

CIB ANNUAL CONFERENCE 2023

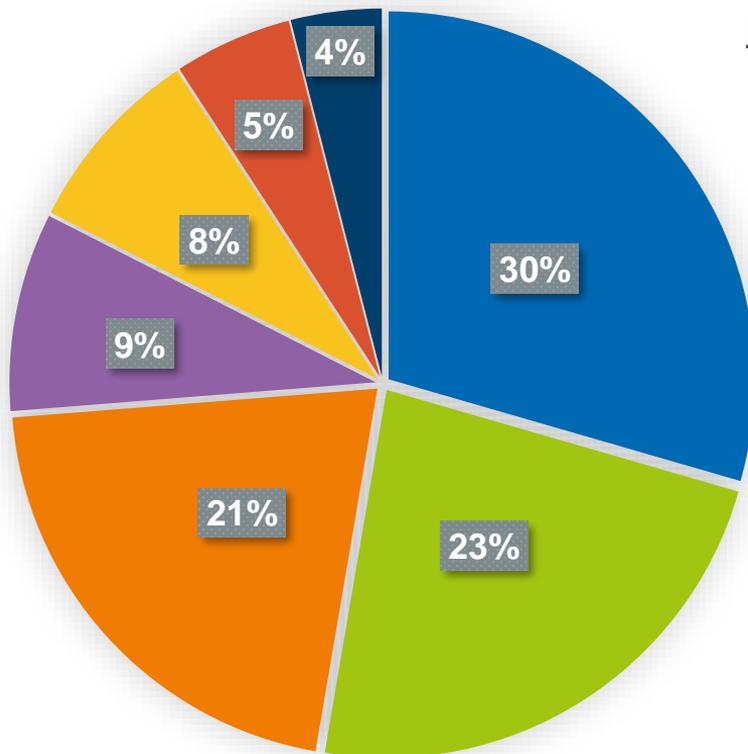
Strategic Priorities of the Insurance Authority

Mr Clement Cheung Wan-ching, GBS, JP

CEO of the Insurance Authority

31 October 2023

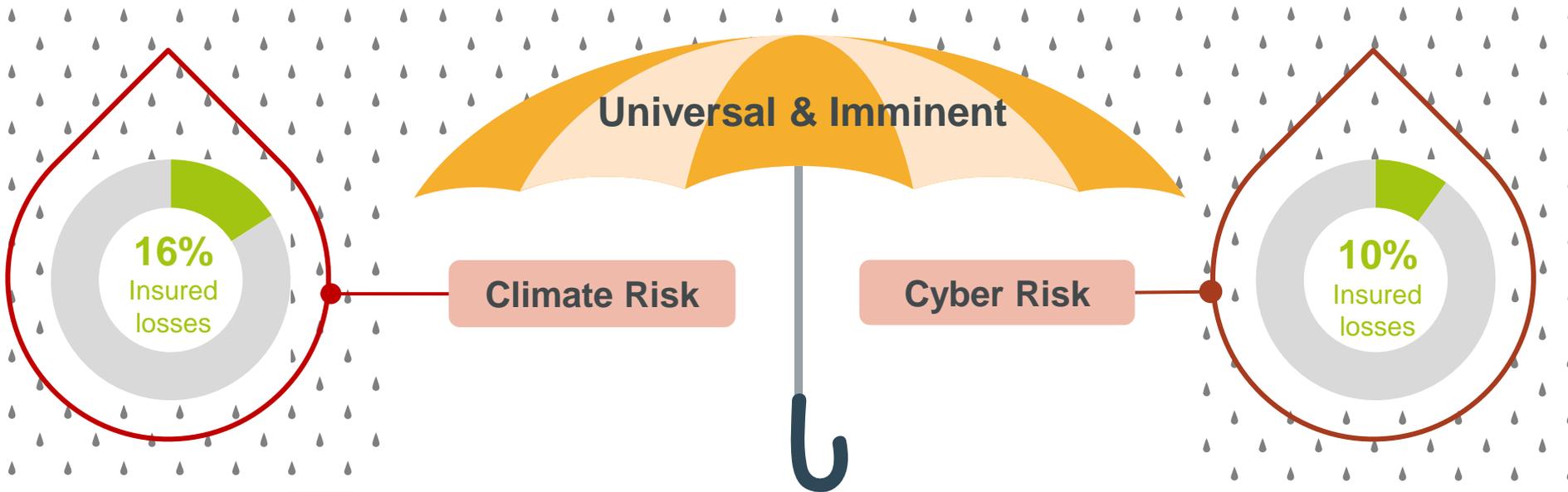
General Business – Market Profile



Market Composition in 2022*

- Accident & Health
- General Liability
- Property Damage
- Pecuniary Loss
- Motor Vehicle
- Ships – Damage & Liability
- Others

