

Insurance Intermediaries

According to statistics provided by the Insurance Agents Registration Board (“IARB”), as at December 31, 2010, there were 2,381 insurance agencies, 33,200 individual agents, and 26,267 responsible officers/technical representatives registered.

As at December 31, 2010, there were 582 authorized insurance brokers in Hong Kong and 7,722 persons registered as chief executives/technical representatives of these authorized insurance brokers.

Business Volume

The total gross premium in 2009 decreased by 2.1% after the 2008 global banking crisis to HK\$184.6 billion, accounting for 11.3% of the Hong Kong Gross Domestic Product.

Business volume is expected to increase as many more Chinese Mainlanders coming to Hong Kong to buy insurance, and today’s insurance products (mainly endowment, whole life and investment-linked) serve the purpose of saving and investment, particularly under the thrust of bancassurance.

d. Industry AssociationsThe Hong Kong Federation of Insurers (HKFI)

This is the most prominent insurers’ association representing their interests. It was formed in August 1988 and is recognized by the Government as the representative body of insurers, and most of the authorized insurers are its members. HKFI also has major influence in the self-regulatory process by issuing various codes for its members to comply with, and hence to build consumer confidence by encouraging high standards of ethics and professionalism. HKFI established the Insurance Agents Registration Board (IARB) in January 1993 as a platform for agent registration and handling complaints against agents,

The Hong Kong Confederation of Insurance Brokers (CIB) and the Professional Insurance Brokers Association Ltd. (PIBA)

These two bodies are approved under Section 70 of ICO by the Insurance Authority. Their members are deemed to be authorized insurance brokers without the need to seek authorization from the Insurance Authority directly. These two bodies also assist in the self-regulatory process for brokers.

085 MEDICAL EXPENSE NEEDS ANALYSIS

To determine the demand for medical expenses is complicated. It depends on one’s health and the future possibility of suffering a health problem. The frequency and the severity of health problems are difficult to predict. Here are some guidelines when considering how much medical benefit is needed:

- Personal health history
- Family health history
- Benefits provided by group medical plan (provided by employers)
- Desired quality of medical treatments
- Loss of income during sickness and rehabilitation.

Many people may think that no extra plan is needed when there is a company group medical plan in place. This is a common misconception because there may be no coverage during the transition period between jobs, and the coverage of the company’s plan may not be enough. Also bear in mind that the underwriting standard for medical insurance becomes more stringent as one’s health deteriorates. Medical insurance should be bought sooner rather than later.

Many people in Hong Kong buy more than one life insurance plan, but seldom buy more than one medical plan. Medical insurance is the plan that benefits yourself when you are alive!

086 DISABILITY NEEDS ANALYSIS