

1 June 2020

Our Ref: MC/INT/5

To: Responsible Officers of all licensed insurance broker companies

Dear Sirs,

**Practice Notes supplementing Standards and Practices 5.4 and 7.1 of the Code of Conduct for Licensed Insurance Brokers**

We are writing to inform you that two separate Practice Notes supplementing certain Standards and Practices of the Code of Conduct for Licensed Insurance Brokers (the “Code of Conduct”) have been issued today and are available on our website [www.ia.org.hk](http://www.ia.org.hk).

- The first Practice Note, which supplements Standard and Practice 5.4 in the Code of Conduct, sets out the minimum information which the Insurance Authority (“IA”) expects a licensed insurance broker company to include in the terms and conditions of its client agreements for linked long term business (i.e. ILAS policies).
- The second Practice Notice, which supplements Standard and Practice 7.1 of the Code of Conduct, sets out the minimum information which the IA expects a licensed insurance broker company to disclose to a client with respect to remuneration received from an insurer for arranging an insurance policy with the insurer on behalf of the client.

The Practice Notes have been prepared in consultation with The Hong Kong Confederation of Insurance Brokers and the Professional Insurance Brokers Association. The Practice Notes will be kept under review and updated by the Insurance Authority when considered necessary.

Should you have any queries on the Practice Notes, please contact Ms Anna Ho at 3899 9737, or Ms Loretta Lee at 3899 9738.

Yours faithfully,

Peter Gregoire  
Head of Market Conduct Division (Acting)  
General Counsel  
Insurance Authority

c.c. The Hong Kong Confederation of Insurance Brokers  
Professional Insurance Brokers Association

Encl.