

## HK and the Mainland enter into Cooperative Agreement on insurance supervision

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Hong Kong and the Mainland have entered into a Cooperative Agreement on insurance supervision (Agreement) to strengthen future cooperation of insurance regulators in the two places.

The Agreement was signed in Beijing today (November 26) by Mr Richard Yuen, the Commissioner of Insurance of the Hong Kong Special Administrative Region, and Mr Li Kemu, Vice Chairman of the China Insurance Regulatory Commission.

The Agreement seeks to promote efficient, fair and stable insurance markets in both Hong Kong and the Mainland for the benefit and protection of policyholders, by providing a framework for co-operation, mutual understanding, the exchange of information and assistance.

Mutual assistance is provided in areas of administration and enforcement of the various requirements relating to the business of insurance. These include development of new regulatory requirements for the conduct of insurance business and the continuous monitoring of insurance companies to ensure compliance with relevant supervisory requirements.

"Due to the very close liaison and integration of the economies of Hong Kong and the Mainland, cross-border insurance activities have become increasingly active. Concluding the Cooperative Agreement can reinforce our communication and mutual assistance and cooperation. It can also enhance our supervisory effectiveness and capabilities, and help to maintain efficient, fair, safe and stable insurance markets and thus protect the interest of policyholders," said Mr Richard Yuen.

"With the convergence of the financial services and the globalization of insurance business, it is essential for financial regulators to have enhanced cooperation and information sharing in order to improve their effectiveness in administering and enforcing the insurance laws of their respective jurisdictions."

Prior to the signing of the Agreement in Beijing, the Commissioner of Insurance attended the Forum on Management of Insurance Funds organized by the Financial Services and the Treasury Bureau on November 25 and 26 in Beijing and delivered a

speech on "Insurers' investments in the Hong Kong Securities Market from a regulatory perspective", introducing Hong Kong's regulatory requirement for investments of insurers.

Ends/Friday, November 26, 2004

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