

31 July 2024

**By email only**

To: Chief Executives of all authorized insurers, Responsible Officers of all licensed insurance agencies and licensed insurance broker companies

Dear Sir/Madam,

**Fees for insurance intermediary licensing applications and related notifications payable on and from 23 September 2024**

The Insurance Authority (“IA”) confirms that, from 23 September 2024 onwards, it will charge fees for processing insurance intermediary licence applications and related notifications.

The fees to be charged are set out in [Annex 1](#) and are the same as those stated in the consultation conclusions issued to all relevant insurance industry bodies on 29 February 2024. These fees have now been implemented through amendments to the Insurance (Prescribed Fees) Regulation (Cap. 41B).

**Our commitment**

This circular and its Annexes set out detailed arrangements for payment of the fees. Before that, however, we would like once again to extend our thanks to the industry bodies and other commenting participants for their valuable feedback in the consultation. This feedback has been taken into account in settling the final formulation of the fees set out in [Annex 1](#).

The additional income to be derived from the fees will enable the IA to continue to effectively perform its public functions of regulating and supervising the insurance industry for the purpose of promoting the general stability of the industry and protecting policy holders. In doing this, we will further develop our work in:

- upholding standards of professional conduct in the insurance market;
- administering an effective, efficient and technology-based licensing process focusing on the fitness and properness of insurance intermediaries operating in the insurance market;

- examining (through inspection and conduct supervision) corporate governance controls and processes of insurers and the level of support they provide to their appointed insurance agents and in their dealings with insurance broker companies;
- ongoing inspection and supervision of insurance broker companies and insurance agencies;
- offering practical training to insurance practitioners on regulatory matters;
- embarking on policy holder education campaigns to underpin the importance of insurance in society and empowering consumers to make informed insurance buying decisions; and
- robustly defending the integrity of the insurance market through proportionate enforcement (whether disciplinary action or prosecution) against unlicensed selling and other activities which risk harm to policy holders.

## **1. What fees are payable and when?**

Starting from 23 September 2024, the relevant fee as set out in [Annex 1](#) must be paid to the IA for the following applications/notifications submitted to the IA:

<b>Applications by Individual Licensees</b>	<b>Applications by Insurance Agencies and Insurance Broker Companies</b>	<b>Other notifications/applications</b>
Application for new licence	Application for new licence*	Notification of new appointment of principal
Application to renew a licence	Application to renew a licence	Application for exemption under section 79 of the Insurance Ordinance*
Application to add a line of business to an existing licence	Application to add a line of business to an existing licence*	
	Application for approval of responsible officer	

## **2. How should the fees be paid?**

Fees for applications and notifications submitted electronically through the IA's e-portal, Insurance Intermediaries Connect ("IIC") on and from 23 September 2024, must be paid through IIC at the time the application or notification is submitted. The User Guide for IIC will shortly be updated on the IA's website to cover detailed instructions on how to use the payment function.

**3. Is there a cut-off time for submitting applications and notifications through IIC without fees before 23 September 2024?**

Yes. To prepare for the implementation of the payment gateway in IIC, the cut-off for submission of applications and notifications via IIC without fees will be **at 12:00 noon on Friday, 20 September 2024**. Access to IIC will close at this time. IIC with the new payment function will be resumed on 23 September 2024. Applications and notifications submitted on or after Monday, 23 September 2024 via IIC must be submitted with the relevant fee being paid through IIC.

**4. Can I still submit paper applications/notifications from 23 September 2024 onwards?**

No (save for the exceptions in 5. below).

From 23 September 2024 onwards, if an application or notification can be submitted through IIC, it must be submitted through IIC. The IA will no longer accept such applications in paper form. The adoption rate for applications submitted through IIC has been consistently above 96% for some time now, and with the IA collecting licensing and related fees it is essential that we utilize our resources as efficiently as possible to pursue the commitments outlined above. Hence, the move to fully paperless applications and notifications (and fee payments) which are submittable through IIC from 23 September 2024 onwards.

**5. Are there any exceptions to 4. above?**

Yes. Certain applications (identified with a \* in the table in 1 above) are not yet submittable through IIC, namely:

- a) Application for **new** licence as an insurance agency or insurance broker company;
- b) Application for varying line of business made by insurance agency or insurance broker company; and
- c) Application for exemption under section 79 of the Insurance Ordinance.

These applications should continue to be submitted in paper form (the relevant application form for (a) above can be found on the IA's website at <https://www.ia.org.hk/en/infocenter/forms/intermediaries.html>). The fee for the application should be paid by crossed cheque made payable to "Insurance Authority". However, an applicant should not submit the cheque with the application. Instead, the IA will review the application for general completeness. Once the IA is satisfied that the application is generally complete, we will notify the applicant to make payment and, on receipt of such notification, the applicant should then submit the cheque for payment.

In addition, an application for approval to appoint a responsible officer which is being made as part of a new licence application for an insurance agency or insurance broker company, may be submitted by paper application with the fee being paid by cheque – see 6 below.

#### **6. Specific matters concerning applications for approval to appoint responsible officer**

In the case of applications to appoint responsible officers by **existing** licensed insurance agencies or **existing** licensed insurance broker companies (which are currently made via paper submission), a new function for submission of these applications via IIC will be available in August 2024. This means that an application for approval to appoint a responsible officer by an **existing** licensed insurance agency or an **existing** licensed insurance broker company, must be made through IIC from 23 September 2024 onwards, with the relevant fee being paid through IIC together with the application.

In the case of an application for approval to appoint a responsible officer that is made as part of an application for a **new** licence as an insurance agency or insurance broker company, this may continue to be made on paper (with the relevant fee payable by cheque).

#### **7. What if I have any questions in relation to the fees?**

In developing the fee payment function in IIC, we have engaged industry participants to understand user needs and we are currently going through final industry test-runs of the system to ensure it operates as a user-friendly interface.

We attach at [Annex 2](#), a set of Frequently Asked Questions on the fees and payment processes to enhance user understanding of how to pay. The IIC User Guide is currently being updated to provide step-by-step guidance for the payment function. All of this information will be accessible on the IA's website [https://www.ia.org.hk/en/supervision/reg\\_ins\\_intermediaries/licensing\\_and\\_related\\_fees.html](https://www.ia.org.hk/en/supervision/reg_ins_intermediaries/licensing_and_related_fees.html).

Further, if you have any questions you may email us at [licensing@ia.org.hk](mailto:licensing@ia.org.hk) and we will assist.

In an ever-changing world, the insurance market operates to provide consistency, reliability, assurance and resilience because of its adaptability. It is that quality of adaptability that we call on, and that we ourselves are looking to tap into, as we move into the new licence-fee collecting era. Collectively, our objective is to make the transition as smooth as possible. We look forward to working with the market to achieve this.

Thank you for your kind attention.

Yours faithfully,

Peter Gregoire  
Head of Conduct Supervision Division  
General Counsel  
Insurance Authority

c.c. The Hong Kong Federation of Insurers  
The Hong Kong Confederation of Insurance Brokers  
Professional Insurance Brokers Association