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# REGULATORY NEWSLETTER

2023 Vol.3



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ComplianceDirect would like to extend our warmest greetings to all our readers and business partners in March. We hope this finds you in good health and spirits.

As the world continues to navigate the COVID-19 pandemic, the Hong Kong Government mask mandate has been dropped last week, 959 days since it was imposed. With this announcement, all social distancing measures have been lifted, and life in the city can resume complete normality. After over three years of fighting the pandemic and enduring hardships, people in Hong Kong can now express themselves freely and show their smiles as they please.

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## REGULATORY UPDATES

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### **Conduct Supervision and Claims Handling Insurance Fraud Prevention Claims Database**

**27 Feb 2023**

The principles of mutual benefit and risk pooling are essential in insurance, where the losses suffered by a few are covered by many. Fraudulent insurance claims deplete pooled funds and erode an insurer's financial position, leading to increased premiums for honest policyholders. Authorized insurers have a commercial responsibility to manage fraud risk and have established the Insurance Fraud Prevention Claims Database (IFPCD) to detect potential fraudulent claims. The IFPCD is designed to improve customer experience and the public image of the industry by ensuring prompt settlement and payment of genuine claims. The Insurance Authority (IA) focuses on maintaining and enforcing conduct standards across the industry, including claims handling. Insurers must have adequate policies and procedures in place to handle and settle claims fairly and promptly and combat fraudulent claims.

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# NEWS

## **Insurance Authority launches “QDAP Selection Made Easy” search tool to facilitate QDAP selection and comparison**

**23 Feb 2023**

The Insurance Authority (IA) has launched a search tool called "QDAP Selection Made Easy" that allows users in Hong Kong to compare Quoted Annuity Policies (QDAP) based on their preferences. Users answer five questions and can obtain a list of QDAP options that meet their preferences, sorted by criteria such as guaranteed and total internal rates of return. The IA stresses the importance of assessing personal needs and comparing QDAP products in the market before making a purchase decision. QDAP is a retirement planning tool that provides a stable income stream against longevity risk, contributing over \$16.8 billion in annualized premiums since its inception in 2019. Eligible QDAP policyholders can claim a tax deduction for premiums paid up to \$60,000 per assessment year.

[QDAP Selection Made Easy](#) and the [Full QDAP List](#) are now available on the IA website. Members of the public can learn more about QDAP on the [thematic webpage for QDAP](#).

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