



# ASHK 4<sup>th</sup> GENERAL INSURANCE SEMINAR

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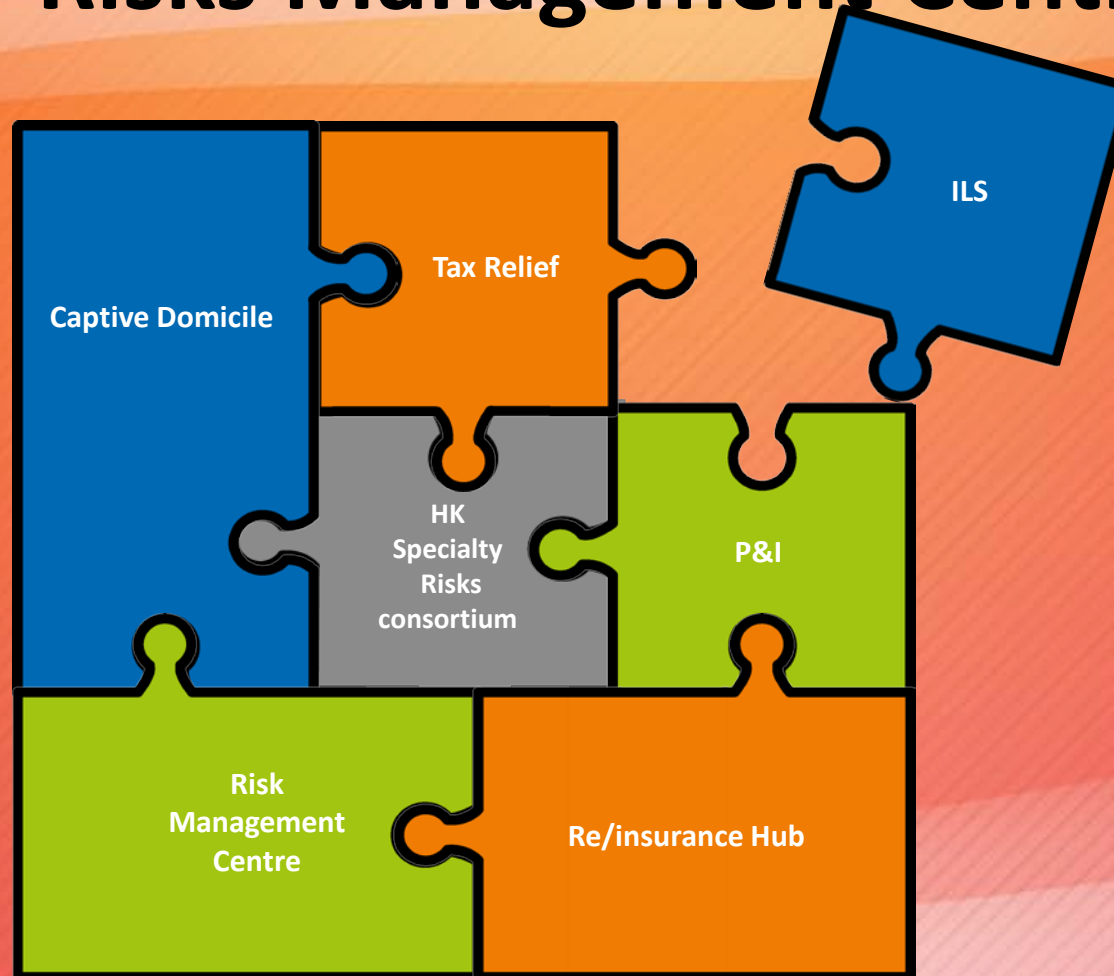




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## Hong Kong as a Re/insurance Hub and Risks Management Centre



