

**L.N. 68 of 2017**

## **Insurance Companies (Margin of Solvency) Regulation (Amendment) Rules 2017**

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## **Insurance Companies (Margin of Solvency) Regulation (Amendment) Rules 2017**

(Made by the Provisional Insurance Authority under section 129(1) of the Insurance Ordinance (Cap. 41))

**1. Commencement**

These Rules come into operation on 26 June 2017.

**2. Insurance Companies (Margin of Solvency) Regulation amended**

The Insurance Companies (Margin of Solvency) Regulation (Cap. 41 sub. leg. F) is amended as set out in rules 3 to 11.

**3. Title substituted**

The title—

**Repeal the title**

**Substitute**

**“Insurance (Margin of Solvency) Rules”.**

**4. Section 2 amended (interpretation)**

(1) Section 2—

**Repeal**

“this Regulation”

**Substitute**

“these Rules”.

(2) Section 2, definition of *first calculation* and *second calculation*—

**Repeal**

“section 4(1) to (3)”

**Substitute**

“rule 4(1), (2) and (3)”.

(3) Section 2—

**Add in alphabetical order**

“*insurer* (保險人) means—

- (a) a company that is seeking authorization or is authorized under section 8 of the Ordinance to carry on insurance business; or
- (b) an association of underwriters that is seeking approval or is approved under section 6(1)(c) of the Ordinance;”.

**5. Section 3 amended (determination of margins of solvency)**

(1) Section 3(1)—

**Repeal**

“this Regulation”

**Substitute**

“these Rules”.

(2) Section 3(2)—

**Repeal**

“Companies (Determination of Long Term Liabilities) Regulation”

**Substitute**

“(Determination of Long Term Liabilities) Rules”.

**6. Section 4 amended (long term classes A and B)**

(1) Section 4(1), English text—

**Repeal**

“subsection”

**Substitute**

“subrule”.

(2) Section 4(1)—

**Repeal**

“subsections (3), (4)”

**Substitute**

“subrules (3)”.

(3) Section 4(3)(a)—

**Repeal**

“subsections (4),”

**Substitute**

“subrules”.

(4) Section 4—

**Repeal subsection (4).**

(5) Section 4(5), English text—

**Repeal**

“subsection”

**Substitute**

“subrule”.

(6) Section 4(6), English text—

**Repeal**

“subsection”

**Substitute**

“subrule”.

- (7) Section 4(7), English text—

**Repeal**

“subsection”

**Substitute**

“subrule”.

- (8) Section 4(9), English text—

**Repeal**

“subsection” (wherever appearing)

**Substitute**

“subrule”.

**7. Section 5 amended (long term class C)**

- (1) Section 5(1)—

**Repeal**

“subsections (2) to (5)”

**Substitute**

“subrules (2), (3), (4) and (5)”.

- (2) Section 5(3), English text—

**Repeal**

“section”

**Substitute**

“rule”.

- (3) Section 5(4), English text—

**Repeal**

“subsection” (wherever appearing)

**Substitute**

“subrule”.

- (4) Section 5(5), English text—

**Repeal**

“section”

**Substitute**

“rule”.

- (5) Section 5(5), English text—

**Repeal**

“subsection”

**Substitute**

“subrule”.

**8. Section 8 amended (long term class I)**

Section 8, English text—

**Repeal**

“the First Schedule”

**Substitute**

“Schedule 1”.

**9. Section 9 amended (additional business of the nature of general business)**

- (1) Section 9(1), English text—

**Repeal**

“the First Schedule”

**Substitute**

“Schedule 1”.

- (2) Section 9(2) and (3), English text—

**Repeal**

“this section”

**Substitute**

“this rule”.

**10. Section 10 amended (prescribed levels of solvency margin)**

- (1) Section 10(2)(a), English text—

**Repeal**

“section”

**Substitute**

“rule”.

- (2) Section 10(2)(b)—

**Repeal**

“sections 4 to 8”

**Substitute**

“rules 4, 5, 6, 7 and 8”.

**11. Section 11 amended (maintenance of funds)**

Section 11—

**Repeal**

“22(3)(b)(ii) and 23(2)(b)(ii)”

**Substitute**

“22(3)(a)(ii) and (b)(ii)(B) and 23(2)(a)(ii) and (b)(ii)(B)”.

Dr. Moses CHENG Mo-chi  
Chairperson,  
Provisional Insurance Authority

11 April 2017

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### **Explanatory Note**

These Rules amend the Insurance Companies (Margin of Solvency) Regulation (Cap. 41 sub. leg. F) (***Regulation***) to—

- (a) amend the title of the Regulation; and
- (b) make textual amendments to the Regulation.