

Insurance/
Reinsurance

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Welcome to HFW's Insurance Bulletin, which is a summary of the key insurance and reinsurance regulatory announcements, market developments, court cases and legislative changes of the week.

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Should you require any further information or assistance on any of the issues dealt with here, please do not hesitate to contact any of the contributors to this bulletin, or your usual contact at HFW.

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hfw 1. Regulation and legislation

Europe: Solvency II equivalence – EIOPA publishes progress report on Bermuda

As we reported on 18 June 2015¹, Solvency II permits the European Commission to determine that a non-EEA country's insurance regulatory regime is equivalent to Solvency II in three areas. On 5 June 2015, the European Commission (following advice from EIOPA) granted Bermuda provisional equivalence in respect of solvency calculations under article 227.

Provisional equivalence is granted where the country may not satisfy all of the criteria for full equivalence, but progress is being made towards equivalence and it is expected that an equivalent regime will be adopted.

On 4 September 2015, EIOPA published a progress report² (dated 31 July 2015) setting out the latest developments in Bermuda's supervisory regime. The report explains that Bermuda has made substantial amendments to relevant regulations since EIOPA's advice was presented to the European Commission in March 2015, and that the European Commission requested EIOPA to undertake a further review of Bermuda's supervisory regime.

The European Commission intends to take further decisions on equivalence later in 2015. We expect that these decisions will include a decision on whether Bermuda is fully equivalent.

It should be noted that the scope of EIOPA's report is the same as for its March 2015 advice, so relates only to the supervision of commercial insurers in Bermuda; it does not consider the equivalence of captives or special purpose insurers.

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Hong Kong: Final competition law guidelines published

On 27 July 2015 Hong Kong's Competition Commission issued six final guidelines¹ on how the Commission intends to interpret and apply the provisions of the new Competition Ordinance. The operative provisions of the new Ordinance will become effective on 14 December 2015.

Anna Wu Hung-yuk, Chairperson of the Commission hails the release of the guidelines as *"a major milestone on the road to the full commencement of the competition law"*. That said, the final guidelines are broadly the same as the revised draft guidelines published for consultation in March 2015 – there were no major surprises. The milestone in our view is the introduction of competition law in Hong Kong. Astonishingly, while Hong Kong is considered one of the freest market economies in the world, Hong Kong has hitherto not had competition laws – with exception of the telecommunications industry. Thus the Competition Ordinance heralds major changes.

We previously reported on the Competition Ordinance on 30 July 2015². The Commission is expected to publish its leniency policy and enforcement priorities shortly.

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CAROLINE THOMAS, SENIOR ASSOCIATE

1 http://www.hfw.com/Insurance-Bulletin-18-June-2015#page_2

2 <https://eiopa.europa.eu/Publications/Reports/EIOPA-BoS-15-176-%20Equivalence%20-%20Progress%20report%20Bermuda.pdf>

1 <http://www.compcomm.hk/en/guidelines.html>

2 http://www.hfw.com/Insurance-Bulletin-30-July-2015#page_5



hfw 2. Market developments

Hong Kong: A new commissioner for insurance

Hong Kong's current Commissioner for Insurance, Annie Suk-han Choi stood down on 19 August 2015. The new Commissioner for Insurance is John Leung Chi-yan, who moves into the role from his previous appointment as the Director of the Hong Kong Economic, Trade and Cultural Office in Taipei, where he focussed on the promotion of economic, trade and cultural exchanges between Hong Kong and Taiwan.

As we reported on 16 July 2015¹, the new independent Insurance Authority is scheduled to take over the responsibilities of the Office of the Commissioner for Insurance within six to 12 months of its establishment (although it will be called Provisional Insurance Authority during those first months). This transfer of responsibilities will likely occur by the end of 2016.

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1 http://www.hfw.com/Insurance-Bulletin-16-July-2015#page_2

hfw 3. HFW publications and events

HFW participates in the Insurance & Risk Management Roundtable 2015

HFW Partner Paul Wordley was a member of the Corporate Livewire Insurance & Risk Management Roundtable 2015 alongside other experts from around the world. The panel discussed the latest changes and key strategies being implemented in their jurisdictions in relation to cyber risks, and the consequences they can have on a business, with the aim of helping businesses to navigate the increasingly complex landscape of risk management.

The roundtable can be viewed at: <http://www.corporatelivewire.com/round-tables.html?id=insurance-risk-management-2015>.

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Kluwer Law Conference for In-house Counsels – Hong Kong: 4th Annual Global Competition Law Forum

HFW will be sponsoring the Kluwer Law Conference for In-house Counsels Hong Kong: 4th Annual Global Competition Law Forum which will discuss the global issues involving competition law.

HFW Senior Associate Caroline Thomas will be part of a panel discussion on what in-house counsel need when being advised on competition law and HFW Partner Konstantinos Adamantopoulos will be speaking on EU Competition Law and Its Effects for Asian Companies.

For more information please visit: <https://www.cch.com.hk/hk/ExecutiveEvents/ExecutiveEventDetails.aspx?PageTitle=Hong-Kong--4th-Annual-Global-Competition-Law-Forum&ID=2228&Source=EEHome>

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