

Circular No. ID/0405

15 Apr 2005

The Principal Officer of All Insurers

Dear Sir/ Madam

SUBMISSION OF RETURNS UNDER THE RISK-BASED CAPITAL (RBC) FRAMEWORK IN RESPECT OF THE 2004 ACCOUNTING PERIOD

We have received queries from direct insurers and reinsurers on the RBC forms that have to be submitted in respect of the 2004 accounting period. We would therefore like to clarify the following:

a) Forms 1 and 8

All direct insurers and reinsurers are required to submit Forms 1 and 8 (together with the notes and annexes). Signatures of the Principal Officer and two directors are required for the hard copy version of the forms. As the forms (except the annexes) are required to be audited in respect of the accounting period ending 31 Dec 2004, the auditor's report should also be submitted.

b) Forms 21, 22 and 23

All direct insurers and reinsurers, except for those that are exempted from the fund solvency requirement and capital adequacy requirement as specified under Regulation 4 of the Insurance (Valuation and Capital) Regulations 2004, are required to submit Forms 21, 22 and 23. These forms need not be audited for the accounting year 2004. Only the signature of the Principal Officer is required for the hard copy version of these forms.

2 Paragraph (b) above is not applicable to direct insurers and reinsurers that have adopted the RBC framework prior to 1 Jan 2005. These insurers are required to submit by 30 Apr 2005, audited Forms 21, 22 and 23 and other statutory returns as specified under Regulation 18(3)(d) of the Insurance (Accounts and Statements) Regulations 2004.

Yours faithfully

LOW KWOK MUN
EXECUTIVE DIRECTOR
INSURANCE SUPERVISION DEPARTMENT