

Artificial Intelligence Association of Hong Kong (AIHK)
Annual Conference 2025
18 November 2025

**Keynote Speech by Mr Clement Lau, Executive Director, Policy and Legislation,
Insurance Authority**

Neil¹, friends, ladies and gentlemen,

Congratulations on the inaugural annual conference of AIHK. It is my great pleasure to be able to join you on this occasion today.

At the risk of repeating some of the earlier speakers' remarks, I think I should also set the scene, especially on where I come from as an insurance regulator speaking about AI. Our aspiration is rooted on the fertile soil of Hong Kong that nurtures AI development. We have supportive policies such as the Government's policy statement released last year outlining a framework for promoting responsible AI applications in the financial services sector. We have world-class infrastructure such as the AI Supercomputing Centre at Cyberport. We also have access to a wide spectrum of AI solution providers, and more importantly, we already see capable insurers internalising AI in their business operations. So, no doubt, we have all the key ingredients for success.

Our vision is to foster a vibrant and collaborative ecosystem of AI development for insurance. We aspire to do so not only because we dare to dream, but also because we are duty-bound by our statutory mandate to enhance the sustainability of our industry. Indeed, as I see it, embracing AI is not because it is trendy, but because the way it has been changing our way of life is a wake-up call for those who are not yet prepared to embrace it - a call for you to ponder how AI, or not embracing AI, will affect the competitiveness or even sustainability of your business model sooner than later. So, for insurers, especially the less equipped ones, we as the regulator have the responsibility to help them sustain and grow.

The role of the Insurance Authority is to both regulate and facilitate, as enshrined in our statutory mandate. We want the market to remain stable, and we also want it to thrive. Our strategic approach on AI is therefore enhancing regulatory clarity as well as driving use case applications. The key is balancing the regulatory and development considerations to facilitate AI adoption on the one hand, while in a responsible manner on the other.

We know where we are heading, but how far are we from it?

¹ Mr Neil Tan, Founder & Chairman, AIHK

We did a survey on the insurers earlier this year. As you can see in this chart², 36% of our insurance companies are still exploring AI usage and 26% have not even considered it yet. The more advanced players take up only 5%. Insurers also told us through the survey their needs. For advanced players which are mainly large insurers, they need more regulatory guidance when they test out new ideas, and for the less sizeable insurers, they need help in finding technical solutions. Looking at AI applications, they are mainly for process optimisation or using Large Language Models for communication. Customer-facing applications are not yet popular, but their deployment is expected to pick up notably in the future, and we also see huge potential in using AI for underwriting, claims management and product development.

The survey reinforced our two-pronged strategic approach, in that we need to work on both regulation and development. On the regulation front, we are ironing out a new regulatory framework for AI development which is expected to take shape next year. My focus today would be on the development front, which is manifested in an AI Cohort Programme we launched in August this year.

The Programme aims to address the insurers' needs as identified in the survey, and brings together insurers at different AI maturity levels, as well as other stakeholders, to foster an ecosystem. The key idea is to equip the less ready insurers through empowering the more matured ones. We call the former "general participants" and the latter "core participants". Taking into account their AI capabilities, we have identified seven insurers as core participants which have willingly joined the Programme to share knowledge on use cases, and also making serious commitment to creating a centre of excellence in Hong Kong for driving AI development and talent building. We will enable insurers to use the shared infrastructure in Cyberport to support their AI innovation. We will connect our insurers, especially the less equipped ones, to AI solution providers to look for solutions that best match their business needs and enhance their operational resilience. We will also facilitate use case development with necessary regulatory guidance, and benefit ourselves from expert advice in implementing the Programme.

Friends, as our survey indicates, there is certainly room to catch up, but it also means huge potential. Intellectual curiosity will push the limits of intellectual capacity and take us to glamorous scenery on a higher ground. Please join me in looking forward to a new landscape of insurance that is not only more innovative and efficient, but also more resilient and inclusive.

An important reminder before I close : let's vote on 7 December for the next LegCo.

Thank you very much.

² Please refer to the attached presentation deck.

AIHK ANNUAL CONFERENCE 2025

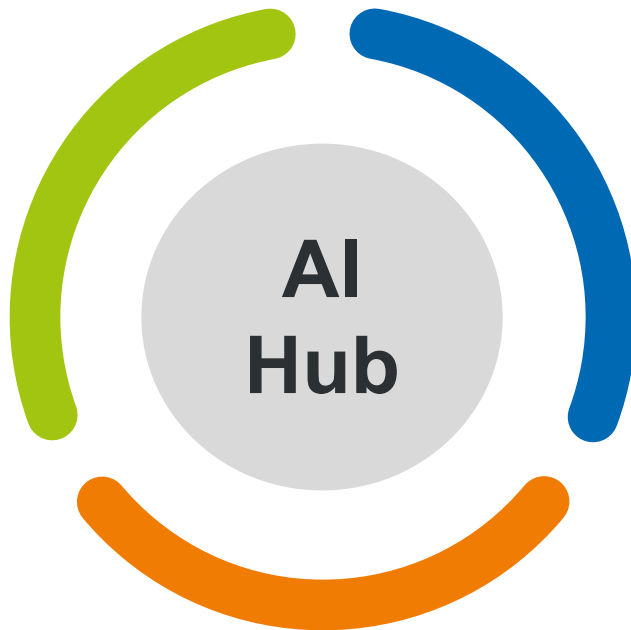
Mr Clement Lau

Executive Director, Policy and Legislation, Insurance Authority

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Unique Position for AI Innovation in Insurance