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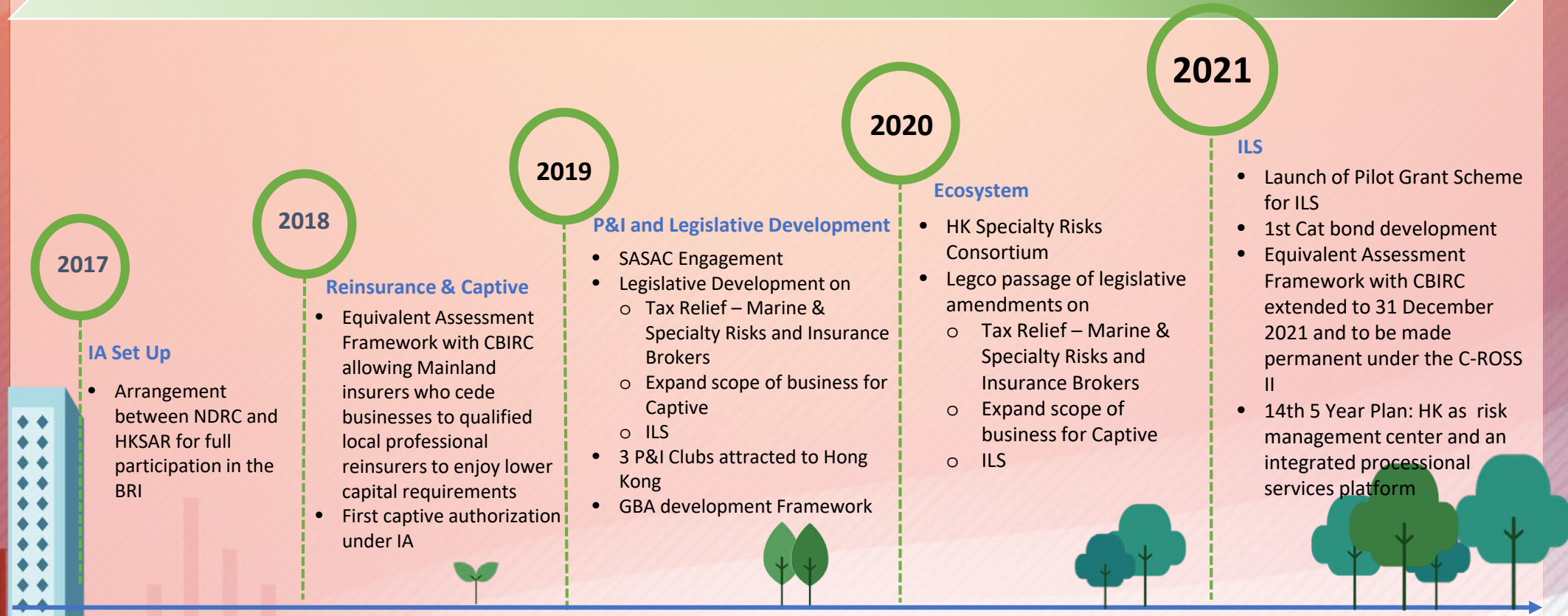






# Re/insurance Hub and Risk Management Centre Development

## National Policy Alignment





## Risk Management

### Risk management

- Vital role given the complex BRI risk profile.
- Multi industry and multi country.

### BRI risk landscape

- Requires a combination of technical expertise as well as strong political and country risk management with a per risk, per obligor and per country risk accumulation monitor and control.
- Early intervention at the project inception phase is crucial.

### Risk transfer

- For non-insurable risk: need a holistic view embracing prevention, mitigation, management and risk transfer.
- Where risk transfer option is viable, involvement of insurers, reinsurers and brokers with knowledge, capacity and global network is paramount.





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## What are specialty risks and why are they relevant to BRI?

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**Niche but very relevant – helps to future proof HK market**

Examples of Specialty Risks

Engineering	Political Risk
Property Insurance	Employee Liability / Risks
Political Violence	Non-Payment
Terrorism	Non-Performance
Environmental Impairment Liability Insurance, Project PI & Liability	Delay in Start Up

Scenario: Railway investment experience in Africa



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## Goal is to make Hong Kong the hub to consolidate BRI risks for Chinese enterprises as well as the center for offshore reinsurance business

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\* Mainland insurers who cede businesses to qualified Hong Kong professional reinsurers will enjoy lower capital requirements under the China Risk Oriented Solvency System

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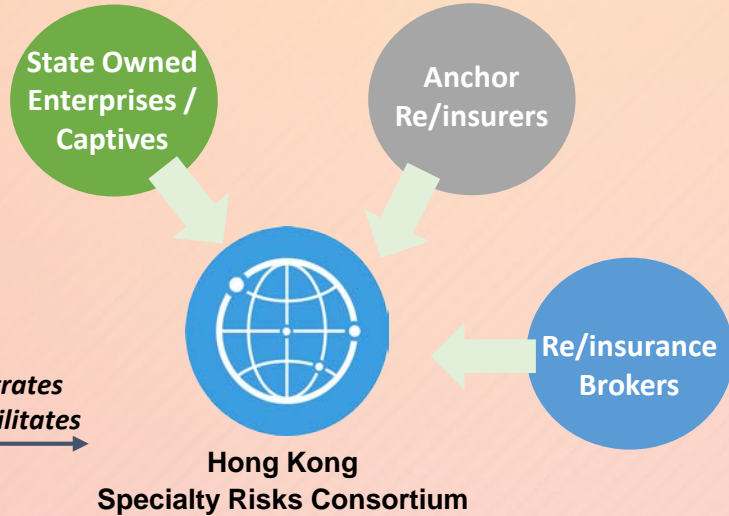
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## Hong Kong Specialty Risks Consortium

