

# IFFO and IA showcase strategic roles of insurance and guarantee in project risk management

The following is issued on behalf of the Hong Kong Monetary Authority:

The Hong Kong Monetary Authority (HKMA) Infrastructure Financing Facilitation Office (IFFO) and the Insurance Authority (IA) jointly held a seminar today (March 26) on the strategic roles of insurance and guarantee in project risk management. The seminar attracted over 80 senior representatives comprising largely IFFO partners such as export credit agencies, financiers, investors, multilateral financial agencies and project owners, as well as members from the IA's Belt and Road Insurance Exchange Facilitation (BRIEF) specialised in risk management including insurers, reinsurers, captive insurers and insurance brokers.

The one-day seminar covered infrastructure case studies featuring viewpoints of both insurers and the insured on political and commercial risk insurances. Seasoned speakers elaborated on their key strengths and advantageous propositions in political risk insurance and guarantee. Various risk management experts from the Hong Kong insurance industry illustrated how insurance brokers and insurers customised insurance solutions to address the corresponding risk management needs during the project planning, construction and operation phases.

At the seminar, attendees were also illustrated with case studies of infrastructure projects in emerging economies that involved both public and private entities of different nationalities, with a view to bringing out the importance of risk management in facilitating project investment and financing in the region.

"Investing and financing complex projects in emerging markets involve a multitude of specialty risks," said the Executive Director of the Policy and Development Division of the IA, Mr Raymond Tam. "Insurance industry can offer solutions to address these risks, not only by granting of loss payments but sharing of technical knowhow on how to mitigate or avoid these risks. Hong Kong is well-positioned as a global risk management centre and a regional insurance hub to provide support in this regard."

The Executive Director (External) of the HKMA and Deputy Director of IFFO, Mr Vincent Lee, said, "Risk management is crucial to the success of infrastructure investments and financing. The seminar deepens the participants' understanding on the products offered by public and private insurers, and knowledge on applying suitable risk mitigation measures to further enhance project bankability. This event further showcases Hong Kong's unique role in facilitating infrastructure investments and financing through providing full-fledged services including project advisory and risk

management."

This seminar marked the first collaboration between IFFO and the IA. It also demonstrated Hong Kong's advantages as a comprehensive infrastructure financing and risk management centre. Both organisations will continue to explore co-operation opportunities in promoting the significance of risk management in infrastructure investments and financing.

#### About IFFO

As part of the HKMA, IFFO's mission is to facilitate infrastructure investments and their financing by working with a cluster of key stakeholders. The functions of IFFO are:

- providing a platform for information exchange and experience sharing;
- building capacity and knowledge on infrastructure investments and financing;
- promoting market and product development; and
- facilitating infrastructure investment and financing flows.

By establishing IFFO, the HKMA can play a valuable role as a catalyst in the facilitation of infrastructure investments and their financings with its mandate to promote Hong Kong as an international financial centre.

For more information about IFFO, please visit [www.iffo.org.hk](http://www.iffo.org.hk).

#### About IA

The IA is the independent insurance regulator in Hong Kong responsible for regulating and supervising the insurance industry, for the promotion of the general stability and sustainable development of the industry, and for the protection of existing and potential policy holders.

To help enterprises from the Mainland, Hong Kong and overseas that participate in projects and other commercial activities related to the Belt and Road Initiative identify and create feasible risk management solutions, the IA announced in December 2018 the launch of BRIEF platform. BRIEF aims to bring together a cluster of key stakeholders and provide a platform for exchanging intelligence on risk management and insurance, forging alliances and facilitating networking. For details please visit [www.ia.org.hk/brief](http://www.ia.org.hk/brief).