**Supportive
infrastructure
and policies**



**Advanced AI
adopters and
talents**

**Diversified
solution providers**

IA's Vision : Foster a Vibrant and Collaborative Ecosystem



IA's Strategic Approach : Balance Regulation and Development

Enhance regulatory
clarity to reduce
uncertainty

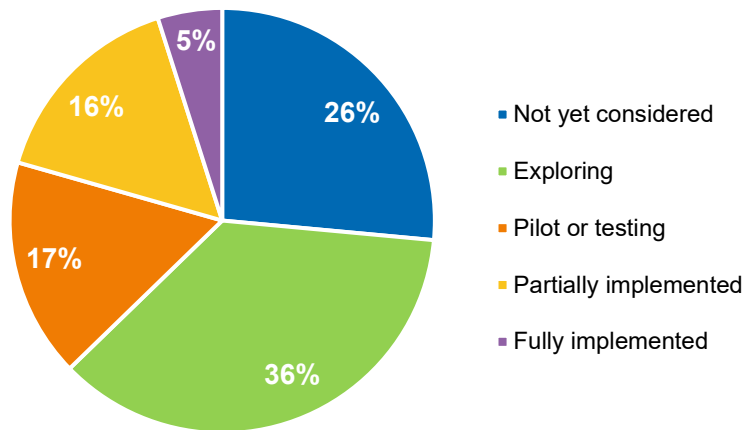
Regulation

Development

Drive adoption via use
case incubation and
ecosystem building

A Glimpse of Industry – Maturity

AI Adoption Status in the Insurance Industry



Varying Maturity

Large insurers implement

Medium insurers
contemplate

Small insurers hesitate

Support required

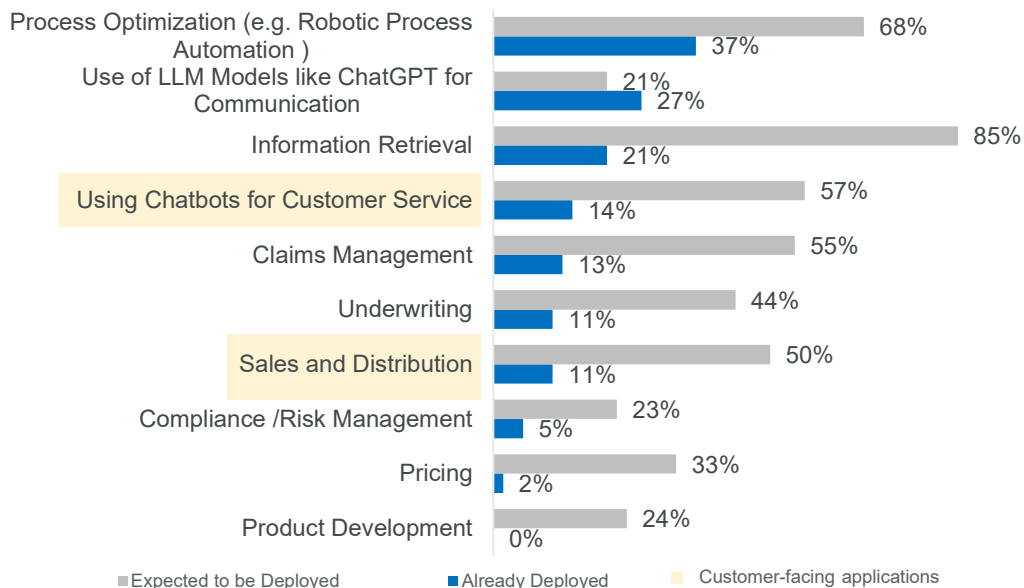
Tailored regulatory
guidance

Solutions matching
workshops

Knowledge sharing

A Glimpse of Industry – Applications

Current and Future AI Applications



Shifting Trends

Internal applications:

