STUDY GUIDE

Examination for ASHK Certificate in Hong Kong Insurance Markets and Regulations

March 2025 Edition

STUDY GUIDE FOR GENERAL INSURANCE

- *Role of actuaries in GI market*
- *Main types of products in Hong Kong market*
- *Overview of market landscape in Hong Kong*
- *Regulations and guidelines*
- *Recent industry developments*

ACTUARIAL SOCIETY of HONG KONG
香港精算學會

3.4 General Insurance

3.4.0 Introduction

This section provides practical information relevant to General Insurance (GI) actuaries practicing in Hong Kong, as well as GI actuaries supporting firms with exposures for risks domiciled in Hong Kong.

For the avoidance of doubt, the terms "insurance company" and "insurer" in the following sections may be taken to mean direct insurers, reinsurers and captives in equal measure. Wherever a distinction is relevant, this will be outlined clearly.

3.4.1 Role of actuaries in GI market

3.4.1.1 Statutory roles

The Insurance Authority (IA) requires authorized insurers must conduct an actuarial review of their insurance liabilities annually or as required by the IA. An annual actuarial report should be prepared and certified by a Certifying Actuary (CA). The review should be conducted according to the guideline as specified in GL9: "Guideline on Actuarial Review of Insurance Liabilities in Respect of General Business" (GL 9) issued by IA[1] [2]. This Guideline comes into effect on 1 July 2024. The objectives of such actuarial review are to enhance the accuracy of insurers' financial positions and to ensure adequate reserves for insurance liabilities. In addition, it is to ensure sustainable market pricing over the longer term.

The guideline appliable to all authorized insurers, including professional reinsurers and Lloyd's, except those exempted under specific rules. The actuarial review must encompass all classes of general business within the regulatory scope, including both onshore and offshore insurance liabilities. The Guideline emphasizes that the valuation must adhere to the prescribed basis under the Valuation Rules.

The requirements for the actuarial review and the content of the report prepared by the CA should include the general principles, details of the methods used, and the necessary components of the report, such as data verification, business environment analysis, risk grouping, assumptions, and results commentary and recommendations. The CA is expected to provide a thorough analysis of outstanding claims and premium liabilities, including any material uncertainties. In particular:

[1] The new Independent Insurance Authority (IIA) took over the statutory duties of regulating insurance companies from the Office of the Commissioner of Insurance (OCI) on 26 June 2017.

[2] All Guidance Notes promulgated by the OCI have been renamed as Guidelines, and the abbreviation has been changed from "GN" to "GL".

- **Data**: The CA should ensure that the data used is sufficient and the completeness, accuracy and consistency of the data collated are verified. In addition, the reliance and limitation should be clearly explained in the report. (GL9: 4.5)
- **Business Environment**: The CA should describe the nature of the insurance coverage and the mix of risks underwritten by the insurer. Highlight any significant changes in premium rates, business mix, or underwriting strategy that could affect the valuation of insurance liabilities since the last financial year. Comment on claims operations, focusing on any material changes and how methods or assumptions are affected. Discuss the reinsurance protection in place and any significant changes since the last financial year. Mention any known risks of reinsurers failing to meet obligations and the presence of non-reinsurance recoverable like salvage and subrogation. Take into account various trends and factors such as economic, demographic, technological, medical, legal, judicial, and social trends that may impact the value of insurance liabilities. (GL9: 4.6 to GL9: 4.10)
- **Methodology and Grouping of risks**
    - Lines of Business Grouping: The CA should determine the most appropriate lines of business (LOB) grouping and any sub-division of risks and types of claims for valuation, considering factors like risk exposure, premium earning patterns, and claim characteristics.
    - Justification of Grouping: The CA must justify the credibility and homogeneity of the selected grouping or sub-division.
    - Reporting Requirements: Insurance liabilities should be reported for each line of business as required in regulatory returns, regardless of the grouping or sub-divisions.
    - Valuation Method: The guideline is not prescriptive about valuation methods. The CA is responsible for selecting an appropriate method based on data availability, reliability, and key claim cost drivers.
    - Use of Standard Methods: If a standard method is used, a brief reference and explanation of the data elements applied is sufficient. More detailed justification is needed for non-standard methods, material data adjustments, or significant changes from the previous year.
    - Multiple Methods: Due to inherent uncertainty, using more than one method for estimating insurance liabilities may be appropriate. The CA can select a result from one method or blend results from different methods.
    - Comparison and Diagnostics: If methods differ significantly, the CA may present a comparison table and explain the differences. Additional diagnostics may be included to support the result. (GL9: 4.11 to GL9: 4.14)
- **Assumptions** The key assumptions for each method should be clearly stated in the report, either in the appendices or electronically. The CA should highlight material assumptions and any changes from the previous financial year in the main report, providing justifications with quantitative and qualitative evidence. The CA should analyze the actual experience

against the previous year's assumptions for the insurer. If there are significant deviations between actual experience and assumptions, the CA should explain the reasons and describe the implications on the current year's valuation of insurance liabilities. (GL9: 4.15 to GL9: 4.16)

- **Results Commentary and Recommendations**
  - Inclusion of Return Forms: The CA should include specific return forms in the report and verify the consistency of data and liabilities with other sources.
  - Comparison of Results: Present the latest results, both gross and net of reinsurance, compared to the previous year to show how reserving results influence financial outcomes.
  - Valuation Comparison: For each line of business (LOB), compare the latest valuation results against the previous year, breaking down the effects of experience, methodology, and assumption changes.
  - Material Changes: Provide commentary on any LOB or sub-segment with material changes, outlining key sources of uncertainty and quantifying their significance.
  - Recommendations: Offer recommendations to improve future valuations and comment on steps taken by the company based on previous reports.
  - Uncertainty Analysis: Highlight material uncertainties with quantification, such as sensitivity analysis or scenario testing, to support the valuation process. (GL9: 4.17 to GL9: 4.21)

To be acceptable to the IA, a certificate must meet specific requirements, including the following:

- identifying the CA's qualifications and work experience.
- The CA must confirm the completeness, accuracy, and consistency of the data used in valuing insurance liabilities.
- The CA should confirm that the valuation complies with the Valuation Rules and relevant IA guidelines.
- The CA must state whether the valuation appropriately provides for the insurer's policy obligations.
- The CA should confirm compliance with prescribed standards or other IA-accepted standards and specify the applicable standards.
- The certificate should include any necessary information, such as qualifications or explanations of material uncertainties.

If highlighting important aspects or uncertainties, the CA should describe factors causing significant deviations in valuations and quantify uncertainties. If issuing a qualified opinion, the CA should disclose reasons, related items, and the insurer's provisions for these items. If not separately disclosed, the CA should confirm whether provisions include allowances for qualified items.

