



# Guy Carpenter 2023 CEO Forum

Mr Clement Cheung, CEO

Insurance Authority

30 March 2023



# Statutory Functions of the Insurance Authority

Promotion of the general stability of the insurance industry

Public Education

Protection of existing and potential policy holders

Sustainable market development of the insurance industry

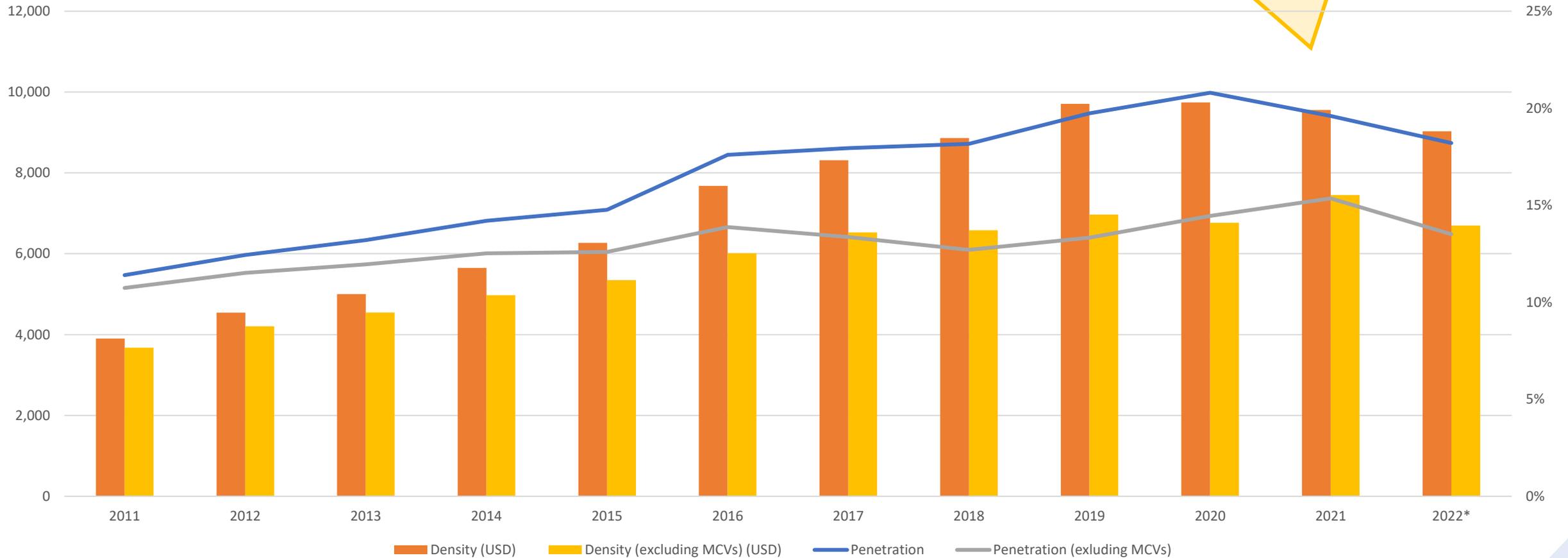
Promotion of the competitiveness of the insurance industry in the global market

# Industry Landscape

## Market Overview

In 2021:  
Insurance Density: **US\$ 9,556#**  
Insurance Penetration: **19.6%#**  
**2<sup>nd</sup> in the world#**

