PIBA Membership Withdrawal Conditions and Requirements

1. Your company undertakes to cease all new business placement and renewal activities with effect from your date of business cessation.

2. Your company undertakes to notify immediately all your existing clients of your withdrawal as a licensed broker and should ensure the appropriate arrangements and run-off to your un-expired business.

3. Your company undertakes to notify immediately all your existing insurers of your withdrawal as a licensed broker.

4. Your company should produce within 60 days a valid Professional Indemnity Insurance Policy (PI) or Endorsement with the same terms of coverage as the existing one.   The validity period of the said PI shall not be less than one year starting from the date of your formal notice of withdrawal or up to the last expiry or the anniversary date of your placing business whichever is the longer, subject to a non-cancellation clause.   Official receipt of the said PI cover must be produced.

5. Your company should maintain a proper and balanced Client Account at the date of withdrawal, i.e. the Total Premium Receivables plus the Bank Account Balance of the Client Account less the brokerage earned must equal to or not less than the Premium Payables to Insurers.   Auditor's confirmation to the said balance is necessary.

6. Your company undertakes to operate the Client Account as per the Minimum Requirements for Insurance Brokers specified by the Insurance Authority after the withdrawal until the Account is run off.

7. You are required to submit full set of audited financial reports and compliance certificate not later than the end of the 6th month of the termination date.

Note:

We would like to draw your attention that failure to comply with either one of the above conditions / requirements will render your company an improper withdrawal which means that it will affect the record of your esteemed company and your chief executive.   Notice of your improper withdrawal will also be served to relevant parties such as IA., HKFI, IARB, CIB and LUA accordingly.