The report must be submitted to the IA for review. It is the responsibility of the Chief Executive of the in-scope insurer to ensure that the report and certificate are submitted to the Board of Directors of the insurer, or the regional headquarters or head office in the case of a non-Hong Kong incorporated insurer, for information. The actuary shall be given opportunity to raise matters arising out of the preparation of the report directly with the board or the regional headquarters or head office. This includes matters that may already have been raised with the management of the in-scope insurer but have not been dealt with to the satisfaction of the actuary. The actuarial review report and certificate prepared are to be submitted to the IA within 4 months (or 6 months during the transitional period) after the close of the financial year, along with the following returns:

Return ID	Short name	Return name
F.G.1	ClaimLiab	General Insurance Liabilities – Claims Liabilities
F.G.2	PL	General Insurance Liabilities - Total Premium Liabilities
F.G.2A	PL_Recog	General Insurance Liabilities - Premium Liability in which premium is received or already recognized as a receivable asset item under the EBS [F.1 EBS]
F.G.2B	PL_notRecog	General Insurance Liabilities - Premium Liabilities in which the premium is yet to be recognized as a receivable asset item under the EBS [F.1 EBS]

There are minimum requirements of qualifications and work experience regarding the certifying actuary, to ensure the actuary is familiar with the legal, judicial and social trends in Hong Kong that may impact upon the valuation of the liabilities. Insurers may seek approval from IA in case they wish to appoint an actuary that possesses qualifications and experience other than prescribed.

The list below (which is not intended to be exhaustive) outlines a number of important points regarding the major statutory classes that a certifying actuary should be aware of in conducting their reviews:

- Motor
  - Distinction between own damage, third party property damage and bodily injury claims. For example, own damage claims tend to be resolved relatively quickly compared to bodily injury claims;
  - Bodily injury claims reporting is limited to three years from the date of accident/injury or the date of knowledge that the injury was significant and attributable to the defendant (whichever is later). For fatal accidents, the limitation period is three years

from the date of death or date of knowledge of the death by the deceased's dependent (whichever is later);
  - An actuary may choose to segment a portfolio for purpose of loss ratio, frequency, severity, development or large loss analysis to consider these features:
    - Electric vehicles, where there is increasing penetration in HK, have markedly different experience in terms of severity and frequency.
    - Distribution channels, whereby the experience often differs, e.g. online channels, partnership with motor dealers.
  - Motor market rate/burning cost report – this report provides estimates of the market burning cost by vehicle type and coverage based on data submitted by insurers (around 50% market share). The report is commissioned by the HKFI on an annual basis and is available to insurers who are HKFI members.
  - All relevant companies are required to compile and submit quarterly rate information to the IA. For Motor, exposure and premium information is presented by class of vehicle and coverage type.
- EC
  - The EC Ordinance applies to all employees (either full-time or part-time) employed under contracts of service or apprenticeship. This ordinance specifies the compensation to be provided to the injured, among other things. It also applies to employees working outside of Hong Kong but employed by local employers. A summary of information about the EC Ordinance can be found here (https://www.labour.gov.hk/eng/public/ecd/pco360.pdf).
  - In addition to compensation under the EC Ordinance, an injured employee can also seek Common Law Damages via the court system. Practicing actuaries should take note that the estimation and management of common law damages form a significant proportion of the EC claim liabilities for some industry/trades. As such, the severity and frequency trends of common law cases are often monitored for the effects of inflation and the increasing influence of recovery agents.
  - The employer has responsibility to notify the Commissioner for Labour of any accident or prescribed occupational disease irrespective of whether the accident or occupational disease gives rise to any liability to pay compensation within 14 days (7 days for deaths). EC common law claims reporting is limited by the same time bar as for Motor bodily injury claims as outlined earlier (i.e. three years from the date of accident/death or date of knowledge, whichever is later);
  - Inflation of EC claim costs would be affected by:
    - Wage inflation.
    - Legal cost inflation – solicitors' hourly rates for plaintiffs follow a fixed schedule depending on the solicitor's years of practice, with the rates differing between District Court and High Court. The latest increase in the schedule rates was effective on 1 January 2018 and was the first increase in 20 years. In the 20-year period during

which the schedule rates did not increase, the actuary should still consider the impact of inflation to legal cost. It is also important to note the differentiation to the hourly rates for solicitors engaged by the insurer as these affect different components of claim cost (legal costs for plaintiff's vs an insurer's own legal costs);

    - Medical cost inflation.
    - Changes in compensation under the EC Ordinance generally occur every 2 to 3 years, although there can be other changes which have more impact that can also be affected.
  - EC rates are generally set as a percentage of wage roll (or contract value for some types of risk). Insurers, through the underwriting process, may seek to validate the wage roll by requesting information such as MPF declarations, tax returns, audited financial statements.
  - EC market rate/burning cost report – this report provides estimates of the market burning cost for the total market and by industry, based on data submitted by insurers (around 60% market share). The industry classification relies on the Standard Industrial Classification codes. The report is commissioned by the HKFI on an annual basis and is available to insurers who are HKFI members.
  - All relevant companies are required to compile and submit quarterly rate information to the IA. For EC, exposure and premium information is presented by high level industry groups.

There are several other arrangements in place acting as safety nets for policyholders with regard to the statutory classes:

- Motor
  - Motor Insurers' Bureau (MIB) (http://www.mibhk.com.hk/eng/index.php)
    - The MIB provides compensation to traffic accident victims who cannot recover damages awarded to them either because the first party was uninsured and unable to pay, the vehicle was unidentified, the vehicular accident was a result of a terrorist act, or where the insurer is insolvent and unable to pay the claim in full.
    - All insurers who write third party motor insurance in Hong Kong are required to be members of the MIB.
    - Funding for the MIB comes from a 3% premium levy imposed by insurers on all motor policies they issue.
- EC
  - Employees Compensation Assistance Scheme (http://www.ecafb.org.hk/en/scheme.php)
    - The Employees Compensation Assistance Scheme serves as a safety net of last resort to employees and eligible persons in relation to compensation for work-related injuries or fatalities. It provides payments to injured employees or eligible family members of deceased employees who fail to receive their entitlements from

employers or insurers after exhausting all legal and financially viable means of recovery.

- The Scheme excludes claims relating to insurers' insolvency, which are covered by the Employees Compensation Insurance Insolvency Bureau.
- The Scheme is funded via a 5.8% premium levy on EC insurance, of which 3.1% is allotted to the EC Assistance Fund Board, 2.0% to the Occupational Safety and Health Council and 0.7% to the Occupational Deafness Compensation Board.

- Employees Compensation Insurer Insolvency Bureau (ECIIB) (http://www.eciib.com.hk/about.html)
  - The ECIIB was set up to assume responsibility for the liabilities of insurers engaging in EC business who become insolvent.
  - The Bureau is funded by a 2.0% premium levy on EC insurance.
- EC terrorism fund (https://www.ia.org.hk/en/supervision/int_dom_cooperation/files/text-ilens8.pdf)
  - The Government has a $10 billion facility which provides direct insurers with coverage for claims arising out of terrorism in respect of EC insurance.
  - Participation in the facility is voluntary but any insurers who choose to opt out must provide evidence of alternative cover to the IA.
  - 3.0% is charged on EC insurance for this cover.
- Employees Compensation Insurance Residual Scheme (http://www.ecirsb.com.hk/en/index.html)
  - The Employees' Compensation Insurance Residual Scheme Bureau Limited (ECIRSB) was set up to provide EC insurance to employers who are unable to obtain insurance from the market. There are several conditions to be met to qualify for the Scheme:
    - Employer must be declined EC insurance by at least three insurers; or
    - Quoted EC premium rate is over 30% above the corresponding benchmark rate for relevant High-Risk Groups specified by the Scheme.
  - The HKFI has been appointed as the Administrator to conduct daily operations, and there is also an Underwriting Committee and Claims Committee to carry out the underwriting and claims functions respectively.
  - All insurers writing EC insurance must become members of the ECIRSB, and the risks are shared on a pooled basis (i.e. premiums and claims are shared amongst the members).

