

ZURICH INSURANCE COMPANY LTD, HONG KONG BRANCH

and

AGENCY AGREEMENT

THIS AGREEMENT is made on the _____ day of _____ 20____

BETWEEN

(1) **ZURICH INSURANCE COMPANY LTD**, a company incorporated in Switzerland with limited liability whose principal place of business in Hong Kong is situate at 25-26/F., One Island East, 18 Westlands Road, Island East, Hong Kong ("**Zurich**")

and

(2) _____, holder of Hong Kong Identity Card Number _____ whose place of residence is situate at _____ ("**Agent**")

WHEREAS

- A. Zurich is an insurance company authorized to conduct general insurance business (as defined in the Insurance Ordinance, Cap. 41, Part 3 of Schedule 1 Classes of General Business) in Hong Kong;
- B. The Agent is a licensed individual insurance agent in Hong Kong who intends to introduce selected insurance products on behalf of Zurich ("**Zurich Products**") to existing or potential clients of Zurich ("**Clients**")
- C. **SCF Insurance Management Limited ("SCF")**, an agency of Zurich, will be responsible for providing relevant administrative services, including but not limited to client enquiry service, quotation document preparation, policy administration, to Clients introduced by the Agent in respect of the selected insurance products.
- D. The Agent shall indicate to Clients about SCF's administrative role and his/her role as Zurich's agent and that he/she will receive a commission in accordance with the terms of this Agreement.

NOW IT IS HEREBY AGREED AS FOLLOWS:-

1. Agency Service

Subject to the terms and conditions of this Agreement as set out in Schedule 1, the Agent is entitled to a commission in respect of each Zurich Product taken out by the Clients who are introduced by the Agent.

2. Commission / Payment

- (a) Commission
 - (i) Zurich shall pay directly to the Agent commission according to the rate for each Zurich Product as set out in Schedule 2 for business introduced to Zurich through Zurich's online portal platform.
 - (ii) Except for Clause 2(a)(i) above and in respect of insurance business introduced to Zurich through other channels, Zurich shall pay the commission to SCF which is the Agent's appointed payment receipt agent. The Agent agrees that payment of

commission by Zurich to SCF in this regard shall discharge Zurich's liability to pay the Agent under the Agreement.

(b) Payment of Commission

(i) The Agent shall pay the net premiums due to Zurich within the payment period as set out in Schedule 3 with respect to insurance business introduced to Zurich through Zurich's online portal platform.

(ii) Except for Clause 2(b)(i) above and in respect of insurance business introduced to Zurich through other channels, all premiums thereof shall be collected by SCF.

3. Commencement and Term

(a) Commencement of Services

(b) Term

From the date of Commencement of Service until termination in accordance with Clause 11 of Schedule 1.

4. Notices

Agent:-

Address : _____
 Email : _____
 Contact person : _____

Zurich:-

Address : 25-26/F, One Island East, 18 Westland Road, Island East, Hong Kong
 Email : agency.admin@hkzurich.com
 Contact person : Agency Admin Team

5. Jurisdiction and Governing Law

This Agreement shall be governed by and construed in all respects in accordance with the laws of Hong Kong and the parties agree to submit to the exclusive jurisdiction of the courts of Hong Kong.

IN WITNESS whereof the authorized representatives of the parties hereto have signed this Agreement the day and year first above written.

Name:

For and on behalf of
Zurich Insurance Company Ltd, Hong Kong Branch

Authorized Signatory

SCHEDULE 1

TERMS AND CONDITIONS

1. RELATIONSHIP

- 1.1 The Agent shall act as the agent of Zurich for the introduction of general insurance business. It is understood and agreed that there is no employer-employee relationship either expressed or implied between the Agent and Zurich, and nothing contained herein shall be construed to create such relationship.
- 1.2 Nothing in this Agreement shall be construed as imposing any obligation on the Agent to guarantee the number of introduction or volume of business to Zurich.

