保險業監管局
Insurance Authority

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By Email Only

To: Chief Executives of authorized insurers carrying on long term insurance business

Dear Sirs,

Further Facilitative Measures under the COVID-19 Pandemic

In view of the latest developments of the COVID-19 pandemic, the Insurance Authority ("IA") sees the urgent need to introduce further facilitative measures below to ensure potential policy holders' needs are met while minimizing the risk of infection during the sale process of long term insurance policies.

Extension of Phase 2 of the Temporary Facilitative Measures ("TFM")
Further to our circulars in the same series[1], Phase 2 of the TFM will be extended by another six months to **30 September 2022** to obviate the need to conduct face-to-face ("F2F") meetings. The scope of products covered ("in-scope TFM products") and the implementation details remain unchanged[2].

Extension of the Virtual Onboarding ("VO") Sandbox to all long term insurance products
To meet the need of the general public for affordable protection and enhance financial inclusiveness, the IA will take the opportunity to open up the distribution of Investment-Linked Assurance Scheme ("ILAS") (including Protection Linked Plan ("PLP")) via those VO Sandbox approved by the IA. This is a blanket approval for those VO Sandbox currently approved by the IA. For the avoidance of doubt, there is no need for those insurers currently with VO Sandbox already approved by the IA to submit further applications to effect this. That said, all the requirements[3] applicable for the distribution of ILAS (including PLP) products must still be complied with (e.g. GL26 on Sale of ILAS Products, GL28 on Benefit Illustrations for Long Term Insurance Policies, GL30 on FNA etc) as appropriate.

Distribution of in-scope TFM products via VO Sandbox
For in-scope TFM products to be sold via VO Sandbox approved by the IA, insurers (and licensed insurance intermediaries where applicable) can dispense with the need to conduct recording (video or audio) if the applicable requirements under TFM are met, including

[1] Circular letters issued by the IA on 27 March, 15 June, 4 September, 2 December 2020, 24 February, 27 May and 13 September 2021 respectively.

[2] Please refer to the circular letter issued by the IA on 27 March 2020 for the details. https://www.ia.org.hk/en/legislative_framework/circulars/reg_matters/files/Circular_27032020.pdf

[3] Except the "post-sale call" requirements under GL26 if the customer already opts in for the "end-to-end recording" as specified in the circular issued by the IA on 5 August 2020.

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implementing the compensating measures of providing upfront disclosure at the point-of-sale and an extended cooling-off period of no less than 30 calendar days in lieu of an FNA assessment. For the avoidance of doubt, for those transactions of in-scope TFM products, the relevant requirements under the VO Sandbox will be deemed to have satisfied if the applicable requirements under TFM are met.

Fast track for VO Sandbox applications

With immediate effect, the IA will launch a fast track for those insurers currently without VO Sandbox but intend to conduct non-F2F distribution of long term insurance products via video conferencing tools. Case officers will reach out to those insurers without VO Sandbox for the necessary support and guidance. Your attention is drawn to the shared platform set up by the Hong Kong Federation of Insurers, which has been pre-vetted by the IA to further shorten the turnaround time required for the necessary approval. For details of the requirements under the VO Sandbox, please refer to the circular[4] issued by the IA on 5 August 2020 on the subject matter.

If you wish to seek further clarification on the above, please contact your case officers accordingly.

Yours faithfully,

Carol Hui
Executive Director
Long Term Business Division
Insurance Authority

c.c. Hong Kong Monetary Authority
Securities and Futures Commission
The Hong Kong Federation of Insurers
The Life Underwriters Association of Hong Kong
General Agents and Managers Association of Hong Kong
Insurance Industry Regulatory and Development Concern Group
The Hong Kong Confederation of Insurance Brokers
Professional Insurance Brokers Association
Hong Kong Insurance Practitioners General Union

[4] https://www.ia.org.hk/en/legislative_framework/circulars/reg_matters/files/Circular_05082020.pdf