

# **Consultation Conclusions on Draft Insurance (Public Disclosure) Rules**

**August 2025**

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## INTRODUCTION

1. Section 21A of the Insurance Ordinance (“IO”) (Cap. 41) empowers the Insurance Authority (“IA”) to make rules to prescribe detailed requirements in relation to the disclosure by an authorized insurer to the general public of information relating to the insurer’s state of affairs.
2. The draft Insurance (Public Disclosure) Rules (“the draft Rules”) are intended to set out detailed requirements regarding information that authorized insurers must disclose to the general public, and how and when the information must be disclosed.
3. The draft Rules aim to provide for the following:
  - the definition of terms relevant to application of the draft Rules;
  - the scope of authorized insurers subject to application of the draft Rules;
  - the basis of disclosure;
  - the timing and manner of disclosure; and
  - the requirement to annually disclose audited financial statements and other required information.
4. On 14 March 2025, the IA published the draft Rules for public consultation. During the consultation period, the IA received 39 written submissions from industry stakeholders and professional bodies. A list of respondents is at **Appendix A**.
5. Pursuant to section 132(3) of the IO, the IA publishes in this paper a summary of the feedback received and the IA’s responses.

## SUMMARY OF MAJOR FEEDBACK RECEIVED AND RESPONSE OF THE INSURANCE AUTHORITY

### Scope of application of the draft Rules

6. Most respondents agreed to or did not express comments on the proposed scope of authorized insurers that will be subject to the public disclosure requirements. Several respondents asked whether Hong Kong branches of non-HK insurers could be fully or partially exempted from the public disclosure requirements. In this regard, as HK insurers and non-HK insurers both follow the Insurance (Valuation and Capital) Rules<sup>1</sup>, the draft Rules should apply equally to both types of insurers<sup>2</sup> so as to enable policy holders’ access to and understanding of the relevant information on a consistent basis.
7. A few respondents commented that run-off insurers (i.e. those have ceased to effect new contracts of insurance per rule 3(1)(a)) may still have a sizable block of run-off business involving a considerable number of policy holders and therefore should not be automatically excluded from the disclosure requirements. Taking into account such comments and the merit of putting in place

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<sup>1</sup> Other than marine insurers, captive insurers, and Lloyd’s.

<sup>2</sup> For clarity, designated insurers should apply the public disclosure requirements based on the entire company.

an additional safeguard from policy holders protection perspective, rule 3 of the draft Rules will be amended to include run-off insurers in the scope of application while they may apply to the IA for exemption pursuant to section 21A(2) of the IO, and the IA will consider exempting an individual run-off insurer from the disclosure requirements as the case may warrant.

#### Requirement of the timing of public disclosure

8. Most respondents agreed to or did not express comments on the proposed timing for public disclosure in the draft Rules. A few respondents suggested allowing more time to prepare for public disclosure. The proposed implementation of the draft Rules in 2026 has balanced the considerations of allowing time for authorized insurers to adapt to the public disclosure requirements and ensuring timely information for policy holders and the general public. Besides, rule 2 of the draft Rules already provides arrangement of disclosure transitional period (i.e. the period between the commencement date of the draft Rules and 30 June 2027) during which insurers are given two additional months (i.e. within 8 months after the relevant financial year end) to prepare their disclosures.

#### Financial statements and disclosure items

9. Most respondents did not express comments on the disclosure of audited financial statements. A few respondents queried the need to disclose audited financial statements, citing consideration that such statements may include sensitive information in the case of private companies. In this regard, it is noteworthy that in regulatory regimes of other key jurisdictions, audited financial statements of insurers are made public. Besides, in Hong Kong, audited financial statements of authorized insurers had all along been made available to the public via the Companies Registry pursuant to the repealed section 21 of the pre-amended IO<sup>3</sup>. The proposed disclosure requirements will ensure continuity in public access to the audited financial statements.
10. Some respondents made comments regarding the possible sensitivity of certain proposed items in the disclosure statement. In this regard, the proposed disclosure items under rule 6 are consistent with the minimum standard of the *Insurance Core Principle 20 Public Disclosure* and are benchmarked against practices in other jurisdictions. A few of them pointed out that the name of the disclosed item “pricing adequacy” may create an inappropriate perception as the relevant information is related to underwriting results in general. We take note of the comment and shall rename the item to “underwriting results”.
11. Some respondents suggested that supporting information and education should be given to the public to assist them to adequately interpret the disclosure statements. We shall take on board such comments and will consider devising appropriate messages as part of our public education work.
12. In addition to the major feedback as summarised above, other feedback received and IA’s responses are set out in **Appendix B**. **Appendices C1 and C2** contain the marked-up version (showing any amendments made, whether in light of feedback received or otherwise) and the clean version of the draft Rules, respectively. **Appendices D1 and D2** contain the marked-up version (showing any amendments made, whether in light of feedback received or otherwise) and the clean version of the

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<sup>3</sup> It refers to the IO as in force immediately before the commencement date of Part 2 of the Insurance (Amendment) Ordinance 2023.

draft disclosure statement template, respectively.

## **CONCLUSIONS AND NEXT STEPS**

13. The final version of the draft Rules will be introduced into the Legislative Council for negative vetting and coming into operation in 2026.
14. The IA would like to express sincere gratitude to all respondents for taking part in this consultation exercise.

**LIST OF RESPONDENTS (IN ALPHABETICAL ORDER)**

1. AIA Company Ltd / AIA International Limited / AIA Everest Life Company Limited
2. Assicurazioni Generali Società per Azioni
3. Assuranceforeningen Gard-gjensidig -
4. AXA China Region Insurance Company (Bermuda) Limited
5. Bank of China Group Insurance Company Limited
6. Blue Cross (Asia-Pacific) Insurance Limited
7. Blue Insurance Limited
8. Bowtie Life Insurance Company Limited
9. China Life Insurance (Overseas) Company Limited
10. China Taiping Insurance (HK) Company Limited
11. China Taiping Life Insurance (Hong Kong) Company Limited
12. Chubb Insurance Hong Kong Limited
13. Compagnie Française d'Assurance pour le Commerce Extérieur
14. Consumer Council
15. Dah Sing Insurance Company Limited
16. Factory Mutual Insurance Company
17. FWD Life Insurance Company (Bermuda) Limited
18. Gard Marine & Energy Limited
19. Hang Seng Insurance Company Limited
20. HKMC Annuity Limited
21. HSBC Life (International) Limited
22. Institute of Financial Planners of Hong Kong
23. Lau Ming Fai
24. Manulife (International) Limited
25. Min Xin Holdings Limited
26. Münchener Rückversicherungs-Gesellschaft (Munich Reinsurance Company)
27. OneDegree Hong Kong Limited
28. Peak Reinsurance Company Limited
29. Prudential Hong Kong Limited / Prudential General Insurance Hong Kong Limited
30. RGA Reinsurance Company
31. St. James's Place International (Hong Kong) Limited
32. Taiping Reinsurance Company Limited
33. The Hong Kong Federation of Insurers
34. The Law Society of Hong Kong
35. Toa Reinsurance Company, Limited - The
36. Tokio Marine and Fire Insurance Company (Hong Kong) Limited - The
37. Utmost International Isle of Man Limited
38. YF Life Insurance International Limited
39. Zurich Assurance Ltd / Zürich Versicherungs-Gesellschaft AG (Zurich Insurance Company Ltd) / Zurich International Life Limited / Zurich Life Insurance (Hong Kong) Limited

**OTHER FEEDBACK RECEIVED AND IA'S RESPONSES****Draft Insurance (Public Disclosure) Rules**

<b>Item</b>	<b>Feedback received</b>	<b>IA's Response</b>
<b><i>Rule 3 Application</i></b>		
1	<ul style="list-style-type: none"> <li>A respondent supported exempting insurers adopting transitional arrangement under Cap. 41R from disclosure requirements, but asked whether the public was aware of the “on transition” status of such insurers.</li> <li>Two respondents commented that insurers adopting the transitional arrangement may still disclose other information that is not related to risk capital amount for market risk, or adopt a simplified public disclosure template.</li> <li>Two respondents sought clarification on any specific requirements that apply to insurers adopting the transitional arrangement when they discuss their solvency position with stakeholders, or whether they can avoid indicating their solvency position is subject to transitional arrangement.</li> </ul>	<ul style="list-style-type: none"> <li>Names of insurers subject to the transitional arrangement are public information as they were already published in the Gazette pursuant to rule 88 of Cap. 41R.</li> <li>Partial or selective disclosure will lead to misleading interpretation. If insurers subject to the transitional arrangement need to communicate with stakeholders about their solvency position, they should give due consideration to the properness and adequacy of such information, in particular having regard to the fact that they are subject to transitional arrangement. They should consult their respective case officer in the IA when in doubt.</li> </ul>
<b><i>Rule 4 Timing and manner of disclosure – timeline</i></b>		
2	Two respondents suggested the IA inform insurers with sufficient lead time in advance if there are any future changes to the disclosure requirements in respect of timing, manner, etc.	If any proposed changes are anticipated, the IA will duly engage the industry in discussion and preparation.
3	Two respondents sought clarification on whether the timeframe for meeting public disclosure requirements may be extended, and whether there is any deadline for applying for such an extension.	According to rule 4(5), at the written request of an applicable insurer, the IA may exercise its discretion to extend the specified period (i.e. disclosure period) by a period not exceeding 3 months if circumstances warrant. Insurers concerned should discuss with the case officer at the earliest opportunity if they consider applying for such extension.
4	Two respondents suggested taking a phased approach in terms of the granularity of information to be disclosed, accompanied by qualitative commentary. A respondent also suggested as a start, disclosure statements may be provided to selected consumer groups first.	To assist insurers to better prepare for full disclosure in 2026 (for 2025 financial year) as proposed in the draft Rules, the IA will promulgate a circular in Q3 of 2025 providing guidance on the disclosure for the 2024 financial year. In order to help insurers progressively adapt to the full disclosure requirement, the disclosure for 2024 financial year will be only confined to quantitative data.
5	A respondent would like to clarify the definition of “first applicable	<ul style="list-style-type: none"> <li>As an example, for an insurer whose transitional arrangement ends</li> </ul>