2. AUTHORISATION

- 2.1 Except where Zurich otherwise agrees in writing, the Agent shall:-
- (a) have no power to commit Zurich to provide any insurance cover or to accept any new proposal, renewal or reinstatement of any policy;
 - (b) have no authority to alter, modify, waive or change the premium rates or terms and conditions of any Zurich Product;
 - (c) not incur any expenditure or other liability on behalf of Zurich, in any way, pledge or purport to pledge the credit of Zurich, or make any promise, warranty or representation of any kind whatsoever on behalf of Zurich;
 - (d) not prepare, arrange, issue or circulate any advertising or promotional material relating to Zurich or Zurich Products unless the same is provided by Zurich;
 - (e) not represent to any person that it is authorised by Zurich to accept notice of assignment, notice of loss, negotiate terms of settlement, settle or pay any loss or claim; and
 - (f) not give any warranty, representation or promise with reference to policy endorsements or supplementary contracts issued or to be issued by Zurich.

3. REPRESENTATIONS AND WARRANTIES

- 3.1 The Agent hereby represents and warrants that:
- (a) he holds, and will continue to hold and maintain during the term of this Agreement, all requisite licences, permissions and registrations as are required for him to perform his obligations herein in compliance with all applicable laws and regulations;
 - (b) he will immediately notify Zurich in writing if he intends to cease holding or ceases to hold any of the requisite licences, permissions or registrations;
 - (c) in discharging his duties in relation to this Agreement, he is fit and proper, adequately competent, licensed and sufficiently trained on a continuing basis, and will be in compliance with all applicable laws and regulations in effect from time to time, including but not limited to sections 64I, 68, 80, 90, 91, 94, 95 and 129 of the Insurance Ordinance;

- (d) he will perform his duties for the Clients in their best interests with appropriate degree of care, skill and diligence in accordance with relevant legislation, guidance notes, industry practice and standards;
- (e) he will at all times act in accordance with and comply with the Code of Conduct for Licensed Insurance Agents issued by the Insurance Authority (the General Principles and Standards and Practices of which are summarized in part at Schedule 4 to this Agreement); the Code of Practice for the Administration of Insurance Agents (including the Conduct of Registered Persons for General Insurance Business and Restricted Scope Travel Business as set out in Part G and attached as Schedule 5 to this Agreement); and all the applicable guidance notes and guidelines issued by the Insurance Authority, and other relevant regulator(s), as may be amended from time to time;
- (f) he will comply with the Agents' Code with regard to referral of business.
- (g) he will at all times use his best endeavours to uphold the good name and reputation of Zurich and will not do or omit to do anything whereby Zurich or its business or reputation may be adversely affected in any respect;
- (h) he will comply with all regulatory conduct requirements, and all applicable rules and guidelines that Zurich has or may establish from time to time regarding intermediary management;
- (i) he will notify Zurich as soon as reasonably practicable if he intends to accept an appointment as an agent of another insurer;
- (j) he shall not solicit applications for Zurich Products or market or advertise Zurich Products from outside Hong Kong and in particular, he shall not operate, sell, promote, market or solicit business in the People's Republic of China other than Hong Kong, and in particular, the Agent will always adhere to Zurich's cross-border business policy (if any);
- (k) he will comply with all applicable laws and regulations in relation to the prevention of bribery, anti-money laundering and personal data protection; and he will inform Zurich immediately if he becomes aware of any contravention or potential contravention of any applicable laws and regulations;
- (l) he will disclose to Zurich every fact and circumstance within his knowledge relevant to the acceptance of the risk by Zurich, including any risk associated with any suspected money-laundering activity that the Agent is or should be aware of, and shall accurately relate to Zurich every fact disclosed to it by the Clients in applying for Zurich Products and/or by any person relevant to Zurich's acceptance of the risk;
- (m) he will adhere to and comply with all legal requirements and processes as notified by Zurich in respect of the collecting of personal data from the Clients, including without limitation, to properly inform the Clients as to the purposes and usage of such data collected;
- (n) he will use his best endeavours to immediately relay any communication (whether written or verbal) between Zurich and the Clients concerning any relevant Zurich Product;
- (o) he has not been convicted of a criminal offence, and undertakes to notify Zurich immediately if he is charged with any criminal offence;
- (p) he is currently not subject to any regulatory or disciplinary action and he undertakes to

immediately notify Zurich if any regulatory body has imposed or intends to impose any disciplinary or regulatory sanction against him;

- (q) no winding up petition has been made against him and he has not admitted in writing his inability to pay his debts as they become due;
- (r) he will act honestly and fairly and in compliance with all applicable laws in Hong Kong in all respects at all times; and
- (s) he will notify Zurich as soon as possible if he becomes aware of any occurrence that may constitute a breach of the laws or regulations, or any occurrence that may adversely affect any obligation in this Agreement or the reputation of Zurich, including any changes to the representations and warranties as stated in this Clause 3.

