A General Comparison between Hong Kong and PRC Insurance Law



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1. General Information

- 2. Types of Insurance Companies
- 3. The Criteria for an insurance license
- 4. Regulatory Authority
- 5. Insurance Products
- 6. Insurance Contracts
- 7. Self Regulations

1. General Information

group)

Total No. of Insurance Companies in Hong Kong

	Hong Kong	PRC
• General:	96	60
◆ Life:	45	64
Composite:	20	NIL
		(insurance

2. Types of Insurance Companies

Types of Insurance Companies

Hong Kong



- General
- Composite
- Captive
- Reinsurance (life / general)

<u>PRC</u>



Property





Reinsurance
 (Personal/Propriety)

3. The Criteria for an Insurance License

How to Apply to Become an Insurance Company in HK/PRC

Hong Kong

- Insurance Companies Ordinance (ICO)
- 10 million (general)
 - 20 million (life)
- •
- Restriction on carrying on of insurance business
- Restriction on use of the word "insurance" or "assurance"

How to Apply to Become an Insurance Company in HK/PRC

PRC

- Regulations for Admin of Insurance Institution with Foreign Capital
- 200 million (RMB)
 - 5 billion (USD)
 - 30 years

EPA

- 2 years of Rep Office
- J.V. Foreign shareholder not more than 50% personal

4. Regulatory Authority

Regulatory Authority



 The Office of the Commissioner of Insurance

 China Insurance Regulatory Commission (CIRC)

PRC

Main Duties of Insurance Authority Regulate and Supervise

Hong Kong

- Auditor
- Actuary
- Power of Investigation
- Power of Intervention
- Actuarial Investigation Report and Financial Information
- Margin of Solvency Regulation





5. Insurance Products

Insurance Products

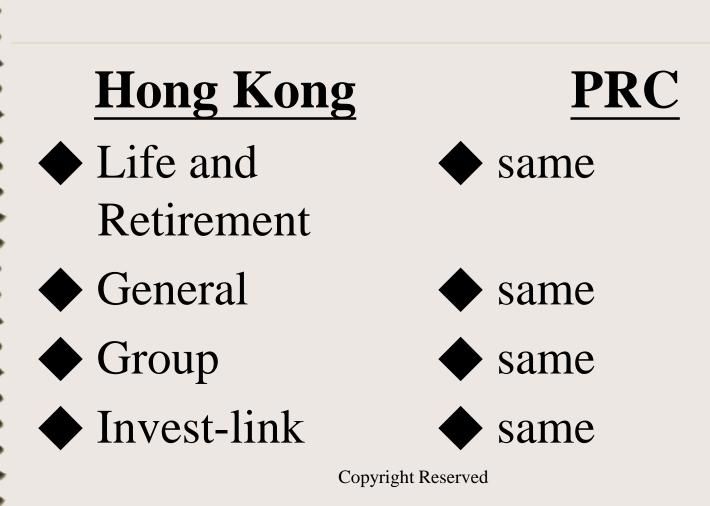


Hong Kong

Design own products

PRC
 All products subject to CIRC approval before launch

Main Types of Insurance Products



PRC

under insurance

law and Social

Security Law

Insurance Product – Retirement Schemes

Hong Kong

 Occupational Retirement Schemes

Mandatory Provident Fund Schemes

6. Insurance Contracts

Insurance Contract



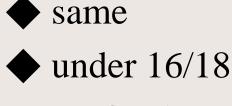
Misleading
 statements etc. and
 false information;
 offences



♦ Juvenile policy

China Insurance Law





- refund

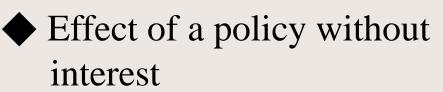
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Insurance Interest

Hong Kong

The time when interest is required





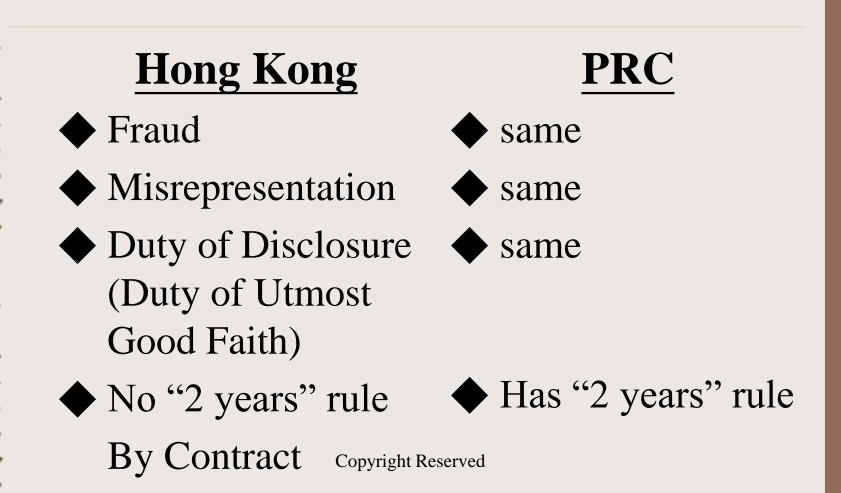
 Requirement of insurable interest overcome by subsequent assignment

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same

Utmost Good Faith



Assignment

Hong Kong

Absolute Assignment

Collateral / mortgage *a temporary transfer*

of some policy rights by the policy owner to a bank or other lender to provide security for a loan

• Inform insurer, no consent required^{Copyright Reserved}

PRC

require consent from Life Insured



same

7. Self Regulations

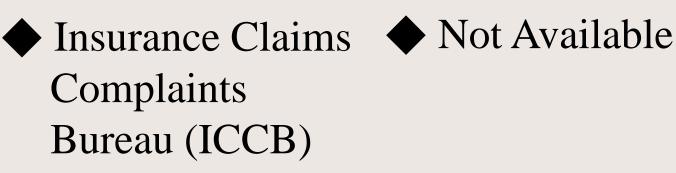
Self-Regulations



PRC

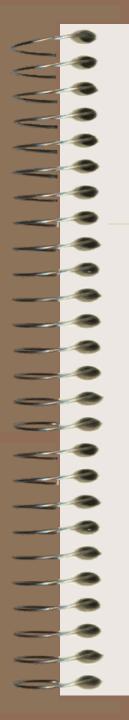
Hong Kong

• Insurance Agents Registration Board (IARB)



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 \bullet CIRC





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Q & A Session



PLEASE NOTE

The law and procedure on this subject are very specialised. This article is a general explanation for your reference only and should not be relied on as legal advice for any specific case. If legal advice is needed, please contact our solicitors.

請注意

本題目之法律及程序十分專門。此文章只屬一般性之解釋, 供你參考,而不應被依賴為關於任何特定事件之法律意見。 如需法律意見,請與我所律師聯絡。

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