Item	Feedback received	IA's Response
	financial year” under rule 2 for insurers adopting the transitional arrangement under Cap. 41R. The respondent also suggested a separate disclosure transitional period to be allowed for insurers adopting the transitional arrangement, given that they are currently unable to benefit from the disclosure transitional period which lasts until 30 June 2027.	<p>on 30 June 2027, its first applicable financial year refers to –</p> <ul style="list-style-type: none"> <li>○ 1 January 2027 – 31 December 2027, if the financial year end date is 31 December;</li> <li>○ 1 July 2027 – 30 June 2028, if the financial year end date is 30 June</li> </ul> <p>Rule 2 is thus amended to enhance clarity.</p> <ul style="list-style-type: none"> <li>• As the above example shows, the public disclosure by an insurer under transitional arrangement would be required as earliest as by June 2028, and therefore it should have adequate lead time for preparation and adaptation before they need to comply with the public disclosure requirements.</li> </ul>
6	A respondent suggested that listed and resourceful insurers should be encouraged to take the initiative to disclose the audited financial statements at the earliest opportunity during the disclosure transitional period.	Insurers may publish their public disclosure statements ahead of the timeline specified in the draft Rules.
<b>Rule 4 Timing and manner of disclosure – manner</b>		
7	<ul style="list-style-type: none"> <li>• A few respondents would like to understand the considerations and criteria for approving group company's internet website as eligible internet website.</li> <li>• A respondent sought clarification on whether audited financial statements and disclosure statement must be disclosed on the same internet website.</li> </ul>	<ul style="list-style-type: none"> <li>• Where a website domain is a standalone one maintained for an applicable insurer only (or for a group of applicable insurers only), it meets the definition under rule 2(1)(a). For clarity, if the applicable insurer is a non-HK insurer, the internet website of its home office meets the definition under rule 2(1)(a).</li> <li>• Rule 2(1)(b) aims to provide flexibility for applicable insurers to use the internet website of group company for public disclosure if, for example, the applicable insurer concerned does not have an internet website for itself. Approval for using the group company's internet website will be mainly premised on the consideration whether the insurer's relevant statements can be easily identifiable in the group company's website.</li> <li>• An applicable insurer may disclose audited financial statements and disclosure statement on different eligible internet websites. That said, it is suggested to adopt practices to facilitate readers to cross reference the information.</li> </ul>
8	<ul style="list-style-type: none"> <li>• A few respondents suggested leveraging the IA's website for making disclosures. One suggested that the IA could add the qualitative disclosure items in the regulatory returns, and extract both quantitative and qualitative data from the returns</li> </ul>	It is common in other regimes for regulated entities to make public disclosures on their own websites, for such information to be disclosed in a self-contained manner. While automated exporting data from the regulatory returns submission portal is not possible for security



Item	Feedback received	IA's Response
	<p>for publishing on the IA's website. Another respondent commented that the provisional statistics of the IA's website may already serve part of the public disclosure purposes.</p> <ul style="list-style-type: none"> <li>• A few respondents suggested that the IA could automatically populate disclosure templates using data from insurers' regulatory returns for efficiency.</li> </ul>	<p>considerations, the IA has added separate tables in the relevant regulatory returns to facilitate preparation of disclosure statements.</p>
9	<ul style="list-style-type: none"> <li>• A few respondents suggested allowing disclosure statement to be published in just one language and allowing insurers to choose the primary language.</li> <li>• One respondent proposed a Chinese glossary of common technical terms for consistent use across insurers.</li> </ul>	<ul style="list-style-type: none"> <li>• To ensure public access to information, disclosure statements can be in either English (with a Chinese translation) or in Chinese (with an English translation). If a controller is literate in only one of these two languages, he/she is not required to sign off the translated version.</li> <li>• To facilitate insurers' preparation, the IA will provide a Chinese version of the disclosure statement template and also promulgate a glossary of terms (in both English and Chinese).</li> </ul>
10	<p>A respondent asked if only one language is required in publishing audited financial statements, regardless of whether the insurer is a non-HK insurer or a HK insurer.</p>	<p>All insurers (regardless of HK insurers, designated insurers or other non-HK insurers) are required to disclose only the same version of audited financial statements they submitted to the IA pursuant to rule 3 of Insurance (Submission of Statements, Reports and Information) Rules (Cap. 41S). There is no need to translate the audited financial statements.</p>
11	<p>Two respondents sought clarification on the mode and frequency of submission of audited financial statements and disclosure statements to the IA.</p>	<p>Pursuant to rule 4(6), applicable insurers are required to submit annually to the IA, via submission portal, the website links for their audited financial statements and disclosure statements.</p>
12	<p>A respondent asked whether rule 4(7) requires insurers to keep the relevant disclosures forever for archive purposes, in contrast to section 16(4) of the Insurance Ordinance ("IO") which requires preservation of books of account by the insurer for 7 years.</p>	<p>Rule 4(7) and section 16(4) of the IO govern different types of records and serve different purposes. Section 16(4) of IO applies to books of account required for regulatory and accounting purposes and sets a baseline for regulatory oversight and accounting controls, whereas rule 4(7) applies to an archive of disclosure statements maintained for public access and the requirement can be satisfied by electronic retention.</p>
13	<p>A respondent highlighted the need for diverse disclosure channels to ensure the accessibility of information to the public and suggested that the IA encourage insurers to promptly provide printed copies of disclosures to the public upon request.</p>	<p>The IA agrees that maintaining both physical and electronic copies of the disclosures for public access is important, and the relevant requirement has been provided for in rule 4(7), which has also been suitably refined to require such information should be made available to the public in a prompt manner upon request.</p>
<b>Rule 5 Financial Statements to be disclosed annually</b>		
14	<ul style="list-style-type: none"> <li>• A few respondents suggested disclosure of audited financial statements should be made via the Companies Registry.</li> </ul>	<ul style="list-style-type: none"> <li>• Facilitating public access to audited financial statements, and ensuring such information is disclosed in its entirety, is important in</li> </ul>

Item	Feedback received	IA's Response
	<ul style="list-style-type: none"> <li>A few respondents suggested only disclosing extracts of the audited financial statements.</li> <li>Two respondents asked, with the disclosure requirements under IO, whether audited financial statements would still be required to be submitted to the Companies Registry.</li> </ul>	<p>safeguarding the interest of policy holders and potential policy holders, as well as avoiding misinterpretation due to incomplete information. The current proposal is also in line with requirements in regimes of other advanced jurisdictions.</p> <ul style="list-style-type: none"> <li>The disclosure requirements do not replace other statutory filing requirements including those under the Companies Ordinance (Cap. 622).</li> </ul>
<b>Rule 6 Information to be disclosed annually – General comments</b>		
15	<ul style="list-style-type: none"> <li>A respondent enquired if branches of non-HK insurers may reference the company's financial statements in preparing disclosure items.</li> <li>Another respondent enquired if insurers already subject to group-wide supervision may be exempted or partly exempted from disclosures if similar information is disclosed under the group-wide supervision framework.</li> </ul>	<ul style="list-style-type: none"> <li>In preparing the disclosure statement, insurers should exercise professional judgment in determining whether relevant information from financial statements or other existing reports can be appropriately adopted. For branches of non-HK insurers, disclosures should align with the basis of preparation of the disclosure statement (i.e. Hong Kong branch level).</li> <li>The same principle applies to authorized insurers within a group subject to the group-wide supervision framework.</li> </ul>
16	<ul style="list-style-type: none"> <li>Two respondents suggested that, instead of following the standard disclosure statement template, insurers should be allowed to exercise their own judgement on the level of granularity in providing information. One of them suggested that levels of details for disclosure should vary with insurers' size and complexity.</li> <li>One respondent expressed that start-up insurers may be disadvantaged by the disclosure requirements considering they are still at the stage of developing their business. Two respondents commented that several disclosure items (e.g. information regarding financial position and insurance liabilities) may duplicate with certain information in the audited financial statements.</li> <li>One respondent commented that the disclosure might not be able to reflect the off-balance sheet commitments or obligations (for example parental guarantees) which may have effect on the risks faced by the insurers.</li> </ul>	<ul style="list-style-type: none"> <li>The standardized disclosure statement template ensures consistency in the presentation of disclosures, which is important in facilitating comparability and understanding by readers in the public domain. That said, in working out the qualitative details for their disclosure statements, insurers may exercise professional judgement having regard to the profile and complexity of their business.</li> <li>Financial statements follow accounting standards while the disclosure statements are prepared based on the risk-based capital ("RBC") framework. Insurers may exercise professional judgment in considering whether information in the audited financial statements can be adopted for the disclosure statements.</li> <li>Under the current RBC regime, off-balance sheet items are not included. Having said that, insurers may supplement any material information of key contracts that may impose significant risks to the insurers as commentaries. In respect of the example mentioned, while the parent information is already included in the section of "company profile", if there is legally enforceable guarantee, insurers may supplement such guarantee information together with any key conditions related to that.</li> </ul>
17	<ul style="list-style-type: none"> <li>A few respondents questioned the need for segmental</li> </ul>	<ul style="list-style-type: none"> <li>Segmental disclosure aligns with <i>ICP 20.5</i>, which requires insurers</li> </ul>

Item	Feedback received	IA's Response
	<p>disclosure by type of business (e.g. long term business, participating business and general business). One respondent suggested disclosing data at insurer level along with a narrative commentary regarding the fund information that commonly align with the audited financial statements.</p> <ul style="list-style-type: none"> <li>One respondent commented that for composite insurers with small exposure to general insurance business, detailed disclosures for general business may not offer meaningful insights into the insurer's financial condition and suggested more flexibility for these insurers in their disclosures relating to general business.</li> <li>One respondent queried overly granular disclosures splitting general insurance business into lines of business for general insurance liabilities and financial performance may disadvantage monoline insurers relative to those with multiple lines of business, and suggested splitting general insurance business into motor, employees' compensation, other direct business and reinsurance instead.</li> </ul>	<p>to provide segmental information for technical provisions. Furthermore, more detailed segmental reporting by class of insurance business (for each of class A to class I) via Form L1<sup>4</sup> was already required for performance analysis in previous submissions filed with the Companies Registry under the repealed section 21 of the pre-amended IO, and such information has already been available to the public.</p> <ul style="list-style-type: none"> <li>The currently proposed segmental information in the disclosure statement template also aims to reflect fund requirements under the current IO. Segmental information for long term business and general business is needed to understand how assets are allocated to support relevant liabilities, and aligns with fund requirements under the IO. It is also necessary to have a standardized format for the disclosure statement to enhance clarity and comparability by policy holders and the wider public. For long term business, segmental disclosure of balance sheet and performance analysis items is required only for participating business (as opposed to each of the funds under the long term fund), given that participating business constitutes the majority of long term business in Hong Kong. Splitting the disclosure for general insurance by the proposed lines of business helps to reflect the nature and risk of each line of business.</li> </ul>
18	<ul style="list-style-type: none"> <li>A respondent commented that requiring explanations of material changes from the prior year might overwhelm the public.</li> <li>Another respondent requested clarification on the threshold for "material change".</li> </ul>	<ul style="list-style-type: none"> <li><i>ICP 20.0.8 and 20.0.9</i> requires disclosure relating to material changes to allow meaningful comparisons from one reporting period to another. Explanation of material changes is important to enable readers of the disclosure statements with clearer understanding of the information.</li> <li>As a general rule, a change may be considered material if it could reasonably influence decision-making or judgement.</li> </ul>
19	A respondent observed that the words "(if applicable)" do not appear in all disclosure items that may only be relevant to either long term or general business.	If an insurer considers a particular disclosure item is not relevant to its business, it should state that the item is not applicable.
20	A respondent requested clarification on what constitutes "qualitative" information, and asked if company profile information,	Qualitative information refers to narrative information filled in text boxes in the disclosure statement template. The quoted examples by respondent

<sup>4</sup> Under the repealed Schedule 3 of pre-amended IO.