Widening Protection Gaps



Widening protection gap



High growth & accelerated digitalisation



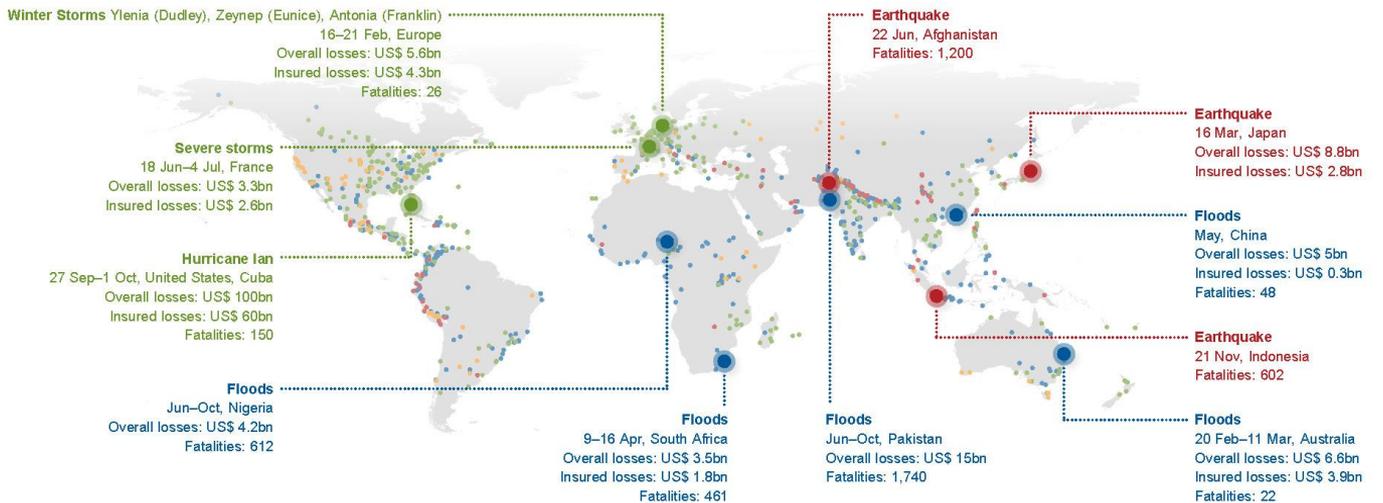
Frequency & intensity of Nat Cat events



Poor resilience and expanding vulnerabilities

Climate Change is a Global Menace

Total economic losses of US\$270B in 2022



 **Geophysical events**
Earthquake, tsunami, volcanic activity

 **Meteorological events**
Tropical storm, extratropical storm, convective storm, local storm

 **Hydrological events**
Flood, mass movement

 **Climatological events**
Extreme temperature, drought, wildfire