3.4.1.2 Non-statutory roles

Actuaries also often play a leading role in the determination of premium rates for direct insurers and in the pricing of reinsurance contracts.

Traditional roles for GI actuaries are in pricing and reserving within insurance companies or consulting firms providing such services. These roles have in recent times expanded into enterprise risk management (ERM), in particular, capital allocation. Capital allocation is critical for an insurance company's success and many actuaries have been making significant contributions in this area by leveraging their technical skills and commercial acumen.

GI actuaries have also moved into the rapidly evolving data analytics space, being well-placed to apply their skills to customers and data analytics. They are making contributions in many fields, including the retail and telecommunications markets, and to loyalty schemes.

3.4.2 Main types of products in Hong Kong market

The statutory class descriptions of GI products can be found in Part 3 of Schedule 1 to the Insurance Ordinance (Cap. 41) (IO): https://www.elegislation.gov.hk/hk/cap41.

The study materials written by IA for the Insurance Intermediaries Qualifying Examination (IIQE) provide an overview of the types of general insurance products available in Hong Kong market https://www.ia.org.hk/en/supervision/reg_ins_intermediaries/files/P2_SN_eng_2018_2019update_file6.pdf.

The industry body, the Hong Kong Federation of Insurers (HKFI), also maintains its own classification of different types of General Insurance business (which is focused on products for individuals) as follows:

- Accident Insurance
- Medical Insurance
- Personal Liability Insurance
- Travel Insurance
- Household Contents & Building Insurance
- Motor Insurance
- Employees' Compensation Insurance

Currently, both GI companies and life insurers offer a variety of health insurance products. The Voluntary Health Insurance Scheme (VHIS) was launched by the Food and Health Bureau of the Hong Kong SAR Government on 1 April 2019. The aim is to regulate indemnity hospital insurance offered to individuals, although participation is voluntary by both insurers and individuals. Products that satisfy the rules of the VHIS will be deemed as "Certified Plans" and a list of these are maintained on the VHIS website. Certified Plans are required to contain a number of standard features aimed at increasing consumer confidence in purchasing hospital

insurance. More details about the VHIS can be found here:
https://www.vhis.gov.hk/en/consumer_corner/faqs.html.

These facts can aid in an understanding of the market composition. From the company listing, we can observe the following types of active market participants in the Hong Kong market: direct insurers, Lloyd's, captives, marine mutuals, P&I clubs, reinsurers.

Details of the amount of business written by insurer, by line of business, are available within the annual returns published by the IA. Quarterly returns are also published with less detail, but nonetheless give some indication of the emerging results by class of business. A market overview based on the annual statistics is available here:
https://www.ia.org.hk/en/infocenter/statistics/files/GB_Market_Overview_2023_Eng_Final.pdf

3.4.3 Overview of market landscape in Hong Kong

As at 30 September 2024 there were 157 authorized insurers in Hong Kong, of which 85 were pure general insurers, 52 were pure long term insurers, 18 were composite insurers and 2 were special purpose insurers

In 2023, the total gross premiums of the Hong Kong insurance industry increased by 0.8% to $542.1 billion.

3.4.3.1 General insurance market statistics

The Hong Kong GI market reported growth in total gross written premiums ("GWP") of 4.6% to HK$67,335 million in 2023, in alignment with the full resumption of economic activities. However, overall underwriting profit decreased by 76.3% to HK$1,027 million in 2023.

The growth was mainly driven by Accident & Health (A&H) and Property Damage businesses, with increases of 12.2% and 10.3%, respectively, due to new businesses and rate hardening. The growth was partially offset by a 19.6% decline in Pecuniary Loss business due to conservative property market sentiments.

The decline in underwriting profit was linked to deteriorating performance in A&H, Property Damage, and Pecuniary Loss businesses, influenced by latent medical claims, economic activity resumption, extreme weather (Typhoon Saola and Black Rainstorm), and reserve adjustments for reverse mortgage insurance.

As COVID-19 impacts ease, premium growth and claim frequency are normalizing. However, the market faces uncertainties from domestic economic recovery, global growth prospects, and typhoon exposures. Insurers are advised to maintain strong underwriting discipline to ensure business viability and sustainability.

3.4.3.2 Code of conduct

The HKFI has developed a Code of Conduct for Insurers that is applicable to all General Insurance members and Life Insurance members of the body.

It applies to insurance contracts effected in Hong Kong by individual policyholders resident in Hong Kong and insured in their private capacity only.

3.4.3.3 Regulation of GI intermediaries

The Insurance Authority has taken over as the sole regulator to license and supervise all insurance intermediaries in Hong Kong since 23 September 2019, and is responsible for supervising insurance intermediaries' compliance with the provisions of Insurance Ordinance (Cap. 41) ("IO"), and the relevant regulations, rules, codes and guidelines issued by the IA. The IA is also responsible for promoting and encouraging proper standards of conduct of insurance intermediaries, and has regulatory powers in relation to licensing, inspection, investigation and disciplinary actions.

The Insurance Authority has issued two guidelines for licensed insurance intermediaries (the Guidelines):

GL23: Guideline on "Fit and Proper" Criteria for Licensed Insurance Intermediaries under the Insurance Ordinance (Cap. 41) GL23.pdf

GL24: Guideline on Continuing Professional Development for Licensed Insurance Intermediaries GL24.pdf

Under the Ordinance, a person who is, is applying to be, or is applying for a renewal of a licence to be, a licensed insurance intermediary is required to satisfy the IA that he/she/it is a fit and proper person. In addition, for a licensed insurance agency or a licensed insurance broker company, its responsible officer(s), controller(s), partner(s) and director(s) (where applicable) are also required to be fit and proper persons. These "fit and proper" requirements aim at ensuring that licensed insurance intermediaries are competent, reliable and financially sound, and have integrity.

Licensed insurance intermediaries who are individuals should continuously update their technical and regulatory knowledge and refresh themselves on the ethical standards through CPD in order to ensure their professional competence in carrying on regulated activities.

