addition, the updated Minimum Requirements on Insurance Brokers will be issued pursuant to section 133 of the Insurance Ordinance (Cap. 41). The IA has consulted the two broker bodies who had no comments on the proposed changes. All guidelines will be effective from the D-day.

Next Step

- We will closely monitor the operation of IA upon taking up the regulatory functions of the OCI, and keep the Working Group informed of the development.

Financial Services and the Treasury Bureau
15 June 2017