

**Conduct of Registered Persons for General Insurance Business and Restricted Scope Travel Business**

74. A Registered Person shall at all times conduct business in good faith and with integrity.
75. In the event of a complaint concerning the conduct of a Registered Person, the Registered Person shall co-operate with the IARB and the Principal or insurance agent concerned to establish the facts. The complainant should be informed that he should in the first instance refer the complaint to the relevant Principal or insurance agent. If the complainant is still dissatisfied he may refer the matter to the IARB.
76. A Registered Person shall:
- (a) ensure that he is registered with the IARB in respect of the Line of Insurance Business to be engaged in prior to conducting such business;
  - (b) identify himself as a Registered Person acting on behalf of the Principal(s) or insurance agent he represents prior to discussing insurance policies with any person;
  - (c) disclose his registration number if so requested and identify his registration number on his business cards if they are distributed;
  - (d) display his name and registration number on the name plate put in front of the service desk or counter if he is registered as engaging in the Restricted Scope Travel Business and provides face-to-face insurance service at service desk or counter;
  - (e) give advice only on those matters in which he is competent to deal with or otherwise seek advice from his Principal(s) or appointing insurance agent when necessary;
  - (f) explain the cover afforded by each policy recommended to ensure that the potential policy holder understands what he is buying;
  - (g) explain the specific differences to which he is referring when making comparisons with other types of policies;
  - (h) treat all information supplied by a potential policy holder as confidential and disclose such information only to the Principal(s) or appointing insurance agent to which the business is being offered, and otherwise comply at all times with the provisions of the *Personal Data (Privacy) Ordinance* (Chapter 486 of the *Laws of Hong Kong*) when dealing with personal data provided by a potential or current policy holder;
  - (i) not make inaccurate or misleading statements about any Principals or appointing insurance agent or their policies, or any other intermediaries;
  - (j) not impose any charge in addition to the policy premium without disclosing the amount and purpose of such charge to the policy holder before the binding of the policy; and
  - (k) not pay any part of any commission or discount allowed to him to any director, partner or employee of any insured as an inducement to place the business with the Principal or appointing insurance agent, nor assist any other Registered Person to make such a payment, unless prior agreement and approval of the payment by the insured is received in writing.

77. In assisting a potential policy holder to complete the proposal or application form, a Registered Person shall:

- (a) not influence the potential policy holder, and make it clear that the answers or statements given are the latter's own responsibility; and
- (b) explain the consequences of fraud, non-disclosure and inaccuracies to the potential policy holder and draw his attention to the relevant statements in the proposal form.

### **Conduct of Registered Persons for Long Term Insurance Business**

78. A Registered Person shall at all times conduct business in good faith and with integrity.

79. In the event of a complaint concerning the conduct of a Registered Person, the Registered Person shall co-operate with the IARB and the Principal or insurance agent concerned to establish the facts. The complainant should be informed that he should in the first instance refer the complaint to the relevant Principal or insurance agent. If the complainant is still dissatisfied he may refer the matter to the IARB.

80. A Registered Person shall:

- (a) ensure that he is registered with the IARB in respect of the Line of Insurance Business to be engaged in prior to conducting such business;
- (b) identify himself as a Registered Person acting on behalf of the Principal(s) or insurance agent he represents prior to discussing insurance policies with any person;
- (c) disclose his registration number if so requested and identify his registration number on his business cards if they are distributed;
- (d) make every reasonable effort to ensure that the policy proposed is suitable to the needs and resources of the potential policy holder as disclosed to the Registered Person;
- (e) give advice only on those matters in which he is competent to deal with or otherwise seek advice from his Principal(s) or appointing insurance agent when necessary;
- (f) explain the cover afforded by each policy recommended to ensure that the potential policy holder understands what he is buying;
- (g) explain the specific differences to which he is referring when making comparisons with other types of policies or forms of investment;
- (h) treat all information supplied by a potential policy holder as confidential and disclose such information only to the Principal(s) or appointing insurance agent to which the business is being offered, and otherwise comply at all times with the provisions of the *Personal Data (Privacy) Ordinance* (Chapter 486 of the *Laws of Hong Kong*) when dealing with personal data provided by a potential or current policy holder;
- (i) not make inaccurate or misleading statements about any Principals or appointing insurance agent or their policies, or any other intermediaries;
- (j) not impose any charge in addition to the policy premium without disclosing the amount and purpose of such charge to the policy holder before the binding of the policy;
- (k) not make inaccurate or misleading statements or comparisons to induce an insured to replace existing long term insurance with other long term insurance to the insured's disadvantage;



- (l) not pay or offer to pay any rebate of premium, commission or other incentive not specified in the policy as an inducement to any potential long term insurance policy holder unless specifically authorized by a Principal; and
  - (m) comply with the requirements as specified in the *MPF Code* where he is engaged in selling or advising on Mandatory Provident Fund schemes or their constituent or underlying funds.
81. In assisting a potential policy holder to complete the proposal or application form, a Registered Person shall:
- (a) not influence the potential policy holder, and make it clear that the answers or statements given are the latter's own responsibility; and
  - (b) explain the consequences of fraud, non-disclosure and inaccuracies to the potential policy holder and draw his attention to the relevant statements in the proposal form.
82. When selling policies related to Long Term Business, a Registered Person shall:
- (a) explain the long term nature of the policy and the consequences of early discontinuance and/or surrender;
  - (b) where a policy offers participation in profits, or is investment-linked, explain the specific difference between guaranteed and projected benefits;
  - (c) where projected benefits are illustrated, explain the assumptions on which the illustrations are based, including any future bonus or dividend declaration, and that projected benefits are not guaranteed;
  - (d) in the case of participating (with-profit) business, explain that any bonuses or dividends declared in the future may be lower or higher than those currently quoted and that past performance may not be a guide to future performance;
  - (e) in the case of linked long term business, explain that unit value and the value of the policy holder's benefits may fluctuate;
  - (f) unless specifically authorized by a Principal or appointing insurance agent, use only such sales proposals and illustrative figures that are supplied by the Principal or appointing insurance agent and shall use the whole illustration in respect of the policy being discussed, and no other, and shall not add to it or select only the most favourable aspects of it; and
  - (g) if he is authorized by a Principal or appointing insurance agent to prepare certain illustrations himself, prepare them using only the assumptions authorized by the Principal or appointing insurance agent.

#### **Registered Persons Not to Act in connection with Insurance Brokers**

83. A Registered Person shall not act as an authorized insurance broker, nor as the Chief Executive or Technical Representative of an authorized insurance broker.