4. ACCEPTANCE OF BUSINESS

- 4.1 The Agent shall, in fulfilling his obligations, use such forms and documents as may from time to time be supplied by Zurich for the purposes hereof and shall not amend or alter any of such forms or documents without Zurich's prior written consent.
- 4.2 All insurance applications for Zurich Products received by the Agent from a Client shall be forwarded to Zurich or SCF as appropriate with all reasonable promptness.
- 4.3 Nothing in this Agreement shall oblige Zurich to accept any application for any Zurich Product from any Client introduced to Zurich by the Agent. Zurich reserves the right, at its absolute discretion, to decline any application (whether new or renewal) introduced by the Agent.

5. RECEIPT OF PREMIUM

This Clause 5 of the Agreement applies only to insurance business introduced by the Agent to Zurich through Zurich's online portal platform.

- 5.1 The Agent shall be responsible to collect all required premium from the Clients. The Agent shall not pay any or any portion of premium for any Client where such premium is payable by the Client to Zurich.
- 5.2 Any premium received by the Agent from a Client must be remitted to Zurich in full with all reasonable promptness and in any event within the payment period as set out in Schedule 3. The payment period starts from the date the relevant policy is issued to the Client. Subject to the conditions as set out in Clause 6.1 being fulfilled, the Agent may off-set the amount of commission receivable against the premium and remit the balance to Zurich.
- 5.3 Any premium that is due to Zurich and not paid by the Agent within the payment period as set out in Schedule 3 will be a debt recoverable with interests. Zurich may change the payment period by written notice in advance to the Agent. It is expressly agreed by the Agent that its consent is not required for amending Schedule 3.
- 5.4 The Agent shall ensure there is in place proper arrangement whereby any money that the Agent receives, collects or otherwise holds on behalf of Zurich in performance of this Agreement shall be held in trust for Zurich, and in separate accounts whereby such money is segregated and identifiable from, and shall not form part of, the assets of or other moneys held by the Agent, and shall not be subject to any charge, set-off or lien whatsoever.

5.5 The Agent shall not refund to a Client as a rebate, gift or advantage, the whole or any part of any premium which has been paid to Zurich.

6. **COMMISSION**

6.1 In consideration of the Agent introducing Clients to Zurich for taking out any Zurich Product, and subject to the following conditions being satisfied, Zurich agrees to pay commission to the Agent:-

- (a) the issuance by Zurich of a policy subsequent to its acceptance of an application submitted by a Client introduced by the Agent;
- (b) the receipt by Zurich of the required premium in respect of such policy; and
- (c) the compliance by the Agent with the provisions of this Agreement in all respects.

6.2 Zurich shall pay directly to the Agent commission according to the rate for each Zurich Product as set out in Schedule 2 for business introduced to Zurich through Zurich's online portal platform.

6.3 Except for Clause 6.2 above and in respect of insurance business introduced to Zurich through other channels, Zurich shall pay the commission to SCF which is the Agent's appointed payment receipt agent. SCF will make an onward payment of the said commission to the Agent after deducting the handling fee at a rate as set by SCF. The Agent agrees that payment of commission by Zurich to SCF in this regard shall discharge Zurich's liability to pay the Agent under the Agreement and any payment of the Agent's commission by Zurich to SCF is as good as payment to the Agent.

6.4 In the event that either Zurich or the Client cancels the whole or any part of a policy, the Agent shall immediately repay to Zurich the corresponding commission received in respect of the cancelled period of such policy. In any event, Zurich shall be entitled to a right of clawback, and to recover from the Agent any commission paid to the Agent in respect of a period for which the corresponding premium is unpaid or refunded by Zurich to the policyholder and the Agent shall repay such commission to Zurich forthwith free and clear of any withholding, deductions or set-offs of any nature whatsoever. Any commission or consideration hereunder for the Agent that is subject to clawback shall be recoverable as a debt by Zurich from the Agent.

6.5 No part of any commission paid to the Agent may be paid to a Client or passed onto any person as a rebate, gift or advantage.

6.6 In the event of termination of this Agreement pursuant to Clause 11.2, all obligations of Zurich to pay commission shall cease immediately.

