

INFORMATION REQUIRED**GENERAL NOTES**

- (1) All parts of this form are to be completed.
- (2) All copies of original documents shall be certified by a director or the chief executive of the ultimate parent company of the proposed captive company as being true and correct copies of the originals.
- (3) All documents shall be produced either in the Chinese language or English language. Where documents are required to be translated, the persons referred to in (2) above shall certify that to the best of his knowledge and belief the person making the translation is competent to translate the documents into the Chinese/English language. The person making the translation shall certify that the translation is a true and correct translation of the original.
- (4) If insufficient space is provided in this form, please give details on a separate sheet.
- (5) Unless otherwise indicated, all references to sections or schedules are sections of or schedules to the Ordinance.
- (6) Please specify, as applicable, the currency used.
- (7) Please complete the Checklist at the Appendix.
- (8) **IMPORTANT**
 - (a) An application should not be made until **all** the information required is available. In this connection, it is advisable to hold preliminary meetings with the Insurance Authority before submitting the formal application.
 - (b) The proposed captive company should not commence to carry on any insurance business in or from Hong Kong until its application has been approved. Any failure to observe this requirement will constitute an offence under the Ordinance and may prejudice the application.
 - (c) The Insurance Authority is a public body specified in Schedule 1 to the Prevention of Bribery Ordinance (Chapter 201, Laws of Hong Kong) (“POBO”). The offer of an advantage to any member, officer or staff of the Insurance Authority with a view to influencing the approval of any application submitted to the Insurance Authority (e.g. application for authorization to carry on insurance business in or from Hong Kong) is an offence under the POBO. Any act of offering of an

advantage by a prospective applicant or an applicant to the Insurance Authority, or by any of its directors, officers, employees or agents, will result in the application being immediately terminated. Prospective applicants and applicants shall inform its directors, officers, employees and agents who are connected with the application that the offering of advantages, as defined in the POBO, is not permitted.

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PART I - THE ULTIMATE PARENT COMPANY OF THE PROPOSED CAPTIVE

1. Name and registered office address.

2. Date and place of incorporation.

3. A brief description of the company's history, business and activities.

4. Particulars of the group structure, its core business and international network of companies. Attach a copy of the group's corporate chart.

5. Ranking of the company and/or of the group in its home country in terms of income, assets or other indicators, as appropriate. Please attach a Form B prescribed in Schedule 2 in respect of the company together with one copy of its audited financial statements for each of the last three financial years.

6. If the company is listed on any stock exchanges, please give the names of the stock exchanges.

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7. Has the company or any of its subsidiaries applied for setting up a captive outside Hong Kong but the application has been refused by the insurance supervisory authority concerned? If so, please give particulars.

8. Does the company or any of its subsidiaries already own a captive? If so, please state the name, the domicile and the shareholding structure of that captive and give reasons for setting up another captive in Hong Kong or relocating the captive to Hong Kong, as appropriate. Please attach a copy of the audited financial statements of the said captive for each of the last three financial years.

9. Does the company or any of its subsidiaries have an equity interest in any insurance companies, reinsurance companies, insurance brokers or insurance agents in Hong Kong or elsewhere? If so, please give their names and domiciles and state whether they are in operation.

10. Total cost of insurance incurred by the company and its subsidiaries for each of the last three years.

11. Present ways by which the insurance needs of the company and its subsidiaries are being met (For example, insurance with conventional insurers, self-insurance, etc).

12. Details on the expertise that the company or its subsidiaries has in loss prevention, risk management and risk underwriting.

PART II - THE PROPOSED CAPTIVE COMPANY

13. Registered name, number and office address¹ under the Companies Ordinance (Cap.622) of Hong Kong.

14. Date and place of incorporation.

15. Brief summary of corporate objectives.

16. Names and addresses of shareholders and their shareholdings in the captive. Attach the Form A and/or Form B prescribed in Schedule 2 in respect of each shareholder holding 15% or more of the shareholding in the captive, together with, in the case of a corporate shareholder, a copy of its audited financial statements for each of the last three financial years.

17. The authorized capital (if applicable), issued capital and paid up capital of the captive (including any redeemable preference shares or subordinated loan stocks).

18. Name and address of the proposed auditors of the captive in Hong Kong.

¹ The captive is expected to have an office in Hong Kong.

