

P A R T A Interpretation

Status

1. This *Code of Practice for the Administration of Insurance Agents* (this "Code") (the 7th version dated 1 March 2010) has been approved by the Insurance Authority pursuant to section 67 of the *Insurance Companies Ordinance* and referred to in Article 48 of the *Amended Articles of Association* of The Hong Kong Federation of Insurers.

Definitions

2. In this *Code*, the following words are defined as follows:

"Guidance Notes" means the guidance notes issued by the HKFI/IARB from time to time under clause 11;

"HKFI" means The Hong Kong Federation of Insurers;

"IARB" means the Insurance Agents Registration Board established by the HKFI to administer this *Code* pursuant to Article 48 of the *Amended Articles of Association* of the HKFI;

"Individual Agent" means an insurance agent who is an individual, natural person and who is not registered as an Insurance Agency;

"Insurance Agency" means an insurance agent operating as an insurance agency business in the form of a sole proprietor, a partnership or a corporation;

"Insurance agent" means a person who holds himself out to advise on or arrange contracts of insurance in or from Hong Kong as an agent or subagent of one or more insurers and for the purposes of this *Code* includes: (i) an Individual Agent; and (ii) an Insurance Agency; but does not include a Responsible Officer or a Technical Representative of an insurance agent;

"Line of Insurance Business" means:

- (a) General Business (as defined in the *Ordinance*);
- (b) Long Term (excluding Linked Long Term) Business (as defined in the *Ordinance*);
- (c) Long Term (including Linked Long Term) Business (as defined in the *Ordinance*); and/or
- (d) Restricted Scope Travel Business;

"MPF Code" means the *Code of Conduct for MPF Intermediaries* issued by the MPFA as amended from time to time;

"MPF Intermediary" has the meaning assigned to it by the *MPF Code*;

"MPFA" means the Mandatory Provident Fund Schemes Authority established pursuant to the *Mandatory Provident Fund Schemes Ordinance* (Chapter 485 of the *Laws of Hong Kong*);

"Ordinance" means the *Insurance Companies Ordinance*, Chapter 41 of the *Laws of Hong Kong*, as amended from time to time;

"Principal" means an insurer to whom Part X of the *Ordinance* applies. However, unless otherwise stated, persons collectively represented as a syndicate of Lloyd's shall be treated as one Principal for the purposes of any insurance business relating to the syndicate;

"Registered Person" means a person who has been registered under clauses 15 or 30 as either:

- (a) an Individual Agent;
- (b) an Insurance Agency;
- (c) a Responsible Officer of an Insurance Agency; or
- (d) a Technical Representative of an Individual Agent or an Insurance Agency ;

"Responsible Officer" in relation to:

- (a) an insurance agent which is an Insurance Agency means a person who, alone or jointly with others, is responsible for the conduct of the insurance agency business of such insurance agent, not being a person who:
 - (i) is also responsible for the conduct of other business; and
 - (ii) has a subordinate responsible for the whole of the insurance agency business;
- or
- (b) an insurance agent which is an Insurance Agency formed outside Hong Kong means a person who, alone or jointly with others, is responsible for the conduct of the whole of the insurance agency business of such insurance agent carried on within Hong Kong, not being a person who:
 - (i) is also responsible for the conduct of the insurance agency business carried on by the insurance agent elsewhere; and
 - (ii) has a subordinate responsible for the whole of the insurance agency business carried on by the insurance agent within Hong Kong.

For the avoidance of doubt, nothing in this *Code* is intended to make a Responsible Officer an insurance intermediary for the purposes of the *Ordinance*. This *Code* does not affect the operation of the *Ordinance* insofar as it relates to insurance intermediaries;

"Restricted Scope Travel Business" means effecting and carrying out contracts of travel insurance tied to a tour, travel package, trip or other travel services which the same travel agent arranges for his clients, excluding any annual travel insurance policies or any travel insurance policies for tours, travel packages, trips or other travel services which the travel agent does not arrange for his clients; and

"Technical Representative" in relation to an insurance agent means a person (not being an insurance subagent who is classified as an insurance agent for the purposes of this *Code*) who provides advice to a policy holder or potential policy holder on insurance matters for such insurance agent, or arranges contracts of insurance in or from Hong Kong on behalf of that insurance agent.

For the avoidance of doubt, nothing in this *Code* is intended to make a Technical Representative an insurance intermediary for the purposes of the *Ordinance*. This *Code* does not affect the operation of the *Ordinance* insofar as it relates to insurance intermediaries.

3. In this *Code*, where the context permits:
 - (a) words and expressions importing the masculine gender shall include the feminine and neuter genders and vice versa;
 - (b) words and expressions importing singular shall include the plural and vice versa;
 - (c) words and expressions importing person(s) shall include partnership, body(ies) of persons and corporation(s);
 - (d) references to clauses, sub-clauses and parts are to be construed as references to clauses, sub-clauses and parts of this *Code*; and
 - (e) the headings in this *Code* are inserted for convenience only and shall be ignored in the interpretation of this *Code*.

Application of the *Ordinance*

4. All words and expressions not defined in this *Code* shall have the meanings ascribed to them by the *Ordinance*.

Conflict with the *Ordinance*

5. In the event of a conflict between this *Code* and the *Ordinance*, the *Ordinance* shall prevail and this *Code* shall be invalid to the extent of any such inconsistency.
6. In this *Code*, where reference is made to a Registered Person engaging in or being authorized to engage in any particular Line of Insurance Business, class of business or activity, that reference shall be construed as meaning in accordance with the particular capacity and role of the relevant Registered Person. Nothing in this *Code* shall be construed as permitting or authorizing a Registered Person to conduct activities which they are not entitled to conduct under the *Ordinance*.