

MANDATORY PROVIDENT FUND SCHEMES AUTHORITY

I.4 Guidelines on Eligible Insurers

INTRODUCTION

Section 8 of the Mandatory Provident Fund Schemes (General) Regulation (the Regulation) requires that insurance for registered schemes must be obtained from eligible insurers. A person is an eligible insurer if the person's business includes that of providing insurance and (a) the person is specified in section 6(1) of the Insurance Ordinance (Cap 41) or (b) the Mandatory Provident Fund Schemes Authority (the Authority) is satisfied that the person is an insurer that is able to meet its liabilities.

2. Section 8(3) of the Regulation requires that in assessing an insurer's ability to meet its liabilities, the Authority will take into account the credit rating of the insurer as determined by an approved credit rating agency and consult the Insurance Authority. Guidelines I.9 on Approved Credit Rating Agencies set out the names of the credit rating agencies which have been approved by the Authority for the purposes of the Regulation.

3. Section 6H of the Mandatory Provident Fund Schemes Ordinance (the Ordinance) provides that the Authority may issue guidelines for the guidance of approved trustees, service providers, participating employers and their employees, self-employed persons, regulated persons and other persons concerned with the Ordinance.

4. The Authority hereby issues guidelines to prescribe information required for assessing the eligibility of a person as an eligible insurer.

EFFECTIVE DATE

5. These revised Guidelines (Version 5 – June 2024) shall become effective on 13 June 2024. The previous version of these Guidelines (Version 4 – October 2017) shall be superseded on that day.

ELIGIBILITY AND DOCUMENTATION

Eligibility

6. In giving its advice to the Authority on the suitability of an insurer (other than an authorized insurer in Hong Kong) for the purpose of the Regulation, the Insurance Authority would consider whether the security offered by that insurer is at least comparable to that offered by an authorized insurer in Hong Kong, and more specifically:

- (a) whether the insurer is able to meet the solvency requirements of the Insurance Ordinance;
- (b) whether it has the expertise in carrying out the type of insurance concerned; and
- (c) whether it is subject to a prudential supervisory regime comparable to that of Hong Kong.

The Applicant and the Prescribed Form

7. A person, other than a person specified under section 6(1) of the Insurance Ordinance, who wishes to become an eligible insurer should submit the information and documents to the Authority in the format as set out in the Annex (Form EI).

8. The prescribed form in the Annex can be downloaded from the Authority's website at: www.mpfa.org.hk.

Signature Requirements

9. The application must be signed by at least two directors of the applicant.

Submission of Application

10. The completed Form EI together with the prescribed documents should be forwarded to the trustee to which the insurance is proposed to be issued for onward transmission to the Authority. The trustee should submit the application in hard copies either when making an application for approval as an approved trustee or when making an application for registration of a provident fund scheme.

DEFINITION OF TERMS

11. Where a term used in the Guidelines is defined in the Ordinance or the subsidiary legislation then, except where specified in the Guidelines, that term carries the meaning as defined in the Ordinance or the subsidiary legislation.

WARNING

12. If there is any change to the application information or documents after an application is submitted to the Authority, the insurer should inform the Authority as soon as reasonably practicable. It is an offence under section 43E of the Ordinance if a person, in any document given to a prescribed person¹ in connection with the Ordinance, makes a statement that the person knows to be false or misleading in a material respect, or recklessly makes a statement which is false or misleading in a material respect.

¹ Prescribed person means (a) the Authority; (b) a system operator of an electronic MPF system; (c) an approved trustee; (d) a trustee of a relevant scheme; or (e) an auditor of an approved trustee or of a registered scheme.