Item	Feedback received	IA's Response
	material movement or other commentary of balance sheet items, assumptions and methods used for valuation of investments and its material change should be regarded as qualitative information.	are qualitative information.
21	A respondent expressed concern that increased public disclosure could expose insurers – or the IA – to potential class action litigation in the event of major insurance incidents.	Setting aside the fact that Hong Kong does not have a class action regime and collective legal actions can only proceed under certain limited conditions through representative proceedings which are strictly governed by the Rules of the High Court, it is noteworthy that insurers are already obligated under existing laws and regulations to disclose key information to the IA and their policy holders. The proposed public disclosure requirements aim to align Hong Kong's regulatory approach with industry best practice and internationally recognized standards, and are based on legitimate regulatory objectives.
22	A respondent commented that the draft Rules lack express provisions allowing the IA to exempt insurers from disclosing sensitive or confidential information.	Under section 21A(2) of the IO, insurers may make application to vary disclosure requirements prescribed by the draft Rules on a case-by-case basis. While such variations are possible, they are expected to be exceptional and well justified.
23	<ul style="list-style-type: none"> <li>A respondent suggested that the draft Rules should include Environmental, Social and Governance (“ESG”) reporting as part of the disclosure requirements.</li> <li>Another respondent suggested that, in addition to the annual disclosure statement, disclosure requirements should extend to timely real-time public notification of significant events (e.g. large fluctuation of capital adequacy, change in auditor), to give the public sufficient time to respond.</li> </ul>	<ul style="list-style-type: none"> <li>Following the Hong Kong Government's roadmap for sustainability disclosure<sup>5</sup>, the IA will continue to work with the industry in implementing the relevant sustainability disclosure standards and considering any future enhancements.</li> <li>The proposed disclosure requirements will continue to be complemented by the ongoing supervision of the IA on insurers. The suggestion of real-time notification of significant events to the public will be in future review of the disclosure requirements.</li> </ul>
<b>Rule 6 Information to be disclosed annually – Disclosure items</b>		
24	<u>Corporate structure and corporate governance framework</u> <ul style="list-style-type: none"> <li>One respondent suggested there is no need to provide description of the corporate structure and corporate governance framework.</li> <li>Another respondent sought clarification on the objective of disclosing corporate structure, and also expressed concern that corporate structure may change due to changes of business, regulatory requirements or corporate restructuring.</li> <li>A third respondent commented that disclosure relating to the</li> </ul>	<ul style="list-style-type: none"> <li>ICP 20.3 and 20.4 require the disclosure of corporate structure and corporate governance framework. “Corporate structure” refers to basic organizational information, such as place of incorporation and basic background on the ultimate holding company, material shareholder controllers and material subsidiaries. Such information helps readers understand the insurer's affiliations and whether it belongs to a larger corporate group. Readers should also be given to understand any material changes to the corporate structure as they may indicate a change of control or regulatory requirements.</li> </ul>

<sup>5</sup> [https://www.fstb.gov.hk/fsb/en/publication/report/docs/FSTB\\_Roadmap2024\\_eBooklet\\_EN.pdf](https://www.fstb.gov.hk/fsb/en/publication/report/docs/FSTB_Roadmap2024_eBooklet_EN.pdf)

Item	Feedback received	IA's Response
	<p>corporate governance framework may duplicate the disclosure under corporate structure, and requested more guidance on whether description of the corporate governance framework could be confined to matters covered under Guideline on the Corporate Governance of Authorized Insurers (GL10).</p>	<p>“Corporate governance” should cover the overall corporate governance framework, key committees and their respective roles and responsibilities.</p> <ul style="list-style-type: none"> <li>Insurers are expected to exercise judgement in determining whether a piece of information relates to “corporate structure” or “corporate governance framework” is relevant for disclosure purposes, although GL10 could serve as a reference where appropriate.</li> </ul>
25	<p><u>Investments</u></p> <ul style="list-style-type: none"> <li>Two respondents suggested there is no need to provide a description of assumptions and methods used for valuation of investments, and one of them commented that such information might be difficult for policy holders to understand.</li> </ul>	<p>These disclosure items align with <i>ICP 20.7</i>, which requires the disclosure of assumptions and methods used for valuing investments. Similar requirements are also observed in other key jurisdictions.</p>
26	<p><u>Insurance liabilities</u></p> <ul style="list-style-type: none"> <li>Two respondents suggested removing the requirement of disclosing the detailed assumptions used in determining insurance liabilities, and the methodology used to derive these assumptions. One of them commented that such information may overwhelm readers.</li> <li>Another respondent sought clarification on what is expected to be provided regarding the rationale for the choice of discount rate when determining the insurance liabilities, given that the discount rate is prescribed under the Insurance (Valuation and Capital) Rules. Another respondent commented that derivation of the discount rate would be technical for readers.</li> <li>A respondent sought clarification on whether insurers are expected to disclose specific numerical values for key assumptions.</li> </ul>	<ul style="list-style-type: none"> <li>These disclosure items align with <i>ICP 20.5 and 20.5.3</i>, which require disclosure of assumptions and methodology used in deriving the insurance liabilities.</li> <li>In relation to the discount rate, while the risk-free yield curves are provided by the IA, insurers may explain, for example, the choice of the currency and the construction of portfolios for matching adjustment (where applicable).</li> <li>Insurers should exercise their professional judgement on the level of details appropriate in relation to each specified disclosure item. There is no requirement to disclose specific numerical values for assumptions, and doing so or not is subject to insurers' own consideration (e.g. for readers' easier understanding).</li> </ul>
27	<ul style="list-style-type: none"> <li>One respondent suggested that insurance liabilities be presented on a net basis, instead of presenting reinsurance assets and liabilities separately.</li> </ul>	<ul style="list-style-type: none"> <li>The disclosure statement, including the proposed disclosure items, are based on valuation requirements under the Insurance (Valuation and Capital) Rules and the regulatory returns. Where feasible, insurance liabilities on a net basis are disclosed in the disclosure statement, such as general insurance liabilities on a net basis.</li> </ul>
28	<p><u>Capital adequacy</u></p> <ul style="list-style-type: none"> <li>A respondent expressed concern that the disclosure related to capital adequacy may disadvantage small and medium-sized insurers and start-up insurers and potentially lead to an uneven</li> </ul>	<ul style="list-style-type: none"> <li>The general public should have access to consistent levels of information, regardless of the insurer's size or business model. Solvency ratios, and/or similar capital adequacy information such as capital base and PCA, are commonly disclosed in other</li> </ul>

Item	Feedback received	IA's Response
	<p>playing field. The respondent also commented that capital adequacy is measured at a single point in time and may not reflect an insurer's capital adequacy during the financial year.</p> <ul style="list-style-type: none"> <li>The respondent further suggested that the ratio of capital base to prescribed capital amount ("PCA") disclosed could be presented as being within a certain range of ratios, rather than the actual ratio.</li> </ul>	<p>jurisdictions.</p> <ul style="list-style-type: none"> <li>Capital adequacy is an important piece of information to policy holders in understanding the insurer's capability to meet its obligations. The IA will consider devising appropriate information to help the public interpret the disclosed information in a proper context.</li> </ul>
29	<p><u>Risk management</u></p> <ul style="list-style-type: none"> <li>A respondent suggested there is no need to provide any description of an insurer's risk management.</li> <li>A few respondents sought clarification on the level of details needed for the description of risk management, and expressed concern that disclosure of details of internal corporate policies or the own risk and solvency assessment report would be excessive. One respondent suggested using public information such as annual reports for risk management disclosure.</li> </ul>	<ul style="list-style-type: none"> <li>Disclosure of risk management practices aligns with <i>ICPs 20.4, 20.6 and 20.8</i> and international practices.</li> <li>Insurers should exercise professional judgment in determining the appropriate level of details for each disclosure item, may make reference to annual reports or other materials as they see fit.</li> </ul>
<b>Other comments</b>		
30	<ul style="list-style-type: none"> <li>Two respondents suggested providing a simplified summary for audited financial statements or disclosure statements (e.g. key solvency metrics) on top of the full statements.</li> <li>Some respondents suggested that the IA should provide education on specific areas, such as common terms used, how to interpret published figures and key information (e.g. solvency ratios and components of PCA), and a general overview of insurance regulation.</li> </ul>	<ul style="list-style-type: none"> <li>The proposed disclosure statement already includes key solvency metrics, such as the ratio of capital base to PCA. The suggestion of preparing additional simplified summaries will be considered in future review of disclosure requirements after taking into account implementation experience.</li> <li>The IA will consider devising appropriate information to help the public interpret the disclosed information in a proper context.</li> </ul>
31	<p>A respondent commented that consistency and comparability of information are of paramount importance, citing standards from another jurisdiction indicating that "an insurer must provide information which is comparable to that provided by other insurers operating in the same market and consistent over time so as to enable the person reading the information to discern relevant trends".</p>	<p>The view supports the need for a standardized disclosure statement template.</p>



