Keynote Speech by Mr Clement Lau
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at the Ageing Well Hong Kong 2026 Conference
held by the Actuarial Society of Hong Kong (ASHK)
on 21 October 2026

The Honourable Deputy Chief Secretary, Mr Mark Saunders[1], distinguished guests, friends, ladies and gentlemen,

Good morning. It is my great pleasure to join you at the Ageing Well Hong Kong 2026 Conference today.

First of all, please let me congratulate the ASHK on organizing this remarkable event. It gathers brilliant minds to dive into a topic of paramount importance – a topic going far beyond insurance, but also calling for insurance to play a significant role. I am particularly impressed by your thoughtfulness in naming the conference as "ageing well Hong Kong", and I would like to sincerely echo this wish to our blessed city for many years to come.

Hong Kong is renowned for its first-rate city landscape, infrastructure, public services as well as a living style with unparallelled vitality, but same as many other advanced economies, our society is ageing. Thanks to the foresight of our Government by taking proactive actions to help us age well. Just last month the Government Working Group on Ageing Society Strategies, under the sterling

[1] Mr Mark Saunders, President of the Actuarial Society of Hong Kong

leadership of our Deputy Chief Secretary, outlined a full spectrum of strategic measures catering to the needs of the elderly across different aspects, as well as comprehensively tackling the challenges spawned by an ageing society. Leveraging on this solid basis, please allow me to also share a few thoughts on how insurance can play a part in helping our people live healthier and be better protected as our society ages.

Let me briefly set the scene. Today, healthcare expenditure accounts for 8.2% of our GDP. Within this, our public healthcare system takes up 4.2% of GDP, delivering more than 90% of inpatient services and providing an essential safety net. The private sector, on the other hand, still relies heavily on household out-of-pocket spending, leaving many individuals and families financially exposed. Private health insurance has helped provide an additional layer of protection, but its role remains limited. As people live longer, the adequacy of healthcare and retirement-protection arrangements, and the way they interact, become increasingly important.

But of course, no single sector can deliver outcomes on its own. Progress relies on a shared vision and coordinated action. I often think of ageing well as building a house. A strong foundation is provided by the Government, policymakers and healthcare service providers, who establish the infrastructure and provide fundamental support for the society. Individuals and families form the structure of the house through their health, financial and retirement decisions. Insurance serves as the roof as an additional layer of protection. Our role is not to replace the public safety net or individuals' financial means, but to supplement and complement them. When each component plays its role, the entire structure becomes more resilient. This is why no single stakeholder can address the challenges of an ageing population alone.

Let me further elaborate how insurance can help improve the overall ecosystem that supports an ageing population.

In the medical domain, insurers are well positioned to promote greater transparency and efficiency across the ecosystem through closer engagement with healthcare providers, with a view to realizing our shared vision that insurance solutions should be accessible and affordable to policyholders, not only at the present but also in a sustainable manner over their lifetime. Insurers can also work in partnership with hospitals to streamline the claims process and contribute to a smoother and less stressful patient journey, particularly for elderly policyholders.

In retirement planning, annuities and savings-type whole life plans have already emerged as practical tools to help people fund retirement. The Qualifying Deferred Annuity Policies (QDAP) certified by the Insurance Authority is a good example to cite. It is a retirement planning tool to help manage longevity risk, and QDAP policyholders can also enjoy tax deduction for the premiums paid up to a certain limit. These insurance products allow individuals to accumulate assets during their working years and convert those assets into a sustainable income stream in retirement. By helping retirees meet both everyday living expenses and potential care-related costs, these products can serve as an important complement to public healthcare provision and conventional medical insurance.

In respect of health and prevention, health insurance should not be purely reactive. At the ASHK Health Insurance Conference 2025, I spoke about the importance of a common goal to make our society a healthier one as we deliberate surgeries on our healthcare and health insurance systems, and I particularly stressed

the concept of prevention and early preparation. In a narrower sense, by integrating wellness incentives into insurance policies, whether through premium discounts for meeting physical activity targets or coverage for routine health checks, we can foster prevention and early detection before manageable issues escalate into complex, high-cost complications. In a broader sense, an ageing population presents growing healthcare and financial protection needs, with the situation continuously intensified by persistent medical inflation. When a well-informed public engages in preventive care and plans proactively for future risks, society benefits as a whole. At the same time, insurers also benefit from healthier risk pools, more sustainable claims experience and stronger long-term market growth.

The call for insurers to play a more significant role is not merely a question of corporate social responsibility. It is also a matter of commercial prudence. An industry that serves an ageing population has both obligations and incentives to help society prepare for longer lives. The question, then, is what role we should play in building that future. With that in mind, I would like to share some reflections on the vision ahead. In my view, it consists of two complementary parts : looking forward, and looking outward.

To look forward is to anticipate the needs of our ageing population and to innovate proactively. For years, the conversation around retirement protection has focused heavily on accumulation, the building of a nest egg. But as our population ages, the focus must be increasingly broadened to also give due regard to managing health and long-term care risks.

One possibility is to further explore long-term care products in the private market. This segment remains relatively under-developed in Hong Kong. The

demand is clear, yet the supply has not yet fully risen to meet it. The challenges are well known – adverse selection, data gaps, and the inherent difficulty of predicting claims that may arise decades down the line. But I am also encouraged to see efforts being made to embed care-related benefits into more familiar products such as annuities. While it goes beyond my expertise to speak about product design, we do want to stimulate a virtuous cycle where innovative products bridge the protection gaps, widen consumer choices, and provide genuine peace of mind for policyholders and their families.

Next, to look outward is to recognize that Hong Kong, for all its strengths, faces clear structural constraints : limited land for retirement infrastructure and relatively high domestic medical costs. But on the other hand, we enjoy the advantage of operating within a wider regional context. As we continue to strengthen our regional connectivity, many Hong Kong people now choose to live in other cities in the Greater Bay Area. Insurance should make that choice easier, with cover that travels with them and claims that can be settled seamlessly across the boundary. The aim is a care network that delivers real choices and genuine affordability. Cross-boundary services also allow us to achieve more sustainable cost levels, driving the long-term viability of our medical and retirement products.

Promising developments are already taking shape. For example, the Residential Care Services Scheme in Guangdong has expanded across all nine GBA Mainland cities and now supports more than a thousand Hong Kong elderly residents. It continues to grow and delivers solid results by integrating housing, healthcare and social support. The insurance industry should play an active role in supporting and facilitating these initiatives and developments. Beyond infrastructure, stronger interconnectivity, especially through a cross-boundary cashless payment network,

can be transformative in allowing policyholders to receive healthcare services across boundaries and settle claims seamlessly, without the hassle of paying upfront and claiming it back afterwards. Moving forward, we must deepen GBA collaboration to harmonize standards and build the mutual trust this system requires.

As a regulator, our role is no longer just to guard the gates, but also to enable precisely this kind of thriving ecosystem where innovation, consumer protection, and market stability go hand in hand. This is why we will continue to look forward and look outward to turn possibilities into reality. Ladies and gentlemen, ageing well is a marathon, not a sprint, and it begins with our collective action today.

Thank you very much for having me here today. I wish the Ageing Well Hong Kong 2026 Conference a tremendous success!