

Chairman's Message



Kung Hei Fat Choy! I wish you all a very happy, healthy, and prosperous Year of the Dragon! I feel honored to continue serving as the Chairman of the HKCIB for yet another term in 2023-24. Thank you for all your unwavering support to HKCIB over the years. The General Committee will continuously endeavor to represent the interests of our Members and promote the professionalism of the industry in the new era.

I would like to take this opportunity to welcome Ken Cheung, our newly elected General Committee Member, and express gratitude to Benjamin Cheng for his valuable contributions to CIB, even though he decided not to seek re-election in the last Annual General Meeting. We welcome more young executives to join the HKCIB General Committee as CIB's future will need them to succeed.

On 27 February 2024, HKCIB hosted its Annual Spring Dinner. With full tables and overwhelming support from our Members, sponsors, and business partners, we enjoyed the evening, exchanging views on the market and post-COVID development.

We are sending out our invitations for the renewal of HKCIB membership of 2024-25. We look forward to the continuous support of our Members so that HKCIB would be able to represent you effectively in this dynamic market environment and regulatory landscape.

The Year of the Dragon symbolizes power, strength, and good fortune. Despite the challenging past three years of COVID, our economy is rebounding though recovery will take some time. The global geo-political landscape will continue to be unpredictable. We will have to work harder, smarter, and more innovatively to help and protect our clients from the existing risks. Chinese wisdom teaches us that where there are risks, there are opportunities. We hope that all our Members will continuously build from strength to strength, capitalize from all your good works done in the past and in the future.

Wishing all our Members and friends a fruitful and rewarding Year of the Dragon! ■

Yours sincerely,

Alex YIP
Chairman | February 2024

WORKING FOR A BETTER FUTURE!

Continuing Issues with the IA

With the Conference and the AGM behind us, our focus now shifts to the Spring Dinner and our annual Membership Renewal drive. Discussions with the Insurance Authority (IA) continue, focusing on a number of crucial broker-related matters.

A new issue on the table is the IA's proposed revisions to regulations regarding new provisions for brokers advising on investment linked insurance policies and advice on investments. CIB recognizes that this will have significant implications for brokers and detailed views on these proposed provisions are being formulated to the IA.

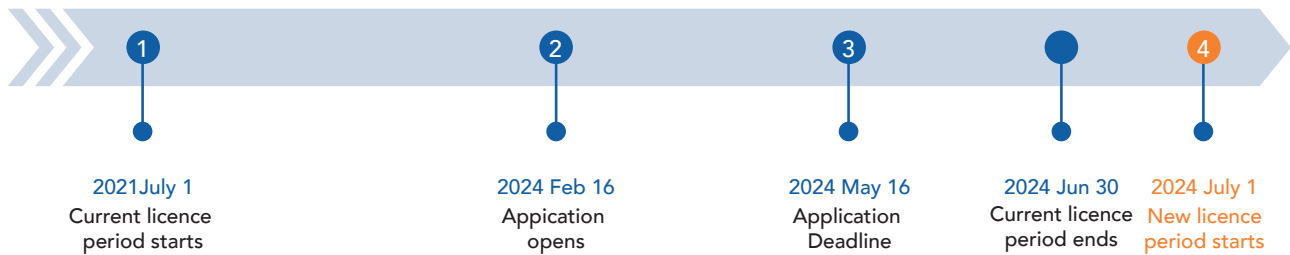
Meanwhile, CIB continues to discuss proposals for access to the GBA with the IA as well as making clear brokers' views on the IA's initial position on future fee charging which was waived for five years under the new regulatory ordinance's provisions.

We shall continue to update our Members on the latest developments. ■

Renewal of insurance broker company licence and technical representative (broker) licence

Members may remember our work on the deemed licensee application project back in 2021, navigating through new procedures involving a combination of paper form and online submission. Time has passed, and most of the members and their technical representatives (brokers) who obtained their formal licences in 2021 can expect their licences to require renewal this year (2024). This article outlines the essential points to note for license renewal.