## Disclosure statement template

Item	Feedback received	IA's Response
32	<p><u>Financial position</u></p> <ul style="list-style-type: none"> <li>Two respondents sought clarification on the following: <ul style="list-style-type: none"> <li>whether the financial position table should be renamed as “economic balance sheet” for RBC purposes;</li> <li>whether corresponding liabilities for policy holder’s account assets in respect of unit linked products or retirement schemes are included in insurance liabilities;</li> <li>whether the financial position table should include a separate column for non-insurance operations to sum up the company total to align with regulatory return reporting.</li> </ul> </li> <li>Another respondent suggested removing the “shareholders’ fund” column from the balance sheet.</li> </ul>	<ul style="list-style-type: none"> <li>The term “balance sheet determined under the Insurance (Valuation and Capital) Rules” is retained as “economic balance sheet” may not be a term widely understood by the public.</li> <li>The liabilities corresponding to the policy holder’s account assets in respect of unit linked products or retirement schemes are included in insurance liabilities. This is consistent with the reporting requirement under regulatory returns.</li> <li>The “shareholders’ fund” column should include items other than insurance business (i.e. including non-insurance operations). The IA will provide the cell reference to facilitate the industry’s preparation of disclosure statement.</li> <li>The “shareholders’ fund” column is maintained as optional such that all columns can be added to match the total level for a more complete presentation and easier understanding.</li> </ul>
33	<p><u>Insurance liabilities</u></p> <ul style="list-style-type: none"> <li>Two respondents indicated that certain granular information (e.g. disclosure of the current estimate and margin over current estimate (“MOCE”)) may be difficult for the general public to interpret.</li> <li>One respondent commented that the disclosure table titles “HK insurers or designated insurers: all long term business Hong Kong branches of non-HK insurers: all long term business of Hong Kong branches, other fund of reinsurance business with offshore risk if established” and “Applicable to Hong Kong branches of non-HK insurers: reinsurance business with offshore risk if fund of insurance business with offshore risk is established” are lengthy and difficult to interpret.</li> </ul>	<ul style="list-style-type: none"> <li>Separate disclosure of current estimate and MOCE is in line with international practices. The IA will consider devising appropriate information to help the public interpret the disclosed information in a proper context.</li> <li>The table headings are designed to capture all different circumstances. Individual insurer may use adapt a title that suits its circumstances.</li> </ul>
34	<p><u>Financial performance</u></p> <ul style="list-style-type: none"> <li>A respondent commented that the information contained in the performance analysis table might be misinterpreted as a complete income statement despite that it does not cover all the components (e.g. change in reserves and expenses are not included) and asked for more guidance.</li> </ul>	<ul style="list-style-type: none"> <li>The performance analysis table only shows premiums, claims paid and investment returns, which should not be confused with a complete income statement. The IA will consider devising appropriate information to help the public interpret the disclosed information in a proper context.</li> </ul>

Item	Feedback received	IA's Response
35	<ul style="list-style-type: none"> <li>In respect of “material movement or other commentary of financial performance/pricing adequacy”, a respondent commented that information relating to increase in claims paid and investment returns may not be relevant to policy holders.</li> </ul>	<ul style="list-style-type: none"> <li>Claims statistics including claims development are required in <i>ICP 20</i> minimum requirements and other key jurisdictions. Investment returns is one of the key determinants of an insurer's financial performance, which is included in <i>ICP 20</i> and the disclosure practices of other key jurisdictions. Such explanation of material movements is important in enhancing public understanding.</li> </ul>
36	<ul style="list-style-type: none"> <li>A few respondents sought clarification on the following: <ul style="list-style-type: none"> <li>definition of “regular premiums” and “single premium”, and if these are required for long term and general businesses separately;</li> <li>definition of investment returns, and if they include fair value through other comprehensive income of the opening balance of assets;</li> <li>whether to include a separate column for non-insurance operations in the “Performance Analysis” table.</li> </ul> </li> <li>A respondent suggested adding cross references to the relevant rules into the disclosure statement template, and that cell references to map to regulatory returns be provided for the “total” and “shareholders’ fund” columns.</li> </ul>	<ul style="list-style-type: none"> <li>“Regular premiums” refer to a policy holder's payments for an insurance policy made at regular intervals. “Single premium” refers to a policy holder's one-off payment for an insurance policy. These definitions are consistent with the terms as used in market statistics. These items are applicable to long term business only in the disclosure statement.</li> <li>Investment returns include both realized and unrealized gains or losses, as well as any other income (e.g. interest). It includes fair value through other comprehensive income, during the reporting period.</li> <li>For better public understanding, the “shareholders’ fund” column should include items other than insurance business (i.e. including the non-insurance operations).</li> <li>Rule cross references will be incorporated into the disclosure statement template. The IA will also provide cell references for the disclosure statement template to map to regulatory returns where practicable. However, some items in the disclosure statement may require simple aggregation from other figures in the statement itself or in regulatory returns.</li> </ul>
37	<p><u>Capital adequacy</u></p> <ul style="list-style-type: none"> <li>A few respondents suggested removing sub-risk modules from the risk capital amounts (e.g. disclosing total market risk without further disclosing sub-risks such as interest rate risk, equity risk, etc.), considering that expertise might be required to understand such sub-risk modules. It was suggested that qualitative comments describing the material composition of PCA in the same section could serve the purpose in a more user-friendly and comprehensible manner.</li> </ul>	<ul style="list-style-type: none"> <li>Public disclosure at the sub-risk level follows international standards and also practices in other key jurisdictions.</li> <li>A table breaking down the PCA into sub-risks offers a more consistent representation of the nature of the risks undertaken/faced by an insurer. Within the proposed disclosure statement template, insurers have the option to include qualitative comments to further elaborate on the composition of PCA.</li> </ul>
38	<ul style="list-style-type: none"> <li>A respondent commented that the breakdown of capital by tiers might confuse the general public as they may not have</li> </ul>	<ul style="list-style-type: none"> <li>Disclosure of capital by tiers can provide information about the quality of an insurer's capital base. This approach is consistent with</li> </ul>



Item	Feedback received	IA's Response
	sufficient expertise to understand the definition of each tier and the meaning of a different mix of capital tiers.	international practice and supports informed analysis by stakeholders.
39	<u>Risk management</u> <ul style="list-style-type: none"> <li>A respondent asked for guidance on information expected for the item "Other Risk Management" in the disclosure statement template.</li> </ul>	<ul style="list-style-type: none"> <li>This item is optional and is intended to give insurers flexibility to disclose relevant risk management information that go beyond insurance and investment risks.</li> </ul>

**Insurance (Public Disclosure) Rules**  
(Cap. 41, sections 21A, 129(1))

**1 Commencement**

These Rules come into operation on the day on which they are published in the Gazette.

**2 Interpretation**

(1) In these Rules –

*applicable insurer (適用保險人)* means an authorized insurer or Lloyd's;

*disclosure statement (披露報表)* means a statement of disclosure prepared in accordance with rule 6;

*disclosure transitional period (披露過渡期)* means the period between the commencement date and 30 June 2027;

*eligible internet website (合資格互聯網網站)* means –

- (a) an applicable insurer's internet website, or
- (b) if approved by the Authority, the internet website of an authorized insurer's group company, where the disclosure is identifiable in the website for the insurer;

*first applicable financial year (首個適用財政年度)* means –

- (a) in relation to an applicable insurer (other than an applicable insurer under paragraph (b) or (c)) – the applicable insurer's first financial year commencing on or after 1 January 2025 ;
- (b) in relation to an authorized insurer approved by the Authority to use a transitional arrangement under rule 88 of the Insurance (Valuation and Capital) Rules – the first financial year ending after the expiry of the period during in which the transitional arrangement is approval for the transitional arrangement is no longer in effect; or
- (c) in relation to an authorized insurer ~~that is~~ authorized after 1 July 2024 – the financial year in which the insurer becomes an authorized insurer, or the authorized insurer's first financial year commencing on or after 1 January 2025, whichever is later;

*group company (集團公司)*, in relation to an authorized insurer, means any company within the group consisting of the ultimate holding company, its subsidiaries and any other company or entity which is treated as part of the ultimate holding company's group according to the applicable accounting standards;

*participating business* (分紅業務) has the meaning given by section 21B(11) of the Ordinance.

- (2) Unless otherwise defined in subrule (1), rule 2 of the Insurance (Valuation and Capital) Rules applies to the interpretation of these Rules as it applies to the interpretation of the Insurance (Valuation and Capital) Rules.

### 3 Application

- (1) Unless the context otherwise requires, subject to subrule (2), these Rules apply to applicable insurers, except –

~~(a) —applicable insurers which have ceased to effect new contracts of insurance, other than contracts of reinsurance to which an applicable insurer is the cedant;~~

~~(b)~~(a) applicable insurers for which approval of a transitional arrangement under rule 88 of the Insurance (Valuation and Capital) Rules remains in effect;

~~(c)~~(b) marine insurers;

~~(d)~~(c) captive insurers; or

~~(e)~~(d) special purpose insurers.

(2) If the Authority varies any requirement under these Rules in relation to an applicable insurer pursuant to section 21A(2) of the Ordinance, these Rules apply to that insurer with the requirements as so varied.

### 4 Timing and manner of disclosure

- (1) An applicable insurer must make the disclosure of its audited financial statements required under rule 5 for each financial year starting from the first applicable financial year.
- (2) An authorized insurer must make the disclosure required under rule 6 by a disclosure statement which is –
  - (a) either in the English language accompanied by a Chinese translation, or in the Chinese language accompanied by an English translation, and
  - (b) in the form of a standalone document using the format and standard disclosure templates specified by the Authority,

for each financial year starting from the first applicable financial year.

- (3) An authorized insurer must ensure that when its disclosure statement is published, the disclosures are not false or misleading in any material respect.
- (4) Subject to subrule (5), an applicable insurer must publish the disclosure required under subrules (1) and (2), as applicable, within the specified period after the end of a financial year to which the information relates, where such specified period is –
  - (a) 8 months in respect of a financial year ending within the disclosure transitional

period; or

- (b) 6 months in respect of a financial year ending after the disclosure transitional period.