 **Significant catastrophes**
(based on the number of fatalities, overall and insured losses)

 **All loss events**
(based on property damage and/or fatalities)

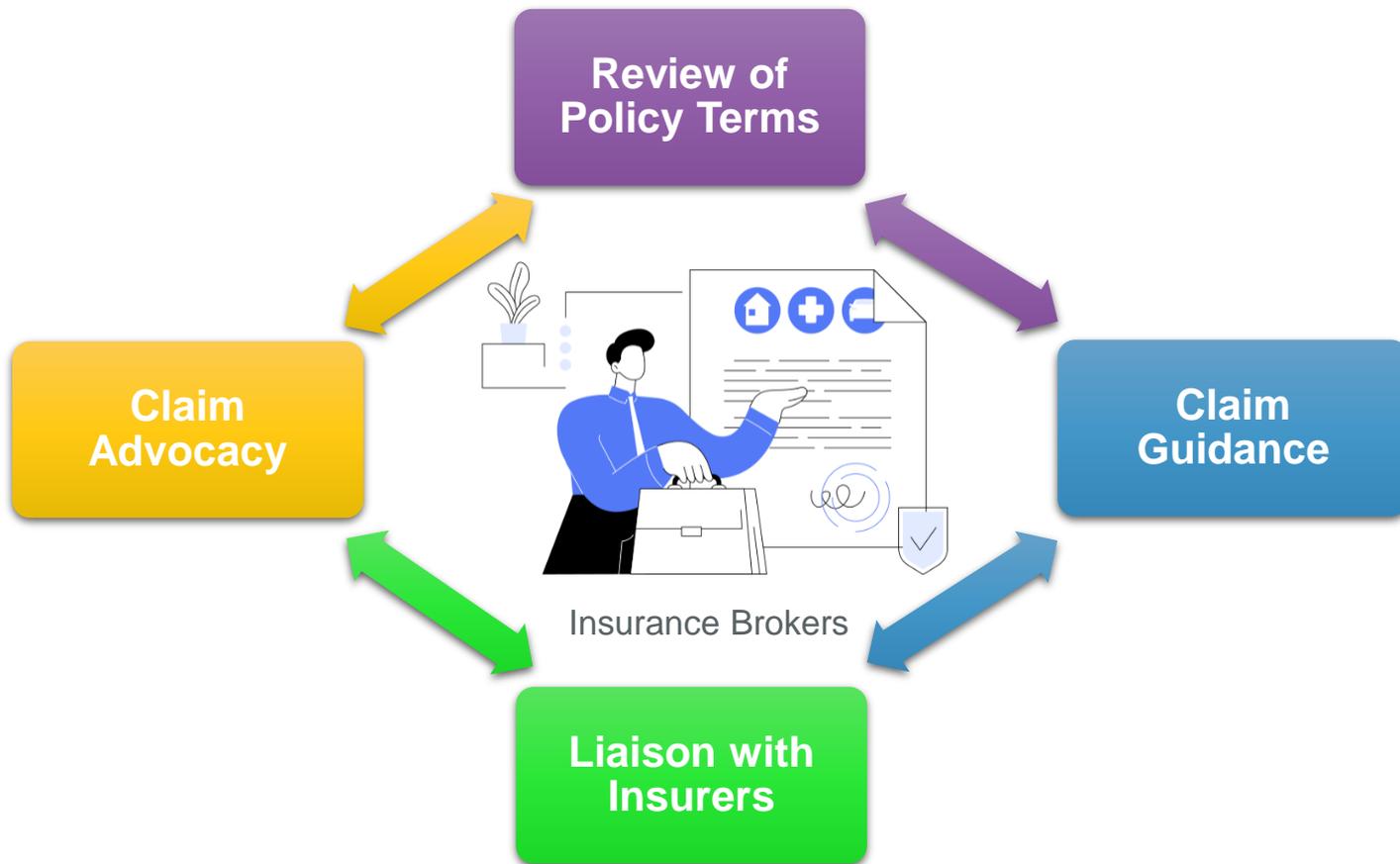
Source: Munich Re, NatCatSERVICE, 2023

Role of Insurance Brokers

General Principle 3:
Act with Due Care, Skill and Diligence



Role of Insurance Brokers



Cyber Threats and Opportunities

Situation in Hong Kong

39,000
cybersecurity
incidents occurred
in 2020

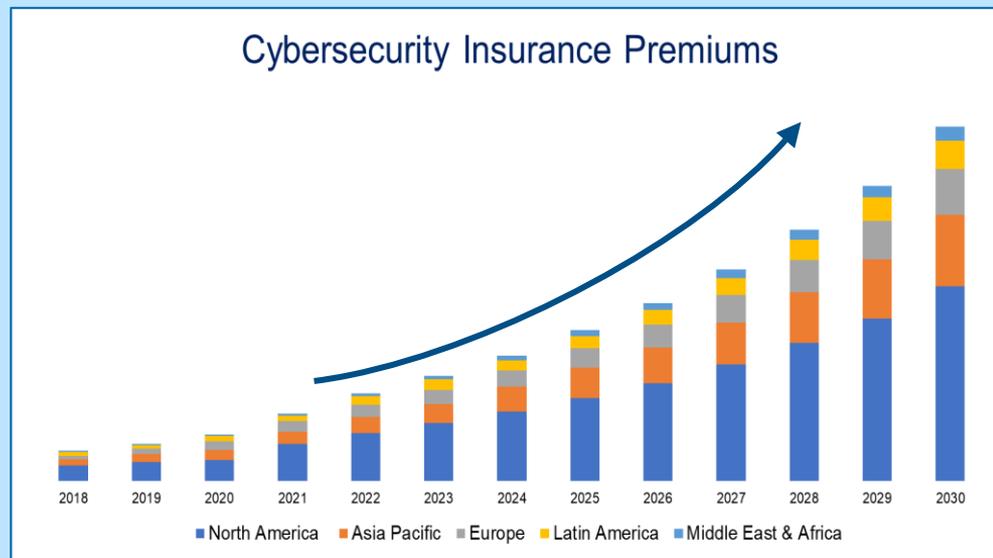
Local companies
and residents lost
more than
HK\$2.9B to
cybercrimes in 2020