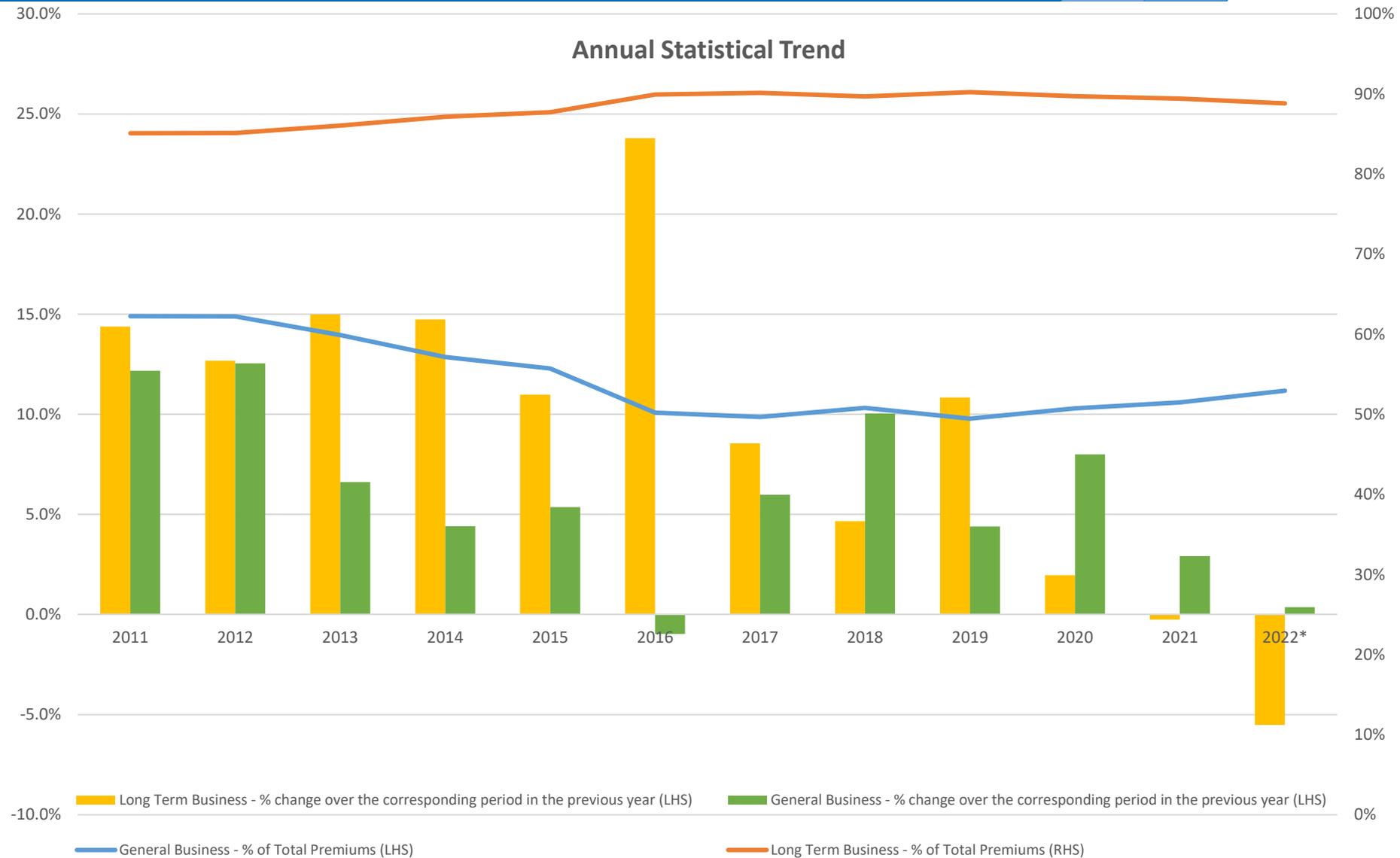
### Hong Kong Insurance Market (2011-2022\*)



\* Based on IA provisional statistics and Government data  
# According to Swiss Re