- (5) Without limiting section 21A(2) of the Ordinance, at the written request of an applicable insurer, the Authority may exercise its discretion to extend the specified period referred to in subrule (4) by a period not exceeding 3 months where circumstances warranting an extension of the specified period are shown by the applicable insurer.
- (6) An applicable insurer must provide the Authority with the link to its audited financial statement and disclosure statement, as applicable on the eligible internet website within the specified period referred in subrule (4), or if such period is extended pursuant to subrule (5), within the period so extended.
- (7) An authorized insurer must establish and maintain an archive of all of its disclosure statements in accordance with subrule (2), and promptly make a physical or electronic copy of any such disclosures available for inspection by the general public upon request.
- (8) An applicable insurer must establish and maintain on its eligible internet website an archive of the audited financial statements and disclosure statements referred to in subrule (1) and (2), as applicable, covering at least either –
  - (a) all financial years from the first applicable financial year to the latest financial year, or
  - (b) the latest 5 financial years,

whichever is shorter.

## **5 Financial Statements to be disclosed annually**

An applicable insurer must disclose the audited financial statements which are required to be submitted to the Authority under rule 3 of the Insurance (Submission of Statements, Reports and Information) Rules for each financial year within the reporting period set out in rule 4(1).

## **6 Information to be disclosed annually**

- (1) An authorized insurer must prepare a disclosure statement containing the disclosure required under this rule for each financial year within the reporting period set out in rule 4(2).
- (2) An authorized insurer must make the disclosure in accordance with the valuation and capital requirements that apply to the insurer under the Insurance (Valuation and Capital) Rules, or if any such requirements are varied or relaxed pursuant to section 10(3) or 130(1) of the Ordinance, under the requirements so varied or relaxed.

- (3) In its disclosure statement, an authorized insurer must disclose –
- (a) information about its company profile, including –
    - (i) the name of the authorized insurer;
    - (ii) the nature of its business, and places of business operations; and
    - (iii) a description of its corporate structure;
  - (b) information about its corporate governance framework;
  - (c) the following quantitative and qualitative information about its financial position as at the latest financial year end, and (except where the disclosure statement relates to the first applicable financial year) as at the prior financial year end –
    - (i) the authorized insurer's balance sheet with the components specified under subrule (5), separately identified for long term insurance business, participating business and general insurance business (if applicable); and
    - (ii) (except where the disclosure statement relates to the first applicable financial year) any explanation of a material change in balance sheet items referred to in subparagraph (i) as compared to the prior financial year end;
  - (d) qualitative information about its investments, accompanied by any related quantitative information, including –
    - (i) assumptions and methods used for valuation of investments; and
    - (ii) (except where the disclosure statement relates to the first applicable financial year) any explanation of a material change in the assumptions and methods referred to in subparagraph (i) as compared to the prior financial year;
  - (e) quantitative and qualitative information about its insurance liabilities as at the latest financial year end, and (except where the disclosure statement relates to the first applicable financial year) as at its prior financial year end, including –
    - (i) the insurance liabilities (gross of reinsurance), reinsurance assets and reinsurance liabilities for the authorized insurer's long term business, with the components specified under subrule (5), separately identified for each long term business fund category (if applicable);
    - (ii) the insurance liabilities (both gross and net of reinsurance) for the authorized insurer's general business, with the components specified under subrule (5), separately identified for each line of business specified under subrule (5) (if applicable);
    - (iii) a description of the assumptions used in the valuation of insurance liabilities and the method used to derive these assumptions (including the rationale for the authorized insurer's choice of discount rate); and
    - (iv) (except where the disclosure statement relates to the first applicable financial year) any explanation of a material change in the assumptions and method referred to in subparagraph (iii) as compared to the prior financial year end;
  - (f) quantitative and qualitative information about its financial performance for the latest financial year, and (except where the disclosure statement relates to the first applicable financial year) the prior financial year, including –
    - (i) a breakdown of the components of performance analysis specified under subrule (5) for long term business, participating business and general business (if applicable); and
    - (ii) (except where the disclosure statement relates to the first applicable

- financial year) any explanation of a material change in the components of performance analysis referred to in subparagraph (i) as compared to the prior financial year;
- (g) quantitative and qualitative information about its pricing adequacy for general business (if applicable) for the latest financial year, and (except where the disclosure statement relates to the first applicable financial year) the prior financial year, including –
    - (i) a breakdown of the components of pricing adequacy specified under subrule (5) for each line of business specified under subrule (5) (if applicable); and
    - (ii) (except where the disclosure statement relates to the first applicable financial year) any explanation of a material change in the components of pricing adequacy referred to in subparagraph (i) as compared to the prior financial year;
  - (h) quantitative and qualitative information about its capital adequacy as at the latest financial year end, and (except where the disclosure statement relates to the first applicable financial year) as at its prior financial year end, including –
    - (i) the authorized insurer's prescribed capital amount and its components as specified under subrule (5);
    - (ii) the authorized insurer's capital base and its components as specified under subrule (5);
    - (iii) the ratio of the authorized insurer's capital base to its prescribed capital amount; and
    - (iv) (except where the disclosure statement relates to the first applicable financial year) any explanation of material change in the items described in subparagraph (i), (ii), or (iii) as compared to the prior financial year end;
  - (i) qualitative information about its risk management, including –
    - (i) a description of the authorized insurer's risk appetite and risk governance framework;
    - (ii) a description of the authorized insurer's insurance risk management; and
    - (iii) a description of the authorized insurer's investment risk management; and
  - (j) a statement made by a controller (within the meaning of section 13A(12) of the Ordinance) or a director of the authorized insurer, as to whether –
    - (i) the controller or director is satisfied with the completeness, accuracy and consistency of the information disclosed in the disclosure statement;
    - (ii) the information in the disclosure statement is prepared in accordance with these Rules and the Insurance (Valuation and Capital) Rules (subject to any variation or relaxation applied);
    - (iii) the information in the disclosure statement can be reconciled with the relevant audited specified annual forms of the authorized insurer's annual returns as submitted under rule 4(1) of the Insurance (Submission of Statements, Reports and Information) Rules; and
    - (iv) the authorized insurer has complied with the capital requirements that apply to the insurer during the financial year to which the disclosure statement relates.
- (4) The prescribed capital amount under subrule (3)(h)(i) refers to the prescribed capital amount determined before applying any reduction in the risk capital amount for market risk under a transitional arrangement approved under rule 88(2) of the Insurance

(Valuation and Capital) Rules.

(5) Pursuant to rule 4(2)(b), the Authority may specify –

- (a) the components of the balance sheet under subrule (3)(c)(i);
- (b) the components of insurance liabilities for long term business under subrule (3)(e)(i);
- (c) the components of insurance liabilities for general business under subrule (3)(e)(ii);
- (d) the specified lines of insurance business for insurance liabilities for general business under subrule (3)(e)(ii);
- (e) the components of performance analysis under subrule (3)(f)(i);
- (f) the components of pricing adequacy for general business under subrule (3)(g)(i);
- (g) the specified lines of insurance business for pricing adequacy for general business under subrule (3)(g)(i);
- (h) the components of the prescribed capital amount under subrule (3)(h)(i); and
- (i) the components of the capital base under subrule (3)(h)(ii).

**Insurance (Public Disclosure) Rules**  
(Cap. 41, sections 21A, 129(1))

**1 Commencement**

These Rules come into operation on the day on which they are published in the Gazette.

**2 Interpretation**

(1) In these Rules –

*applicable insurer (適用保險人)* means an authorized insurer or Lloyd's;

*disclosure statement (披露報表)* means a statement of disclosure prepared in accordance with rule 6;

*disclosure transitional period (披露過渡期)* means the period between the commencement date and 30 June 2027;

*eligible internet website (合資格互聯網網站)* means –

- (a) an applicable insurer's internet website, or
- (b) if approved by the Authority, the internet website of an authorized insurer's group company, where the disclosure is identifiable in the website for the insurer;

*first applicable financial year (首個適用財政年度)* means –

- (a) in relation to an applicable insurer (other than an applicable insurer under paragraph (b) or (c)) – the applicable insurer's first financial year commencing on or after 1 January 2025 ;
- (b) in relation to an authorized insurer approved by the Authority to use a transitional arrangement under rule 88 of the Insurance (Valuation and Capital) Rules – the first financial year ending after the expiry of the period during which the transitional arrangement is in effect; or
- (c) in relation to an authorized insurer authorized after 1 July 2024 – the financial year in which the insurer becomes an authorized insurer, or the authorized insurer's first financial year commencing on or after 1 January 2025, whichever is later;

*group company (集團公司)*, in relation to an authorized insurer, means any company within the group consisting of the ultimate holding company, its subsidiaries and any other company or entity which is treated as part of the ultimate holding company's group according to the applicable accounting standards;

*participating business (分紅業務)* has the meaning given by section 21B(11) of the



Ordinance.

- (2) Unless otherwise defined in subrule (1), rule 2 of the Insurance (Valuation and Capital) Rules applies to the interpretation of these Rules as it applies to the interpretation of the Insurance (Valuation and Capital) Rules.

### **3 Application**

- (1) Unless the context otherwise requires, subject to subrule (2), these Rules apply to applicable insurers, except –
  - (a) applicable insurers for which approval of a transitional arrangement under rule 88 of the Insurance (Valuation and Capital) Rules remains in effect;
  - (b) marine insurers;
  - (c) captive insurers; or
  - (d) special purpose insurers.
- (2) If the Authority varies any requirement under these Rules in relation to an applicable insurer pursuant to section 21A(2) of the Ordinance, these Rules apply to that insurer with the requirements as so varied.

### **4 Timing and manner of disclosure**

- (1) An applicable insurer must make the disclosure of its audited financial statements required under rule 5 for each financial year starting from the first applicable financial year.
- (2) An authorized insurer must make the disclosure required under rule 6 by a disclosure statement which is –
  - (a) either in the English language accompanied by a Chinese translation, or in the Chinese language accompanied by an English translation, and
  - (b) in the form of a standalone document using the format and standard disclosure templates specified by the Authority,

for each financial year starting from the first applicable financial year.

- (3) An authorized insurer must ensure that when its disclosure statement is published, the disclosures are not false or misleading in any material respect.
- (4) Subject to subrule (5), an applicable insurer must publish the disclosure required under subrules (1) and (2), as applicable, within the specified period after the end of a financial year to which the information relates, where such specified period is –
  - (a) 8 months in respect of a financial year ending within the disclosure transitional period; or
  - (b) 6 months in respect of a financial year ending after the disclosure transitional period.

