



HONG KONG MONETARY AUTHORITY
香港金融管理局

Circulars

28 Nov 2001

Quality of Insurance Intermediaries

Our Ref.: B1/15C

28 November 2001

The Chief Executive

All authorised institutions that are insurance intermediaries

Dear Sir / Madam,

Quality of Insurance Intermediaries

You will be aware that the Insurance Authority has implemented the Insurance Intermediaries Quality Assurance Scheme (IIQAS) with effect from January 2000. Under the IIQAS, all insurance intermediaries are required to pass the Insurance Intermediaries Qualifying Examination (IIQE) conducted by the Continuing Professional Development Centre of the Vocational Training Council as one of the requirements for entry to the profession. This requirement also covers the technical representatives and the relevant staff responsible for the conduct of insurance intermediary business of corporate insurance intermediaries.

I would like to bring to your attention that the 2-year transitional period attached to the IIQE requirement will expire on **31 December 2001**. The Insurance Authority will not extend the transitional period. In this regard, those of your staff who are required to meet but have not yet met the IIQE requirement are strongly urged to enroll for the relevant examination as early as possible. For those who believe that they are eligible for exemption from the IIQE requirement, by possessing either the relevant experience or recognized professional qualifications, they should immediately seek confirmation from the relevant registration authorities.

I would like to take this opportunity to emphasize that only qualified staff should be allowed to market insurance products to your clients. There should also be adequate systems and procedures to ensure that they comply with the conduct codes issued by the relevant industry bodies as well as any other applicable regulatory requirements. In particular, we note that recently there has been an increase in the selling of investment-linked insurance products. This has aroused some concern on the proper disclosure of product information. The key features of such products, including e.g. the fact that they contain an insurance element, must be clearly explained to clients before the latter enter into such transactions.

Yours faithfully,

Raymond Li
Executive Director (Banking Development)

c.c. Office of the Commissioner of Insurance

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