# Industry Landscape

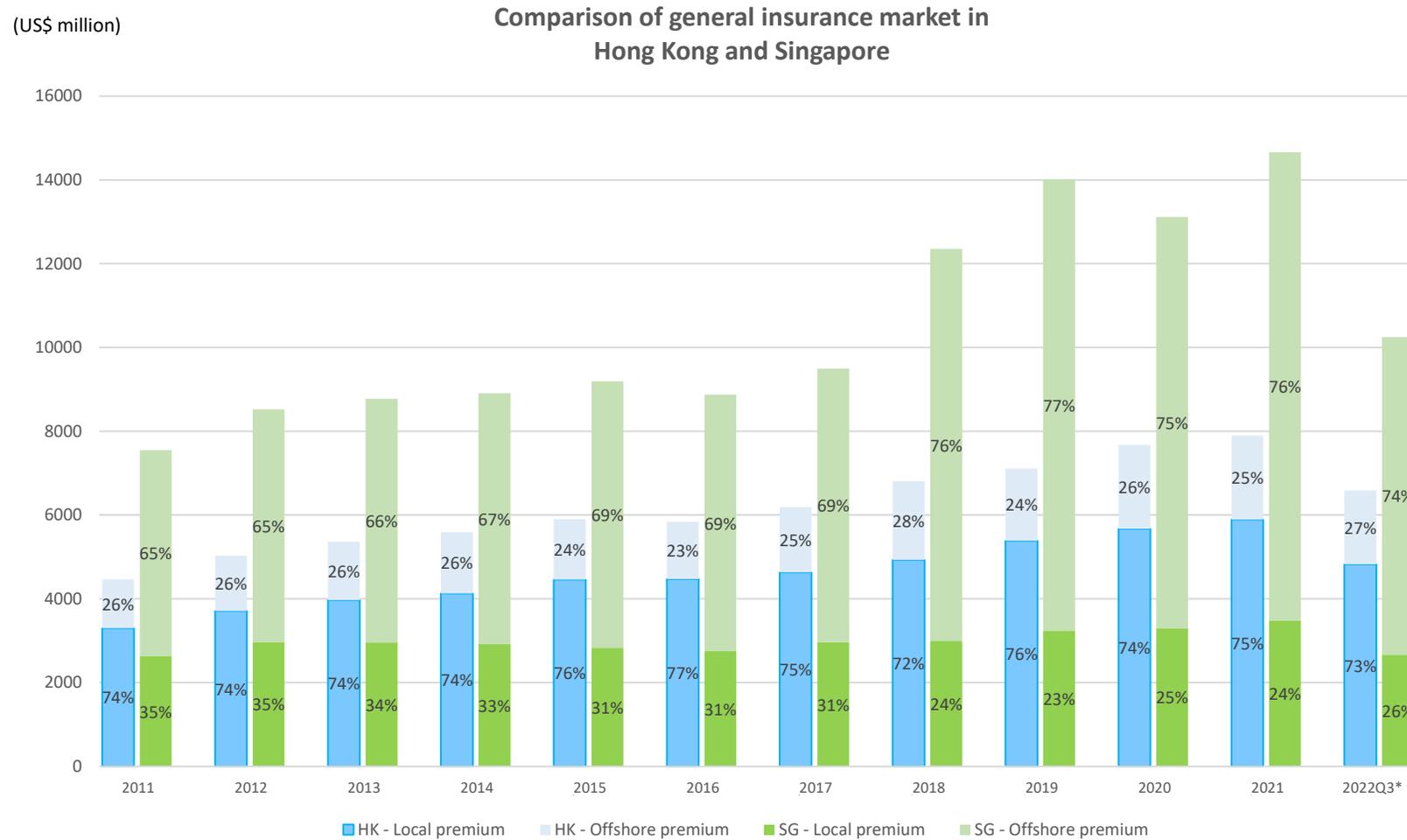
## Structural Shift



\* Provisional statistics

# Industry Landscape

## Comparison with Singapore

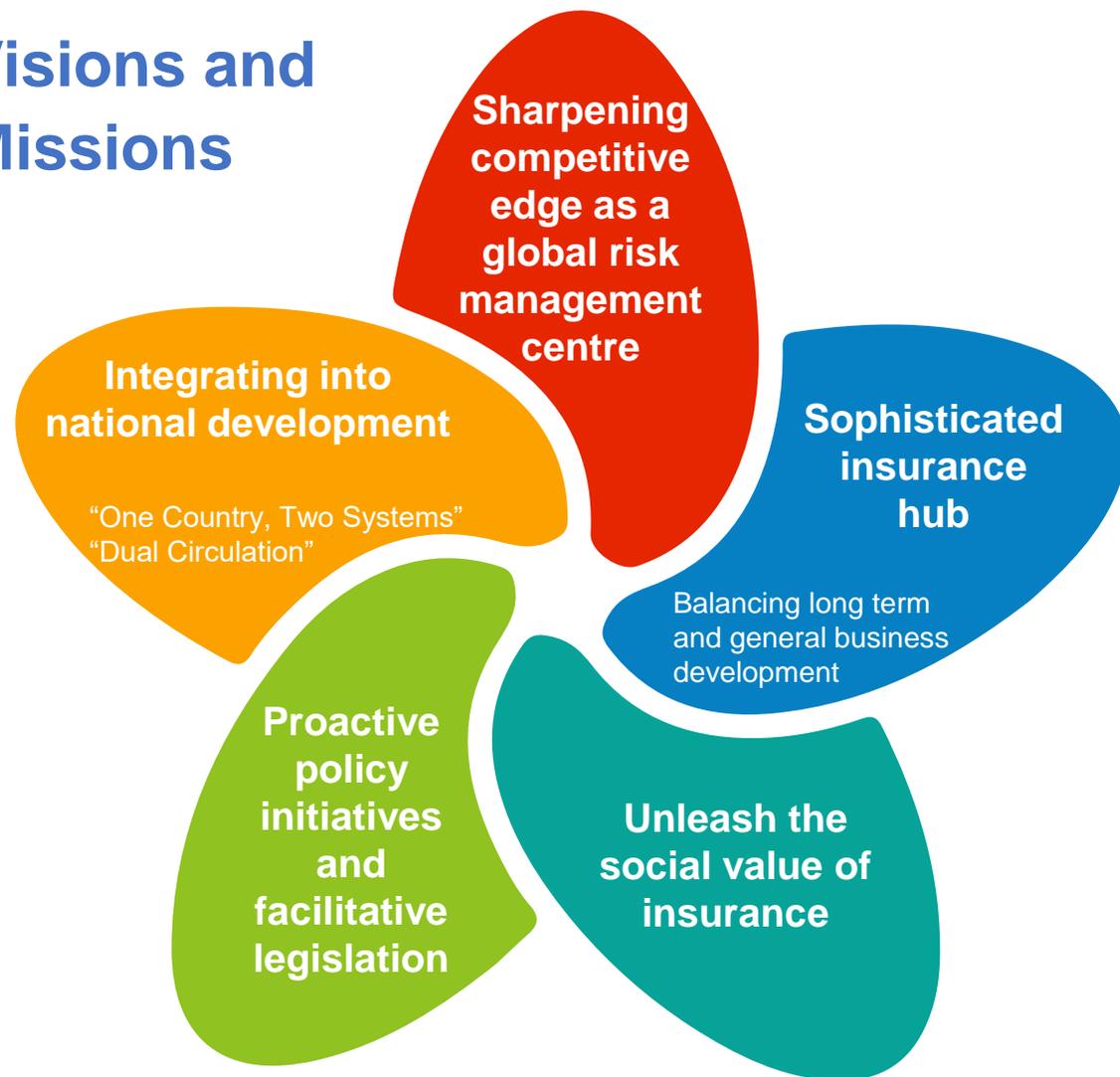


Source: Hong Kong Insurance Authority; Monetary Authority of Singapore  
 Note: For Hong Kong's statistics: direct business as local; reinsurance