

## Completion Instructions

### Introduction

- 1 For the preparation of the implementation of the new regulatory regime for insurance brokers, the Insurance Authority ("IA") has designed a survey for completion by all insurance brokers registered with The Hong Kong Confederation of Insurance Brokers or the Professional Insurance Brokers Association.
- 2 All information provided by insurance brokers will be treated in strict confidence and will not be disclosed by the IA to any third parties except in an aggregated form of statistics. The information gathered in this survey will be used by the IA to carry out its strategic analysis in relation to the regulation of insurance brokers.

### General Guidance

- 3 This survey consists of three parts and insurance brokers are expected to complete all three parts of the survey to the best of their knowledge. Please complete and return this survey to the IA **on or before 31 May 2018**.
- 4 Insurance brokers are encouraged to submit the completed survey electronically in Excel file format to the IA's designated email address at: **brokers@ia.org.hk**.
- 5 Monetary figures provided in this survey should be shown to the nearest thousand in HK\$, or HK\$ equivalent in the case they are translated from foreign currency.
- 6 For enquiries about this survey, please contact Market Conduct Division of the IA at telephone number 3899 9748 or 3899 9746.
- 7 If necessary, the IA may contact the insurance broker separately to clarify the information provided in this survey.

### Terms and Definitions

- 8 ILAS (i.e. Investment-Linked Assurance Scheme) refers to Class C Business under Part 2 of Schedule 1 to the Insurance Ordinance (Cap. 41).
- 9 Gross Insurance Brokerage Income means gross brokerage income derived from advising on or arranging any contract which contains an element of insurance. Such income may include commission earned under the commission-based brokerage arrangement or consultancy fee charged under the fee-based brokerage arrangement. However, amounts collected on behalf of clients such as premium payments to insurers should not be regarded as gross insurance brokerage income.
- 10 Brokerage Commission & Fee Expense means commission, fee or remuneration paid to other parties by an insurance broker for the purpose of advising on or arranging any contract which contains an element of insurance. Other parties may include chief executives, technical representatives, other insurance brokers or referrers.
- 11 Referrer means a person who is not an authorized insurance broker or registered as chief executive or technical representative of an authorized insurance broker, but refers or introduces insurance business to an authorized insurance broker.
- 12 Other Income means income received by an insurance broker other than gross insurance brokerage income.
- 13 Other Expense means expense paid by an insurance broker other than brokerage commission & fee expense.
- 14 Client Account means a current or deposit account maintained by an insurance broker with a financial institution duly authorized under the Banking Ordinance (Cap. 155) in the name of the insurance broker in the title of which the word "client" appears for the purpose of complying with the Guideline on Minimum Requirements for Insurance Brokers issued by the IA.
- 15 Complaint means the expression of dissatisfaction, made verbally or in writing, by a client or a potential client of an insurance broker.

## Part 1. General Information

### Basic Particulars

- (1.1) Name of Insurance Broker ("your Company"):
- (1.2) Is your Company a member of
- |   | Yes / No             | Membership number    |
|---|----------------------|----------------------|
| (a) The Hong Kong Confederation of Insurance Brokers ("CIB")? | <input type="text"/> | <input type="text"/> |
| (b) the Professional Insurance Brokers Association ("PIBA")?  | <input type="text"/> | <input type="text"/> |
- (1.3) Does your Company have any registration or license with
- |   |                      | Registration / license number |
|---|----------------------|-------------------------------|
| (a) the Securities and Futures Commission?          | <input type="text"/> | <input type="text"/>          |
| (b) the Mandatory Provident Fund Schemes Authority? | <input type="text"/> | <input type="text"/>          |
- (1.4) Place of incorporation of your Company:
- (1.5) Date of first registration as an insurance broker in Hong Kong:
- (1.6) Human resources of your Company as of 31 December 2017:
- |   |                      |
|---|----------------------|
| (a) Total number of chief executive(s) and technical representatives: | <input type="text"/> |
| (b) Total number of other employees (e.g. internal staff):            | <input type="text"/> |
- (1.7) Whether your Company has any connected party (i.e. with a common ultimate shareholder having 15% or more shareholding) acting as an insurance agent in Hong Kong?
- If yes, please provide the name of the connected party and its registration number with the Insurance Agents Registration Board:
- 
- (1.8) Whether your Company has any connected party (i.e. with a common ultimate shareholder having 15% of more shareholding) also acting as an insurance broker in Hong Kong?
- If yes, please provide the name of the connected party and its membership number with CIB or PIBA:
- 
- Contact Information:**
- (1.9) Contact person for this survey
- |                          |                      |
|--------------------------|----------------------|
| (a) Post in your Company | <input type="text"/> |
| (b) Telephone number     | <input type="text"/> |

