

L.N. 57 of 2024

Insurance (Levy) (Amendment) Order 2024

(Made by the Chief Executive in Council under section 134 of the Insurance Ordinance (Cap. 41))

1. Commencement

This Order comes into operation on 1 July 2024.

2. Insurance (Levy) Order amended

The Insurance (Levy) Order (Cap. 41 sub. leg. J) is amended as set out in section 3.

3. Section 3 amended (meaning of *premium*)

(1) Section 3(1)(b)(ii)—

Repeal

“, or a Hong Kong long term insurance business, as defined by paragraph 1(1) of Schedule 3 to the Ordinance”

Substitute

“or a Hong Kong long term insurance business”.

(2) After section 3(2)—

Add

“(3) In this section—

direct business (直接業務) means the business of effecting and carrying out contracts of insurance, other than contracts of reinsurance;

Hong Kong insurance business (香港保險業務) means—

- (a) any direct business or facultative reinsurance business, being general business, in relation to which the risk is underwritten in Hong Kong, that is to say—
 - (i) the policy is issued in Hong Kong;
 - (ii) the proposal form, application form or any other form of a similar nature is prepared or signed in Hong Kong;
 - (iii) the proposal form, application form or any other form of a similar nature is submitted or received in Hong Kong;
 - (iv) the proposal form, application form or any other form of a similar nature is accepted in Hong Kong; or
 - (v) the risk is accepted in Hong Kong; or
- (b) any treaty reinsurance business, being general business, in relation to which the risk is underwritten in Hong Kong, that is to say—
 - (i) the treaty is signed in Hong Kong;
 - (ii) the treaty is accepted in Hong Kong; or
 - (iii) the treaty negotiation is concluded in Hong Kong,

other than treaty reinsurance business in respect of which less than 25% of the total risk (calculated in terms of the gross premiums receivable under the treaty) arises in Hong Kong;

Hong Kong long term insurance business (香港長期保險業務) means—

- (a) any direct business or facultative reinsurance business, being long term business, in relation to which the risk is underwritten in Hong Kong, that is to say—
 - (i) the policy is issued in Hong Kong;
 - (ii) the proposal form, application form or any other form of a similar nature is signed in Hong Kong;
 - (iii) the proposal form, application form or any other form of a similar nature is submitted or received in Hong Kong;
 - (iv) the proposal form, application form or any other form of a similar nature is accepted in Hong Kong; or
 - (v) the risk is accepted in Hong Kong; or
- (b) any treaty reinsurance business, being long term business, in relation to which the risk is underwritten in Hong Kong, that is to say—
 - (i) the treaty is signed in Hong Kong;
 - (ii) the treaty is accepted in Hong Kong; or
 - (iii) the treaty negotiation is concluded in Hong Kong,

other than treaty reinsurance business in respect of which less than 25% of the total risk (calculated in terms of the gross premiums receivable under the treaty) arises in Hong Kong.

- (4) For the purposes of paragraph (b) of the definition of *Hong Kong insurance business* in subsection (3), a risk is regarded as arising in Hong Kong—
- (a) for insurance business of “accident and health” or “pecuniary loss”, if—
 - (i) the policy holder, being an individual, is resident in Hong Kong; or
 - (ii) the policy holder is a company as defined by section 2(1) of the Companies Ordinance (Cap. 622);
 - (b) for insurance business of “aircraft, damage and liability”, “ships, damage and liability” or “goods in transit”, if the risk is underwritten in Hong Kong as described in the definition of *Hong Kong insurance business*; or
 - (c) for any other insurance business, if the risk is located in Hong Kong.
- (5) For the purposes of paragraph (b) of the definition of *Hong Kong long term insurance business* in subsection (3), a risk is regarded as arising in Hong Kong if—
- (a) the policy holder, being an individual, is resident in Hong Kong; or
 - (b) the policy holder is a company as defined by section 2(1) of the Companies Ordinance (Cap. 622).”.

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Carmen KONG
Clerk to the Executive Council

COUNCIL CHAMBER

23 April 2024

Explanatory Note

Section 3(1)(b)(ii) of the Insurance (Levy) Order (Cap. 41 sub. leg. J) (*principal Order*) refers to *Hong Kong insurance business* and *Hong Kong long term insurance business* defined by paragraph 1(1) of Schedule 3 to the Insurance Ordinance (Cap. 41). That Schedule has been repealed by the Insurance (Amendment) Ordinance 2023 (20 of 2023).

2. This Order amends the principal Order to reproduce the definitions in the principal Order.