The IA has developed some resources primarily geared towards intermediaries. They help provide some insight into the general risk management and processes for GI companies:

- IIQA Principles and Practice of Insurance Exam Study Notes – https://ia.org.hk/en/supervision/reg_ins_intermediaries/files/P1_SN_eng_2017ver_2018update.pdf
- IIQA General Insurance Exam Study Notes – https://www.ia.org.hk/en/supervision/reg_ins_intermediaries/files/P2_SN_eng_2018_2019update_file6.pdf

3.4.4 Regulations, professional standards, guidelines and industry standard practice

Similar to many other jurisdictions, the regulation of the insurance industry and the actuaries, in particular, is handled at three levels:

- Statutory – As promulgated in the Insurance Ordinance (IO)
- Regulatory – This is captured in a series of Guidelines (GLs), issued and periodically revised by the IA.
- Actuarial – This is captured in a series of Professional Standards and Actuarial Guidance Notes (AGNs), issued and periodically updated by the Actuarial Society of Hong Kong (ASHK). It is incumbent upon the actuary to make timely written and reasoned disclosure to the intended users of the actuarial investigation if for any reason he or she does not comply fully with the professional standards and/or actuarial guidance notes.

3.4.4.1 Guidelines

The following is a list of Guidelines ("GL") and Actuarial Guidance Notes ("AGN") applicable to GI actuaries, issued by the IA and the ASHK:

GL4 : "Fit and Proper Criteria under the Insurance Ordinance (Cap. 41)"

Link: GL 4

This guideline outlines the expectations the Insurance Authority has with respect to the board, senior management, key persons in control functions and significant owners of an insurer with respect to their suitability to fulfil their respective roles. The guideline sets the minimum expectations for each of these persons and was updated to reflect the requirements of the Insurance Core Principles (ICP5).

GL6 : "Reserving for Mortgage Guarantee Business"

Link: GL 6

Mortgage guarantee insurance protects the lending bank from the risk of loss arising from default in payment by a mortgagor in respect of that portion of the mortgage loan which exceeds a certain pre-determined ratio of the value of the property. This business differs from the majority of the GI business written in Hong Kong, in that it is of a longer tail nature and strongly correlate with the local macro-economy. In view of this, the IA has issued a guideline setting out the minimum standard for setting technical reserves of this line of business.

This guideline applies to insurer as well as reinsurer in respect of its mortgage guarantee business carried on in or from Hong Kong.

GL9 : "Actuarial Review of Insurance Liabilities in respect of General Businesses"

Link: GL 9

(Please refer to 3.4.1.1 for detail summary of the guidelines)

The purpose of the guideline is to enhance the accuracy of insurers' financial positions and ensure adequate reserves for insurance liabilities. It specifies that authorized insurers must conduct an actuarial review of their insurance liabilities annually or as required by the IA. The guideline also defines the role of the Certifying Actuary (CA) responsible for preparing the actuarial report.

GL10 : "Corporate Governance of Authorized Insurers"

Link: GL 10

Introduction

The guideline aims to establish high standards of corporate governance for authorized insurers in Hong Kong, recognizing that effective governance is essential for the stability and growth of the insurance market. It emphasizes that sound corporate governance practices enhance accountability, transparency, and trust among stakeholders, which is vital for the long-term sustainability of the insurance sector.

Interpretation

This section provides definitions of key terms to ensure clarity and a common understanding among stakeholders. Key definitions include:

- **Authorized Insurer**: An entity that has been granted a license by the Insurance Authority to conduct insurance business in Hong Kong.
- **Board of Directors**: The group of individuals elected to represent shareholders and oversee the activities of the insurer.
- **Chief Executive**: The individual responsible for the overall management and operational performance of the insurer.
- **Controller**: A person or entity that has significant influence over the insurer, typically through ownership or control of voting rights.
- **Independent Non-Executive Director (INED)**: A director who is not part of the management team and does not have any material relationship with the insurer, ensuring impartial oversight.

Application

- **Scope**: The guideline applies to all authorized insurers incorporated in Hong Kong and those incorporated outside Hong Kong that conduct insurance business within the region.
- **Exemptions**: Conditions under which certain insurers may be exempt from specific provisions of the guideline are outlined, ensuring flexibility while maintaining governance standards.

Governance Structure

- **Board Composition**: The guideline emphasizes the need for a diverse board with a suitable number of directors possessing a range of expertise, including finance, insurance, and risk management.
- **Independent Non-Executive Directors (INEDs)**: The presence of INEDs is crucial for providing objective oversight and ensuring that the board operates independently from management.

Role and Responsibilities of the Board

- **Strategic Objectives**: The board is responsible for setting the strategic direction of the insurer and ensuring that it aligns with stakeholder interests.
- **Risk Management**: The board must ensure that effective risk management frameworks are in place to identify, assess, and mitigate risks.
- **Oversight of Management**: The board oversees senior management's performance and ensures accountability.
- **Transparency**: Promoting transparency in operations and decision-making processes is a key responsibility of the board.

Board Matters

- **Board Meetings**: The guideline outlines the processes for conducting board meetings, including frequency, agenda setting, and decision-making procedures.
- **Information Access**: Directors must have timely access to relevant information to make informed decisions.
- **Nomination Process**: A formal and transparent process for nominating board members is essential to ensure that qualified individuals are appointed.

Risk Management and Internal Control Systems

- **Risk Management Framework**: Insurers must establish a comprehensive risk management framework that includes identifying, assessing, and managing risks.
- **Internal Controls**: The guideline emphasizes the importance of internal controls to safeguard assets, ensure accurate financial reporting, and comply with laws and regulations.
- **Separation of Functions**: Critical functions should be separated to prevent conflicts of interest and enhance accountability.

Committees

Establishment of Committees: The guideline specifies the need for various committees to support the board's oversight functions, including:

- **Audit Committee**: Oversees financial reporting and compliance.
- **Risk Committee**: Focuses on risk management practices.
- **Investment Committee**: Manages investment strategies and policies.
- **Nomination Committee**: Handles the nomination of board members.
- **Remuneration Committee**: Oversees remuneration policies for directors and key personnel.
- **Underwriting, Claims Settlement, and Reinsurance Committees**: Address specific operational areas to ensure effective governance.

Remuneration Matters

- **Remuneration Policies**: The guideline discusses the principles of remuneration policies, emphasizing alignment with the insurer's long-term interests and risk management framework.
- **Performance Measurement**: Criteria for measuring performance should be clearly defined to avoid excessive risk-taking and ensure that remuneration is linked to sustainable performance.

Customer Treatment and Fairness

- **Fair Treatment**: The board is responsible for ensuring that customers are treated fairly throughout the insurance process.
- **Policies**: Clear policies regarding customer service, complaint handling, and transparency in product offerings must be established to enhance customer trust and satisfaction.

Implementation and Transition

- **Effective Dates**: The guideline specifies the effective dates for its implementation, ensuring that insurers have adequate time to comply with the new requirements.
- **Transitional Provisions**: Any transitional arrangements that may apply to facilitate the implementation of the guidelines are outlined, providing clarity on how insurers can adapt to the new governance framework.

The GL10: Guideline on the Corporate Governance of Authorized Insurers' serves as a comprehensive framework aimed at enhancing corporate governance standards within the insurance industry in Hong Kong. By establishing clear expectations and requirements, the guideline seeks to promote accountability, transparency, and sound management practices among authorized insurers.

