

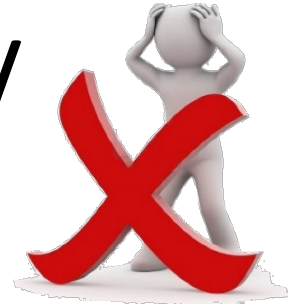
Promoting Positive Image of Insurance Industry

Winnie C.S. Wong
Financial Services Development Council

14 December 2016

Overview

- ❖ Why insurance carries a negative / misunderstood image?
- ❖ How can we re-brand the industry perception?



❖ Why insurance carries a negative / misunderstood image?

Insurance / Reinsurance

the most well-kept secret

SECRET

&

the most misunderstood !

! ?

Winnie S.C. Wong
30 September 2016

❖ Why insurance carries a negative / misunderstood image?

➤ Nature of the insurance business :

✗ Intangible

✗ Invisible



❖ Why insurance carries a negative / misunderstood image?

➤ Opacity of the insurance business :

- ✗ Misrepresentation
- ✗ Mis-selling practices
- ✗ Cut-throat price cutting



❖ Why insurance carries a negative / misunderstood image?

➤ Insurance agents' reward system



❖ Why insurance carries a negative / misunderstood image?

➤ Intruding customers' privacy & taboo



❖ Why insurance carries a negative / misunderstood image?

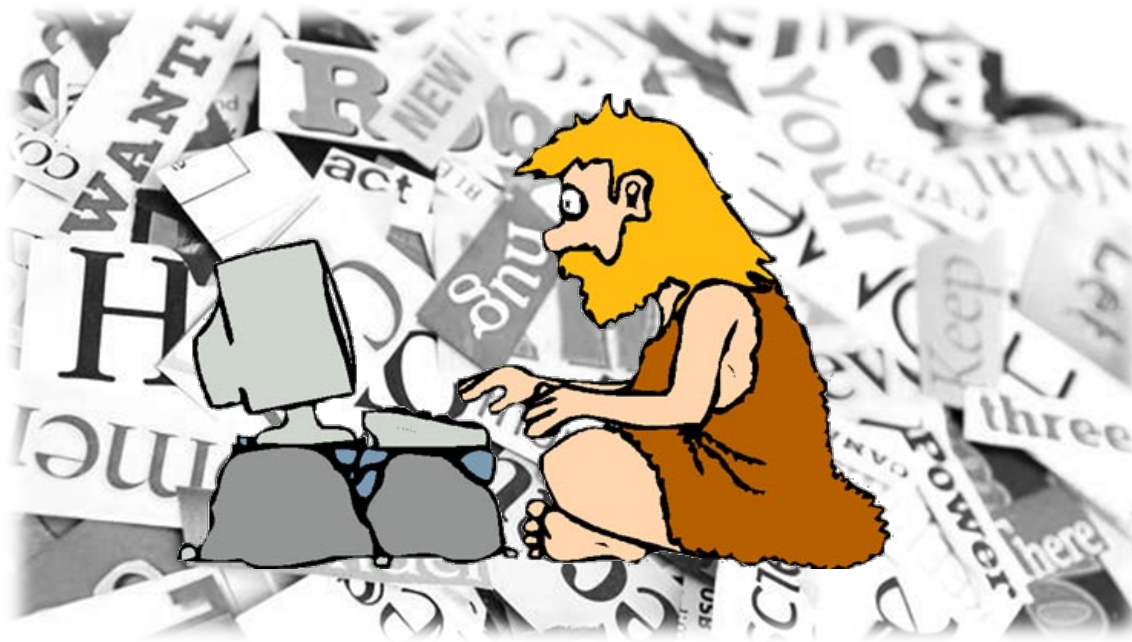
➤ Recent scandals tarnishing the industry's image

- ✗ Bid rigging
- ✗ Contingent commissions
- ✗ Misleading accounting and financial reporting



❖ Why insurance carries a negative / misunderstood image?

➤ Old-fashioned language & out-dated practices



❖ How can we re-brand the industry perception?

