

保險業監理處

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

7 January 2011

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)**  
**New E-Templates for Hong Kong General Business Quarterly Returns**

Further to our circular letter of 10 March 2010 (“the Circular Letter”), we are pleased to inform you that the electronic input templates for the revised Hong Kong General Business Quarterly Returns (“HKGBQR”), which consist of four separate report forms (i.e. Forms HKGQ1 to HKGQ4), are now available on our website. Insurers are required to use these new input templates for submission of their HKGBQR starting from **Q1 2011**.

**New Input Requirements/Features**

Whilst there is no material change to the overall operational features of the input templates, your attention is drawn to the following summary of the new data input requirements/features of the revised HKGBQR, most of which have been mentioned in the Circular Letter. You are also advised to read the Explanatory Notes for Completion of General Insurance Business Quarterly Return attached to the Circular Letter to ensure proper compliance with the reporting requirements.

Summary of New Input Requirements/Features		
<b>1</b>	<b>New Sub-Classes of Direct Business in Forms HKGQ1 &amp; HKGQ2</b>	
	<b>Class of Direct Business</b>	<b>Sub-Classes of Business</b>
	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	

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<b>2</b>	<b>Technical Reserves Balances in Forms HKGQ1 &amp; HKGQ2</b>  Unearned Premiums, Net Outstanding Claims Provision and Unexpired Risks as at both the end of the reporting quarter and 31 December of the prior year are additionally required for cross-checking of Net Earned Premiums, Net Claims Incurred and the newly required Unexpired Risks Adjustment respectively. Where there are subsequent amendments to the technical reserves balances as at 31 December of the prior year, please enter “Yes” in the checkbox labelled “Prior Period Adjustment” in the “Other Remarks” field and provide the relevant details. You should ensure consistency in the figures reported to us and inform us of any subsequent amendments.
<b>3</b>	<b>Form HKGQ3 on Direct Motor Vehicle Insurance Business</b>  The existing two separate report forms on underwriting results and premiums vis-à-vis risk exposure by motor vehicle type are combined under Form HKGQ3 with the classification of motor vehicles aligned.
<b>4</b>	<b>Form HKGQ4 on Employees’ Compensation Insurance Business</b>  Apart from the breakdown of gross premiums and annual wage/contract value by trade occupation as required in the existing report form, the new Form HKGQ4 additionally requires the reporting of underwriting performance by trade occupation.
<b>5</b>	<b>Allocation Basis of Management Expenses &amp; Unexpired Risks</b>  A brief description of the allocation basis of Management Expenses among different classes of business, vehicle types and trade occupations should be given in the “Other Remarks” fields in Forms HKGQ1 to HKGQ4 as appropriate. For allocation of Unexpired Risks among different vehicle types and trade occupations, a brief description should also be given in Forms HKGQ3 and HKGQ4 respectively.

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<b>6</b>	<b>Ratios for Management Review</b>  The following ratios will be electronically generated after input of relevant data to facilitate insurer management’s review of the reasonableness of the reported figures before certifying the HKGBQR : <ul style="list-style-type: none"><li>• Gross commissions ratio for each class of business</li><li>• Net claims incurred ratio for each class of business</li><li>• Technical reserves ratio* for each class of business</li><li>• Gross premiums per vehicle insured for each vehicle type</li><li>• Gross premiums as a percentage of sum insured for each vehicle type</li><li>• Gross premiums as a percentage of annual wage/contract value for each trade occupation</li></ul> <p>* <i>Technical reserves ratio for the purpose of the HKGBQR means technical reserves as a percentage of net premiums for four consecutive quarters, i.e. annualized net premiums, up to the reporting quarter. For submission of HKGBQR for Q1 to Q3 2011, where the actual figures of the annualized net premiums for new sub-classes of business are unavailable, please enter the best estimates.</i></p>
<b>7</b>	<b>Signature</b>  The HKGBQR for Q1 2011 and thereafter shall be certified by a Director or Chief Executive.

### **Explanation of Irregularities**

To help our prompt release of market statistics, an explanation of irregularities in the figures reported in the HKGBQR, including any negative values and material changes to premiums or claims figures for the reporting period compared to the same period of prior year, should be given in the “Other Remarks” field in the relevant report form. Please note that a general explanation such as “figures are confirmed/verified/correct/generated by system” is not considered adequate and you are requested to provide further information/details. Where the field space provided in the report form is insufficient, please provide the explanation in a separate sheet.

### **Replacement of Input Templates**

The new input templates for the revised HKGBQR are currently placed under the heading “Revised Hong Kong General Business Quarterly Returns (with effect from Q1 2011)” on our website to distinguish from the existing input templates used. Such heading will be removed after our receipt of all authorized insurers’ HKGBQR for the last quarter of 2010.

You are strongly advised to familiarize with the new input templates, and ensure all the requisite data will be ready for Q1 2011 submission prior to the end of April 2011. Should you have any questions, please contact Miss Peggy Fu (Tel: 2867 2563) or your case officer in our office for issues about the reporting requirements of HKGBQR and Ms Karen Leung (Tel: 2867 3337) for technical issues about the input templates.

Yours faithfully,

(Ros K. T. Lam)  
for Commissioner of Insurance  
(Insurance Authority)

cc The Hong Kong Federation of Insurers