

Insurance Authority fines a broker company and suspends its license for regulatory breaches

The Insurance Authority (IA) fined a licensed insurance broker company and suspended its licence on 22 December 2021 for failing to submit its audited financial statements and auditor’s report within six months following the end of its financial year.

The case involved a contravention which took place prior to the IA taking on the regulation of licensed insurance broker companies on 23 September 2019. The IA therefore had to handle the matters as disciplinary actions in accordance with the transitional arrangements in Schedule 11 of the Insurance Ordinance (Cap. 41)(the “Ordinance”), applying the relevant requirements in place at the time¹.

Under the new regulatory regime (in force since 23 September 2019), if a licensed insurance broker company fails to submit its audited financial statements and auditor’s report within 6 months after the end of each financial year, the IA can prosecute it for an offence under the Ordinance. If found guilty of such offence, the broker company will be liable for a fine at level 6², and in the case of a continuing offence, to a further fine of HK\$500 for each day during which the offence continues. Further, such offence will be a matter of public record and may adversely impact the fitness and properness of the broker company to continue to be licensed.

Licensed insurance broker companies are therefore urged to ensure they submit their financial statements and auditor’s reports on time.

For further information on the IA’s enforcement work, please see the [“Enforcement News”](#) section of the IA’s website. Public disciplinary actions against licensed insurance intermediaries may also be searched on the [Register of Licensed Insurance Intermediaries](#) on our website.

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Insurance Authority

22 December 2021

¹ Pursuant to section 113(4)(d) of Schedule 11 to the Insurance Ordinance, in handling non-compliance cases unresolved by the Self-Regulatory Organisations (SROs), the IA may impose a disciplinary sanction on a specified person that could have been imposed by the SRO concerned had the case been handled by the body.

² Pursuant to Schedule 8 to the Criminal Procedure Ordinance (Cap. 221), a fine at level 6 is \$100,000 at present.



Media enquiries

Iris Leung, External Relations Manager

Tel: 3899-9689 Email: irisleung@ia.org.hk

Jeannie So, Assistant External Relations Manager

Tel: 3899-9685 Email: jeannieso@ia.org.hk