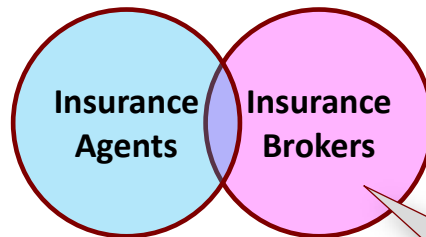
➤ Make different players in the insurance industry more visible

Risk Carriers

- General (Non-Life) Insurance vs Life Insurance
- Insurance (Insurer) vs Reinsurance (Reinsurer)
- Captive Insurance Companies

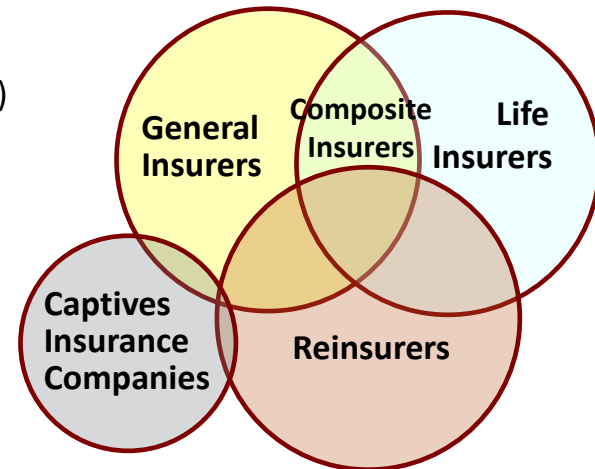
Intermediaries

- Insurance Agents (representing insurers) vs Insurance Brokers (representing clients)



Other Service Providers

- Valuation Companies
- Loss Adjusting Firms
- Insurance Lawyers
- Rehabilitation Service Providers



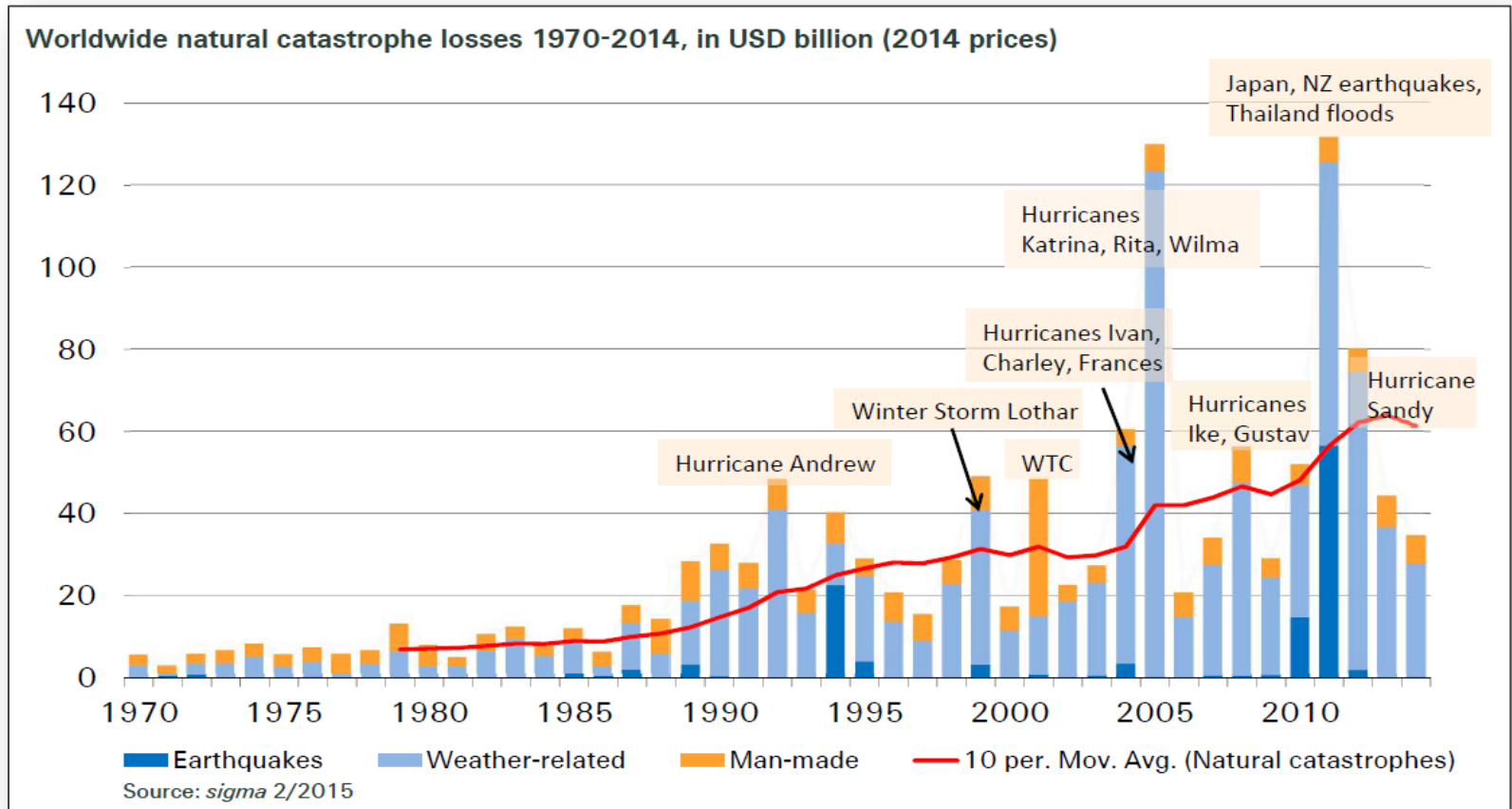
One of the 4 professions legally required to have professional liability insurance in Hong Kong