Time Frame Example



- 1 Broker company licences and technical representative licences are valid for three years, meaning renewal applications are only necessary once every three years. The validity period of licence is stated on the licence itself or can be found through a search of the Register of Licensed Insurance Intermediaries on the IA's website. Additionally, the IA may also send reminder emails to broker companies and individual technical representatives about their upcoming renewal of their licences. For the first five years of direct regulation until 22 September 2024, licence fees are waived. Currently, the IA has not announced details of licence fees, and the renewal applications do not require payment of any fees for the time being.
- 2 Technical representatives can submit their renewal applications online via Insurance Intermediaries Connect 135 calendar days (around 4.5 months) before expiry of the current licence.
- 3 In any case, all licensees must apply for renewal at least 45 calendar days before the expiry of the current licence. Submitting late renewal applications may lead to delayed processing and result in gaps between active licence periods.
- 4 Regardless of the date of submission or approval of the renewal application, the renewed licence will become valid on the day following the expiration of the current licence.

More points to note

Broker Company Licence

- Paper form submission only – download Form R4 from the IA's website.
- Broker companies should refer to the document checklist in Form R4 to submit documents including the latest business registration certificate, annual return, group organization chart (if applicable) and any updated document that has not been submitted to the IA before.
- Responsible officers do not need to renew their approval of being a responsible officer, the approval to act as a responsible officer is valid until terminated or revoked.

Technical Representative Licence

- Online submission only – technical representatives (brokers) must submit their renewal applications through Insurance Intermediaries Connect; broker companies are also required to verify and approve the applications online.
- Technical representative (brokers) should use the "Change in Particulars" function on Insurance Intermediaries Connect to submit change requests before submitting renewal applications.
- Broker companies may print out a "Report of Licences to be Expired in Coming 6 Months" from Insurance Intermediaries Connect to identify whose individual licences are due for renewal.

Building on the success of the CIB Helpdesk's support during the deemed licensee application process in 2021, we are pleased to announce that the CIB Helpdesk is available to assist with any questions regarding licence renewals. Please feel free to reach out to the CIB Helpdesk at helpdesk@hkcb.org or 2526 3951 for assistance. We are here to support you through the renewal process. ■

Red Sea Conflict and War Insurance

Contributed by BS Rath, Past Chairman

[Insurers shun many ships carrying goods through the Red Sea as attacks continue - CNN Business](#)

[Red Sea attacks – what's the war insurance impact? - Insurance Business](#)

[Add Soaring Insurance Bills to Mounting Red Sea Trade Chaos - Bloomberg](#)

[Red Sea attacks placing pressure on war insurance premiums: DBRS Morningstar - Reinsurance News](#)

Red Sea is an important round the year maritime link connecting Europe with the countries in the Persian Gulf, Far East and South East Asia. In terms of economics, about 12% of global trade passes through the Red Sea, including 30% of global container traffic. Any disruption in this maritime traffic will have serious repercussions on trade and business and as a direct consequence thereof on economies. Since October 2023, the area has seen heightened risks with multiple attacks on vessels passing through the Red Sea during the second half of December 2023. With many hits, the area around the Southern Red Sea, Indian Ocean and Gulf of Aden area was elevated to "severe" in the risk category. So, the normal War rating was found no more relevant for this area. Joint War on 18th December 2023 by their Circular bearing reference JWLA-032 listed the Indian Ocean, Gulf of Aden and Southern Red Sea The waters enclosed by the following boundaries:

- A) on the northwest, by the Red Sea, south of Latitude 18°N
- B) on the northeast, from the Yemen border at 16°38.5'N, 53°6.5'E to high seas point 14°55'N, 53°50'E
- C) on the east, by a line from high seas point 14°55'N, 53°50'E to high seas point 10°48'N, 60°15'E, thence to high seas point 6°45'S, 48°45'E
- D) and on the southwest, by the Somalia border at 1°40'S, 41°34'E, to high seas point 6°45'S, 48°45'E excepting coastal waters of adjoining territories up to 12 nautical miles offshore unless otherwise provided.