6.7 Where the termination of this Agreement is made pursuant to Clause 11.1 and subject to satisfaction of Clause 6.1, the Agent shall be entitled to receive only commission accrued up to the date of termination but shall not be entitled to commission that may accrue on premiums paid to Zurich after the date of termination.

6.8 At the time of termination of this Agreement, Zurich reserves the right not to issue payment of any further commission until all policies serviced by the Agent are expired or terminated. The Agent specifically accepts and waives all rights against Zurich withholding payment as such.

6.9 Zurich may, from time to time, revoke, alter or modify Schedule 2 in relation to the commission rates or any other remuneration entitled by the Agent for business introduction made pursuant to this Agreement by written notice in advance to the Agent. It is expressly agreed by the Agent that its consent is not required for amending Schedule 2.

7. ZURICH PRODUCTS LITERATURE

- 7.1 All forms, brochures, leaflets and materials of every other description furnished by Zurich to the Agent shall remain the absolute property of Zurich and the Agent agrees to return the same to Zurich, at the Agent's expense, as soon as reasonably practicable if so requested by Zurich and in any event within thirty (30) days upon termination of this Agreement.
- 7.2 The terms, premium rates or other conditions of Zurich Products, brochures or sales materials must not be altered, modified, waived or changed by the Agent in any way.
- 7.3 The registered business names, logos, product names or other advertising or promotional materials relating to Zurich or Zurich Products cannot be used, issued or circulated by the Agent in any book, newspaper, publication, advertisement, media or in the letterhead or business cards of the Agent without Zurich's prior written consent. Any description or material relating to Zurich Products or this Agreement may only be released with Zurich's prior written consent.

8. ONLINE PORTAL PLATFORMS

- 8.1 To facilitate processing of any introduction of Clients, Zurich may provide an online platform for the use by the Agent. Where applicable, the Agent may be granted access right to such platform for the purposes of issuing quotations and processing applications via a digital platform. This online platform does not grant any authority to the Agent.
- 8.2 Where the Agent is granted access right to use Zurich's online portal platform, the Agent further agrees to:-
- (a) adhere to the relevant user manual(s) that Zurich may provide from time to time;
 - (b) take all reasonable steps to ensure the security and confidentiality of access information which Zurich may provide, and to take all reasonable steps to prevent unauthorized access to Zurich's online portal platform.

9. CONFIDENTIALITY

- 9.1 The Agent covenants with Zurich that it shall, during and at all times after termination of this Agreement:-
- (a) treat all contractual arrangements and agreements between the Agent and Zurich (including this Agreement) confidential;
 - (b) not use any confidential information for any purpose other than for the performance of its obligations under this Agreement unless the prior written consent of Zurich is obtained; and
 - (c) treat all matters relating to Clients and their applications for Zurich Products, as well as all matters relating to the policies issued, as confidential and shall not disclose any such matter to any third party unless the prior written consent from Zurich and the relevant Client are obtained;
 - (d) not disclose any confidential information to any other person except in accordance with this Clause 9.
- 9.2 Information is considered confidential where:-

- (a) the information is declared to be confidential by Zurich, directly or indirectly, in verbal or in writing;
- (b) the information contains any information of the Clients;
- (c) the information relates to Zurich's business operations or strategies, financial or other affairs including without limitation, information relating to the marketing of any products or services, market research reports and surveys, marketshare statistics, sales targets, sales statistics, advertising or other promotional materials, business development or planning, and market opportunities; or
- (d) the information relates to any term or condition in this Agreement or any other information solicited or obtained as a result of this Agreement.

9.3 Each party may disclose confidential information:

- (a) with the prior written consent of the disclosing party;
- (b) to its officers, employees or professional advisors to the extent that disclosure is necessary for the purposes of this Agreement; or
- (c) where disclosure is required by law, by any court of competent jurisdiction or by any other appropriate regulatory body.

9.4 Where any confidential information is to be disclosed to a third party, the party making such disclosure shall procure that the recipient of such confidential information is made aware of and complies with all obligations of confidentiality under this Agreement as if the recipient were a party to this Agreement.

9.5 Upon termination of this Agreement and at the request and sole discretion of Zurich, the Agent shall immediately destroy or return to Zurich all documents, materials, forms, information that concern the Clients.