GL12 : "Reinsurance with Related Companies"

Link: GL 12

Introduction:

The guideline is issued under section 133 of the Insurance Ordinance (Cap. 41). Under section 8(3)(c) of the Ordinance, authorized insurers must arrange adequate reinsurance protection unless justified otherwise. This should align with the insurer's risk profile, considering reinsurer security, avoiding concentration, and obtaining collateral securities if needed. Insurers are expected to exercise prudent control over reinsurance arrangements. However, this control may be compromised when the reinsurer is a related company, posing higher regulatory risks. The Insurance Authority (IA) ensures that authorized insurers can withstand financial vulnerabilities, requiring higher security from related reinsurers due to increased risk. The guideline outlines how reinsurance arrangements with related companies will be assessed for adequacy in financial security by the IA and addresses supervisory concerns if arrangements are inadequate. The guideline does not affect the operation of the Ordinance's provisions.

Application of this Guideline

This guideline applies to:

- Authorized Insurers Incorporated in Hong Kong:
- Authorized Insurers Incorporated Outside Hong Kong:
  - If 75% or more of their annual gross premium income for general business pertains to Hong Kong insurance business.
  - If 75% or more of their annual gross premium income for long-term business pertains to Hong Kong long-term insurance business.
- Any authorized insurer required under section 25A of the Ordinance to maintain assets in Hong Kong for liabilities related to its Hong Kong insurance business, regardless of where it is incorporated.

Adequacy of Reinsurance Arrangements

The Insurance Authority (IA) assesses the adequacy of reinsurance arrangements by considering the security provided by a related reinsurer. The security is deemed adequate if the related reinsurer meets one of the following criteria:

- The reinsurer is an authorized insurer in Hong Kong.
- The reinsurer or any of its holding companies has an Insurer Financial Strength Rating of AA- or above by Standard & Poor's, Aa3 or above by Moody's, or A+ or above by A. M. Best, or an equivalent rating.
- The reinsurer or any of its holding companies is otherwise considered by the IA as having a status comparable to the above ratings.

If a reinsurer or its holding companies do not meet the specified security criteria, the Insurance Authority (IA) will not consider the security acceptable, raising supervisory concerns.

- For authorized insurers incorporated in Hong Kong or with significant Hong Kong business, the IA restricts net reinsurance recoverable from related reinsurers to 10% of the ceding insurer's Net Assets Amount.
- For insurers required to maintain assets in Hong Kong, the restriction applies to 10% of the Hong Kong Net Assets Amount.

Insurers can provide collateral securities to increase the net reinsurance recoverable amount. Acceptable securities include: - Clean, irrevocable, unconditional, and evergreen letters of credit from a licensed bank in Hong Kong. - Other securities or arrangements accepted by the IA.

Authorized insurers must inform the IA about reinsurance arrangements with related reinsurers, including names and financial details. If precise computation of the related reinsurer's share of Unearned Premium Reserve is not possible, an estimate with underlying bases and assumptions must be provided.

GL17 : "Reinsurance"

Link: GL 17

This guideline was released by the OCI in 2016 and it provides best practice recommendations and mandatory requirements in respect of reinsurance arrangements. Under the IO, an insurer is required to arrange adequate reinsurance protection unless there are justifications not to do so. A sound reinsurance management framework is commonly found within an insurance company's risk management toolkit. The IA sets standards for the use of reinsurance and other forms of risk transfer, ensuring that insurers adequately control and transparently report their risk transfer programs.

GL21 : "Enterprise Risk Management"

Link: GL 21

Overview of Enterprise Risk Management (ERM) Framework and Risk Appetite Statement

This section establishes the foundational concepts of the ERM framework. It defines ERM as a structured, consistent, and continuous process for identifying, assessing, managing, and monitoring risks across the organization. The risk appetite statement is introduced as a critical tool that articulates the level of risk an insurer is willing to accept in pursuit of its strategic objectives. This statement serves as a guiding principle for decision-making, ensuring that risk-taking aligns with the insurer's overall goals and regulatory requirements.

Embedding the ERM Framework

This section is crucial for integrating the ERM framework into the daily operations of insurers. It is divided into several subsections including but not limited to the following:

- **Regular Risk Assessments and Stress and Scenario Testing**: Insurers are mandated to conduct regular risk assessments to identify potential risks that could impact their operations. Stress testing and scenario analysis are emphasized as essential tools for evaluating how adverse conditions could affect the insurer's financial stability and operational capacity. This proactive approach helps in understanding vulnerabilities and preparing for potential crises.

- **Risk Monitoring and Reporting**: Continuous monitoring of risk exposure is vital for effective risk management. This subsection outlines the processes for tracking risks and the importance of transparent reporting mechanisms. Insurers are required to establish clear channels for communicating risk information to stakeholders, ensuring that all relevant parties are informed about the risk landscape and any changes therein.
- **Risk Management Review and Actions**: Insurers must regularly review their risk management practices to assess their effectiveness. This involves evaluating the outcomes of risk management strategies and making necessary adjustments based on findings. The section emphasizes the importance of a responsive approach to risk management, where actions are taken promptly to address identified weaknesses or emerging risks.
- **Requirements in ERM Processes in Respect of Group Risk**: This subsection addresses the complexities of managing risks within group structures, particularly for insurers that are part of larger corporate groups. It highlights the need for coherent risk management policies that consider intra-group transactions and relationships, ensuring that risks are managed not just at the individual insurer level but also across the entire group.

ERM Framework Review

This section underscores the necessity for periodic reviews of the ERM framework. Insurers are encouraged to assess the relevance and effectiveness of their ERM practices in light of changing risk environments, regulatory updates, and organizational changes. Regular reviews help ensure that the ERM framework remains robust and capable of addressing new and evolving risks, thereby supporting the insurer's long-term sustainability and compliance with regulatory standards.

Own Risk and Solvency Assessment (ORSA)

The ORSA is a critical component of the ERM framework, requiring insurers to conduct a comprehensive assessment of their risk profile and capital adequacy. This section specifies the minimum requirements for the ORSA report, which must include:

- An evaluation of the insurer's risk exposures and the potential impact on its financial position.
- An analysis of the adequacy of capital in relation to the identified risks.
- A forward-looking assessment that considers future risks and the insurer's strategic plans.

The ORSA process is designed to ensure that insurers have a thorough understanding of their risk landscape and are adequately capitalized to meet regulatory requirements and protect policyholders.

Reporting to the Insurance Authority and Supervisory Review

This section outlines the reporting obligations of insurers to the IA. Insurers must provide detailed reports on their risk management practices, including the outcomes of the ORSA. The supervisory review process is emphasized as a mechanism for ensuring compliance with regulatory standards. This process involves the IA reviewing the reports submitted by insurers to assess their adherence to the ERM framework and overall risk management effectiveness. The goal is to protect policyholders and maintain the stability of the insurance market.

Annex B. Types of Notifiable Material Intra-group Transactions or Events

This annex provides a comprehensive list of intra-group transactions and events that insurers must notify the IA about. These include:

- Guarantees provided by one group entity to another.
- Risk transfers between group entities.
- Changes in management or ownership structures that could impact risk profiles.

The requirement for notification ensures transparency and regulatory oversight of intra-group activities, helping to mitigate risks that may arise from complex corporate structures and relationships.

