

13 April 2022

Our Ref: INS/TEC/6/96
By Email Only

To: Chief Executives of designated insurance holding companies

Dear Sirs,

Interpretation Notes for Module C of the Guideline on Group Supervision (“Interpretation Notes”)

The Insurance Authority (“IA”) has today issued a set of Interpretation Notes for Module C of the Guideline on Group Supervision to supplement the guidance provided to designated insurance holdings companies in Module C of the Guideline on Group Supervision (“GL32”) on the Insurance (Group Capital) Rules (Cap. 41O of Laws of Hong Kong) (“Group Capital Rules”) which the IA made under sections 95ZI and 129 of the Insurance Ordinance (Cap. 41).

The Interpretation Notes set out the IA’s views as to how certain provisions of the Group Capital Rules operate for different group structures with a specific focus on removal of double-counting by reference to illustrative examples. The Interpretation Notes do not, however, represent any change to the underlying calculation methodology in group capital adequacy assessment. The IA reserves the right to review and update the Interpretation Notes from time to time.

The Interpretation Notes are attached to this circular and may also be downloaded from the IA’s website.

Should you have any questions to this circular, please contact your case officers.

Yours faithfully,

Carol Hui
Executive Director
Long Term Business Division
Insurance Authority

Encl.