

PROFESSIONAL INSURANCE BROKERS ASSOCIATION LIMITED

1. Membership

The Association shall consist of company memberships as defined in the Articles of Association of which include corporations, individuals and partnerships.

Members of the Association, being 'insurance brokers', professionally represent buyers of insurance contracts with a view to the conclusion of such contracts and owe primary fiduciary responsibility to those buyers. It is also the duty of the insurance broker to assist, when appropriate, in the administration and performance of such contracts, and in particular, in the event of a claim.

2. Eligibility of Membership

A company is eligible for membership of the Association provided it has satisfied the Membership Committee of the Association :

- (a) that the principal business activity of the company applying for membership is the activity of insurance broking. Other business which are, in the opinion of the Committee, related to and consistent with the business of insurance broking, are permissible.
- (b) that the company is under the direction and supervision of a designated individual who is a recognized insurance person as defined hereunder and who is a director or full-time employee of the company and that the company is controlled by fit and proper person at all times.
- (c) that the company is a registered business situate in Hong Kong.
- (d) that the name of the company is not likely to deceive.
- (e) that the company has a paid up capital of not less than HK\$100,000.
- (f) that the company maintains adequate accounting records to reflect the transactions of its businesses.
- (g) all members of the Association shall take out adequate professional indemnity insurance unless otherwise approved by the Association.

Recognized Insurance Persons

A recognized insurance person is an individual who, by application, has been listed in the register of the Association. Only persons whose names are on such a register for the time being shall be allowed to act as a Member's Representative to the Association.

Eligibility of individuals to be recognized insurance persons

An individual shall be eligible for registration provided he/she has satisfied the Association :

- (a) if he/she holds an insurance qualification approved by the Association that he/she has a minimum of three years relevant experience in the insurance industry.
- (b) if he/she holds no insurance qualification, that he/she has a minimum of seven years relevant experience in the insurance industry of which the latter part is of executive level.
- (c) that he/she is a fit and proper person and has always, in the opinion of the Association complied with recognized ethical standard in his/her business dealings, and has not been convicted of any criminal offence, or found guilty of misconduct within these regulations by the Association.
- (d) that he/she is a resident in Hong Kong and is at least 21 years of age.
- (e) that he/she is employed by a member company of the Association at the time of application to be registered.

3. Code of Practice

- (a) Members of the Association shall at all times conduct their business with utmost good faith and integrity, and provide advice objectively and independently.
- (b) Members shall in all possibility satisfy the insurance requirements of their clients and shall place the interests of those clients above all other considerations.
- (c) Members shall ensure the use of a sufficient number of insurers to satisfy the requirements of their clients.
- (d) Members shall not disclose any information acquired from his client except in the normal course of negotiating, maintaining or renewing a contract of insurance for that client or unless the consent of the said client has been obtained or the information is required by a court of competent jurisdiction.

- (e) Members shall not make or cause to be made advertisements or statement, which in the opinion of the Association, are misleading or extravagant.
- (f) A member who engages in another business or occupation concurrently with the practice of insurance broking shall not allow such outside interest to jeopardize his integrity, independence or competence.
- (g) Members shall not charge or accept any fee that is disproportionate to the service rendered to a client.
- (h) Members shall uphold the institute of the insurance industry and shall not cause the public to lose confidence either in insurance brokers or the insurance industry as a whole.

4. Misconduct

The following practices shall be construed as 'misconduct' for the purposes of these regulations :

- (a) The use of methods of solicitation and advertising that are not compatible with the honour and dignity of the profession of insurance broking.
- (b) The use of any illustration, circular or memorandum that misrepresents or is incomplete as regards the terms, benefits or advantages of any contract of insurance issued or to be issued to a prospective purchaser of insurance.
- (c) The use of any incomplete comparison of any policy or contract of insurance for the purpose of inducing an insured to forfeit or replace a policy or contract of insurance.
- (d) The offer of any payment, allowance or gift as an inducement to any prospective insured to insure through the offerer.
- (e) Holding out to the public or advertising by means of advertisements, cards, circulars, letters, signs or other methods in an irresponsible or untruthful manner.
- (f) Failure to carry on business in a manner consistent with the code of practice within these regulations.

5. Powers of the Membership Committee

The Membership Committee of the Association shall have the responsibility to grant full membership of the Association in accordance with the regulations.

Any members who, in the opinion of the Committee, is in breach of the regulations shall be first issued with a warning notice by the Association and may subsequently be removed from membership upon repeated violations of these regulations.

The Committee shall have the responsibility to add new provisions under these regulations and make amendments from time to time.