



HONG KONG MONETARY AUTHORITY  
香港金融管理局

Our Ref: B1/15C  
C2/5C

27 March 2020

The Chief Executive  
All Authorized Institutions

Dear Sir / Madam,

**Circular Issued by the Insurance Authority (“IA”) on  
Phase 2 of the Temporary Facilitative Measures (“TFM”) to Tackle the  
Outbreak of COVID-19**

I am writing to draw your attention to the attached circular “Phase 2 of the temporary facilitative measures to tackle the outbreak of COVID-19” issued by the IA today (the “IA Circular”) regarding Phase 2 of the TFM in view of the current situation.

Phase 2 of the TFM covers (i) Qualifying Deferred Annuity Policy (“QDAP”); (ii) Voluntary Health Insurance Scheme (“VHIS”); (iii) term insurance policies; and (iv) refundable insurance policies without substantial savings component, or renewable insurance policies without cash value, that provide insurance protection (e.g. hospital cash, medical, critical illness, personal accident, disability or long-term care cover). Authorized institutions (“AIs”) may continue to adopt the TFM outlined in the IA Circular for their non-face-to-face (“non-F2F”) distribution of the in-scope products until 30 June 2020.

In the sale of QDAPs under Phase 2 of the TFM, the clarifications that the requirements on provision, explanation and signing of the fact sheet for QDAPs can be met through non-F2F methods as set out in the circular entitled “Circular Issued by the Insurance Authority (“IA”) on Temporary Facilitative Measures to Tackle the Recent Outbreak of Novel Coronavirus” issued by the Hong Kong Monetary Authority (“HKMA”) on 21 February 2020 will continue to apply.

At the same time, the clarification that AIs should not sell QDAPs to vulnerable customers (“VCs”) or non-VCs who choose to have audio-recording arrangement if audio-recording of the selling process is not practical in a particular non-F2F method remains applicable. AIs are also reminded that they are expected to continue to exercise extra care when dealing with VCs, especially when using non-F2F method of communication.

If you have any question on this circular, please contact Ms Candy Tam at 2878-1292 or Mr Chris Wong at 2878-1450.

Yours faithfully,

Alan Au  
Executive Director (Banking Conduct)

Encl.

c.c. Insurance Authority  
(Attn: Ms Carol Hui, Executive Director (Long Term Business)  
Mr Stephen Po, Executive Director (Market Conduct))