Following this, H&M insurers and P&I Clubs gave Notice of Cancellation (NOC) and excluded the above area. Some specialized markets did offer capacity, with additional premium and other conditions like shorter time for NOC, prompt payment of premium, quote valid for 48 hours and so on. Whereas the hull market acted on the Red Sea exposure with abundant clarity, the cargo insurers approached the situation with certain amount of caution. On 8th January 2024, the Joint Cargo Committee released Notice of Cancellation Administration Clause JC2024-025 which provided much needed clarity in how the NOC will be applicable to cargo contracts and what would be the role and responsibilities of brokers/Assureds and insurers/reinsurers. Two very important matters were handled in this circular, 7 days NOC got one extra day for the assured to receive the notice and that any AP will be applicable only on new attachments after the NOC becomes effective and not on risks which have already been attached.

War market is a specialised market and brokers handling such risks need to stay alert on NOCs, change of rate and terms of cover, premium collection, tracking of vessels in the breach zone and maintain continuous communication with insurers/reinsurers and the client. ■



Annual General Meeting (AGM)

The AGM of the CIB was held recently on 4 December 2023 to receive the Chairman's and Treasurer's Reports, to reappoint the Auditors and to elect the General Committee (GC) for the coming year.

While there was a sufficient quorum in accordance with the Articles, the turnout, though disappointing, indicates overall satisfaction with CIB's current stewardship.

Former GC Member Benjamin Cheng decided to step down due to extensive travel and increasing international responsibilities and was replaced by new Member Ken Cheung. In accordance with the provisions of the Articles,

the three longest elected GC Members being James Bolus, Patrick Chan and Mark Johnson retired but being eligible for re-election were returned unopposed. The full list of the GC Members appears below.

At a brief GC Meeting held immediately following the AGM, Alex Yip and Mark Johnson were reappointed as Chairman and Deputy Chairman respectively. Subsequently at the first full GC Meeting, the various Sub-Committees and Working Groups were recast to mobilize the GC's resources more effectively. The list of Sub-Committees and Working Groups and their Conveners are listed below for the information of Members. ■

General Committee 2023 – 2024

Chairman	Mr. Alex YIP Lockton Companies (Hong Kong) Limited
Deputy Chairman	Mr. Mark JOHNSON Howden Insurance Brokers (HK) Limited
Honorary Secretary	Mr. Adrian KING Aon Hong Kong Limited
Honorary Treasurer	Mr. Ricky SO Pacific World (Asia) Ltd
Immediate Past Chairman	Mr. Patrick CHAN Nova Insurance Consultants Limited
Committee Member	Mr. James BOLUS International Financial Services Hong Kong Limited
Committee Member	Mr. Ken CHEUNG Hanson Insurance Brokers Limited
Committee Member	Ms. Tiffany LUNG MI Insurance Brokers Limited
Committee Member	Mr. BS RATH Premier Insurance Brokers Limited
Committee Member	Mr. Qianli SHI Taiping Reinsurance Brokers Limited
Committee Member	Mr. Andy WONG Marsh (Hong Kong) Limited

Sub-Committee	Convenor
Finance & Administration	Mr. Alex YIP
Education including FIS (Financial Incentive Scheme for Professional Training)	Mr. BS RATH
Legislation and Regulation	Mr. Adrian KING
Life and Investment-linked	Mr. James BOLUS
Greater China Affairs - Greater Bay Area (GBA) and Insurance Hub	Mr. Alex YIP
Social Communication	Mr. Andy WONG

Working Group	Convenor
CIB Bulletin and Annual Conference	Mr. Adrian KING
Spring Dinner	Mr. Patrick CHAN
International Affairs	Mr. BS RATH

KUNG HEI FAT CHOY!

