



FROM	Liberty Specialty Markets Hong Kong Limited
SUBJECT	Frequently Asked Questions relating to the 2026 Proposed Transfer
DATE	28 November 2025

What is happening?

1. **What are the proposed changes?**

It is proposed that the general insurance business of Liberty Specialty Markets Hong Kong Limited (**LSMHK**) will be transferred to Liberty International Insurance Limited (**LIIL**).

It is intended for LSMHK to discontinue operations after the proposed transfer and all liabilities of LSMHK will be transferred to LIIL.

2. **Why are these changes happening?**

Both LSMHK and LIIL are Hong Kong subsidiaries of Liberty Mutual Insurance Group (**Liberty Group**). The proposed transfer from one Hong Kong subsidiary (LSMHK) to another (LIIL) is part of a group wide initiative for the Liberty Group. Combining the businesses under one Liberty Group Hong Kong entity strengthens our capabilities to continue providing comprehensive services and solutions for our clients locally and regionally.

3. **Which companies are involved?**

Both LSMHK and LIIL are subsidiaries of the Liberty Group, incorporated in Hong Kong and authorised by the Insurance Authority to carry on the classes of insurance business listed in Q4 below in or from Hong Kong.

LIIL is a wholly owned subsidiary of the Liberty Group and is strongly supported by the Liberty Group. LIIL is fully capitalised in line with regulatory requirements.

On 20 November 2025, S&P Global Ratings assigned an 'A' long-term financial strength rating to LIIL.

4. **What is being transferred?**

The entire general insurance business of LSMHK, including all related assets and liabilities is being transferred to LIIL.

The general insurance business includes general insurance policies underwritten by LSMHK under: Class 6 (Ships), Class 7 (Goods in Transit), Class 8 (Fire and Natural Forces), Class 9 (Damage to Property), Class 12 (Liability for Ships), Class 13 (General Liability), Class 15 (Suretyship), Class 16 (Miscellaneous Financial Loss) and Class 17 (legal expenses).

5. How and when will the proposed transfer take effect?

LSMHK has applied to the Insurance Authority pursuant to Section 25D of the Insurance Ordinance (**S25D**) for approval to transfer its general insurance business to LIIL.

Subject to the approval of the Insurance Authority, the transfer will take effect on 1 April 2026, or a later date as directed by the Insurance Authority (**Transfer Date**).

For policies incepting after 11.59 p.m. 1 January 2026, the transfer will be effected via the S25D application.

For policies incepting after 11.59 p.m. 1 January 2026, the policies will be novated.

For policies where the governing law is not Hong Kong law, these policies will be novated.

A statutory notice regarding this proposed transfer as required under S25D will be published in the Gazette, The Standard and Sing Tao Daily newspapers on 16 January 2026.

What this means for you?

6. How does the proposed transfer affect my policy?

From the Transfer Date, all Hong Kong law governed general insurance and reinsurance policies written by LSMHK will automatically transfer to and vest in LIIL. Further, all of LSMHK's rights and obligations under a LSMHK policy will be assumed by LIIL. Your policy with LSMHK will therefore be transferred to LIIL.

7. Does the proposed transfer apply to my policy when the governing law of my policy is not Hong Kong?

If your policy is not governed by Hong Kong law, your policy will not automatically transfer and vest in LIIL under the proposed transfer. Your policy will have to be novated in order for it to transfer to LIIL on the proposed Transfer Date.

We will contact you well before the Transfer Date to have your policy novated to LIIL.

8. Will there be any change to the terms of my policy?

No. You can be assured that the transfer of your policy will not affect your rights and benefits under your policy, and you will continue to enjoy the same rights and benefits with LIIL.

9. Will new insurance policies be issued for my existing policy?

No. Existing in-force insurance policies with LSMHK remain valid and will be transferred to LIIL from the Transfer Date.

10. Will new insurance policies be issued by LSMHK after the Transfer Date?

No. There will not be any new insurance policies issued by LSMHK after the Transfer Date.

11. What if I am applying for a new insurance/reinsurance policy or renewing a policy?

You may continue to make submissions to LSMHK until 31 March 2026. Thereafter, all submissions should be made to LIIL.

- i. If your policy is issued or renewed with LSMHK with coverage starting on or before 11:59 pm 1 January 2026, it will be automatically transferred to LIIL under the proposed transfer.
- ii. If your policy is issued or renewed with LSMHK with coverage starting after 11:59 pm 1 January 2026, it will be transferred to LIIL by way of novation. A novation clause will be included as part of the policy terms, so your policy transfers to LIIL on the Transfer Date.
- iii. If your policy is not governed by Hong Kong law, your policy will be novated to LIIL on or before the Transfer Date.

If you do not consent to change the (re)insurer to LIIL, please let us or your insurance broker know as soon as possible. However, please note that from the Transfer Date, LSMHK will no longer be in a position to service your policy or write any new policies.

If your policy submission is not finalised by the Transfer Date, your submission will be transferred to LIIL and considered by LIIL, adopting LSMHK's underwriting guidelines.

12. What happens if I have an existing claim?

Your claim will be handled and processed by LIIL after the Transfer Date. The transfer will have no impact on your existing claim as LIIL will take over the processing of your claim and be responsible for applicable subsequent payments.

13. Can I make a new claim before the Transfer Date?

Yes. If you wish to submit a new claim under a policy with LSMHK, you may still do so prior to the Transfer Date. After this date, all policies will transfer to LIIL who will continue to handle the claim.

If you wish to notify of a new claim after the Transfer Date, you can do so by submitting that claim to LIIL.

14. Can I choose to stay with LSMHK after the Transfer Date?

No. From the Transfer Date, LSMHK will take steps to withdraw its authorization as an insurer under the Insurance Ordinance and will eventually be deregistered. Please rest assured that all your rights under your insurance policy with LSMHK will be transferred to and continue with LIIL.

15. Will I be required to change my broker?

No, your relationship with your broker will not be affected by the proposed transfer.

16. What if I have a complaint against LSMHK?

If you have made a complaint before the Transfer Date and such complaint is not resolved by the date of transfer, the complaint will be managed/handled by LIL.

17. Where can I find further information about the proposed transfer?

Copies of a report setting out the particulars of the transfer will be available for inspection at the offices of LSMHK from 9:00am – 5:30pm HKT on Mondays to Fridays (except public holidays) from 16 January 2026 until 16 February 2026 (30 days from the publication of the statutory notice required under S25D).

You may contact us for further information:

- Dedicated Hotline: +852 3655_2686
- Email: hongkong@libertyglobalgroup.com
- Correspondence: Suite 2401-4, 24/F, 1111 King's Road, Taikoo Shing, Hong Kong

18. What if I have concerns about the transfer?

From 16 January 2026 onwards, if you have concerns about the proposed transfer or LSMHK withdrawing its authorization, you may provide written representations to the Insurance Authority at 19/F, 41 Heung Yip Road, Wong Chuk Hang, Hong Kong at any time on or before 18 March 2026.

Please note you are only entitled to make representations if you have a Hong Kong law governed in-force or expired policy with LSMHK incepting on or before 11.59pm on 1 January 2026.

19. How can we keep up to date with the progress of the proposed transfer?

We will notify you in writing after the proposed transfer has been approved by the Insurance Authority and has taken effect.

20. Do I have to take any actions?

You are not required to take any action, unless you have any other queries, or you want to make any representation.

If you have other queries regarding the proposed transfer, you may contact us:

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