- ① Lawyers
- ② Accountants
- ③ Trustees
- ④ Insurance Brokers

❖ How can we re-brand the industry perception?

➤ Promote higher level mission / vision of the industry

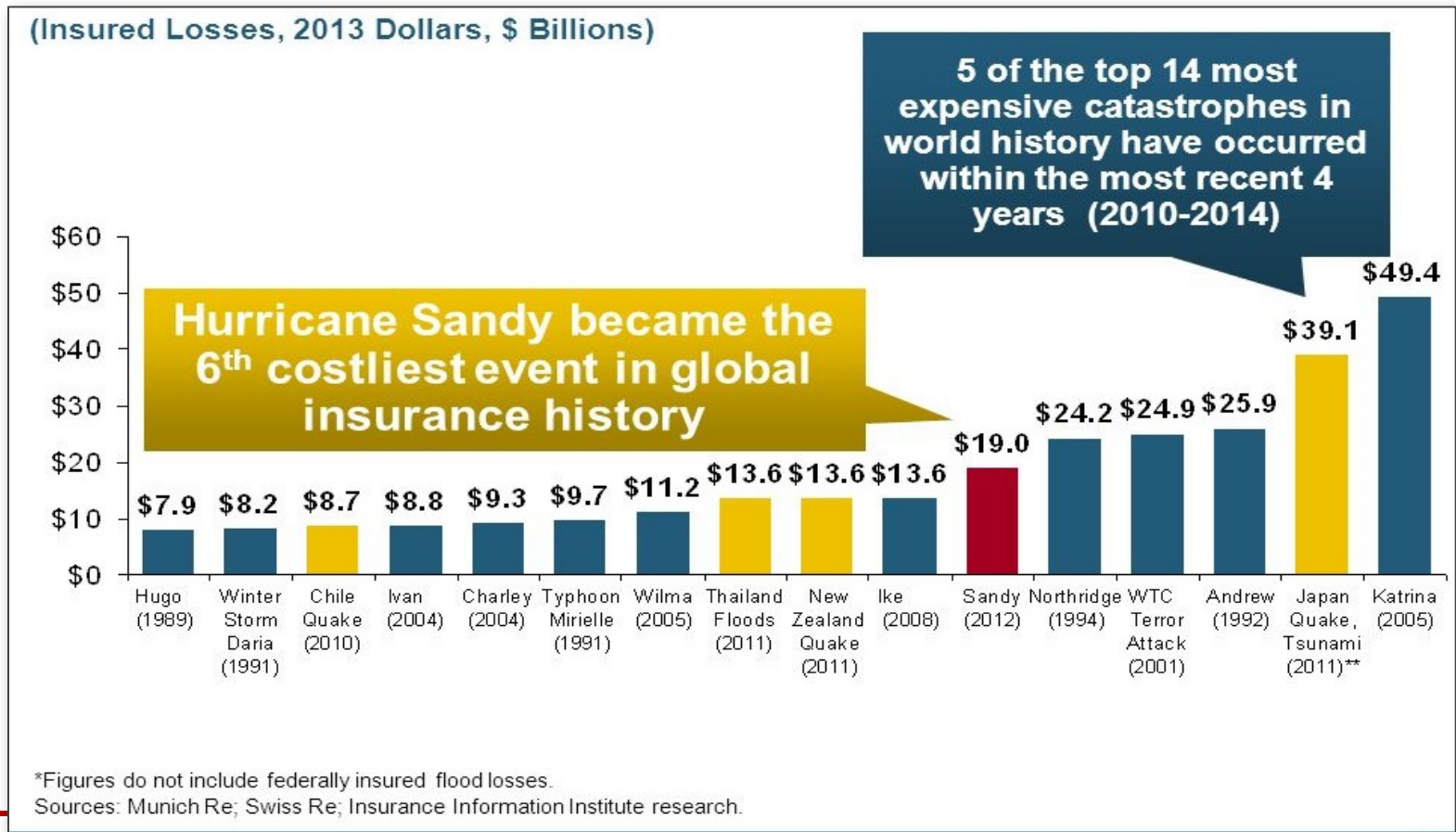
✓ Big losses paid



❖ How can we re-brand the industry perception?

➤ Promote higher level mission / vision of the industry

✓ Many Companies go bankrupt without insurance



❖ How can we re-brand the industry perception?

➤ Promote higher level mission / vision of the industry

✓ Make the world more resilient

✓ Improve people's lives



❖ How can we re-brand the industry perception?

➤ Build awareness of career opportunities

Insurers / Reinsurers

- Underwriters
- Actuaries
- Engineers
- Lawyers
- Claims Managers
- Marketing & business development experts
- Catastrophic loss modelling experts
- R&D experts
- Reinsurance experts
- Client service experts
- Policy administrators
- Compliance officers



Brokers / Agents



❖ How can we re-brand the industry perception?

➤ Build awareness of career opportunities

Insurers / Reinsurers

- Insurance placement & programme structuring experts
- Client service experts
- Marketing & business development experts
- Sales agents
- Actuaries
- Engineers
- Claims managers
- Lawyers
- Risk consultants / analysts
- Risk accountants
- Catastrophic loss modeling experts
- Policy administrators
- Compliance officers



Brokers / Agents



❖ How can we re-brand the industry perception?

➤ Focus on Talent development & retention

✓ **Government's Pilot Programme to Enhance Talent Training for the Insurance Sector**



✓ **University degrees / programmes**



✓ **Inspirational leaders**



❖ How can we re-brand the industry perception?

- Upgrade professional skills & ethics of insurance practitioners



❖ How can we re-brand the industry perception?