Potential economic
losses due to
cybersecurity
incidents may reach
10% of GDP

Financial services
industry involved in
1/4 of
cybersecurity
incidents

Global Cyber Insurance Market 2018 - 2030

Cybersecurity Insurance Premiums



Evolution of Cyber Insurance



Evolving Coverage



Responsive Insurance Services



Pragmatic Risk Management Solutions

Greater Bay Area Development



Limited licence for
insurance brokers to operate in GBA

Innovative cross-boundary
insurance products



**Thematic Inspection on Compliance
with CPD Requirements**



Conduct Supervision on Insurers



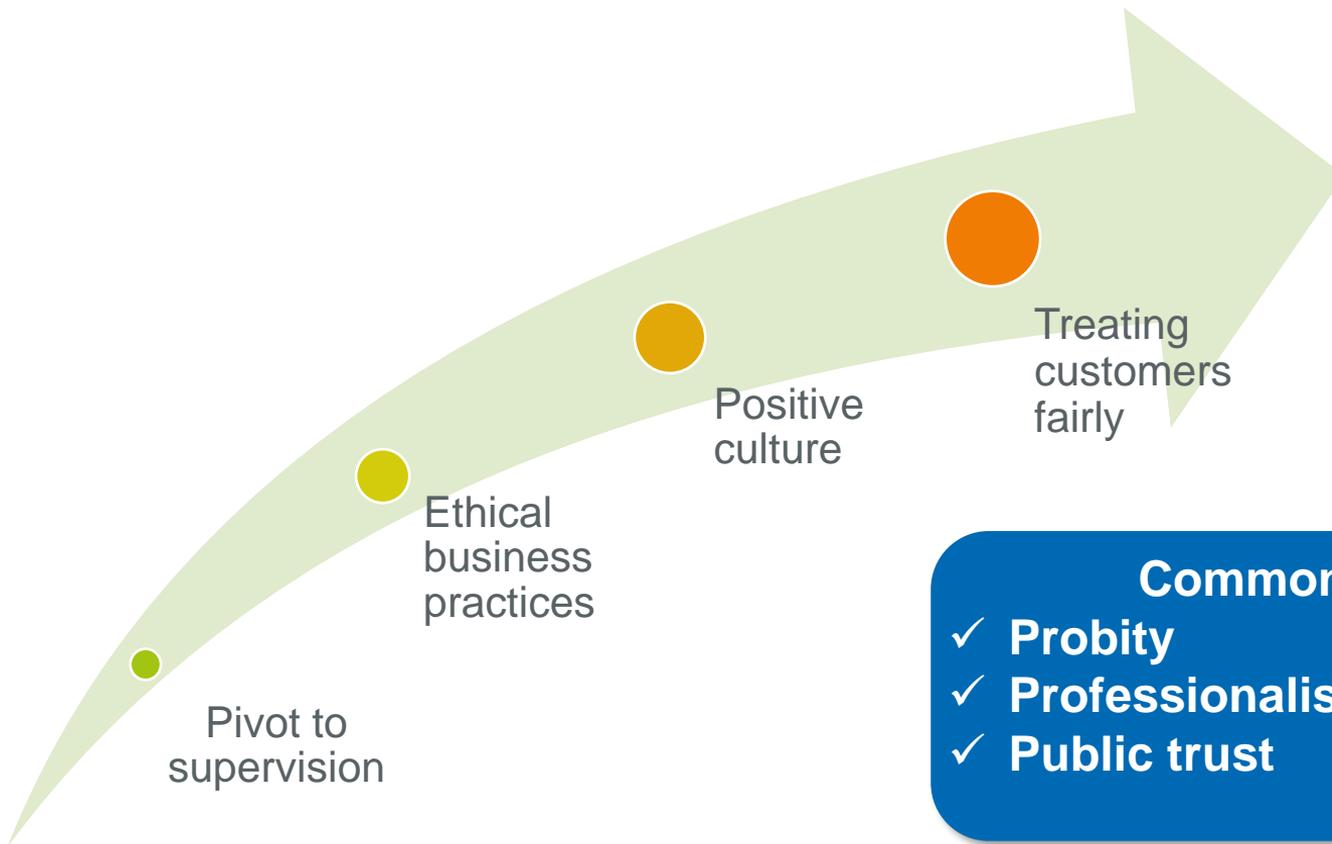
Culture



**Business
operations**



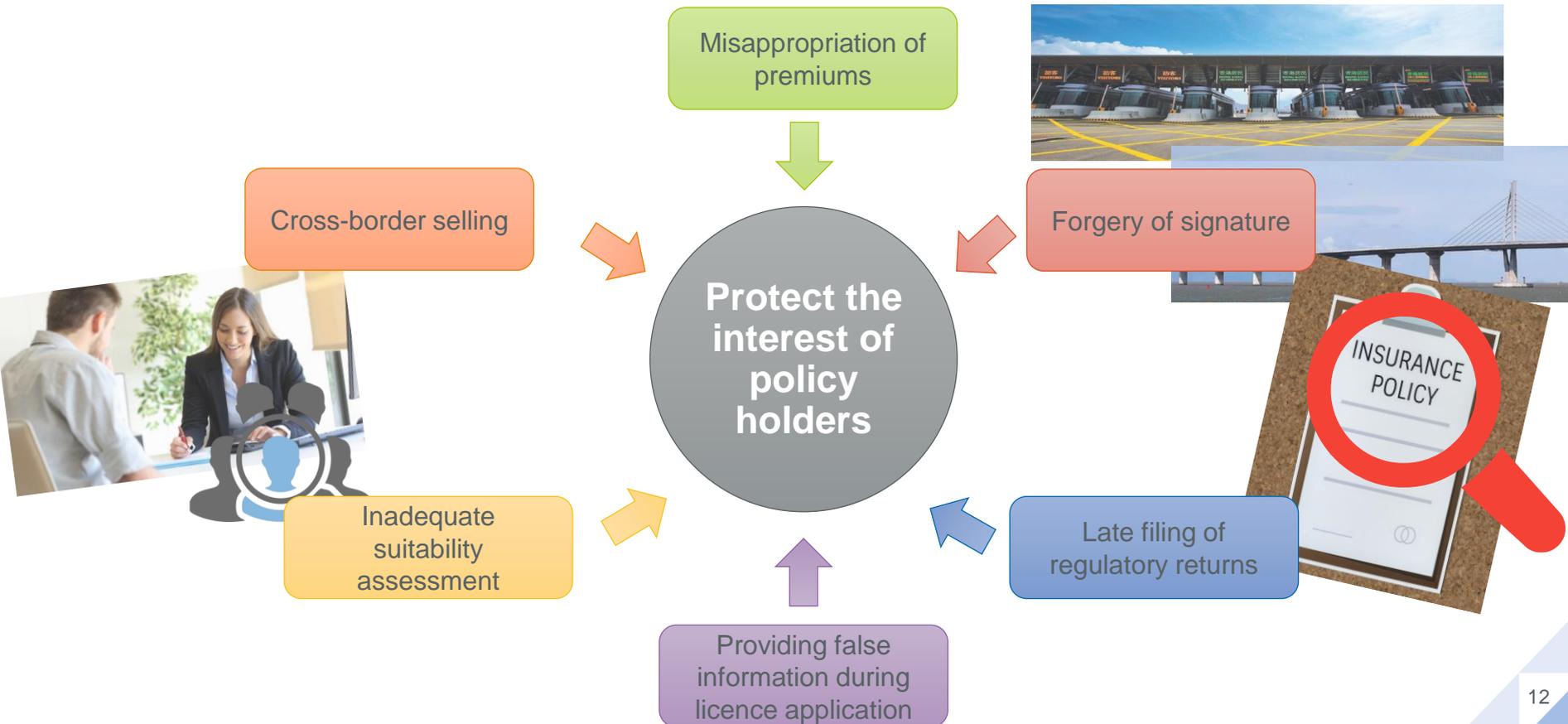
**Internal
controls**