## Part 2. Financial Information

(2.1) The latest audited financial year ended (e.g. 31 December 2016)

(2.2) Statement of profit or loss for

1 January to 31 December 2017  
(based on management account)

the latest audited financial year  
ended

HK\$'000

HK\$'000

(a) Gross insurance brokerage income:



By breakdown:

(i) derived from general insurance business

(ii) derived from long term insurance business (excluding ILAS)

(iii) derived from long term insurance business (ILAS only)

(b) Brokerage commission & fee expense



(c) Other income

(d) Other expense

(e) Profit / (loss) before taxation (i.e. = item (a) - item (b) + item (c) - item (d))

(2.3) Statement of financial position at the latest audited financial year ended

(a) Cash and cash equivalents

(b) Intangible assets

(c) Amounts due from related parties

(d) Total assets

(e) Total liabilities

(f) Total net assets

(g) Paid-up share capital

(2.4) Please provide the names of the top five insurers, in terms of gross insurance brokerage income, for the latest audited financial year ended:

Name of insurer		Gross insurance brokerage income derived from the insurer (HK\$'000)
(i)		
(ii)		
(iii)		
(iv)		
(v)		

### Part 3. Business and Operation Information

#### Business Information for the period from 1 January to 31 December 2017:

(3.1) For long term insurance brokerage business, in terms of the number of new policies (including rider and top-up) arranged during the period and with the best estimate:

- (a) Percentage (%) of policies arranged for Hong Kong based individual policyholders (e.g. with Hong Kong identity cards)  %
- (b) Percentage (%) of policies arranged for non-Hong Kong based individual policyholders (e.g. without Hong Kong identity cards)  %
- (c) Percentage (%) of policies arranged for non-individual policyholders (e.g. corporate, trust etc.)  %

(3.2) For brokerage commission & fee expense during the period, in terms of monetary amount and with the best estimate:

- (a) Percentage (%) of brokerage commission & fee expense paid to your Company's chief executive(s) and technical representatives:  %
- (b) Percentage (%) of brokerage commission & fee expense paid to other insurance brokers:  %
- (c) Percentage (%) of brokerage commission & fee expense paid to referrers:  %

#### Client Accounts for the period from 1 January to 31 December 2017 :

(3.3) Number of client accounts kept as of 31 December 2017:

(3.4) Based on your Company's accounting ledger, the total balance (HK\$'000) of all client accounts as of 31 December 2017:

(3.5) How frequent (e.g. daily, weekly or monthly, etc.) did your Company perform bank reconciliation for

- (a) client account?
- (b) own operating bank account?

(3.6) Did your Company receive and handle clients' monies for

- (a) general insurance business?
- (b) long term insurance business (excluding ILAS)?
- (c) long term insurance business (ILAS only)?

Yes / No

<input type="text"/>
<input type="text"/>
<input type="text"/>

#### Professional Indemnity Insurance:

(3.7) Details of the current professional indemnity insurance:

- (a) name of insurer
- (b) limit of indemnity (HK\$'000)
- (c) deductible amount (HK\$'000)

(3.8) Whether the current professional indemnity insurance also covers companies other than your Company?

(3.9) Whether your Company has made claims under professional indemnity insurance in the past 3 years (i.e. years 2015 - 2017)?

#### Complaints:

(3.10) Number of complaints received in the past 3 years (i.e. years 2015 - 2017):