

**Legality (contract)** ((合約)合法性) An essential requirement with contracts, that the proposed agreement is not contrary to any aspect of law; otherwise, the contract is generally unenforceable. **2.1.3(e)**

**Life Insurance** (人壽保險) The major type of Long Term Business and forming the leading class of insurance, by premium volume, in Hong Kong. **5.1.1(a)**

**Long-tail Business** (長期責任業務) Classes of insurance where claims under a policy may arise and develop over a long period of time, perhaps a number of years after the expiry of the period of insurance, e.g. most liability insurances. **4.9(b)**

**Long Term Business** (長期業務) One of the two major divisions of insurance, as per the Insurance Companies Ordinance. The dominant categories within this division concern life insurance contracts. It is 'long-term' because policies are normally not annual contracts, but last for a number of (sometimes many) years. **5.1.1(a)**

**Loss Prevention** (損失防範) The lowering of the frequency of identified losses. **1.1.3(c)(iii)**

**Loss Reduction** (損失降低) The lowering of the severity of identified losses. **1.1.3(c)(iii)**

**Management of Insurance Agents** (保險代理人管理) Forming Part IV of the Code of Conduct for Insurers, this section provides guidance on various relevant issues, including registration, complaints, adequate support, etc. **6.1.2d**

**Marine Clause** (海上條款) A clause in a fire policy to the effect that any marine insurance covering the same loss should pay for the loss and the fire policy will pay towards any remaining uncompensated loss after the marine policy has responded. **3.5.5(c)**

**Market Co-operation** (市場合作) Whilst competition is strong among insurers, there is considerable inter-company co-operation, especially seen in the central representative body for insurers, The Hong Kong Federation of Insurers. **5.3(c)**

**Marketing and Promotion** (市場行銷及促銷) Conscious contact with the public to maintain public relations and promote the company's interests. **4.3**

**Material Fact** (重要事實) A fact that would influence the judgement of a prudent underwriter as to the acceptance of a risk or the premium on which it is to be accepted. **3.2.3**