



保險業監管局
Insurance Authority

Understanding the role of insurance intermediaries and policy holders' interests

Insurance intermediaries serve on the frontline of the industry, connecting policy holders and insurance companies.

They are engaged mainly in selling insurance products, providing information and advice and arranging contracts for potential policy holders, and assisting policy holders with claim applications.

There is a wide variety of insurance products in the market. Most policy holders learn about them and their relevant clauses through insurance intermediaries. However, please keep in mind that insurance policies are contracts between insurance companies and policy holders. Before considering taking out an insurance policy, policy holders should have a clear understanding of the policy and the role of insurance intermediaries to protect their interests.

Get to know insurance intermediaries



Insurance intermediaries are generally divided into two categories: insurance agents and insurance brokers.



Insurance agents

They are representatives of specific insurance companies, selling the products of these companies to potential policy holders.

Insurance agents can be individuals, sole proprietors, partnerships or companies.



Insurance brokers

They are representatives of policy holders. They look for suitable products in the market and negotiate policy terms and conditions with insurance companies to meet the policy holders' needs.

Insurance brokers do not act on behalf of insurance companies.

An individual or a firm is not permitted to be an agent and a broker at the same time.

How to select the right insurance intermediary ?

There are different categories of insurance intermediaries, and insurance agencies can represent a number of insurance companies. Given the wide variety of insurance products, intermediaries may approach potential policy holders to sell diversified products, such as life, medical, investment-linked, travel and third-party liability insurance. Potential policy holders should pay attention to the following points before accepting sales services from intermediaries to make sure they purchase products that suit their needs.

1 Check the licence status of the intermediary

In accordance with the Insurance Ordinance, insurance brokers and agents must be licensed before selling insurance products or giving related advice in Hong Kong. Before granting or renewing a licence, the Insurance Authority (IA) takes into account a number of factors, including the academic qualifications, professional qualifications, working experience, reputation, character and financial status of an applicant. Particulars of all intermediaries can be found in the [Register of Licensed Insurance Intermediaries](#) on the IA website.

2 Understand the scope of services and potential interests of the intermediary

In addition to selling insurance products, intermediaries may offer other services to policy holders, such as administering policy documents, processing claim applications and renewing policies. Policy holders may ask intermediaries about their scope of services and decide whether these services suit their personal needs. While insurance intermediaries may not charge any fees direct to policy holders for these services, they may benefit indirectly from selling insurance products such as receiving a commission. Policy holders can approach their intermediaries to learn more if needed.

3 Learn about insurance products from intermediaries

Professional licensed intermediaries should be able to recommend insurance products that suit the needs of policy holders. Policy holders can request a detailed explanation of the coverage and features, premiums, other fees incurred, underwriting requirements, associated risks, and the fulfillment ratio¹ (if applicable) of a certain product. Intermediaries are also responsible for providing policy holders with the relevant product brochures, Key Facts Statements and standard illustration documents (if applicable).

1. The fulfillment ratio is the average ratio of non-guaranteed dividends/bonuses actually declared against the illustrated amounts at the point of sale. The higher the fulfillment ratio, the better the insurer performs in delivering the non-guaranteed dividends/bonuses as committed.

Be a smart policy holder



Before taking out a policy

Before taking out an insurance policy, potential policy holders should take note of the following to avoid misunderstandings or disputes:

1 Do not sign blank documents

Insurance contracts are legally binding documents. Putting their signature on a policy application form or other relevant documents means the policy holders understand and agree to the contents of the documents and are bound by the relevant terms and conditions. Therefore, policy holders should not sign any blank or incomplete forms or documents, and should give expressed consent to any amendments to the contents by countersigning next to them, for example. They can also ask for copies of the documents from the intermediary for their records. Before signing any documents, policy holders should ensure that they fully understand all the contents and clauses, and confirm that all the information given on the documents is true and accurate.