- (5) Without limiting section 21A(2) of the Ordinance, at the written request of an applicable insurer, the Authority may exercise its discretion to extend the specified period referred to in subrule (4) by a period not exceeding 3 months where circumstances warranting an extension of the specified period are shown by the applicable insurer.
- (6) An applicable insurer must provide the Authority with the link to its audited financial statement and disclosure statement, as applicable on the eligible internet website within the specified period referred in subrule (4), or if such period is extended pursuant to subrule (5), within the period so extended.
- (7) An authorized insurer must establish and maintain an archive of all of its disclosure statements in accordance with subrule (2), and promptly make a physical or electronic copy of any such disclosures available for inspection by the general public upon request.
- (8) An applicable insurer must establish and maintain on its eligible internet website an archive of the audited financial statements and disclosure statements referred to in subrule (1) and (2), as applicable, covering at least either –
  - (a) all financial years from the first applicable financial year to the latest financial year, or
  - (b) the latest 5 financial years,
 whichever is shorter.

## **5 Financial Statements to be disclosed annually**

An applicable insurer must disclose the audited financial statements which are required to be submitted to the Authority under rule 3 of the Insurance (Submission of Statements, Reports and Information) Rules for each financial year within the reporting period set out in rule 4(1).

## **6 Information to be disclosed annually**

- (1) An authorized insurer must prepare a disclosure statement containing the disclosure required under this rule for each financial year within the reporting period set out in rule 4(2).
- (2) An authorized insurer must make the disclosure in accordance with the valuation and capital requirements that apply to the insurer under the Insurance (Valuation and Capital) Rules, or if any such requirements are varied or relaxed pursuant to section 10(3) or 130(1) of the Ordinance, under the requirements so varied or relaxed.
- (3) In its disclosure statement, an authorized insurer must disclose –
  - (a) information about its company profile, including –

- (i) the name of the authorized insurer;
  - (ii) the nature of its business, and places of business operations; and
  - (iii) a description of its corporate structure;
- (b) information about its corporate governance framework;
- (c) the following quantitative and qualitative information about its financial position as at the latest financial year end, and (except where the disclosure statement relates to the first applicable financial year) as at the prior financial year end –
  - (i) the authorized insurer's balance sheet with the components specified under subrule (5), separately identified for long term insurance business, participating business and general insurance business (if applicable); and
  - (ii) (except where the disclosure statement relates to the first applicable financial year) any explanation of a material change in balance sheet items referred to in subparagraph (i) as compared to the prior financial year end;
- (d) qualitative information about its investments, accompanied by any related quantitative information, including –
  - (i) assumptions and methods used for valuation of investments; and
  - (ii) (except where the disclosure statement relates to the first applicable financial year) any explanation of a material change in the assumptions and methods referred to in subparagraph (i) as compared to the prior financial year;
- (e) quantitative and qualitative information about its insurance liabilities as at the latest financial year end, and (except where the disclosure statement relates to the first applicable financial year) as at its prior financial year end, including –
  - (i) the insurance liabilities (gross of reinsurance), reinsurance assets and reinsurance liabilities for the authorized insurer's long term business, with the components specified under subrule (5), separately identified for each long term business fund category (if applicable);
  - (ii) the insurance liabilities (both gross and net of reinsurance) for the authorized insurer's general business, with the components specified under subrule (5), separately identified for each line of business specified under subrule (5) (if applicable);
  - (iii) a description of the assumptions used in the valuation of insurance liabilities and the method used to derive these assumptions (including the rationale for the authorized insurer's choice of discount rate); and
  - (iv) (except where the disclosure statement relates to the first applicable financial year) any explanation of a material change in the assumptions and method referred to in subparagraph (iii) as compared to the prior financial year end;
- (f) quantitative and qualitative information about its financial performance for the latest financial year, and (except where the disclosure statement relates to the first applicable financial year) the prior financial year, including –
  - (i) a breakdown of the components of performance analysis specified under subrule (5) for long term business, participating business and general business (if applicable); and
  - (ii) (except where the disclosure statement relates to the first applicable financial year) any explanation of a material change in the components of performance analysis referred to in subparagraph (i) as compared to the prior financial year;

- (g) quantitative and qualitative information about its pricing adequacy for general business (if applicable) for the latest financial year, and (except where the disclosure statement relates to the first applicable financial year) the prior financial year, including –
    - (i) a breakdown of the components of pricing adequacy specified under subrule (5) for each line of business specified under subrule (5) (if applicable); and
    - (ii) (except where the disclosure statement relates to the first applicable financial year) any explanation of a material change in the components of pricing adequacy referred to in subparagraph (i) as compared to the prior financial year;
  - (h) quantitative and qualitative information about its capital adequacy as at the latest financial year end, and (except where the disclosure statement relates to the first applicable financial year) as at its prior financial year end, including –
    - (i) the authorized insurer's prescribed capital amount and its components as specified under subrule (5);
    - (ii) the authorized insurer's capital base and its components as specified under subrule (5);
    - (iii) the ratio of the authorized insurer's capital base to its prescribed capital amount; and
    - (iv) (except where the disclosure statement relates to the first applicable financial year) any explanation of material change in the items described in subparagraph (i), (ii), or (iii) as compared to the prior financial year end;
  - (i) qualitative information about its risk management, including –
    - (i) a description of the authorized insurer's risk appetite and risk governance framework;
    - (ii) a description of the authorized insurer's insurance risk management; and
    - (iii) a description of the authorized insurer's investment risk management; and
  - (j) a statement made by a controller (within the meaning of section 13A(12) of the Ordinance) or a director of the authorized insurer, as to whether –
    - (i) the controller or director is satisfied with the completeness, accuracy and consistency of the information disclosed in the disclosure statement;
    - (ii) the information in the disclosure statement is prepared in accordance with these Rules and the Insurance (Valuation and Capital) Rules (subject to any variation or relaxation applied);
    - (iii) the information in the disclosure statement can be reconciled with the relevant audited specified annual forms of the authorized insurer's annual returns as submitted under rule 4(1) of the Insurance (Submission of Statements, Reports and Information) Rules; and
    - (iv) the authorized insurer has complied with the capital requirements that apply to the insurer during the financial year to which the disclosure statement relates.
- (4) The prescribed capital amount under subrule (3)(h)(i) refers to the prescribed capital amount determined before applying any reduction in the risk capital amount for market risk under a transitional arrangement approved under rule 88(2) of the Insurance (Valuation and Capital) Rules.

(5) Pursuant to rule 4(2)(b), the Authority may specify –

- (a) the components of the balance sheet under subrule (3)(c)(i);
- (b) the components of insurance liabilities for long term business under subrule (3)(e)(i);
- (c) the components of insurance liabilities for general business under subrule (3)(e)(ii);
- (d) the specified lines of insurance business for insurance liabilities for general business under subrule (3)(e)(ii);
- (e) the components of performance analysis under subrule (3)(f)(i);
- (f) the components of pricing adequacy for general business under subrule (3)(g)(i);
- (g) the specified lines of insurance business for pricing adequacy for general business under subrule (3)(g)(i);
- (h) the components of the prescribed capital amount under subrule (3)(h)(i); and
- (i) the components of the capital base under subrule (3)(h)(ii).

**Disclosure Statement Template**

This disclosure statement is prepared in accordance with the requirements under the Insurance (Valuation and Capital) Rules ~~(Cap. 41R)~~ and the Insurance (Public Disclosure) Rules ~~(Cap. 41W)~~.

**1 Company profile** *(For reference: rule 6(3)(a) of the Insurance (Public Disclosure) Rules)*

(a) Authorized insurer's name

(b) Nature of the business, and places of business operations

(c) Description of corporate structure

**2 Corporate governance framework** *(For reference: rule 6(3)(b))*

**3 Financial position** *(For reference: rule 6(3)(c))*

(a) Balance sheet determined under the Insurance (Valuation and Capital) Rules

(Unit: in HKD thousands)	As at [date of reporting financial year end]					As at [date of prior financial year end]				
	Total	Long term business	Of which belongs to: long term business – participating business	General business	Shareholders' fund <i>(if applicable)</i>	Total	Long term business	Of which belongs to: long term business – participating business	General business	Shareholders' fund <i>(if applicable)</i>
<b>Total assets</b>										
Cash and deposits										
Debt securities										
Equities (including portfolio investments)										
Derivative financial instruments										

(Unit: in HKD thousands)	As at [date of reporting financial year end]					As at [date of prior financial year end]				
	Total	Long term business	Of which belongs to: long term business – participating business	General business	Shareholders' fund (if applicable)	Total	Long term business	Of which belongs to: long term business – participating business	General business	Shareholders' fund (if applicable)
Properties										
Loans and advances										
Reverse repurchase agreement										
Other financial assets										
Policyholder's account assets in respect of unit linked products or retirement scheme										
Reinsurance assets										
Tax assets										
Other assets										
<b>Total liabilities</b>										
Insurance liabilities										
Reinsurance liabilities										
Repurchase agreement										
Derivative financial instruments										
Other financial liabilities										
Tax liabilities										
Other liabilities										
<b>Net assets</b>										

(b) Material ~~movement~~change or other commentary of balance sheet items (if any)

#### 4 Investments *(For reference: rule 6(3)(d))*

(a) ~~Description of assumptions~~Assumptions and methods used for valuation of investments

(b) Material change in assumptions and methods (if any)

5 Insurance liabilities *(For reference: rule 6(3)(e))*

- (a) Total insurance liabilities ~~on both gross and net bases~~ determined under the Insurance (Valuation and Capital) Rules

**Insurance Liabilities of Long Term Business**

<b>(Unit: in HKD thousands)</b>		As at [date of reporting financial year end]					
		HK insurers or designated insurers: all long term business Hong Kong branches of non-HK insurers: all long term business of Hong Kong branches, other than fund of reinsurance business with offshore risk if established				Applicable to Hong Kong branches of non-HK insurers: reinsurance business with offshore risk if fund of insurance business with offshore risk is established	Total long term business
		Participating business	Linked long term (Class C)	Retirement scheme category I (Class G)	Retirement scheme category II (Class H)	Other long term business	
<b>Total insurance liabilities (gross of reinsurance)</b>							
Of which: long term insurance liabilities							
Outstanding claims							
Current estimate <sup>1</sup>							
Margin over current estimate							
Prepaid premiums							
Other long term insurance liabilities							
Of which: general insurance liabilities							
<b>Reinsurance assets</b>							
<b>Reinsurance liabilities</b>							

<sup>1</sup> Excludes outstanding claims, prepaid premiums and other long term insurance liabilities which are disclosed separately.



