

28 February 2025

By email only
Our Ref: INS/TEC/6/100

To: Chief Executives of all authorized insurers carrying on long term business, Responsible Officers of all licensed insurance broker companies and licensed insurance agencies carrying on long term business

Dear Sirs/Madams,

Practice Note on Illustration Rate Caps in Benefit Illustration for Participating Policies

To ensure policyholders' reasonable expectations on the performance of their participating policies are met, the Insurance Authority ("IA") issues the Practice Note on Illustration Rate Caps in Benefit Illustration for Participating Policies ("Practice Note") to articulate a set of aligned minimum expectations regarding the illustration rate caps that authorized insurers should use in benefit illustrations for participating policies at the point of sale.

The Practice Note shall take effect from **1 July 2025**. The requirements and expectations outlined in the Practice Note apply to all benefit illustrations to be provided by authorized insurers and licensed insurance intermediaries at the point of sale.

Should you have any questions in relation to the above, please contact your case officer or email us at enquiry@ia.org.hk.

Yours faithfully,

Marty Lui
Executive Director
Long Term Business Division
Insurance Authority

Encl.

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