Captives
CGN Captive
CNOOC Captive
SH Electric Captive
Sinopec Captive



Orchestrates and facilitates



Mainland Insurers
PICC HK
Ping An HK
CPIC HK
BOCGI
China Re

Class	Capacity (US\$M)
Credit	530
Engineering	1190
K&R	185
Liability	100
Marine	125
Political Risk	675
Political Violence	410
Property	1340
Surety Bond	456
Terrorism	535



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## Hong Kong Specialty Risks Consortium

### Sources of Business\*

Captives, mainland insurer with Hong Kong operations, banks, C/SoEs headquartered in Hong Kong

Captives /  
Mainland insurers

Banks

C/SoE

CGN Captive	BOCGI	Bank of China (HK)	China Merchants
CNOOC Captive	China Taiping (HK)	Agri. Bank of China	China Resources
Sh. Elec Captive	CMI		
Sinopec Captive	CPIC (HK)		
	PICC (HK)		
	Ping An HK		

### Lead (Re)insurer\*

- Lead capability
- Technical expertise & UW capacity
- Risk management services
- International network

AGCS	Liberty Specialty Markets
AIG	SCOR
Ariel Re – Lloyd's	Swiss Re International
AXA XL	Taiping Re
Euler Hermes	Zurich
Munich Re	

### Professional Brokers\*

- Wider solutions & markets

Aon	Marsh
BPL	MHK Ins. Services Ltd.
China Resources Ins. Cons. Ltd.	Nova Ins. Consultants Ltd.
CM Houlder Ins. Brokers Ltd.	Premier Ins. Brokers Ltd.
Howden Ins. Brokers (HK) Ltd.	Taiping Re. Brokers Ltd.
Lockton Comp. (Hong Kong) Ltd.	Willis

### Following Market\*

- Hong Kong authorized (re)insurer

Asia Insurance

25 matching meetings have been hosted

\*Work in progress & open to expression of interest.