Conclusion

The document serves as a detailed guideline for authorized insurers in Hong Kong, emphasizing the importance of a robust ERM framework. By adhering to these guidelines, insurers can effectively manage risks, ensure compliance with regulatory requirements, and protect the interests of policyholders. The structured approach to risk management outlined in the document is designed to enhance the overall stability and solvency of the insurance sector in Hong Kong.

AGN9 : "Best Estimate Assumptions"

Link: AGN 9

This document outlines the general principles to be considered when setting best estimate assumptions. AGN9 is meant to be generic and applicable to all actuarial investigations regardless of field. Nevertheless, there are two sections of particular relevance to GI practitioners regarding claims ratios and large and catastrophic losses.

Non-life insurance claims ratios

- **Claims Assumptions**: When setting claims assumptions for non-life insurance applications, such as ultimate loss ratios or initial expected loss ratios, actuaries should consider the insurer's historical experience if it is credible and relevant.

- **Adjustments to Historical Data**: If appropriate historical experience is available, actuaries should determine necessary adjustments based on the investigation's purpose. For example, pricing analysis may require adjustments for changes in terms and conditions, policy limits, premium rates, and trends like inflation or sales mix changes.

- **Lack of Statistical Credibility**: If the insurer's experience lacks statistical credibility even after adjustments, actuaries should consider using relevant local industry data or data from related markets. This data should be adjusted based on the actuary’s professional judgment to account for differences in future experience due to varying business profiles.

Non-life insurance large and catastrophic losses

- **Challenges in Forecasting**: Estimating large losses and catastrophic events is challenging. For retrospective events, it's advisable to discuss event specifics with claims, legal, and loss adjustment personnel, focusing on policy-level outcomes that influence eventual losses.

- **Reinsurance Considerations**: Non-life insurance often uses non-proportional and aggregate reinsurance loss covers. Reinsurance recoveries require specific consideration, and allowances for aggregation before netting-down may be appropriate.

- **Prospective Allowances**: When setting allowances for large loss or catastrophic events prospectively, actuaries should consider exposure-based analysis results. This includes metrics like estimated and probable maximum losses with assigned probabilities or more refined analyses using scenario and simulation modeling.4. Simulation and Market Share Approaches: When using simulation results and market share approaches, actuaries should consider the associated basis risk.

3.4.4.2 Captives

The scope of operation of a captive may differ from one to another depending on the purposes for which it is formed. In Hong Kong, a captive is legally defined under the IO as an insurer which is formed by its parent company to underwrite exclusively the insurance business of the parent or group companies or their associated companies.

The Hong Kong SAR Government encourages establishment of captives in Hong Kong and wishes to promote Hong Kong as a captive center in Asia. Regulatory concessions are provided in the Insurance Companies Ordinance (Cap. 41) to provide incentives for multinational companies to establish their captive insurers in Hong Kong. An example of the concessions available is a lower minimum capital requirement for a captive insurer as compared to a typical GI company.

3.4.5 Recent industry developments

3.4.5.1 Insurance Authority (IA)

The insurance industry has experienced a number of changes in the regulatory environment in recent years. Specifically, an independent insurance regulator, the Insurance Authority (IA), was established in 2017.

The IA has replaced the Office of the Commissioner of Insurance (OCI) in regulating insurance companies, effective 26 June 2017. The OCI was disbanded on the same day.
Details of IA's responsibilities can be found on their official website.

3.4.5.2 Risk-based capital

The Risk-based Capital (RBC) regime for the Hong Kong insurance industry has come into operation on 1 July 2024, following the commencement of Insurance (Amendment) Ordinance 2023 and the relevant subsidiary legislation, and the promulgation of new or revised guidelines by the Insurance Authority (IA) that tie in with the regime.

The RBC regime adopts a three-pillar framework and an assessment approach which is sensitive to an insurer's asset and liability matching, risk appetite and mix of products. To align capital requirements with individual insurers' risk profiles under the RBC regime, insurers with solid risk management measures will shoulder lower capital requirements, cultivating insurers to deploy capital more efficiently and nurture a prudent risk culture.

Pillar 1 – Quantitative aspects. The primary purpose of imposing capital adequacy requirements is to ensure that an insurer's obligations to policyholders will be met. The centerpiece of an RBC framework is to make capital requirement risk-sensitive such that higher risks carry more capital;

Pillar 2 – Qualitative aspects. An integral part of an RBC framework is to encourage increased standards of corporate governance and ERM, therefore, encourage insurers to manage risk appropriately (this is covered by GL21 in Section 3.4.4.1 of this study guide);

Pillar 3 – Disclosure. It refers to regulatory reporting to the IA and public disclosure requirements.Insurance (Submission of Statements, Reports and Information) Rules (Cap. 41S) prescribe the information that insurers must submit to the IA, and the deadlines, frequency and methods of submission. The Rules also specify the requirements for submitting financial statements (prepared under generally accepted accounting principles), regulatory returns (prepared under the basis required under the Insurance Ordinance), auditor's reports on the regulatory returns and reports on actuarial investigations or reviews

Consultation conclusions on risk-based capital framework

This document summarizes the responses received by the OCI following the consultation period in 2023.
https://www.ia.org.hk/en/infocenter/files/Consultation_Conclusions_on_Draft_RBC_Rules_Eng.pdf

A quick highlights of the CAP 41R as follows: (Please refer to CAP 41R for more details)

1. **Capital Requirements** This section outlines the essential capital that insurance companies must maintain to ensure their financial stability. It differentiates between two types of capital: Unlimited Tier 1 capital, which is the highest quality and most permanent form of capital, and Limited Tier 1 capital, which has certain restrictions. The section emphasizes the importance of maintaining sufficient capital to cover liabilities and support ongoing operations, thereby safeguarding policyholders' interests.
2. **Valuation of Insurance Liabilities** This section provides a framework for valuing long-term insurance liabilities and general insurance liabilities. It details the methodologies insurers should use to calculate the present value of future cash flows associated with these liabilities. The section highlights the necessity of incorporating margins for uncertainty and using appropriate discount rates derived from specified risk-free yield curves. Additionally, it discusses the application of matching adjustments, which allow insurers to align their cash flow projections with the characteristics of their liabilities.
3. **Prescribed Capital Amount** This section focuses on the determination of risk capital amounts that insurers must hold to cover various risks. It outlines the methodologies for calculating risk capital related to specific risks such as lapse risk (the risk of policyholders discontinuing their policies), longevity risk (the risk of policyholders living longer than expected), and financial guarantee risks. The section underscores the importance of accurately assessing liabilities and considering potential future cash flows to ensure that insurers remain solvent.
4. **Market Risk Capital** This section prescribes the principles and methods for calculating the risk capital amount associated with market risks. It details how insurers should aggregate risk capital amounts for different types of market risks, including interest rate risk, credit spread risk, and equity risk. The section also emphasizes the importance of conducting stress tests to evaluate the impact of adverse market conditions on the insurer's capital position and outlines necessary adjustments based on these assessments.
5. **Life Insurance Risk Capital** This section specifically addresses the risk capital requirements for life insurance products. It provides guidelines for calculating capital requirements for various sub-risk modules, such as mortality risk (the risk of policyholders dying sooner than expected), longevity risk, and catastrophe risk. The section highlights the need for insurers to consider diversification benefits when calculating these capital amounts, which can help mitigate overall risk exposure.
6. **General Insurance Risk Capital** This section deals with the risk capital requirements for general insurance lines of business. It provides a structured approach for determining risk capital amounts related to premium risk (the risk of insufficient premiums to cover claims) and reserve risk (the risk of inadequate reserves to pay future claims). The section includes specific tables and formulas to assist insurers in their calculations, ensuring they maintain adequate capital to cover potential claims.
    - **General Insurance Risk (other than mortgage insurance risk)**

