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保險業監管局
Insurance Authority

Our Ref: CDD/CIR

5 June 2026

By email only

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

Dear Sir/Madam,

Circular issued by the Hong Kong Monetary Authority ("HKMA") on Remuneration Structures of Licensed Insurance Intermediaries which are Authorized Institutions for Participating Policies with Regular Payment Terms

We are writing to draw your attention to the HKMA's circular titled "Remuneration Structures of Licensed Insurance Intermediaries which are Authorized Institutions for Participating Policies with Regular Payment Terms" issued on 5 June 2026 ("HKMA's Circular"), which references the Insurance Authority's Practice Note on Remuneration Structures of Authorized Insurers for Licensed Insurance Intermediaries for Participating Policies issued on 30 July 2025 ("Practice Note").

The HKMA's Circular sets out, among other things, regulatory expectations on commission spreading requirements applicable to authorized institutions acting as licensed insurance intermediaries in the sale of participating policies with regular payment terms. These requirements reflect the fundamental principle that properly prorated remuneration structures can help align the interests of licensed insurance intermediaries with those of policyholders and support the provision of both pre-contract and ongoing services to the policyholders.

Authorized insurers are expected to take into account the requirements set out in the HKMA's Circular when designing remuneration structures for their appointed licensed insurance intermediaries that are authorized institutions. The Practice Note and the HKMA's Circular form a comprehensive regulatory framework that should be interpreted and applied holistically.

Should you have any questions regarding the above, please email us at conductsupervision@ia.org.hk.

Yours faithfully,

Alan Wu
Acting Head of Conduct Supervision
Insurance Authority

c.c. The Hong Kong Monetary Authority
The Hong Kong Federation of Insurers