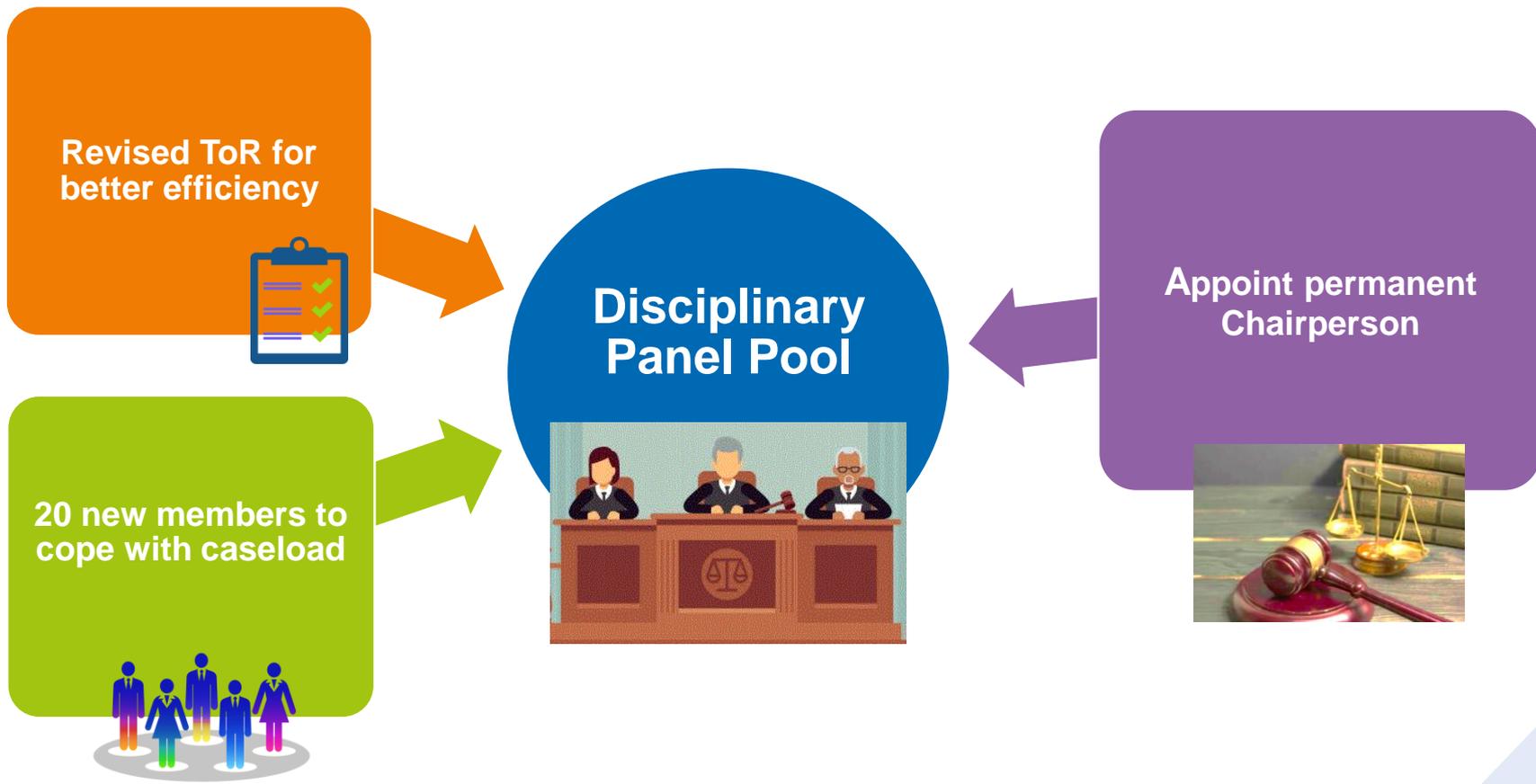
Common Goals:

- ✓ **Probity**
- ✓ **Professionalism**
- ✓ **Public trust**

Enforcement Priorities



Disciplinary Mechanism



Collaboration with ICAC



MoU signed with ICAC on 26 October 2023



Experience sharing with Customs & Excise Department



Thank You

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