保險業監管局
Insurance Authority

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By email only
Our Ref: INS/TEC/6/100

To: Chief Executives of all authorized insurers carrying on long term business, Responsible Officers of all licensed insurance agencies and licensed insurance broker companies carrying on long term business

Dear Sirs/Madams,

<u>Interpretation Note on the Review Mechanism for Illustration Rate Caps in Benefit Illustration for Participating Policies ("Interpretation Note")</u>

The Insurance Authority ("IA") issued a Practice Note on 28 February 2025 to articulate a set of aligned minimum expectations regarding the illustration rate caps ("IR Caps") for participating policies. Section 4 of the Practice Note specifies that there would be on-going reviews to ensure the relevant regulatory requirements remain relevant and responsive to changing market conditions.

To ensure a transparent and disciplined process is in place, the IA issues this Interpretation Note to articulate details of the ongoing review mechanism for the IR Caps.

Should you have any questions in relation to the above, please contact your case officer or email us at enquiry@ia.org.hk.

Yours faithfully,

Marty Lui
Executive Director
Long Term Business Division
Insurance Authority

Encl.

c.c. General Agents and Managers Association of Hong Kong
Insurance Industry Regulatory & Development Concern Group
Professional Insurance Brokers Association
The Actuarial Society of Hong Kong
The Hong Kong Confederation of Insurance Brokers
The Hong Kong Federation of Insurers
The Life Underwriters Association of Hong Kong