9.6 This Clause 9 shall survive termination of this Agreement.

10. BOOKS AND RECORDS

10.1 The Agent shall keep full and proper books of account, registers, records and statements in connection with this Agreement, in particular for satisfying Clause 5.4 (if applicable), for the minimum periods as required under applicable and relevant laws and regulations.

10.2 Upon request by Zurich, the Agent shall within fourteen (14) days, provide his audited financial statement or tax information which shows a true and fair view of the financial position of the Agent (including but not limited to details with regards to the Agent's profit and loss) as at the end of the most recent financial year.

10.3 For the purpose of conducting due diligence and upon reasonable prior notice, Zurich shall have the right at any reasonable time during normal business hours to examine such books of account, registers, records, statements or any information and documents by any officer or authorised representative of Zurich (including its external auditors), and the Agent shall afford all such facilities and allow access to its relevant premises for inspection as may reasonably be required by Zurich.

10.4 Zurich in performing audits and inspections on the Agent shall, and ensure its external auditors or representatives to, keep confidential at all times any information accessed or obtained during such audits and inspections, unless the Agent has granted written consent for disclosure.

11. TERMINATION

11.1 This Agreement shall have effect from the date of Commencement of Services and shall continue thereafter unless and until either party hereto gives to the other not less than thirty (30) days' written notice of termination.

11.2 Notwithstanding Clause 11.1, Zurich may terminate this Agreement with immediate effect by giving notice in writing to the Agent if :-

- (a) the Agent breaches any of the provisions in this Agreement;
- (b) the Agent has a bankruptcy petition presented against him or any analogous proceedings instituted against it or take any such steps for his bankruptcy;
- (c) a receiving order is made against the Agent by a court of competent jurisdiction;
- (d) the Agent makes any assignment or arrangement for the benefit of his creditors;
- (e) a distress or execution is levied or enforced against any of the Agent's assets or the Agent is unable to pay his debts within the meaning for any applicable legislation relating to insolvency or bankruptcy;
- (f) any judgment is entered against the Agent by any court of competent jurisdiction;
- (g) any disciplinary action is imposed against the Agent by a relevant authority;
- (h) the Agent ceases to be an authorized insurance agent under the relevant laws of Hong Kong or otherwise fails or ceases to hold the licences as required by applicable laws and regulations; or
- (i) the Agent commits any dishonest, fraudulent or willful conduct which in the opinion of Zurich is prejudicial, or likely to be prejudicial, to Zurich or any associated company of the Zurich Insurance Group.

11.3 Termination of this Agreement shall be without prejudice to the accrued rights and liabilities of the parties hereto at the date of termination.

11.4 Upon termination of this Agreement, Zurich may publish and/or circulate to any Client or third party such notice of the termination of this Agreement. The Agent's consent is not required in such circumstances.

12. INDEMNITY

In the event that the Agent fails to observe or breach any provisions as stated in this Agreement or breach any laws and regulations, the Agent shall indemnify and hold Zurich and any associated company of the Zurich Insurance Group harmless against all losses, claims, demands, expenses and other liabilities incurred by Zurich or any associated company of the Zurich Insurance Group as a result of such breach by the Agent.

13. SET-OFF

13.1 Zurich may offset against any claim for commission payable to the Agent, any outstanding premium payable (if applicable), any clawback of commission and any existing or future debts incurred by the Agent to Zurich or any associated company of the Zurich Insurance Group.

14. AMENDMENT

14.1 Zurich reserves the right, at any time, to vary the terms of this Agreement and the Schedules forming part of the Agreement in order to adhere to rules and regulations. The Agent specifically agrees that such variation to the terms do not require its prior consent.

14.2 Subject to Clause 14.1, and Clause 6.9 and 5.3 (if applicable) with respect to amending Schedules 2 and Schedule 3 respectively, any other amendment to this Agreement shall be binding on the parties only if it is in writing and signed by all parties to the Agreement.

15. ASSIGNMENT

15.1 The Agent shall not be permitted to assign, transfer or otherwise dispose of any of his respective rights or obligations under this Agreement.

15.2 Zurich may merge or be consolidated into or transfer any or all of its portfolio to another legal entity so long as the successor shall in writing assume the obligations hereof and be able to perform the same.

16. NOTICES

16.1 Any notice or demand to be made or given under this Agreement shall be in writing and may be made or given by letter, and be delivered to the receiving party at its address referred to at the beginning of this Agreement or at such other address as such party shall have notified in writing as its new address for service.