(Unit: in HKD thousands)	As at [date of prior financial year end]						
	HK insurers or designated insurers: all long term business Hong Kong branches of non-HK insurers: all long term business of Hong Kong branches, other fund of reinsurance business with offshore risk if established					Applicable to Hong Kong branches of non- HK insurers: reinsurance business with offshore risk if fund of insurance business with offshore risk is established	Total long term business
	Participating business	Linked long term (Class C)	Retirement scheme category I (Class G)	Retirement scheme category II (Class H)	Other long term business		
<b>Total insurance liabilities (gross of reinsurance)</b>							
Of which: long term insurance liabilities							
Outstanding claims							
Current estimate <sup>1</sup>							
Margin over current estimate							
Prepaid premiums							
Other long term insurance liabilities							
Of which: general insurance liabilities							
<b>Reinsurance assets</b>							
<b>Reinsurance liabilities</b>							

<sup>1</sup> Excludes outstanding claims, prepaid premiums and other long term insurance liabilities which are disclosed separately.

## Insurance Liabilities of General Business

(Unit: in HKD thousands)	As at [date of reporting financial year end]									
	Direct insurance							Reinsurance		Total general business
	Accident and health	Motor vehicle	Marine, aviation, and transport	Property damage	Employees' compensation	General liability	Pecuniary loss	Proportional	Non-proportional	
<b>Total general insurance liabilities (gross of reinsurance)</b>										
<b><u>Total general insurance liabilities excluding other general insurance liabilities (gross of reinsurance)</u></b>										
Outstanding claims liabilities										
Premium liabilities										
Margin over current estimate for outstanding claims liabilities										
Margin over current estimate for premium liabilities										
<del>Other general insurance liabilities</del>										
<b>Total general insurance liabilities <u>excluding other general insurance liabilities</u> (net of reinsurance)</b>										

**In HKD thousands**

(Unit: in HKD thousands)		As at [date of prior financial year end]								
		Direct insurance						Reinsurance		Total general business
		Accident and health	Motor vehicle	Marine, aviation, and transport	Property damage	Employees' compensation	General liability	Pecuniary loss	Proportional	Non-proportional
<b>Total general insurance liabilities (gross of reinsurance)</b>										
<b><u>Total general insurance liabilities excluding other general insurance liabilities (gross of reinsurance)</u></b>										
Outstanding claims liabilities										
Premium liabilities										
Margin over current estimate for outstanding claims liabilities										
Margin over current estimate for premium liabilities										
<del>Other general insurance liabilities</del>										
<b>Total general insurance liabilities <u>excluding other general insurance liabilities</u> (net of reinsurance)</b>										

- (b) Assumptions and method used to derive the assumptions for determining insurance liabilities

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- (c) Material change in assumptions and methods used to derive the assumptions, or other commentary on the insurance liabilities (if any)

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## 6 Financial performance *(For reference: rule 6(3)(f) and rule 6(3)(g))*

- (a) Financial performance in total and at a segmented level, including premiums, investment returns and claims

### Performance Analysis on Premiums and Claims

<u>(Unit: in HKD thousands)</u>	For the financial year ended [date of reporting financial year end]					For the financial year ended [date of prior financial year end]				
	Total	Long term business	Of which belongs to: long term business – participating business	General business	Shareholders' fund	Total	Long term business	Of which belongs to: long term business – participating business	General business	Shareholders' fund
<b>Gross premiums<sup>2</sup></b>										
Regular premiums										
Single premiums										
<b>Net premiums</b>										
Regular premiums										
Single premiums										
<b>Gross claims paid</b>										
<b>Net claims paid</b>										

<sup>2</sup> For long term business, it refers to premiums received and receivable during the financial year. For general business, it refers to written premiums.

### Performance Analysis on Investment Returns

(Unit: in HKD thousands)	For the financial year ended [date of reporting financial year end]					For the financial year ended [date of prior financial year end]				
	<u>Total</u>	<u>Long term business</u>	<u>Of which belongs to: long term business – participating business</u>	<u>General business</u>	<u>Shareholders' fund (if applicable)</u>	<u>Total</u>	<u>Long term business</u>	<u>Of which belongs to: long term business – participating business</u>	<u>General business</u>	<u>Shareholders' fund (if applicable)</u>
<b>Investment returns</b>										

(b) Material ~~movement~~change or other commentary of financial performance (if any)

(c) ~~Pricing adequacy~~ Underwriting Results for general business (for pricing adequacy disclosure purposes)

**Pricing Adequacy Underwriting Results of General Business**

<u>(Unit: in HKD thousands)</u>	For the financial year ended [date of reporting financial year end]									
	Direct insurance							Reinsurance		Total general business
	Accident and health	Motor vehicle	Marine, aviation, and transport	Property damage	Employees' compensation	General liability	Pecuniary loss	Proportional	Non-proportional	
Gross premium										
Net premium										
Net undiscounted best estimate combined business results, relating to current year										
Net undiscounted best estimate combined business results, relating to prior year										
<b>Undiscounted underwriting results - profit / (loss)</b>										

<u>(Unit: in HKD thousands)</u>	For the financial year ended [date of prior financial year end]									
	Direct insurance							Reinsurance		Total general Business
	Accident and health	Motor vehicle	Marine, aviation, and transport	Property damage	Employees' compensation	General liability	Pecuniary loss	Proportional	Non-proportional	
Gross premium										
Net premium										
Net undiscounted best estimate combined business results, relating to current year										
Net undiscounted best estimate combined business results, relating to prior year										
<b>Undiscounted underwriting results – profit / (loss)</b>										

(d) Material ~~movement~~ change or other commentary of ~~pricing adequacy~~ underwriting results (if any)

7 **Capital adequacy** *(For reference: rule 6(3)(h))*

- (a) Prescribed capital amount at total level and risk capital amount (“RCA”) by sub-risk, determined in accordance with the Insurance (Valuation and Capital) Rules (without applying the transitional arrangement under Part 7 of the Insurance (Valuation and Capital) Rules)

**Prescribed Capital Amount**

<i>(Unit: in HKD thousands)</i>	As at [date of reporting financial year end]	As at [date of prior financial year end]
<b>Market risk (diversified RCA)</b>		
Interest rate risk RCA		
Credit spread risk RCA		
Equity risk RCA		
Property risk RCA		
Currency risk RCA		
Diversification benefits within market risk		
<b>Life Insurance Risk (diversified RCA)</b>		
Mortality risk RCA		
Longevity risk RCA		
Life catastrophe risk RCA		
Morbidity risk RCA		
Expense risk RCA		
Lapse risk RCA		
Diversification benefits within life insurance risk		
<b>General Insurance Risk (diversified RCA)</b>		
<del>General insurance risk (other than mortgage insurance-risk) RCA</del>		
Reserve and premium risk RCA		
Natural catastrophe risk RCA		
<del>Man-made non-systemic catastrophe risk RCA</del>		
<del>Man-made systemic catastrophe risk RCA</del>		
<del>Mortgage insurance risk RCA</del>		
Diversification benefits within general insurance risk		
<b>Counterparty default and other risk RCA</b>		
Diversification benefits among risk modules		
<b>Operational risk RCA</b>		
Adjustment for loss absorbing capacity cap		
Adjustment for tax effect		
Any other items which the IA may specify to adjust		
<b>Prescribed capital amount</b>		

- (b) Composition of capital base determined in accordance with the Insurance (Valuation and Capital) Rules

**Capital Base**

<i>(Unit: in HKD thousands)</i>	As at [date of reporting financial year end]	As at [date of prior financial year end]
Unlimited Tier 1 capital		
Limited Tier 1 capital		
Tier 2 capital		
<b>Capital base</b>		

(c) Ratio of capital base to prescribed capital amount

	As at [date of reporting financial year end]	As at [date of prior financial year end]
<b>Ratio of capital base to prescribed capital amount</b>	%	%

(d) Material ~~movement~~change or other commentary of prescribed capital amount, capital base, and ratio of capital base to prescribed capital amount (if any)

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**8 Risk Management** *(For reference: rule 6(3)(i))*

(a) Risk appetite and risk governance framework

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(b) Insurance risk management

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(c) Investment risk management

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(d) Other risk management (if any)

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**9 Statement of Compliance** *(For reference: rule 6(3)(j))*

- (i) I am satisfied with the completeness, accuracy and consistency of the information disclosed in this disclosure statement in respect of [name of insurer];
- (ii) I am satisfied that the information in this disclosure statement is prepared in accordance with the Insurance (Valuation and Capital) Rules and Insurance (Public Disclosure) Rules (subject to any applicable variation or relaxation);
- (iii) The information disclosed in this disclosure statement can be reconciled with the audited specified annual forms of [name of insurer]'s annual returns for the financial year to which this disclosure statement relates, as submitted under rule 4 of the Insurance (Submission of Statements, Reports and Information) Rules; and
- (iv) I am satisfied that [name of insurer] has complied with all capital requirements that apply to it under the Insurance (Valuation and Capital) Rules, during the financial year to which this disclosure statement relates.

Name:	
Position:	
Company Name:	



**Disclosure Statement Template**

This disclosure statement is prepared in accordance with the requirements under the Insurance (Valuation and Capital) Rules and the Insurance (Public Disclosure) Rules.

