

**Memorandum of Understanding
Between the Insurance Authority
of the Hong Kong Special Administrative Region
of the People's Republic of China
And the National Association of Insurance Commissioners**

1. The Insurance Authority of the Hong Kong Special Administrative Region of the People's Republic of China and the National Association of Insurance Commissioners (NAIC), recognizing the increasing international activity in insurance markets and the corresponding need for mutual cooperation between the relevant supervisory authorities as a means for improving their effectiveness in administering and enforcing the insurance laws of their respective jurisdictions, have reached the following understanding:

Definitions

2. For the purposes of this Memorandum of Understanding, the terms set out below have the assigned meanings unless the context requires otherwise:

Authority means:

- For the Hong Kong Special Administrative Region of the People's Republic of China, (Hong Kong SAR) the Insurance Authority.
- The National Association of Insurance Commissioners (NAIC), a non-profit Delaware corporation, acting on behalf of its members, who are the chief insurance regulatory officers in each of the fifty States, the District of Columbia and the U.S territories.

Requested Authority means an Authority to whom a request under this Memorandum is addressed.

Requesting Authority means an Authority making a request under this Memorandum.

Laws, regulations and requirements means the provisions of the laws, or the regulations and requirements enacted in Hong Kong SAR and the fifty States, the District of Columbia and the U.S. territories, for the purpose of regulating the business of insurance.

Objectives

3. This Memorandum sets forth the basis upon which the National Association of Insurance Commissioners (NAIC), acting on behalf of its members, and the Insurance Authority of Hong Kong SAR propose to provide for mutual assistance and the exchange of information for the purpose of facilitating the performance of insurance regulatory functions under the respective laws, regulations and requirements of Hong Kong SAR and the fifty States, the District of Columbia and the U.S. territories. The purpose of the Memorandum is to help insurance supervisors maintain efficient, fair, safe and stable insurance markets in Hong Kong SAR and the United States for the benefit and protection of policyholders, by providing a framework for co-operation, increased mutual understanding, the exchange of information and technical assistance to the extent permitted by laws, regulations and requirements.

4. The Authorities intend to:
 - a. use their best endeavors to ensure that the fullest mutual assistance is provided within the terms of the memorandum; and
 - b. engage in consultations, as appropriate, on mutually agreeable approaches designed to enhance the integrity and efficiency of their respective insurance markets and the exercise of insurance market supervisory functions.
5. This Memorandum does not modify or supersede any laws, regulations and requirements in force in, or applying to, the Insurance Authority of Hong Kong SAR or members of the NAIC, or the jurisdictions in which they are authorized to regulate the business of insurance. Nor does it create directly or indirectly any enforceable rights.

Scope

6. The Insurance Authority of Hong Kong SAR and the NAIC propose to ensure that mutual assistance is provided to the other, subject to applicable laws and overall policy, in the areas of administration and enforcement of the laws, regulations and requirements relating to the business of insurance.
7. The Authorities should meet once a year at mutually agreeable locations, but more meetings may be arranged by mutual agreement, if necessary, to discuss implementation of this agreement.
8. The Insurance Authority of Hong Kong SAR and the NAIC recognize the need and desirability of providing mutual assistance and exchanging information to assist each other in better understanding and otherwise coordinating compliance with applicable laws, regulations and requirements. However, assistance may be denied on the grounds of public interest.

Individual Requests for Assistance

9. Any individual request for assistance made under this Memorandum will, wherever possible, be in writing, but in cases of urgency it may be oral and confirmed in writing within 10 days.
10. A request for assistance made under this Memorandum shall be addressed to one of the requested Authority's contact points listed in Annex 1, or that individual's nominee.

11. In deciding whether to accept or decline a request the requested Authority will, in particular, take account of:
 - a. matters specified by the laws and regulations in the country or jurisdiction of the requested Authority;
 - b. whether the request involves an assertion of regulatory jurisdiction not recognized by the country of the requested Authority or a member thereof;
 - c. whether it would be contrary to the public interest of the requested Authority, or a member thereof, to give the assistance sought; and
 - d. the resources available to the requested Authority to deal with the request.

Consultations and Waiver

12. The Insurance Authority of Hong Kong SAR and the NAIC will keep the operation of this Memorandum under continuous review and consult with a view to improving its operation and resolving any matters.
13. Where the specific conduct set out in the request for assistance may constitute a breach of a law, regulation or requirement in both the territory of the requesting and the requested Authorities, the relevant Authorities will consult in order to determine the most appropriate means for each Authority to provide assistance. No provision herein shall be interpreted as superseding, amending, revoking or otherwise changing any law relating to the Hong Kong SAR or the fifty States, the District of Columbia or the U.S. territories.
14. Any of the conditions of this Memorandum may be amended or waived by mutual agreement.

Termination

15. This Memorandum will continue to have effect unless terminated by one of the Authorities by giving 30 days advance written notice to the other Authority that the understandings set out herein are no longer to have effect.

Contact Points

16. All communications between the Authorities should be between the principal points of contact listed in Annex 1 unless otherwise agreed.

Entry Into Effect

17. This Memorandum will be effective from the date of its signature by the Insurance Authority of Hong Kong SAR and NAIC.

This Memorandum of Understanding is hereby entered into as evidenced by the signatures of the following representatives of the Insurance Authority of Hong Kong SAR, the People's Republic of China and the NAIC.

Insurance Authority of Hong Kong SAR,
the People's Republic of China

National Association of Insurance Commissioners

Date

Date