

會員規則  
及  
專業守則

Membership Regulations  
And  
Code of Conduct

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THE HONG KONG CONFEDERATION  
OF INSURANCE BROKERS



**THE HONG KONG CONFEDERATION  
OF INSURANCE BROKERS**

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## MEMBERSHIP REGULATIONS

These Membership Regulations are made pursuant to Article 5 of the Articles of Association of the Confederation by the General Committee and approved by the subscribers to the Memorandum of Association of the Confederation.

1. (A) Words and phrases defined in the Articles of Association of the Confederation shall have the same meanings in these Regulations.  
(B) The term "Nominated Accounts" shall mean for the purposes of these Regulations one or more separate cheque accounts, deposit accounts or other interest bearing facilities offered by institutions duly authorised under the Banking Ordinance, any of such institutions' overseas branches or any bank which would be an "exempted person" for the purposes of paragraph 8 of Schedule 1 to the Money Lenders Ordinance, each of which shall be designated as a "Nominated Account" to hold all money due to third parties, including clients, insurers, re-insurers and other insurance intermediaries.
2. The Member shall be a corporate body and shall be under the direction and overall day to day supervision and control of an individual who is an Accepted Insurance Person and who is a director or full-time employee of the Member and the Member shall be controlled by fit and proper persons at all times.
3. The Member shall not be dependent on any particular insurance company in transacting normal insurance business.
4. The name of the Member shall not be such as shall be likely to deceive.
5. The Member shall have a paid up capital of not less than HK\$100,000 and shall have a net worth of not less than HK\$100,000.
6. The Member shall maintain adequate accounting records to reflect the transactions of its business.
7. The Member shall maintain Nominated Accounts in accordance with the following rules:-
  - (i) all monies due to third parties shall as soon as practicable after they are received be deposited into a Nominated Account and shall only be used to make payments to the party to whom such monies are due;
  - (ii) no Member shall use a Nominated Account to secure any other facility with any bank or other lender;
  - (iii) interest receivable on Nominated Accounts shall accrue to the Member, and may only be withdrawn from the Nominated Account once funds have been credited to that Nominated Account by the bank;
  - (iv) the Member will be responsible for any bank charges that may be payable on any Nominated Account, and not less than quarterly, shall transfer from the Member's own funds, sufficient money to reimburse such charges incurred on a Nominated Account;

(v) funds held in Nominated Accounts may be denominated in any currency but may not be used for the purposes of currency speculation.

8. The Member shall comply with any code of conduct promulgated from time to time by the Confederation.

9. The Member shall maintain a professional indemnity insurance policy with a minimum limit of indemnity for any one claim and in any one insurance period of 12 months, of a sum equal to two years' annual brokerage of the Member or HK\$2,000,000 whichever is the greater, and the policy shall include provision for one automatic reinstatement to a limit of indemnity of not less than HK\$2,000,000 if as a result of a claim(s) the indemnity available shall fall below HK\$2,000,000. The maximum level of indemnity within the policy need not exceed HK\$75,000,000.

10. (A) The Member shall appoint an auditor in Hong Kong and shall promptly notify the Secretary of the name and address of such auditor and of any change in the identity of the auditor or the auditor's address.

(B) Within six months after the end of each financial year, the Member shall deliver to the Secretary a Report signed by the Member's auditor confirming the Member's compliance with Regulations 5, 6, 7 and 9. The auditor's Report shall be in form agreed by the Hong Kong Society of Accountants and approved by the General Committee for the purposes of these Regulations.

(C) The Member shall at such times as may be determined by the General Committee deliver to the Secretary a certificate, in such form as the General Committee may prescribe signed by or on behalf of the Member and accompanied by such supporting documents as the General Committee may prescribe, that the Member is in compliance with these Regulations and has been in compliance with these Regulations throughout the period since the date of its last certificate.

11. The Member shall promptly notify the Secretary, in writing of:-

(i) any change in the Member's address;

(ii) any change in the identity of the Accepted Insurance Person referred to in Regulation 2; and

(iii) any event or circumstance resulting in a breach by the Member of any of these Regulations.

Made by the General Committee of the Confederation this 11th day of February, 1993 and as amended by Members in Extraordinary General Meeting on the 14th day of December 1993.

## CODE OF CONDUCT

This code of Conduct shall serve as a guide to members and the objective of the Code is to assist and establish a recognized standard of professional conduct.

The principles are as follows:

- a. Members shall at all times conduct their business with utmost good faith and integrity.
- b. Members shall do everything possible to satisfy the insurance requirements of their clients and shall place the interests of those clients before all other considerations. Subject to these requirements and interests, members shall have proper regard for others.
- c. Statements made by or on behalf of members when advertising shall not be misleading or extravagant.

The specific examples are that the company shall:

1. provide advice objectively and independently
2. ensure that all employees are made aware of the Code of Conduct.
3. on request explain to a client the differences in the principal types of insurance.
4. use sufficient number of insurers to satisfy clients' requirements.
5. use its skill objectively in the choice of an insurer or insurers in the best interests of a client.
6. if required, inform a client of all insurers with whom a contract of insurance is placed.
7. have proper regard for the wishes of a client who seeks to terminate business.
8. ensure that any information received from clients shall not be used or disclosed except that relating to normal negotiation for insurance or if the information is required by a court of law.
9. in the completion of the proposal form, claim form, or any other material document, insurance brokers shall make it clear that all the answers or statements are the client's own responsibility. The client shall always be asked to check the details and told that the inclusion of incorrect information may result in a claim being repudiated.
10. ensure that advertisements distinguish between contractual and non-contractual benefits.
11. ensure that advertisements are not restricted to the policies of one insurer except where reasons are given and the insurer is named.
12. ensure that advertisements shall disclose the company's identity, occupation and purpose.
13. advise clients that the Code of Conduct is available and display a notice to this effect in a prominent position in its office/offices.
14. ensure that any director or employee who may act for more than one broking firm shall identify to his client which broking firm he is representing in relation to each particular insurance transaction.

**DEFINITION OF ACCEPTED INSURANCE PERSON  
as referred to in Membership Regulation No. 2**

“Accepted Insurance Person” is an individual who satisfies the requirements laid down in Article 19 and whose name appears in the Register of Accepted Insurance Persons.

Article 19

A person shall be eligible to be, and shall be, included on the Register of Accepted Insurance Persons if he satisfies the General Committee that:-

- (a) either -
  - (i) he holds a qualification approved by the General Committee, being a qualification granted to him after receiving instruction from an institution approved by the General Committee, and he has a minimum of two years practical experience in the insurance industry; or
  - (ii) if he holds no insurance qualification, he has a minimum of five years practical experience in the insurance industry; and
- (b) he is a fit and proper person and has always, in the opinion of the General Committee, complied with recognised ethical standards in his business dealings, and has not been convicted of any criminal offence or been found guilty of misconduct within the terms of these Articles or pursuant to any rules or regulations laid down by the General Committee; and
- (c) he is a resident of Hong Kong and is at least 21 years of age; and
- (d) he is an employee or director or proprietor of or partner in a Member of the Confederation at the time of his application to be registered as an Accepted Insurance Person.