**1 Company profile** *(For reference: rule 6(3)(a) of the Insurance (Public Disclosure) Rules)*

(a) Authorized insurer's name

(b) Nature of the business, and places of business operations

(c) Description of corporate structure

**2 Corporate governance framework** *(For reference: rule 6(3)(b))*

**3 Financial position** *(For reference: rule 6(3)(c))*

(a) Balance sheet determined under the Insurance (Valuation and Capital) Rules

(Unit: in HKD thousands)	As at [date of reporting financial year end]					As at [date of prior financial year end]				
	Total	Long term business	Of which belongs to: long term business – participating business	General business	Shareholders' fund (if applicable)	Total	Long term business	Of which belongs to: long term business – participating business	General business	Shareholders' fund (if applicable)
<b>Total assets</b>										
Cash and deposits										
Debt securities										
Equities (including portfolio investments)										
Derivative financial instruments										
Properties										
Loans and										

(Unit: in HKD thousands)	As at [date of reporting financial year end]					As at [date of prior financial year end]				
	Total	Long term business	Of which belongs to: long term business – participating business	General business	Shareholders' fund (if applicable)	Total	Long term business	Of which belongs to: long term business – participating business	General business	Shareholders' fund (if applicable)
advances										
Reverse repurchase agreement										
Other financial assets										
Policyholder's account assets in respect of unit linked products or retirement scheme										
Reinsurance assets										
Tax assets										
Other assets										
<b>Total liabilities</b>										
Insurance liabilities										
Reinsurance liabilities										
Repurchase agreement										
Derivative financial instruments										
Other financial liabilities										
Tax liabilities										
Other liabilities										
<b>Net assets</b>										

(b) Material change or other commentary of balance sheet items (if any)

#### 4 Investments *(For reference: rule 6(3)(d))*

(a) Assumptions and methods used for valuation of investments

(b) Material change in assumptions and methods (if any)

**5 Insurance liabilities** *(For reference: rule 6(3)(e))*

(a) Total insurance liabilities determined under the Insurance (Valuation and Capital) Rules

**Insurance Liabilities of Long Term Business**

(Unit: in HKD thousands)	As at [date of reporting financial year end]						
	HK insurers or designated insurers: all long term business Hong Kong branches of non-HK insurers: all long term business of Hong Kong branches, other than fund of reinsurance business with offshore risk if established					Applicable to Hong Kong branches of non-HK insurers: reinsurance business with offshore risk if fund of insurance business with offshore risk is established	Total long term business
	Participating business	Linked long term (Class C)	Retirement scheme category I (Class G)	Retirement scheme category II (Class H)	Other long term business		
<b>Total insurance liabilities (gross of reinsurance)</b>							
Of which: long term insurance liabilities							
Outstanding claims							
Current estimate <sup>1</sup>							
Margin over current estimate							
Prepaid premiums							
Other long term insurance liabilities							
Of which: general insurance liabilities							
<b>Reinsurance assets</b>							
<b>Reinsurance liabilities</b>							

<sup>1</sup> Excludes outstanding claims, prepaid premiums and other long term insurance liabilities which are disclosed separately.

(Unit: in HKD thousands)	As at [date of prior financial year end]						
	HK insurers or designated insurers: all long term business Hong Kong branches of non-HK insurers: all long term business of Hong Kong branches, other fund of reinsurance business with offshore risk if established					Applicable to Hong Kong branches of non- HK insurers: reinsurance business with offshore risk if fund of insurance business with offshore risk is established	Total long term business
	Participating business	Linked long term (Class C)	Retirement scheme category I (Class G)	Retirement scheme category II (Class H)	Other long term business		
<b>Total insurance liabilities (gross of reinsurance)</b>							
Of which: long term insurance liabilities							
Outstanding claims							
Current estimate <sup>1</sup>							
Margin over current estimate							
Prepaid premiums							
Other long term insurance liabilities							
Of which: general insurance liabilities							
<b>Reinsurance assets</b>							
<b>Reinsurance liabilities</b>							

<sup>1</sup> Excludes outstanding claims, prepaid premiums and other long term insurance liabilities which are disclosed separately.

### Insurance Liabilities of General Business

(Unit: in HKD thousands)	As at [date of reporting financial year end]									
	Direct insurance							Reinsurance		Total general business
	Accident and health	Motor vehicle	Marine, aviation, and transport	Property damage	Employees' compensation	General liability	Pecuniary loss	Proportional	Non-proportional	
<b>Total general insurance liabilities (gross of reinsurance)</b>										
<b>Total general insurance liabilities excluding other general insurance liabilities (gross of reinsurance)</b>										
Outstanding claims liabilities										
Premium liabilities										
Margin over current estimate for outstanding claims liabilities										
Margin over current estimate for premium liabilities										
<b>Total general insurance liabilities excluding other general insurance liabilities (net of reinsurance)</b>										

(Unit: in HKD thousands)	As at [date of prior financial year end]									
	Direct insurance							Reinsurance		Total general business
	Accident and health	Motor vehicle	Marine, aviation, and transport	Property damage	Employees' compensation	General liability	Pecuniary loss	Proportional	Non-proportional	
<b>Total general insurance liabilities (<u>gross</u> of reinsurance)</b>										
<b>Total general insurance liabilities excluding other general insurance liabilities (<u>gross</u> of reinsurance)</b>										
Outstanding claims liabilities										
Premium liabilities										
Margin over current estimate for outstanding claims liabilities										
Margin over current estimate for premium liabilities										
<b>Total general insurance liabilities excluding other general insurance liabilities (<u>net</u> of reinsurance)</b>										

- (b) Assumptions and method used to derive the assumptions for determining insurance liabilities

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- (c) Material change in assumptions and methods used to derive the assumptions, or other commentary on the insurance liabilities (if any)

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## 6 Financial performance *(For reference: rule 6(3)(f) and rule 6(3)(g))*

- (a) Financial performance in total and at a segmented level, including premiums, investment returns and claims

### Performance Analysis on Premiums and Claims

(Unit: in HKD thousands)	For the financial year ended [date of reporting financial year end]				For the financial year ended [date of prior financial year end]			
	Total	Long term business	Of which belongs to: long term business – participating business	General business	Total	Long term business	Of which belongs to: long term business – participating business	General business
<b>Gross premiums<sup>2</sup></b>								
Regular premiums								
Single premiums								
<b>Net premiums</b>								
Regular premiums								
Single premiums								
<b>Gross claims paid</b>								
<b>Net claims paid</b>								

<sup>2</sup> For long term business, it refers to premiums received and receivable during the financial year. For general business, it refers to written premiums.

### Performance Analysis on Investment Returns

(Unit: in HKD thousands)	For the financial year ended [date of reporting financial year end]					For the financial year ended [date of prior financial year end]				
	<b>Total</b>	Long term business	Of which belongs to: long term business – participating business	General business	Shareholders' fund (if applicable)	<b>Total</b>	Long term business	Of which belongs to: long term business – participating business	General business	Shareholders' fund (if applicable)
<b>Investment returns</b>										

(b) Material change or other commentary of financial performance (if any)



(c) Underwriting Results for general business (for pricing adequacy disclosure purposes)

**Underwriting Results of General Business**

(Unit: in HKD thousands)	For the financial year ended [date of reporting financial year end]									
	Direct insurance							Reinsurance		Total general business
	Accident and health	Motor vehicle	Marine, aviation, and transport	Property damage	Employees' compensation	General liability	Pecuniary loss	Proportional	Non-proportional	
Gross premium										
Net premium										
Net undiscounted best estimate combined business results, relating to current year										
Net undiscounted best estimate combined business results, relating to prior year										
<b>Undiscounted underwriting results - profit / (loss)</b>										

(Unit: in HKD thousands)	For the financial year ended [date of prior financial year end]									
	Direct insurance							Reinsurance		Total general Business
	Accident and health	Motor vehicle	Marine, aviation, and transport	Property damage	Employees' compensation	General liability	Pecuniary loss	Proportional	Non-proportional	
Gross premium										
Net premium										
Net undiscounted best estimate combined business results, relating to current year										
Net undiscounted best estimate combined business results, relating to prior year										
<b>Undiscounted underwriting results – profit / (loss)</b>										

(d) Material change or other commentary of underwriting results (if any)

**7 Capital adequacy (For reference: rule 6(3)(h))**

- (a) Prescribed capital amount at total level and risk capital amount (“RCA”) by sub-risk, determined in accordance with the Insurance (Valuation and Capital) Rules (without applying the transitional arrangement under Part 7 of the Insurance (Valuation and Capital) Rules)

**Prescribed Capital Amount**

(Unit: in HKD thousands)	As at [date of reporting financial year end]	As at [date of prior financial year end]
<b>Market risk (diversified RCA)</b>		
Interest rate risk RCA		
Credit spread risk RCA		
Equity risk RCA		
Property risk RCA		
Currency risk RCA		
Diversification benefits within market risk		
<b>Life Insurance Risk (diversified RCA)</b>		
Mortality risk RCA		
Longevity risk RCA		
Life catastrophe risk RCA		
Morbidity risk RCA		
Expense risk RCA		
Lapse risk RCA		
Diversification benefits within life insurance risk		
<b>General Insurance Risk (diversified RCA)</b>		
Reserve and premium risk RCA		
Natural catastrophe risk RCA		
Man-made non-systemic catastrophe risk RCA		
Man-made systemic catastrophe risk RCA		
Mortgage insurance risk RCA		
Diversification benefits within general insurance risk		
<b>Counterparty default and other risk RCA</b>		
Diversification benefits among risk modules		
<b>Operational risk RCA</b>		
Adjustment for loss absorbing capacity cap		
Adjustment for tax effect		
Any other items which the IA may specify to adjust		
<b>Prescribed capital amount</b>		

- (b) Composition of capital base determined in accordance with the Insurance (Valuation and Capital) Rules

**Capital Base**

(Unit: in HKD thousands)	As at [date of reporting financial year end]	As at [date of prior financial year end]
Unlimited Tier 1 capital		
Limited Tier 1 capital		
Tier 2 capital		
<b>Capital base</b>		

- (c) Ratio of capital base to prescribed capital amount

	As at [date of reporting financial year end]	As at [date of prior financial year end]
<b>Ratio of capital base to prescribed capital amount</b>	<b>%</b>	<b>%</b>

- (d) Material change or other commentary of prescribed capital amount, capital base, and ratio of capital base to prescribed capital amount (if any)

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## 8 Risk Management *(For reference: rule 6(3)(i))*

- (a) Risk appetite and risk governance framework

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- (b) Insurance risk management

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- (c) Investment risk management

--

- (d) Other risk management (if any)

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## 9 Statement of Compliance *(For reference: rule 6(3)(j))*

- (i) I am satisfied with the completeness, accuracy and consistency of the information disclosed in this disclosure statement in respect of [name of insurer];
- (ii) I am satisfied that the information in this disclosure statement is prepared in accordance with the Insurance (Valuation and Capital) Rules and Insurance (Public Disclosure) Rules (subject to any applicable variation or relaxation);
- (iii) The information disclosed in this disclosure statement can be reconciled with the audited specified annual forms of [name of insurer]'s annual returns for the financial year to which this disclosure statement relates, as submitted under rule 4 of the Insurance (Submission of Statements, Reports and Information) Rules; and
- (iv) I am satisfied that [name of insurer] has complied with all capital requirements that apply to it under the Insurance (Valuation and Capital) Rules, during the financial year to which this disclosure statement relates.

Name:	
Position:	
Company Name:	