

8 November 2024

Our Ref: CDD/PNILAS/CIR-2

By email

To: Chief Executives of all Authorized Insurers underwriting direct business in Class C Linked Long Term Business and Responsible Officers of All Licensed Insurance Broker Companies carrying on regulated activities in respect of Long Term Business (including Linked Long Term Business)

Dear Chief Executives and Responsible Officers,

CPD Course for Insurance Brokers on Grandfathered Investment-Linked Assurance Scheme Policies (“ILAS Policies”)

Further to the Insurance Authority (“IA”)’s circular of 5 July 2024 on the “Practice Note on the application of requirements in the insurance regulatory framework to specific services provided by licensed insurance brokers on investment choices and premium allocations under Investment-Linked Assurance Scheme Policies” (“Practice Note”), the IA issues this circular to supplement the details regarding the specific Continuing Professional Development (“CPD”) course for compliance with the Additional CPD requirement under the Grandfathering Arrangements set out in the Practice Note.

Effective from 1 October 2024, the Practice Note establishes the competency requirements for licensed insurance brokers providing advisory investment services or discretionary investment management services in relation to ILAS Policies. Existing licensed insurance brokers who are unable to meet the new competency requirements by 1 October 2024 can continue providing such services for ILAS policies issued before 1 October 2024 (“Grandfathered ILAS Policies”), only if they can observe the Grandfathering Arrangements set out in Part A(III) of Annex A to the Practice Note (“Grandfathering Arrangements”).

The Grandfathering Arrangements allow the services to continue to be provided on Grandfathered ILAS Policies, until 31 July 2027, provided that the relevant insurance brokers comply with the Additional CPD requirement, essentially requiring 2 additional CPD hours to be completed annually in each of the following CPD Assessment Periods:

- from 1 August 2024 to 31 July 2025
- from 1 August 2025 to 31 July 2026; and
- from 1 August 2026 to 31 July 2027

First run of the Course for Insurance Brokers on Grandfathered ILAS Policies

Recently, the Hong Kong Securities and Investment Institute (“HKSI Institute”) co-organizes with Professional Insurance Brokers Association (“PIBA”) and The Hong Kong Confederation of Insurance Brokers (“CIB”) to roll out a course named ‘Course for Insurance Brokers on Grandfathered ILAS Policies’. This course is recognised by the IA for fulfilling the Additional CPD requirement under the Grandfathering Arrangements. All other interested insurance intermediaries are also welcome to complete the course for attainment of their standard annual CPD hours.

Details of the first run of the course are as follows:

Date	26 November 2024
Time	3:00pm to 5:00pm (2 hours)
Format	Webinar
Language	Cantonese, supplemented by English materials
Course Fee	<ul style="list-style-type: none">- HK\$120 (after 80% reimbursement, please see remarks below)- HK\$600 (original course fee) Remarks: The course is recognized as an eligible course under the Pilot Programme to Enhance Talent Training for the Asset and Wealth Management Sector (“WAM”), and eligible applicants will be reimbursed 80% of the original course fee (i.e. HK\$ 600) upon satisfactory completion of the course. Eligible applicants for the aforesaid reimbursement include all licensed insurance intermediaries (i.e. licensed insurance agents and licensed insurance brokers).
Participants limit	100
Registration links	Applicants should register for the course at these links: English: < [Webinar] Course for Insurance Brokers on Grandfathered ILAS Policies > Traditional Chinese: < [網上研討會] 持牌保險經紀於過渡安排涵蓋的投連壽險保單培訓課程 >
Procedures	A brief description of the procedures on registration and course fee reimbursement is made available in Appendix 1 to this circular for reference.

The course will be re-run from time to time within each CPD Assessment Period (i.e. 1 August to 31 July) and be available in Cantonese and English. The schedule of the re-run courses will be announced by HKSI Institute, PIBA and CIB when available.

Responsibility of Insurance Brokers and Keeping of Proper Records

Licensed insurance brokers are reminded that it is their responsibilities to have proper controls, procedures and adequate supervision to ensure that their technical representatives (broker) and responsible officers who are subject to the Grandfathering Arrangements to have complied with the Additional CPD requirement, and each such technical representative (broker) and responsible officer should properly retain documentary evidence in support of their attendance. The IA will conduct spot-check to ascertain compliance (whether during inspections or by issuing requests or at the time a renewal for licence is made). The IA reserves the right to penalize the failure to fulfil Additional CPD requirement with a public reprimand.

Should you have any enquiries on the above, please email us at <conductsupervision@ia.org.hk>.

Yours faithfully,

Alan Wu
Acting Head of Conduct Supervision
Insurance Authority

c.c. Hong Kong Securities and Investment Institute
The Hong Kong Federation of Insurers
Professional Insurance Brokers Association
The Hong Kong Confederation of Insurance Brokers

Appendix 1 – Procedures on Registration and Course Fee Reimbursement

(A) Procedures on registration

1. Before registration, participants should prepare their personal and licensing details for input. Registration is only available on an individual basis.
2. Please follow the instructions on the registration link and participants must create an account on the HKSI Institute portal with valid and complete information to proceed. Participants are strongly encouraged to use their personal email addresses for managing their individual accounts on the HKSI Institute portal. The link to the webinar will be available on the day of the course after logging into the individual account.

(B) Procedures on course fee reimbursement under WAM Pilot Programme

3. Eligible applicants that have satisfactorily completed the course will be eligible for applying reimbursement of 80% course fee under the Pilot Programme to Enhance Talent Training for the Asset and Wealth Management Sector (“WAM Pilot Programme”), subject to a cap of \$15,000 per person for the entire duration of the Scheme (i.e. from 1 October 2016 to 31 March 2026).
4. Applicants must complete the [online application](#) and submit all required documents to the HKSI Institute within **FOUR months** from the last day of the course completed. You are strongly encouraged to read through the "[Guide to Applicants](#)" for eligibility and application procedure before application.
5. Should you have any enquiries on the course fee reimbursement, please visit “[Quick Reference Guide](#)” for a short video and a summary for the application process for reimbursement or email to <training@wamtalent.org.hk>. For information related to the Financial Incentive Scheme under the WAM Pilot Programme, please visit [here](#) for more details.

Point to Note

For effective management, insurance broker companies with 50 or above technical representatives (broker) that are subject to the Grandfathering Arrangements are strongly encouraged to contact the HKSI Institute <education@hksi.org> for the arrangement of exclusive session for their technical representatives (broker).