

Insurance Services (3) – 2007 Liberalization Measures

1. Where can a person obtain detailed information on application for sitting in the Mainland’s Qualifying Examinations for Insurance Intermediaries?

The China Insurance Regulatory Commission (“CIRC”) has appointed the Vocational Training Council (“VTC”) to administer the Hong Kong examination centre for the Mainland Qualifying Examinations for Insurance Intermediaries. Hong Kong residents can enrol for the examinations held in Hong Kong with effect from 31.3.2008. For enquiries on the examination details, please contact VTC at 2919 1467 or visit its website at <http://www.vtc.edu.hk/cpdc>.

2. The Supplement IV to CEPA allows Hong Kong insurance agency companies to set up wholly-owned companies in the Mainland to provide insurance agency services for the Mainland insurance companies. What are the criteria for Hong Kong insurance agency companies to apply for the setting up of wholly-owned agency companies in the Mainland?

Under the Supplement IV to CEPA, Hong Kong insurance agency companies are insurance agencies which have been registered by the Insurance Agents Registration Board of Hong Kong and meet the criteria set out in the “Notice on the Establishment of Wholly-owned Insurance Agency Firms in the Mainland by Hong Kong and Macao Insurance Agency Firms” issued by the CIRC on 27.12.2007. The criteria include:

- The applicant should be a professional insurance agency in Hong Kong or Macao;
- Operating in insurance agency business for over 10 years;
- The average annual business revenues for the past 3 years before application should not be less than HK\$500,000 and the total assets as at the end of the year before application should not be less than HK\$500,000;
- Within 3 years before application, there is no serious misconduct and record of disciplinary action.

The Notice is available in CIRC’s website (http://www.circ.gov.cn/Portal0/InfoModule_394/61056.htm).

3. Is an insurance agency company set up in the Mainland permitted to sell insurance policies there for Hong Kong insurers?

The insurance agency company set up in the Mainland is not permitted to sell insurance policies there on behalf of Hong Kong insurers. The insurance agency company should only provide insurance agency services for the Mainland insurers.