- **Reserve Risk -** Reserve risk is the risk that the claims, net of reinsurance, relating to events that have already occurred are greater than expected.
- **Premium Risk** - Premium risk is the volatility of combined ratio which covers both loss and expenses.
- **Catastrophe Risk**
  - Refers to risks associated with events that are low frequency and high severity in nature
  - Often arises from aggregation of claims by a single root cause
  - May affect a significant number of policyholders and insurers
  - May cause significant hazards to insurers' solvency and liquidity
  - Natural catastrophe risk, man-made non-systemic catastrophe risk and man-made systemic catastrophe risk

- **General Insurance Risk (other than mortgage insurance risk)**
  - **Reserve Risk -** Reserve risk is the risk that the claims, net of reinsurance, relating to events that have already occurred are greater than expected.
  - **Catastrophe and Premium Risk** - Hong Kong has relatively low mortgage default rate, leading to a majority of premium risk coming from catastrophe events. As such, premium risk charge is combined with catastrophe risk charge and not evaluated separately.

7. **Reinsurance and Risk Mitigation** This section discusses the treatment of reinsurance recoverable and the use of financial risk mitigation strategies. It outlines how insurers should adjust the value of their risk exposures based on the credit quality of their reinsurance counterparties and the terms of their reinsurance contracts. The section emphasizes the importance of effective risk transfer mechanisms to enhance the insurer's capital position and reduce overall risk.

8. **Definitions and Interpretations** This section provides clear definitions for key terms used throughout the document, such as "financial guarantee," "lapse risk," "restricted capital component," and "encumbered asset." It also offers guidance on interpreting regulatory language, particularly terms that imply limitations or conditions. This section is crucial for ensuring that all stakeholders have a common understanding of the terminology used in the regulations, facilitating compliance and effective communication.

3.4.5.3 IFRS 17

Historically, Hong Kong Financial Reporting Standards (HKFRS) have followed the International Financial Reporting Standards (IFRS) with limited variation. IFRS 4, which provides guidance for the accounting of insurance contracts, was released by the International Accounting Standards Board (IASB) in March 2004. Since then there has been extended consultation around upgrading of the standard – i.e. IFRS 17.

In November 2016, the IASB set 1 January 2021 as the mandatory effective date of IFRS 17. In November 2018, the IASB voted to amend the IFRS 17 effective date from 1 January 2021 to 1 January 2022, meaning that there is a one-year delay on the effective date from the IFRS 17 standard issued in May 2017. In March 2020, the international Accounting Standards Board (IASB) announced the final deferment of the IFRS 17 Insurance Contracts implementation for another year, and IFRS 17 has come into effect on 1 January 2023.

IFRS 17 brings new levels of transparency, giving users more insight into an insurer's financial health than ever before. Investors will be able to draw on more information on the profitability of new and in-force business: the separate presentation of underwriting and financial results will provide added transparency about sources of profits and quality of earnings. The new standard will drive greater consistency globally, allowing for increased comparability between insurers.

Some key areas of concepts include but not limited to the following:

Eligibility Assessment for PAA (Premium Allocation Approach)

Premium Allocation Approach (PAA) is a simplified method for measuring insurance contracts. Key details include:

- **PAA Approach**: The PAA is designed for contracts with a coverage period of one year or less, or when the expected measurement under PAA does not differ materially from the General Measurement Model (GMM). The PAA is often preferred for its simplicity and ease of implementation.
- **PAA Eligibility Criteria**: The document outlines specific criteria that must be met for a contract to qualify for the PAA. This includes:
    - The contract must be short-duration (typically less than one year).
    - The expected present value of future cash flows under the PAA should not differ significantly from the GMM.
- **PAA Eligibility Testing Criteria**: Quantitative tests are introduced to assess eligibility, focusing on:
    - **Discount Rates**: Ensuring that the discount rates used in the PAA are appropriate and consistent with market conditions.
    - **Ultimate Loss Ratios**: Evaluating whether the ultimate loss ratios align with the expectations set out in the PAA.

Contract Boundary

- **Definition**: Cash flows are included within the boundary of an insurance contract if they arise from substantive rights and obligations during the reporting period. This means that any cash flows expected to occur as a result of the contract must be accounted for.
- **End of Substantive Obligation**: The document outlines the conditions under which an entity's obligation to provide insurance services ends, which can include:
  - The expiration of the contract.
  - The cancellation of the contract by the policyholder.
- **Key Questions for Discussion**: This includes considerations on:
  - The treatment of cash flows that arise from contract modifications.
  - The implications of cancellation terms on the recognition of profits.
  - How to handle contracts that may be modified or renewed.

Grouping of Insurance Contracts and Level of Aggregation

- **Level of Aggregation**: The document emphasizes that contracts should be aggregated at initial recognition based on similar risks and characteristics. It is important to maintain this grouping throughout the life of the contracts.
- **Portfolio and Cohort Definitions**: It defines portfolios as groups of contracts that share similar risks and outlines the requirement for time-bound cohorts, which must be established at the inception of the contracts.
- **Profitability Groups**: Contracts are categorized into groups based on their profitability, which includes:
  - **Onerous Contracts**: Contracts expected to incur losses.
  - **No Significant Possibility of Becoming Onerous**: Contracts that are unlikely to become onerous based on current assessments.

Reinsurance Contracts

The specific considerations for reinsurance contracts, which differ from direct insurance contracts. Key points include:

- **Measurement Models**: The document discusses how measurement models may vary between policies issued and reinsurance held, emphasizing the need for careful consideration of the terms and conditions of each contract.
- **PAA Eligibility for Reinsurance**: Similar eligibility criteria for applying the PAA to reinsurance contracts are outlined, ensuring consistency in measurement approaches.
- **Aggregation of Reinsurance Contracts**: The document discusses how to aggregate various reinsurance contracts, taking into account their heterogeneity and similarities, which can complicate the accounting process.
- **Practical Challenges**: It identifies challenges related to:

- Data granularity: The need for detailed data to accurately assess cash flows.
- Estimating cash flow timings: The complexities involved in predicting when cash flows will occur.
- Managing multiple currencies: The difficulties in accounting for reinsurance contracts that involve different currencies.

The document serves as a detailed guide for understanding the implications of IFRS 17 for general insurance contracts. It focuses on eligibility assessments, contract boundaries, grouping, and reinsurance considerations, providing practical examples and outlining the complexities involved in implementing the standard. This comprehensive overview makes it a valuable resource for professionals in the insurance industry, aiding in the transition to IFRS 17 compliance.

