

保險業監理處

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In reply please quote this ref. INS/TEC/3/34

28 December 2006

來函檔號 Your ref.

電話 Tel. 2867 2546

To : Chief Executives of all authorized insurers
carrying on long term business

Dear Sirs,

**GN7 (second edition) - Guidance Note on the Reserve Provision
for Class G of Long Term Business**

I am pleased to inform you that the GN7 implemented since 2001 has now been revised after consultation with the insurance industry and other interested bodies.

The GN7 (second edition) entitled “Guidance Note on the Reserve Provision for Class G of Long Term Business” sets out a framework and some guiding principles for compliance by insurers carrying on Class G of Long Term Business with a view to reinforcing and enhancing the required standard of provision for Class G business based on regulatory experience gained thus far and recommendations arising from a related consultancy study commissioned by the Mandatory Provident Fund Schemes Authority.

As a transitional measure to facilitate adaptation by those insurers concerned, the GN7 (second edition) shall take effect from the financial year ending 31 December 2008. In other words, insurers writing Class G business will be required to file the first set of financial returns prepared under the new framework in 2009.

A copy of the revised GN7 is attached. It can also be downloaded from our website at <http://www.oci.gov.hk>. The Chinese version will be sent to you when it is available.

Should you have any questions on the above, please contact Mr. Edmund Chow at 2867 4629 or the case officer you have been dealing with.

Yours truly,

(Clement Cheung)
Commissioner of Insurance
(Insurance Authority)

Encl.

c.c. Mandatory Provident Fund Schemes Authority
The Hong Kong Federation of Insurers
The Actuarial Society of Hong Kong
Hong Kong Institute of Certified Public Accountants
Appointed actuaries of all authorized long term business insurers

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