16.2 Any notice or demand made or given by letter shall be deemed delivered 48 hours after posting to an address in Hong Kong. In proving the service of any such notice or demand, it shall be sufficient to prove that such letter was properly addressed, stamped and placed in the post.

17. HEADINGS

17.1 Clause headings and sub-headings are inserted for convenience only and shall not affect the interpretation or construction of this Agreement.

17.2 Any words embodying the masculine gender include the feminine and any words indicating the singular case shall include the plural and vice-versa.

18. THIRD PARTY RIGHTS

18.1 Nothing expressed or referred to in this Agreement will be construed to give any person other than the parties to this Agreement any legal or equitable benefit, right, obligation, remedy, or claim under or with respect to this Agreement or any provision of this Agreement.

18.2 This Agreement and all of its provisions and conditions are for and shall be binding upon and inure to the sole and exclusive benefit of the parties to this Agreement only and their legal representatives, respective successors and permitted assigns.

19. WAIVER

19.1 The failure or delay by a party in exercising any right, power or remedy provided by law or under this Agreement shall not be qualified as a waiver or release thereof. A waiver of any breach or default in the performance of any obligation under this Agreement shall not constitute a waiver of any other existing or future breach or default and shall not affect the other terms of this Agreement. No waiver or release shall be effective unless in writing and signed by the party against whom such waiver or release is asserted.

20. ENTIRE AGREEMENT

20.1 This Agreement including the Schedules constitutes the entire agreement between the parties hereto with respect to the subject matter hereof as at the date hereof and supersedes any prior agreement or understanding.

20.2 Any written agreement or terms of reference previously entered into by the Agent and Zurich is deemed terminated as of the date hereof.

21. REFERENCES

21.1 A reference in this Agreement to “it” or “its” in relation to a licensed insurance agent shall, except where the context otherwise specifies, be construed as including a reference to “he” or “him” or “his” and “she” or “her” or “hers” and vice versa, as the case may be. Where the context so permits or requires, words importing the singular number include the plural and vice versa.

22. INCONSISTENCY

In the event of any inconsistency between the English version of this Agreement and the Chinese translation, the English version of the Agreement shall prevail.

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SCHEDULE 2
SCHEDULE OF COMMISSION

Class	Product Code	Commission (as a percentage of the actually received gross premium of a policy)
SunTravel Insurance Plan	ZXS	38.5%
HomeChoice Insurance Plan	ZHM	37.5%
Property All Risk Insurance	ZBA	30.0%
Fire Insurance	ZBF	52.0%

SCHEDULE 3
PAYMENT PERIOD
30 (Thirty) days

SCHEDULE 4

Code of Conduct for Licensed Insurance Agents (the “Code”) Forming Part of this Agreement

The general principles (“**General Principles or GPs**”) of the Code are set out below. They take account of the role licensed insurance agents play as agents acting for authorized insurers and serve as principles of conduct to ensure clients are treated fairly and their interests are protected.

GP 1. Honesty and Integrity

A licensed insurance agent should be trustworthy and act honestly, ethically and with integrity.

GP 2. Acting Fairly and in the Client’s Best Interests

A licensed insurance agent should always treat clients fairly and act in their best interests.

GP 3. Exercising Care, Skill and Diligence

A licensed insurance agent should act with due care, skill and diligence.

GP 4. Competence to Advise

A licensed insurance agent should possess appropriate levels of professional knowledge and experience and only carry on regulated activities in respect of which the agent has the required competence.

GP 5. Disclosure of Information

A licensed insurance agent should provide clients with accurate and adequate information to enable them to make informed decisions.

GP 6. Suitability of Advice

A licensed insurance agent’s regulated advice should be suitable for the client and take into account the circumstances of that client.

GP 7. Conflicts of Interest

A licensed insurance agent should use best endeavours to avoid conflicts of interests and when such conflicts cannot be avoided, should manage them with appropriate disclosure to ensure clients are fairly treated at all times.

GP 8. Client Assets

A licensed insurance agent should have sufficient safeguards in place to protect the clients assets received by the agent or which are in the agent’s possession.