3.4.5.4 Belt and Road Insurance Exchange Facilitation (BRIEF)

At the heart of Asia, Hong Kong is the international financial center connecting Mainland China and the global markets, presenting vast opportunities for risk management and insurance business.

The Belt and Road Initiative (“BRI”) will bring about a suite of new business prospects for the insurance industry. Mainland enterprises and other project owners are exposed to a multitude of specialty risks associated with their overseas investments. Hong Kong is well positioned to provide professional risk management services and effective insurance coverage for this purpose.

In order to effectively capture the unprecedented opportunities, the Insurance Authority (“IA”) set up the Belt and Road Insurance Exchange Facilitation (“BRIEF”) in December 2018 to pool together key stakeholders to unleash synergies in exploiting prospects arising from BRI.

Appendix A: Other study material

(Note: Questions of the ASHK Examination are related to and supported by the readings listed below. To facilitate candidates' examination preparation, please download the zipped file of all readings for GI paper from the ASHK website.)

Section	Subsection	Topic	External Link
3.4	1.1	Statutory roles	https://www.ia.org.hk/en/legislative_framework/files/GL9_2024.pdf (effective from 1 July 2024)
3.4	1.1	Statutory roles	https://www.labour.gov.hk/eng/public/ecd/pco360.pdf
3.4	1.1	Motor Insurers' Bureau	http://www.mibhk.com.hk/eng/index.php
3.4	1.1	Employees Compensation Assistance Scheme	http://www.ecafb.org.hk/en/scheme.php
3.4	1.1	Employees Compensation Insurer Insolvency Bureau	http://www.eciib.com.hk/about.html
3.4	1.1	EC terrorism fund	https://www.ia.org.hk/en/supervision/int_dom_cooperation/files/text-ilens8.pdf
3.4	1.1	Employees Compensation Insurance Residual Scheme	http://www.ecirsb.com.hk/en/index.html
3.4	2	Main types of products in Hong Kong market	https://www.elegislation.gov.hk/hk/cap41
3.4	2	Main types of products in Hong Kong market	https://www.ia.org.hk/en/supervision/reg_ins_intermediaries/files/P2_SN_eng_2018_2019update_file6.pdf
3.4	2	Main types of products in Hong Kong market	https://www.vhis.gov.hk/en/consumer_corner/faqs.html
3.4	2	Main types of products in Hong Kong market	https://www.ia.org.hk/en/infocenter/statistics/files/GB_Market_Overview_Eng_FINAL.pdf
3.4	3	General Business Statistics	https://ia.org.hk/en/infocenter/statistics/annual_general_business_statistics.html

3.4	3	General Business Statistics	https://ia.org.hk/en/infocenter/statistics/quarterly_release_of_provisional_statistics_for_general_business.html
3.4	3	The Market	https://www.ia.org.hk/en/infocenter/statistics/market.html
3.4	3.1	Market Overview - General Insurance	https://www.ia.org.hk/en/infocenter/statistics/files/GB_Market_Overview_2023_Eng_Final.pdf
3.4	3.2	Code of conduct	https://hkfi-web.oss-cn-hongkong.aliyuncs.com/pdf/en/download/e_abt.code.pdf
3.4	3.3	Regulation of GI intermediaries	https://ia.org.hk/en/supervision/reg_ins_intermediaries/introduction_of_insurance_intermediaries.html
3.4	3.3	GL23: Guideline on "Fit and Proper" Criteria for Licensed Insurance Intermediaries under the Insurance Ordinance	https://ia.org.hk/en/legislative_framework/files/Eng_GL23_FPP.pdf
3.4	3.3	GL24: Guideline on Continuing Professional Development for Licensed Insurance Intermediaries	https://ia.org.hk/en/legislative_framework/files/Eng_GL24_CPD.pdf
3.4	3.3	Insurance Intermediaries Quality Assurance Scheme Principles and Practice of Insurance Examination	https://ia.org.hk/en/supervision/reg_ins_intermediaries/files/P1_SN_eng_2017ver_2018update.pdf
3.4	3.3	Regulation of GI intermediaries General Insurance Examination	https://ia.org.hk/en/supervision/reg_ins_intermediaries/files/P2_SN_eng_2018_2019update_file6.pdf
3.4	4.1	GL2: Guideline on Insurance (General Business) (Valuation) Rules	https://www.ia.org.hk/en/legislative_framework/files/GL2_Eng.pdf

3.4	4.1	GL4: Guideline on "Fit and Proper" Criteria under the Insurance Ordinance	https://www.ia.org.hk/en/legislative_framework/files/GL4_2024ENG.pdf
3.4	4.1	GL6: Guideline on Reserving for Mortgage Guarantee Business	https://www.ia.org.hk/en/legislative_framework/files/GL6.pdf
3.4	4.1	GL9: Guideline on Actuarial Review of Insurance Liabilities in Respect of Employees' Compensation and Motor Insurance Businesses	https://www.ia.org.hk/en/legislative_framework/files/GL9_2024.pdf
3.4	4.1	GL10: Guideline on the Corporate Governance of Authorised Insurers	https://www.ia.org.hk/en/legislative_framework/files/GL10.pdf
3.4	4.1	GL12: Guideline on Reinsurance with Related Companies	https://www.ia.org.hk/en/legislative_framework/files/GL12.pdf
3.4	4.1	GL17: Guideline on Reinsurance	https://www.ia.org.hk/en/legislative_framework/files/GL17.pdf
3.4	4.1	GL21: Guideline on Enterprise Risk Management	https://www.ia.org.hk/en/legislative_framework/files/GL21.pdf
3.4	4.1	Actuarial Guidance Note 9: Best Estimate Assumptions	https://www.actuaries.org.hk/storage/download/AGN9(Effective20160401).pdf
3.4	4.2	Requirements on Captive Insurers	https://www.ia.org.hk/en/supervision/reg_insurers_lloyd/requirements_captive_insurers.html
3.4	5.1	Introduction of IA	https://www.ia.org.hk/en/aboutus/role/history.html
3.4	5.2	Working Group of Future Task Force of the Insurance Industry - Update on the Development of Risk-based Capital Regime	https://www.ia.org.hk/en/aboutus/task_force/activities_meetings/files/RBC_170831.pdf

3.4	5.2	Consultation on a Risk-based Capital Framework for the Insurance Industry of Hong Kong	https://www.ia.org.hk/en/infocenter/files/Consultation_Conclusions_on_Draft_RBC_Rules_Eng.pdf
3.4	5.2	Cap. 41R Insurance (Valuation and Capital) Rules	https://www.elegislation.gov.hk/hk/cap41R
3.4	5.3	IFRS 17	https://assets.kpmg.com/content/dam/kpmgsites/xx/pdf/ifrg/2024/ifrs17-first-impressions-2020.pdf
3.4	5.4	BRIEF	https://www.ia.org.hk/en/portal_for_insurers/brief/files/BRIEF_leaflet_20200930.pdf