

會員規則
及
專業守則

Membership Regulations
And
Code of Conduct

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香港保險顧問聯會

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THE HONG KONG CONFEDERATION
OF INSURANCE BROKERS



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 "Client Account" shall mean for the purposes of these Regulations at least 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 "Client 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 the Chief Executive 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 and shall not act in any capacity as an agent of an insurer.
4. The name of the Member shall not be such as shall be likely to deceive, mislead or confuse.
5. The Member shall maintain a minimum net assets value and a minimum paid up share capital of HK\$100,000 at all times.
The minimum net assets value is to be determined by excluding all intangible assets and be in accordance with accounting principles generally accepted in Hong Kong.
6. The Member shall maintain adequate accounting records to reflect the transactions of its business.
7. The Member shall maintain Client Accounts in accordance with the following rules :-
 - i. The Client Accounts shall be designated as such in the account title and on cheques;
 - ii. The Member shall retain evidence that the provisions of Section 71 of the Insurance Companies Ordinance have been notified to and acknowledged by the financial institution with which each Client Account is maintained.
 - iii. All monies due to third parties shall as soon as practicable without delay after they are received be deposited into a Client Account and shall only be used to make payments to the party to whom such monies are due.
 - iv. No Member shall use a Client Account to secure any other facility with any bank or other lender.



**THE HONG KONG CONFEDERATION
OF INSURANCE BROKERS**

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- v. Interest receivable on Client Accounts shall accrue to the Member, and may only be withdrawn from the Client Account once funds have been credited to that Client Account by the bank.
 - vi. The Member will be responsible for any bank charges that may be payable on any Client Account, and not less than quarterly, shall transfer from the Member's own funds, sufficient money to reimburse such charges incurred on a Client Account.
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 twelve months, of a sum equal to -
- i. two times the aggregate insurance brokerage income relating to the twelve months immediately preceding the date of commencement of the policy (or where the broker has been in business for less than one year, two times the projected insurance brokerage income for the twelve months period of the policy), or
 - ii. a sum of HK\$3,000,000 (or such greater amount as shall be prescribed by the Insurance Authority from time to time).

whichever sum shall be the greater, up to a maximum requirement of HK\$75,000,000.

If as a result of a claim(s), the indemnity available shall fall below the amount determined in i. above, the Member shall effect a reinstatement of cover up to not less than such minimum determined amount. Where the limit of indemnity has been determined in accordance with ii. above, the policy shall include provision for one automatic reinstatement to a limit of indemnity of not less than the minimum amount applicable under ii.

For purposes of determining the minimum limit of indemnity required under i. above, insurance brokerage income means brokerage income derived from advising on or arranging any contract which contains an element of insurance, irrespective of the extent of such insurance element.

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 6 months after the end of each financial year, the Member shall deliver to the Secretariat of the Confederation :-
- i. Auditor's financial statement which shows a true and fair view of the financial position of the Member as at the end of the financial year and its profit or loss for the period then ended.

- ii. An auditor's report expressing whether, in his opinion, the Member satisfies the Minimum Requirements for capital and net asset, professional indemnity insurance, keeping of separate Client Accounts and keeping of proper books and accounts as at the end of the financial year and two such other days in the financial year as the auditor may elect provided that the intervening period between those two dates shall not be shorter than 3 months.
- (a) The statement shall take the form laid down in guidelines issued by the Hong Kong Society of Accountants and approved by the Insurance Authority and the Confederation.
 - (b) For the purposes of reporting on the 2 such other days as referred to above, it is sufficient for the auditors to perform such procedures as laid down in the guidelines issued by the Hong Kong Society of Accountants in consultation with the Insurance Authority in this respect.

(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, or such other evidence that the Member is in compliance with these Regulations or such other information as the Confederation or the Insurance Authority may require in pursuance of compliance with the Regulations or Code of Conduct of the Confederation or regulations or guidelines laid down by the Insurance Authority.

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 Chief Executive referred to in Regulation 2; and
 - (iii) any event or circumstance resulting in a breach by the Member of any of these Regulations.
12. Notwithstanding the foregoing, the Member shall comply with all Minimum Requirements issued by the Insurance Authority.

Made by the General Committee of the Confederation on the 11th day of February, 1993 and as amended by Members in Extraordinary General Meeting on the 14th day of December 1993 and in Annual General Meeting on the 26th day of October 1995 and in Extraordinary General Meeting on the 10th day of December 1996.



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, independently and impartially.
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 and explain the terms and exclusions therein.
4. use sufficient number of insurers to satisfy clients' requirements without unduly limiting the client's choice.
5. use its skill objectively in the choice of an insurer or insurers in the best interests of a client and shall not be unreasonably dependent on any particular insurer in transacting broking business.
6. if required, inform a client of all insurers with whom a contract of insurance is placed and disclose any special association he may have with any insurer whom he is recommending.
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 and explain the principle of utmost good faith. 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.



DETAILS OF REGISTERED CHIEF EXECUTIVES

Definition of Chief Executive as referred to in Membership Regulation No. 2

"Chief Executive" is an individual who complies at least with the minimum requirements laid down in Article 19 and is registered in the Register of Chief Executives.

Article 19

A Member shall at all times have a Chief Executive who shall be an individual who complies at least with the minimum requirements specified by the Insurance Authority under section 69(2) and section 70(2) of the Insurance Companies Ordinance (Chapter 41) for and in respect of a Chief Executive of an insurance broker as such requirements may be amended from time to time and who also satisfies the General Committee that he complies at least with the following requirements:-

(a) either -

- (i) he holds an acceptable insurance qualification approved by the Insurance Authority, and he has a minimum of two years' experience in the insurance industry occupying a management position; or
- (ii) if he holds no acceptable insurance qualification, he has a minimum of five years' experience in the insurance industry of which two years is at a management position; 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 which may affect his fitness, suitability or propriety or been found guilty of misconduct by a professional body to which he belongs or has belonged or within the terms of these Articles or pursuant to any rules or regulations laid down by the General Committee; and

(c) he resides in Hong Kong and is at least 21 years of age; and

(d) he is a full time employee or full time director of a Member under whom the business of the Member in Hong Kong is supervised or conducted; and

(e) he is nominated by the Member in (d) above for registration as its Chief Executive.

In respect of (a)(i), an acceptable insurance qualification may either be an associate or fellow of The Chartered Insurance Institute (ACII) (FCII) or The Australian Insurance Institute (AII) (FAII) or The Insurance Institute of New Zealand (AIINZ) (FIINZ) or equivalent qualifications acceptable to the Insurance Authority.