- Increase transparency of sales materials



❖ How can we re-brand the industry perception?

➤ Build a more vibrant insurance market with sustainable growth in HK

✓ OCI figures

二零一六年一月至九月臨時統計數字摘要 Summary on January - September 2016 Provisional Statistics 香港保險業務 Hong Kong Insurance Business			
概要 Highlights			
	2016 一至九月 Jan-Sep (百萬元)(\$ m)	2015 一至九月 Jan-Sep (百萬元)(\$ m)	變動 Change
長期業務(新造業務 #) Long Term Business (New Business #)			
保單保費(不包括退休計劃) Office Premiums (exclude Retirement Scheme)	132,552	97,595	35.8%
一般業務 General Business			
毛保費 Gross Premiums	35,742	35,474	0.8%
淨保費 Net Premiums	24,720	24,841	-0.5%
承保利潤/(虧損) Underwriting Profit/(Loss)	1,290	1,506	-14.3%

- ✓ Re-gain HK's status as an Insurance / Reinsurance Hub after losing it to Singapore
- ✓ Stop further drainage of people / business to Singapore & Beijing (C-ROSS)

❖ How can we re-brand the industry perception?

➤ Raise the profile of insurance in global / regional conferences in HK

✓ Asian Financial Forum



✓ Belt & Road Summit



❖ How can we re-brand the industry perception?

➤ [Modernize the industry : Insurtech](#)



❖ How can we re-brand the industry perception?

- Improve overall customer experience





Recommendations

- ✓ Make different players in the insurance industry more visible
 - ✓ Promote higher level mission / vision of the industry
 - ✓ Build awareness of career opportunities
 - ✓ Focus on talent development & retention
 - ✓ Upgrade professional skills & ethics of insurance practitioners
 - ✓ Increase transparency of sales materials
 - ✓ Build a more vibrant insurance market with sustainable growth in Hong Kong
 - ✓ Raise the profile of insurance in global / regional conferences in Hong Kong
 - ✓ Modernize the industry : Insurtech
 - ✓ Improve overall customer experience
-

THANK YOU