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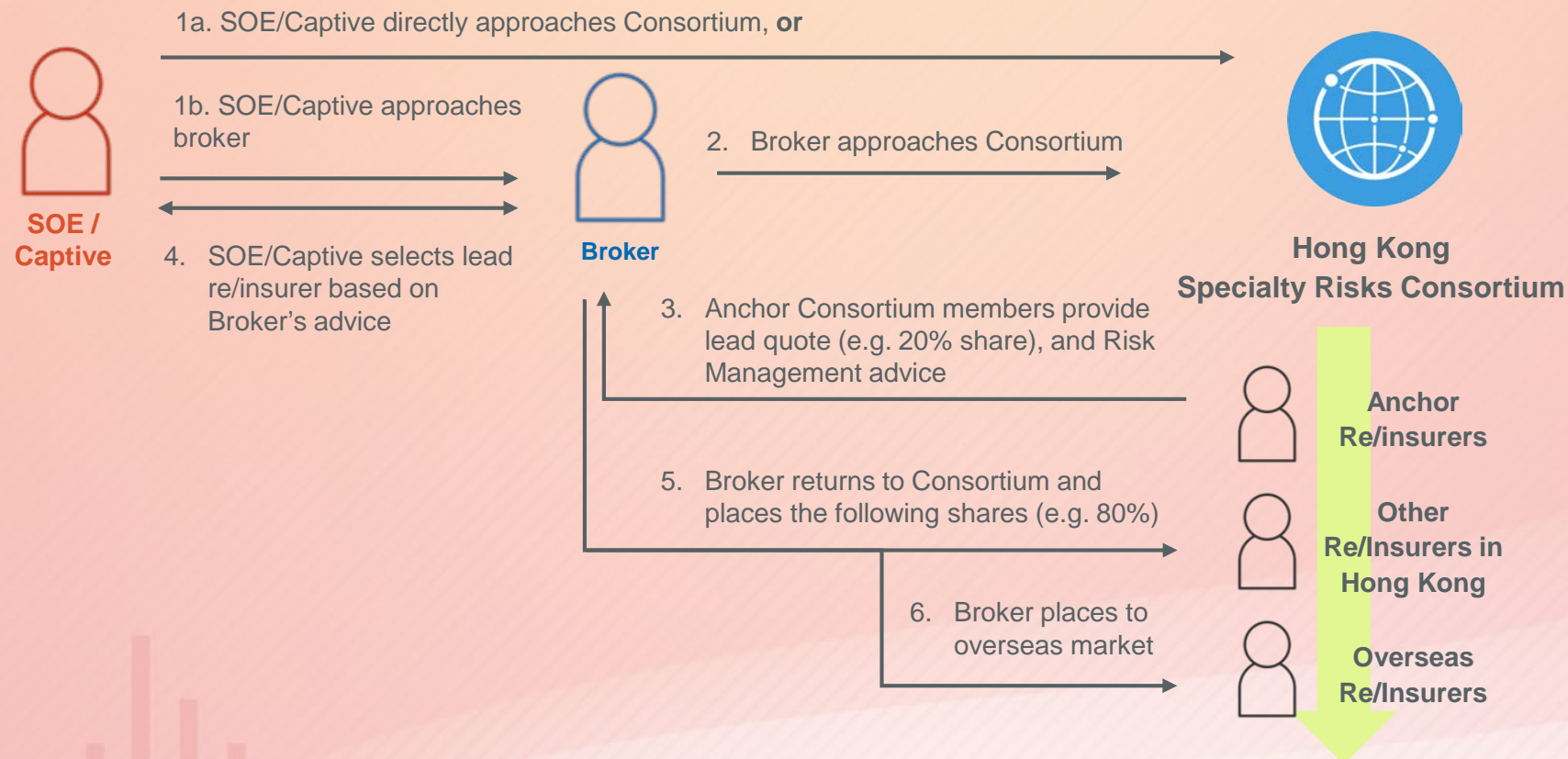
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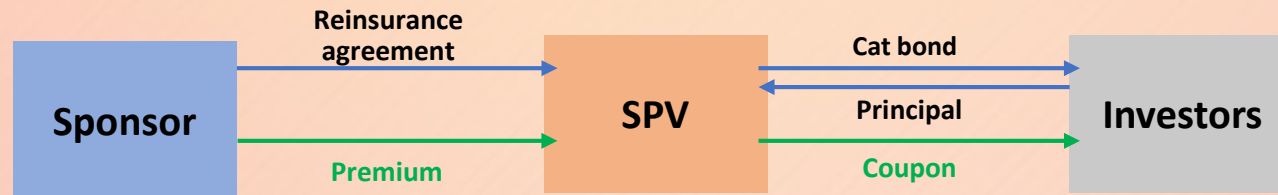


## How does it operate?

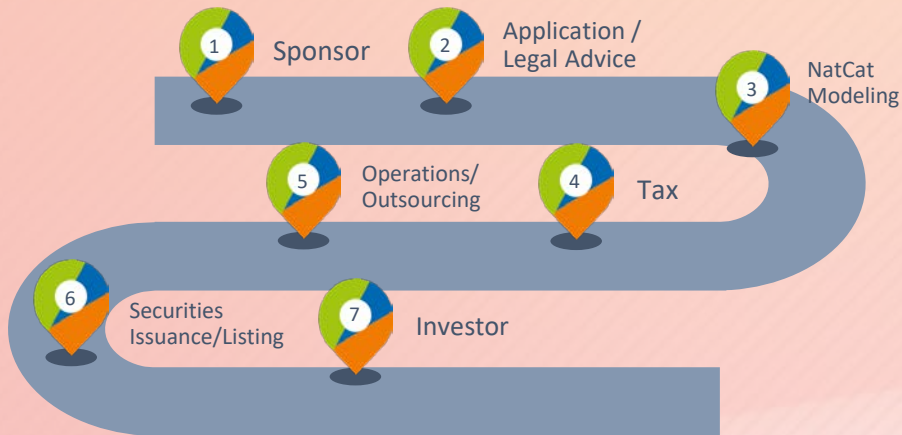




## Insurance Linked Securities (ILS)



### Value chain



### PROJECT MANAGEMENT & CAPACITY BUILDING



### INTERACTION

Work Group(s) with Value Chain Representation





## Greater Bay Area Development

- “Opinion on Providing Financial Support for the Development of the Guangdong-Hong Kong-Macao Greater Bay Area” (“the Opinion”)(《關於金融支持粵港澳大灣區建設的意見》) (also known as 「金融三十條」).
- Cross-boundary motor and medical products
- Service Centers
- ILS development – the Central Government supports Mainland insurers to issue catastrophe bonds in HK by relaxing the requirements for establishing special purpose insurers.