19. Names of the directors and chief executive of the captive. Attach the Form A and/or Form B prescribed in Schedule 2 in respect of each director and the chief executive.

20. Would the captive handle all the insurance needs of the member companies of the group to which it belongs? If not, please give reasons.

21. Details on the management of the captive in Hong Kong. Please provide an organisation chart of the captive in Hong Kong and the particulars of its own key personnel² (e.g. name and position held, academic and professional qualifications and working experience, etc). If any of the key functions of the captive is to be outsourced to internal/external service provider(s) (e.g. captive management company), please give the name(s), address(es), and some background information of the service provider(s) (e.g. corporate history, major shareholders, expertise and number of captives presently managed), together with details of the proposed outsourcing arrangements and such other information as required by our Guideline on Outsourcing (GL14). Please also give a description of the internal controls proposed to be implemented to secure the proper functioning of the captive, including policies, procedures and controls in relation to anti-money laundering (“AML”) and counter-financing of terrorism (“CFT”).

² The captive is expected to have its own senior management team with a minimum of 4 professional staff, comprising a locally-based chief executive and team heads to oversee certain key functions (e.g. underwriting, claims and finance functions etc.).

22. The financial projections for the first 3 years of operations after authorization.

(a) Premium Income

*Class of Business	Year 1		Year 2		Year 3	
	Gross	Net	Gross	Net	Gross	Net
TOTAL						

* Accounting Class as set out in Part 1 of Schedule 3.

(b) Claims Outstanding at end of year

*Class of Business	Year 1		Year 2		Year 3	
	Gross	Net	Gross	Net	Gross	Net
TOTAL						

* Accounting Class as set out in Part 1 of Schedule 3.

(c) Estimated amount by which the assets are expected to exceed liabilities (excluding liabilities in respect of capital and free reserves) at the end of each of the first three financial years following authorization and how calculated.

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23. A brief summary of the reinsurance arrangements that would be made in respect of each class of insurance business to be written, including the maximum retention per risk or event after all reinsurance ceded, the limit of reinsurance, the names of the principal reinsurers and the respective percentages underwritten by them under each treaty.

24. A description of the captive's investment policy.

- END -

Appendix

CHECKLIST

Name of the proposed captive company (“the Company”) : [Insert the name of the Company]

	“√” if done	Use by the Insurance Authority Only
1. Have the classes of general business applied for been stated in the application form?		
2. Have all the questions in the application form been answered?		
3. Have all the applicable documents listed in Appendix A been attached to the application?		
4. Has the application form been signed by the director and the chief executive of the ultimate parent of the Company?		
5. Has the application form been dated?		

Appendix A

Documents submitted to the Insurance Authority

	“√” if submitted
Part I – The Ultimate Parent of the Company	
1. Certificate of Incorporation of the Ultimate Parent.	
2. Group’s corporate chart.	
3. Form B, as prescribed in Schedule 2 to the Ordinance, of the Ultimate Parent and its audited financial statements for the last three financial years.	
4. Audited financial statements of the captive for the last three financial years (if the Ultimate Parent or the group has already owned a captive).	
Part II – The Company	
5. Certificate of Incorporation.	
6. Form NN1 filed with the Companies Registry for registration under Part 16 of the Companies Ordinance (Cap. 622) (for non-Hong Kong company).	
7. Certificate of Registration of Non-Hong Kong Company issued by the Registrar of Companies, Hong Kong (for non-Hong Kong company).	
8. Corporate chart of the group holding the Company, with percentage of shareholding.	
9. Forms A and B, as appropriate, as prescribed in Schedule 2 to the Insurance Ordinance (“the Ordinance”), of the directors and controllers (within the meaning of section 9 of the Ordinance).	
10. Audited financial statements of the corporate controllers for the latest three financial years.	
11. Policies, guidelines or manuals on internal controls (including underwriting, claims handling and reserving, reinsurance, investment and AML/CFT) in Hong Kong.	
12. Organizational chart ³ .	
13. Agreement for the management of business in Hong Kong, if applicable.	
14. Financial projections for the first three years of operations after authorization.	

³ The Company is expected to have its own senior management team with a minimum number of 4 professional staff, comprising a locally-based chief executive and team heads to oversee certain key functions (e.g. underwriting, claims and finance functions etc.).