Standards and Practices

The Code includes standards and practices relating to each General Principle which licensed insurance agents are ordinarily expected to comply in carrying on regulated activities (the “Standards and Practices”). The Standards and Practices are either stated specifically in the Code or are incorporated into the Code by reference to other guidelines or codes issued by the Insurance Authority, other regulators or professional bodies. A summary of the Standards and Practices set out in the Code is below, however, this is not an exhaustive summary and the Code should always be referred to in full:

GP 1. Honesty and Integrity

- a) A licensed insurance agent should not mislead or deceive a client and should ensure that any representation made or information provided to a client is accurate and not misleading or deceptive.
- b) A licensed insurance agent should not make inaccurate, misleading or deceptive statements to induce a client to enter into an insurance policy.
- c) A licensed insurance agent should comply with all requisite laws, rules, regulations, codes, guidelines, administered or issued by the IA which apply to the agent.
- d) A licensed insurance agent should not use undue influence to induce a client to enter into a contract of insurance or to make a material decision.

GP 2. Acting Fairly and in the Client’s Best Interests

- a) A licensed insurance agent should treat his client fairly and give suitable, impartial and objective advice to client which takes account of the client’s interests.
- b) A licensed insurance agent should only recommend insurance products of its appointing insurers which best meet the client’s interests.

GP 3. Exercising Care, Skill and Diligence

- a) A licensed insurance agent should always carry on regulated activities to a reasonable standard of care and skill and with due diligence expected of a prudent professional insurance agent carrying on regulated activities.
- b) A licensed insurance agent should take reasonable steps to carry out a client’s instructions accurately and promptly and notify the client of any delay or failure to carry out the same as soon as practicable.
- c) A licensed insurance agent should treat all information in relation to a client as confidential and should not use it or disclose it other than (i) for the purposes of carrying on the regulated activities for which such information has been provided, (ii) with the written consent of the client, or (iii) for the purpose of complying with any laws or regulations which apply to the agent and which require disclosure to be made.
- d) If an insurance policy contains a cooling-off period provision, a licensed insurance agent should adhere to the practices stated in the Code.

GP 4. Competence to Advise

- a) A licensed individual insurance agent and a licensed technical representative (agent) should have a good understanding of the key features of the different types of insurance products in respect of which he may carry on regulated advice.
- b) A licensed individual insurance agent and a licensed technical representative (agent) should not carry on regulated activities on matters in relations to which he lacks the specific skills or knowledge necessary to carry on the regulated activity.

GP 5. Disclosure of Information

- a) Where a licensed individual insurance agent is appointed by more than one insurer, the agent should identify the insurer being represented.
- b) A licensed individual insurance agent should provide information on key features of an insurance product recommended or arranged by the agent to the client.
- c) When assisting a client to make an insurance application, a licensed individual insurance agent should explain to the client the principle of utmost good faith and remind the client that non-disclosure of material facts may result in the insurance policy being invalidated

- d) Where a client is referred to a licensed insurance agent by another person (referrer), comply with the policies, procedures or requirements relating to referrals that its appointing insurer or appointing agency (as applicable) has in place and make relevant disclosure to client.

GP 6. Suitability

- a) A licensed individual insurance agent should, before giving regulated advice, carry out a suitability assessment of the client's circumstances.
- b) The regulated advice given by a licensed insurance agent to a client (e.g. advice in relation to the making of an application or proposal for a contract of insurance) should be advice that a reasonable licensed insurance agent would consider suitable for the client based on the information obtained from the client, including the client's circumstances.

GP 7. Conflicts of Interest

- a) A licensed insurance agent should avoid potential conflicts of interest and provide transparency through appropriate disclosure.
- b) A licensed insurance agent should disclose any restrictions arising from the agent's terms and conditions with its principal.
- c) Where a licensed insurance agent also has another business or occupation, it should avoid any conflict arising between its interests in that other business or occupation and the interest of the client when carrying on regulated activities.

GP 8. Client Assets

- a) A licensed insurance agent should only receive a payment of premiums if within the scope of his authority.
- b) A licensed insurance agent where applicable should handle any premium payment and disburse it to the appointing insurer or appointing agency in strict conformity with the requirements, controls and timing set out by its appointing insurer or appointing agency.
- c) A licensed insurance agent should safeguard any premiums received and not mix such premiums with his personal funds.
- d) A licensed insurance agent should maintain proper records of premium received.

Schedule 5

Conduct of Registered Persons for General Insurance Business and Restricted Scope Travel Business Forming Part of this Agreement

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 (Cap. 486) 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.