

Speech by DCS at Asian Insurance Forum 2024 Luncheon (English only) (with photo)

Following is the speech by the Deputy Chief Secretary for Administration, Mr Cheuk Wing-hing, at the Asian Insurance Forum 2024 luncheon today (December 10):

Stephen (Chairman of the Insurance Authority, Mr Stephen Yiu), Clement (Chief Executive Officer of the Insurance Authority, Mr Clement Cheung), distinguished guests, industry leaders, ladies and gentlemen,

Good afternoon. My great pleasure to join you all today. First and foremost, I would like to extend my gratitude to the Insurance Authority for organising this event. It is no mean feat to bring together such a distinguished group of practitioners, experts, and policymakers. Your dedication ensures that Hong Kong continues to be a vital meeting point for the global insurance community.

I should also congratulate the Insurance Authority for hosting the IAIS Annual Conference and AGMs (annual general meetings) in Hong Kong in 2026. As the global standard-setting body for the insurance sector, the IAIS (International Association of Insurance Supervisors) has been playing an instrumental role in promoting effective supervision of the insurance industry, as well as in contributing to global financial stability. Hosting this notable international event will surely reinforce Hong Kong's status as a global risk management centre and a regional insurance hub. I look forward to welcoming hundreds of IAIS members and industry stakeholders from all over the world to visit us in 2026.

I must also thank all of you in the audience – whether you are driving regulatory progress, crafting innovative products, or strengthening customer trust – for your contributions to an industry that touches every corner of society. You are the driving force behind the growth and resilience of the industry.

Today, I would like to share with you how Hong Kong is doing as an insurance hub, and how we have demonstrated resilience, innovation and leadership in the face of challenges, geopolitical tensions, climate risks and economic turbulence.

Hong Kong has long been recognised as a leading global hub for insurance and risk management. With around 160 authorised insurers, including six of the world's top 10 insurance companies, and three global insurance groups under group-side supervision, Hong Kong boasts a diverse and competitive market. Our 17.2 per cent insurance penetration rate, the highest globally, and US\$8,769 per capita insurance density, ranking second worldwide, further underscore the strength of our industry.

These figures are tale-telling. They tell the story of a city with a strong culture of risk management, financial literacy, and trust. Even amidst global headwinds, the industry continues to thrive. In the first half of 2024, gross premiums increased by 5.1 per cent year-on-year, reaching HK\$310.9 billion. Life insurance was a major driver, with premiums from individual life and annuity business rising by 6.9 per cent.

These aren't just numbers; they are a testament to Hong Kong's ability to adapt, innovate and lead. What's equally remarkable is how these achievements reflect the dedication of individuals like yourselves. Behind every policy written and every risk assessed are professionals ensuring that individuals, families and businesses can move forward with confidence.

Opportunities in the Greater Bay Area

Looking forward, one of the most exciting opportunities for us lies in the Greater Bay Area (Guangdong-Hong Kong-Macao Greater Bay Area). The region has around 87 million residents and a GDP (Gross Domestic Product) exceeding RMB14 trillion, which places the region at about world number 10, if viewed as a single economic entity. The Greater Bay Area is therefore a thriving economic engine, and Hong Kong is perfectly positioned to bridge this dynamic market with the global insurance industry.

And we are making strides in enhancing cross-boundary services. For example, the unilateral recognition policy for cross-boundary motor insurance has already facilitated seamless travel for Hong Kong vehicles entering the Mainland.

In the first half of 2024, Mainland visitors contributed to 25.7 per cent of new business premiums in Hong Kong, demonstrating the deepening integration between our markets. This growing integration reflects not just a mutual trust, but also the potential for innovative cross-boundary products. For those of you in the audience, if you have not already done so, I encourage you to explore the vast business opportunities in the Greater Bay Area. Whether through expanding existing offerings or introducing new solutions, this region offers immense potential for growth and collaboration, and there aren't many such places in the rest of the world.

The industry's role in addressing climate challenges

The impacts of climate change loom large on the horizon. Extreme weather events are becoming the new norm, and the insurance industry is at the forefront of managing these risks.

Hong Kong is stepping up. Since 2021, we have issued five insurance-linked securities, raising over US\$700 million to manage risks from typhoons and earthquakes. Against the backdrop of a rising trend of catastrophic events caused by climate change, the HKSAR (Hong Kong Special Administrative Region) Government fully supports our insurance sector in offering a greater variety of comprehensive products and solutions, to assist our country and global market players for better management of relevant risks.

I am pleased to know that the Insurance Industry Climate Charter is now backed by 37 signatories representing over 80 per cent of market share, underscoring unmistakably the insurance sector's collective commitment to sustainability.

To complement these efforts, the Green and Sustainable Finance Cross-Agency Steering Group, of which the Insurance Authority is a member, has developed tools like the greenhouse gas emissions calculation and estimation tools to help insurers incorporate climate risk data into their underwriting and investment strategies.

As an industry, we have the power to lead not only in managing risks but also in developing solutions for a more sustainable future.

The Power of technology and talent

If there is one thing we've learned over the past decade, it is that technology is not just an enabler – it's a game-changer.

In Hong Kong, the Insurtech Sandbox has facilitated over 40 innovative initiatives, from virtual onboarding to AI-driven customer service. The Open API Framework, launched last year, is fostering collaboration and competition, making services more seamless for policyholders.

While technology is a critical enabler, the real driving force behind our industry is its people. Since 2016, the Programme to Enhance Talent Training for the Insurance Sector has supported over 18 500 participants and created 580 internships, which well primes the next generation to lead our industry into the future.

Our strength lies not only in the numbers but in the individuals – professionals like those in this room – who drive innovation and excellence every day. Talent and technology, working hand in hand, will define the future of insurance.

Rising to global challenges: Hong Kong's strategic focus

As a global insurance hub, Hong Kong has undertaken some key initiatives to address the complex challenges of our time. July 2024 marked the implementation of Hong Kong's risk-based capital regime, aligning our capital adequacy requirements with international standards. I understand that our Insurance Authority will review the regime in 2025 to examine capital requirements for infrastructure investments, enriching insurance companies' asset allocation for risk diversification and driving investment in infrastructure. We will also continue to invite Mainland and overseas enterprises to establish captive insurers in Hong Kong, providing a strategic platform for managing corporate risks. These measures ensure that Hong Kong remains resilient, innovative and future-ready.

Conclusion

Before I close, let me take a moment to reflect on what makes this industry so extraordinary. Insurance, at its core, is about people. It's

about helping individuals, families and businesses weather life's uncertainties. When we talk about challenges, they often reveal character. This industry, this city and this community have proven time and again that resilience is not just a trait – it's a way of life.

Ladies and gentlemen, Hong Kong stands ready to meet these challenges, leveraging our role as a global insurance hub, a bridge to the Mainland, and a leader in innovation and sustainability. Together, we can rise to the challenge and shape a future defined not by uncertainty, but by resilience and opportunity.

Thank you, and I wish you all a productive and enjoyable afternoon.

