

12 May 2023

Our Ref: MC/INT/5
By Email

To: Chief Executives of all Authorized Insurers,
Responsible Officers of all Licensed Insurance Agencies and
Licensed Insurance Broker Companies

Dear Sirs,

"Conduct in Focus"

The latest edition of the Insurance Authority's ("IA") periodical "Conduct in Focus" has been published and is now available on the IA's website at:
https://ia.org.hk/en/legislative_framework/conduct_in_focus.html.

In this issue, we present statistics on complaints received in the full year of 2022, giving guidance to insurance practitioners on regulatory matters and highlighting topical issues for policy holders.

Together with the main edition we have also published a separate supplement on "Claims Handling". This provides insurers and insurance claims practitioners with an overview of the existing regulatory principles and standards applicable to the handling and processing of claims under insurance policies and, with a specific focus on medical insurance claims, sets out guidance on the type of matters the IA will take into account when evaluating an insurer's claims handling processes against these regulatory principles and standards.

In Policyholder Corner, following the re-opening of the borders, we highlight three vital lessons that Mainland China visitors should take into account when buying insurance in Hong Kong based on our complaints and enforcement work. In addition, in view of the latest interest being generated by Chatbots powered by artificial intelligence, we offer our own thoughts on their deployment in the insurance sector and the regulatory requirements that might apply.

Finally, as part of our ongoing supervision work, the IA conducts on-site inspections on licensed insurance broker companies to assess their compliance with the key requirements in the insurance regulatory framework. In the Practice Section, we explain the importance of on-site inspection as an effective supervisory tool and provide an overview on what broker companies can expect if they are selected for inspection.

If you have any questions or comments concerning this circular, please e-mail to conductsupervision@ia.org.hk.

Yours faithfully,

Peter Gregoire
Head of Market Conduct Division
General Counsel
Insurance Authority

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