- Process Optimization
- Communication
- Information Retrieval

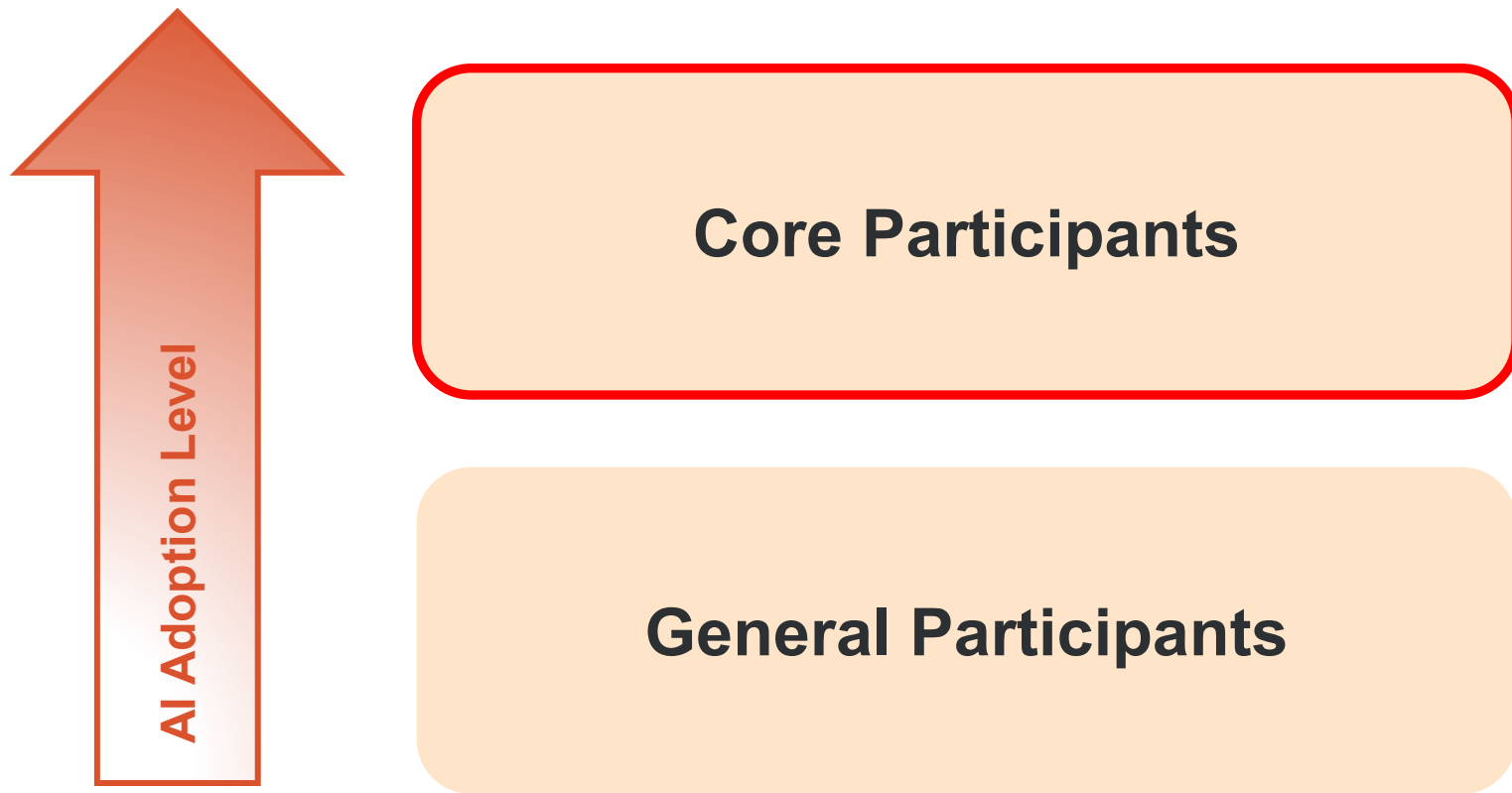


Customer facing applications:

- Customer Services
- Distribution Support

Support required

Regulatory guidance and technical solutions

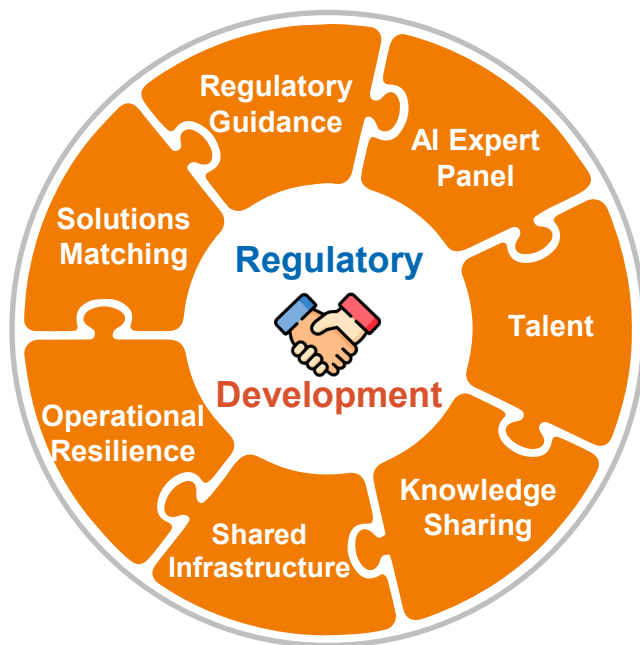


AI Cohort Programme

Regulatory guidance and
expert advice

Solution matching between
insurers and AI firms

Knowledge exchange on
use cases and
best practices



Thank you..