

25 May 2020

By Email Only

To: Chief executives of authorized insurers and responsible officers of licensed insurance broker companies

Dear Sirs,

**Application of Guidelines Issued by the Insurance Authority**

I am writing in regard to the following Guidelines (“GLs”):

- GL25: Guideline on Offering of Gifts
- GL27: Guideline on Long Term Insurance Policy Replacement
- GL28: Guideline on Benefit Illustrations for Long Term Insurance Policies
- GL29: Guideline on Cooling-off Period
- GL30: Guideline on Financial Needs Analysis
- GL31: Guideline on Medical Insurance Business

The above GLs have already commenced on 23 September 2019 with the provision of a transitional period that runs until 22 September 2020, except GL 31 which was published on 29 November 2019 for commencement on 23 September 2020. Fully recognising that the COVID-19 outbreak is causing serious disruption to normal economic activities and in light of a request made by The Hong Kong Federation of Insurers, we have decided to modify the approach in bringing these GLs into effect.

For all GLs except GL 31, we will assess the degree of compliance by authorized insurers and licensed insurance intermediaries with the requirements therein as if the transitional period is extended until 31 March 2021. The commencement date of GL 31 remains unchanged, but we will exercise flexibility in determining if the requirements therein have been observed for a period up to 31 March 2021 and expect full compliance with effect from 1 April 2021. This is part of our continuous effort to provide regulatory relief for the industry amidst challenging circumstances, and should be able to provide a sufficient buffer for authorized insurers and licensed insurance intermediaries to update their documentation, controls and processes.

Please contact your case officers for any clarifications or elaborations.

Yours faithfully,

Clement Cheung  
Chief Executive Officer  
Insurance Authority