

保險業監理處

香港金鐘道六十六號  
金鐘道政府合署二十一樓



OFFICE OF THE COMMISSIONER  
OF INSURANCE

21st Floor,  
Queensway Government Offices,  
66 Queensway,  
Hong Kong

圖文傳真 Fax: (852) 2869 0252

覆函請註明本處檔號

In reply please quote this ref. INS/STA/1/7

10 March 2010

來函檔號 Your ref.

電話 Tel.

To: Chief Executives of authorized insurers carrying on general insurance business

Dear Sirs,

**Insurance Companies Ordinance (Cap. 41)**  
**Quarterly Return on General Insurance Business**

To enhance the transparency and quality of insurance statistics, the Insurance Authority and The Hong Kong Federation of Insurers have jointly reviewed the content and format of the Quarterly Return on General Insurance Business ("Quarterly Return"). Following the review, the Quarterly Return has been revised to enable the compilation of data for new sub-classes of business, reporting of technical reserves figures, and enhancing the transparency of the underwriting performance of motor vehicle and employees' compensation insurance businesses. A set of the revised Quarterly Return (with amendments highlighted) is attached for your information.

**Additional Sub-Classes of Direct Business**

The new breakdown of sub-classes of direct business is shown as follows:

Class of Direct Business	Sub-Classes of Business
Motor Vehicle, Damage & Liability	* Comprehensive * Third Party
Ships, Damage & Liability	* Hull & Machinery
	* Ships Liability * Local Vessels Liability * Forwarder Liability * Protection & Indemnity * Others
Property Damage	* Fire * Engineering * Others
General Liability	* Employees' Compensation (EC) * Owners' Corporation Liability * Others
Pecuniary Loss	* Mortgage Guarantee * Others

/.....

Please note that for Owners' Corporation Liability business reported under General Liability business, it shall include both third party bodily injury liability and third party property damage coverage.

### **Technical Reserves**

To align with the format of the Annual Hong Kong General Business Return, the reporting of Unexpired Risks ("UER") Adjustment is to be included in the Quarterly Return. Please be informed that where there are no significant changes to the underwriting policy and claims experience of respective classes of business of an insurer, it would generally be acceptable to assume the UER amounts as at the preceding financial year end, which were annually assessed, to be the UER amounts for Quarterly Return purpose throughout the current financial period. In such case, the insurer shall provide a relevant note in the Remarks section of the Quarterly Return stating its reserving policy on UER for our information. Where there are any such significant changes, the insurer shall review the adequacy of its policy liabilities and evaluate and adjust the UER amounts as appropriate at the reporting quarter-end. As for the allocation of UER amounts to the individual motor vehicle types and employees' compensation trade occupations, apportionment will be acceptable as long as the basis used is reasonable and consistently adopted.

The reporting of respective Unearned Premiums, Unexpired Risks and Net Outstanding Claims Provision quarter-end amounts are also to be included for the electronic generation of relevant ratios to facilitate the insurer management's review of the reasonableness of the reported figures when certifying the Quarterly Return.

### **Motor Vehicle and Employees' Compensation Businesses**

For direct Motor Vehicle business, supplementary information about the underwriting results and premiums vis-à-vis risk exposure by vehicle type are currently collected via two separate forms. The classification of motor vehicle type and insurance coverage under the said two forms is now aligned and the information collected is to be combined under one form to facilitate data reporting, collection and consolidation.

It is also considered appropriate to expand the breakdown of underwriting performance by trade occupation for direct Employees' Compensation business to further enhance transparency. In a similar way, the classification of trade occupation for such data collection is aligned with that under the existing supplementary return on premiums vis-à-vis wageroll/contract value by trade occupation with both data reporting combined under one form.

/.....

## **Explanatory Notes**

A set of Explanatory Notes for Completion of General Insurance Business Quarterly Return has been prepared to clarify the relevant reporting requirements.

—— A copy of the Explanatory Notes is also attached.

## **Implementation**

To allow sufficient time for your preparation under the new reporting requirements, the submission of the revised Quarterly Return will commence as from the **first quarter of year 2011**. The relevant electronic input templates for the data reporting under the revised Quarterly Return will be available on our website nearer the time.

Should you require any clarifications on the above, please contact Miss Peggy Fu (Tel.: 2867 2563), Miss Nancy Chien (Tel.: 2867 2711) or the case officer you have been dealing with in our office.

Yours faithfully,

(Ms Annie Choi)  
Commissioner of Insurance  
(Insurance Authority)

Encl.

cc The Hong Kong Federation of Insurers