

25 August 2020

Our Ref: MC/INT/5

**To: Chief Executives of all Authorized Insurers**

Dear Sirs,

**Applications for new licences by insurance agents who are deemed licensees**

When the Insurance Authority (“IA”) took over the direct supervision and regulation of insurance intermediaries on 23 September 2019, all insurance agents registered with the Insurance Agents Registration Board immediately prior to that date, were automatically granted a licence under the new regime for 3-years. In this circular, these insurance agents are referred to as “**deemed licensees**”.

Each deemed licensee has a licence which runs from 23 September 2019 to 22 September 2022 (“**transitional period**”). During this transitional period, every deemed licensee needs to apply for a new licence from the IA if they wish to continue to be a licensed insurance agent. Given the large number of deemed licensees, these applications need to be staggered throughout the transitional period to enable all applications to be processed prior to 22 September 2022. This circular outlines the intended application process and the IA’s proposed next steps for commencing the project.

**Outline of the deemed licensee application process**

We intend to coordinate the applications of individual insurance agents who are deemed licensees through their main appointing insurer. In outline, the process will be as follows:

- 1) The IA will, by letter, invite the main appointing insurer to commence the application process for the deemed licensees who are its appointed individual insurance agents.
- 2) The individual insurance agents’ applications will need to be submitted through Insurance Intermediaries Connect, the IA’s e-portal. The main appointing insurer should download the current licensing information and contact details of its agents from the e-portal, verify this information, update it as necessary, and then upload the updated information to the e-portal.

- 3) The IA will then send e-mails to each of the individual insurance agents, inviting them to activate their individual accounts in the e-portal in order to submit their licence applications.
- 4) Once activated, the agent can access his/her e-portal account and will find his/her application pre-populated with the information verified by the main appointing insurer. The agent should complete the application by answering the “fit and proper” questions and upload the requested information (e.g. copy of Hong Kong Identity Card).
- 5) The agent will send his/her application through the e-portal to the main appointing insurer for final verification and confirmation of appointment. The main appointing insurer will then submit the agent’s application to the IA.
- 6) Upon approval by the IA, the agent and all the relevant appointing insurers will be notified by e-mail.

The functionality of the e-portal (which is currently being finalized) will enable insurers to carry out their verification steps, track the progress of their agents’ applications (so that the insurers can follow up with their agents as appropriate) and help the insurers manage the entire process. The process is, therefore, aligned with an insurer’s responsibility to have in place requisite controls and procedures in respect of its appointed insurance agents.

For deemed licensees with more than one appointing insurer, we will work with the insurers to identify which insurer should be treated as the main appointing insurer for the purposes of this exercise.

Licensed insurance agencies which are deemed licensees will need to handle applications for the agency, their responsible officers and their technical representatives. As such, the process for licensed insurance agencies which are deemed licensees will be slightly different from that outlined above. We are writing to insurance agencies separately in this respect. In principle, applications relating to licensed insurance agencies will be coordinated through the agency itself. However, insurers may wish to provide support to the smaller agencies they appoint to assist them in this process.

### **Next steps**

We have engaged with The Hong Kong Federation of Insurers (“HKFI”) and other key stakeholders to elicit feedback on the application process from the “user perspective” (and we take this opportunity to thank the HKFI for their helpful feedback thus far). We aim to start the process in the 3<sup>rd</sup> and 4<sup>th</sup> quarter of 2020 with selected pilot schemes. Based on these pilot schemes and the feedback obtained, we will refine the process as needed, and aim to roll it out more broadly in 2021.

In terms of time-tabling of applications, where possible we will take into account an insurer’s preferences, but only if this is in line with the prevailing objective of processing all applications by the deadline of 22 September 2022.

We will update you on further details of the process in the coming months so that you can make necessary preparations. In the meantime, if you have any queries on the proposed process, please contact our enquiry hotline at 3899 9983 or e-mail us at [licensing@ia.org.hk](mailto:licensing@ia.org.hk).

Yours faithfully,

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General Counsel  
Insurance Authority

c.c. The Hong Kong Federation of Insurers