2 Do not pay by cash or blank cheque

Intermediaries may assist policy holders in paying premiums for convenience. However, policy holders should not pay cash to the intermediary or remit premiums to the intermediary's personal bank account as it could be difficult to prove the amount paid was for a premium payment. When paying a premium by cheque, the cheque should be made payable to the insurance company or the intermediary company involved. The payee's name should not be left blank, and the policy holder should write the policy number on the back of the cheque to avoid any possible arguments in the future.

3 Do not share passwords of online accounts

Some insurance companies allow policy holders to use online account to manage their life insurance policies (e.g. fund switching, application of policy loans, and withdrawal of cash value). Policy holders should not share the passwords of their accounts with any third party to avoid the risk of unauthorised persons logging into their accounts and conducting unauthorised transactions.

4 Disclose material facts

Whether policy holders have disclosed all the material facts to the insurance company can affect the underwriting decision. Policy holders should not disclose material facts selectively related to their policies. When taking out medical insurance, they should faithfully disclose the health status and medical history of the insured to the insurance company, or the insurance company may decline the claim application, adjust the compensation decision, or even terminate a policy. If a policy has a "change of circumstances" clause, the policy holder must disclose these changes to the insurance company. The insured must inform the insurance company in writing if there is any change in their health condition.

Policy holders should take note of the following to protect their interests after taking out insurance:

1 Keep documents properly

After successful application, the insurance contract is usually delivered to the policy holders from the insurance company through an intermediary. Some insurance companies may issue “welcome packs” separately to policy holders, informing them of the underwriting status of their policy and the cooling-off period² (if applicable). Policy holders may contact the intermediary and insurance company as soon as possible if they have not received all the related documents and contracts. Upon receipt of the documents, they should examine the information on their policy and read the policy terms in detail (including the payment terms, non-guaranteed returns (if applicable), policy coverage and exclusions) and contact the intermediary or insurance company if in doubt. After verifying all the information, policy holders should keep the documents properly for records which would facilitate claim applications or policy renewal in the future if necessary.

2 Take note of the cooling-off period

A cooling-off period of 21 days is applicable to life and Voluntary Health Insurance Scheme policies to allow reasonable time for policy holders to review the policy terms after taking out insurance. If policy holders find the products unsuitable for them, they can cancel their policy for a full refund of the premium paid, or a refund of the premium paid after a “market value adjustment”³ (if applicable). They can inform the insurance company in writing if they wish to cancel their policy within the cooling-off period.

3 Take the initiative to contact the insurance company

Policy holders should keep in mind that insurance policy is a contract between them and the insurance company; the intermediary serves as a bridge between the two parties. Insurance companies and policy holders are bound to fulfil their contractual obligations. Policy holders may contact the intermediary, or take the initiative to contact the insurance company direct if in doubt to ensure they have a clear understanding of their insurance policy.

When filing a claim, policy holders should inform the intermediary or insurance company as soon as possible within the claim period. They can contact the intermediary or insurance company to find out more about the status of their claim, the claim procedure of the insurance company, the claim period, and what documents are required for the claim submission.

2. The cooling-off period is 21 days after the delivery of the policy or issuance of a notice informing the policy holder of the policy status, whichever is earlier.

3. “Market value adjustment” is applicable only to linked policies and non-linked single premium policies.

How to lodge an enquiry or a complaint



Policy holders can check the [Register of Licensed Insurance Intermediaries](#) on the IA website if they have any questions about the identity or licence status of an intermediary. They may lodge a complaint with the IA for any suspected misconduct or mis-selling practices of intermediaries.

The [complaint form](#) can be downloaded from the IA website. Complainants should provide the details of their allegations, the name and licence number of the intermediary involved, and copies of all relevant supporting documents for the IA to handle the case promptly and effectively. All complaints will be treated in strict confidence. Upon receipt of the first submission of a complaint, an acknowledgement will be issued to the complainant within 10 working days.