Inviting Affiliates

In the last Bulletin, we introduced Affiliate Members which was approved by the Extraordinary General Meeting at the end of July 2023. As part of our strategic plan, the Chairman is now personally inviting organizations who have been close supporters of the CIB in the past, to become Affiliate Members in the upcoming membership year.

We see this as a good opportunity of bringing like-minded individuals together to foster a social environment. Affiliates will have the chance to not only publicize their business

specializations and philosophies but also to introduce their service personnel through the Confederation's website and social media platforms. Additionally, they can contribute articles for publication in future editions of this Bulletin.

We anticipate a good response to this outreach by our friends, bringing like-minded individuals together for mutual benefit. ■

Treasure of knowledge – CIB’s FIS Round 6

We are delighted to share that CIB has successfully secured funding for the next round of the Government’s Financial Incentive Scheme (FIS) training. CIB’s Education Sub-Committee has carefully selected various CPD courses in discussion with its partnered collaborators ANZIIF and CII and has got approval for 34 classes and for 120 hours to be delivered until end of October 2024.

- Advanced Reinsurance
- Captives
- High Net Worth Household Insurance
- Markets and how they operate
- Natural Catastrophic Insurance
- Renewable Insurance

These CPD courses will be delivered by experts in their respective fields. This sixth round covers a wide range of topics, blending general knowledge and specialized subjects. Some highlights are as below:

Listed below is the tentative schedule for the topics in Round 6. We hope you will find them relevant and engaging, and we encourage you to consider attending some of these seminars. ■

Month	Course Title (Mode of Delivery)	Hours
Feb-Apr	Crime Insurance (virtual)	3
Feb-Apr	Effective Communication with Underwriters (face-to-face)	3
Feb-Apr	Professional Indemnity and Directors and Officers Insurance (virtual)	6 (2 sessions x 3 hours)
Feb-Apr	Reflections on COVID19 - How can brokers ensure that customers have the business interruption coverage they expect (virtual)	6 (2 sessions x 3 hours)
Feb-Apr	Reinsurance 101 (virtual)	6 (2 sessions x 3 hours)
Feb-Apr	Trends and Developments of Global General Insurance Market (face-to-face)	3
Feb-Apr	Underwriting Project Cargo Insurance (virtual)	6 (2 sessions x 3 hours)
May-Jul	Advanced Reinsurance (face-to-face)	12 (4 sessions x 3 hours)
May-Jul	Advances in technology that are/will impact the Asian insurance market (virtual)	3
May-Jul	Fires, floods, earthquakes and typhoons – where to from here (virtual)	3
May-Jul	Lloyd’s and the London Market (virtual)	6 (2 sessions x 3 hours)
May-Jul	Natural Catastrophic Insurance (virtual)	6 (2 sessions x 3 hours)
May-Jul	Renewables and Insurance (virtual)	3
May-Jul	Understanding Captives (face-to-face)	6 (2 sessions x 3 hours)
May-Jul	Underwriting at Lloyd’s (virtual)	6 (2 sessions x 3 hours)
End of current CPD assessment period, new assessment period begins.		
Aug-Oct	Contractor All Risks (virtual)	6 (2 sessions x 3 hours)
Aug-Oct	High Net Worth Household Insurance (virtual)	6 (2 sessions x 3 hours)
Aug-Oct	Life Insurance and Insurance Products (virtual)	6 (2 sessions x 3 hours)
Aug-Oct	Life Insurance Underwriting and Claims (virtual)	6 (2 sessions x 3 hours)
Aug-Oct	Property All Risk Insurance and Business Interruption (virtual)	6 (2 sessions x 3 hours)
Aug-Oct	The Global Human Resource Challenge for the Insurance Sector (virtual)	3
Aug-Oct	Usage-based Insurance and behavior-based insurance (virtual)	3

Talk to us today – HKCIB is your voice within the industry!

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