inward business as offshore. For Singapore's statistics: onshore direct gross premium as local; offshore insurance fund business (including direct insurer, reinsurers and captive insurers) as offshore

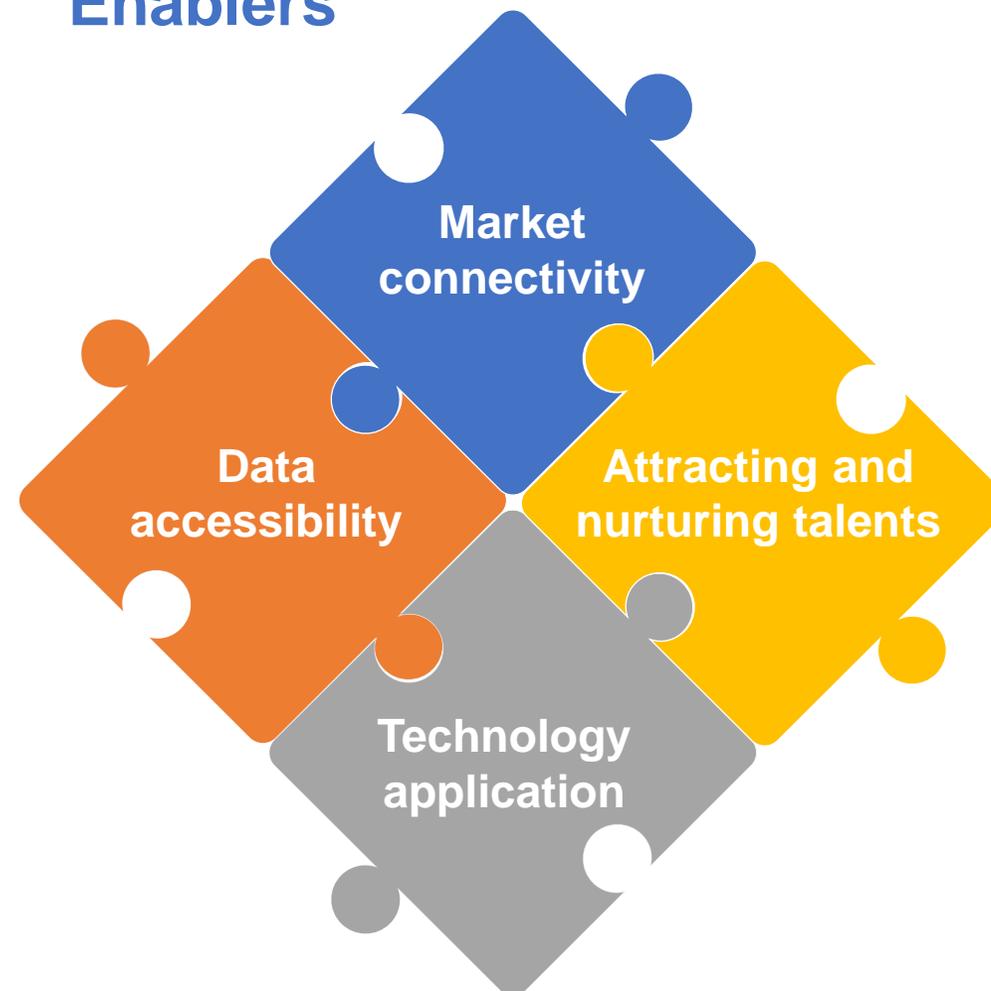
\* Provisional statistics

# Development Roadmap for the Insurance Sector in Hong Kong

## Visions and Missions



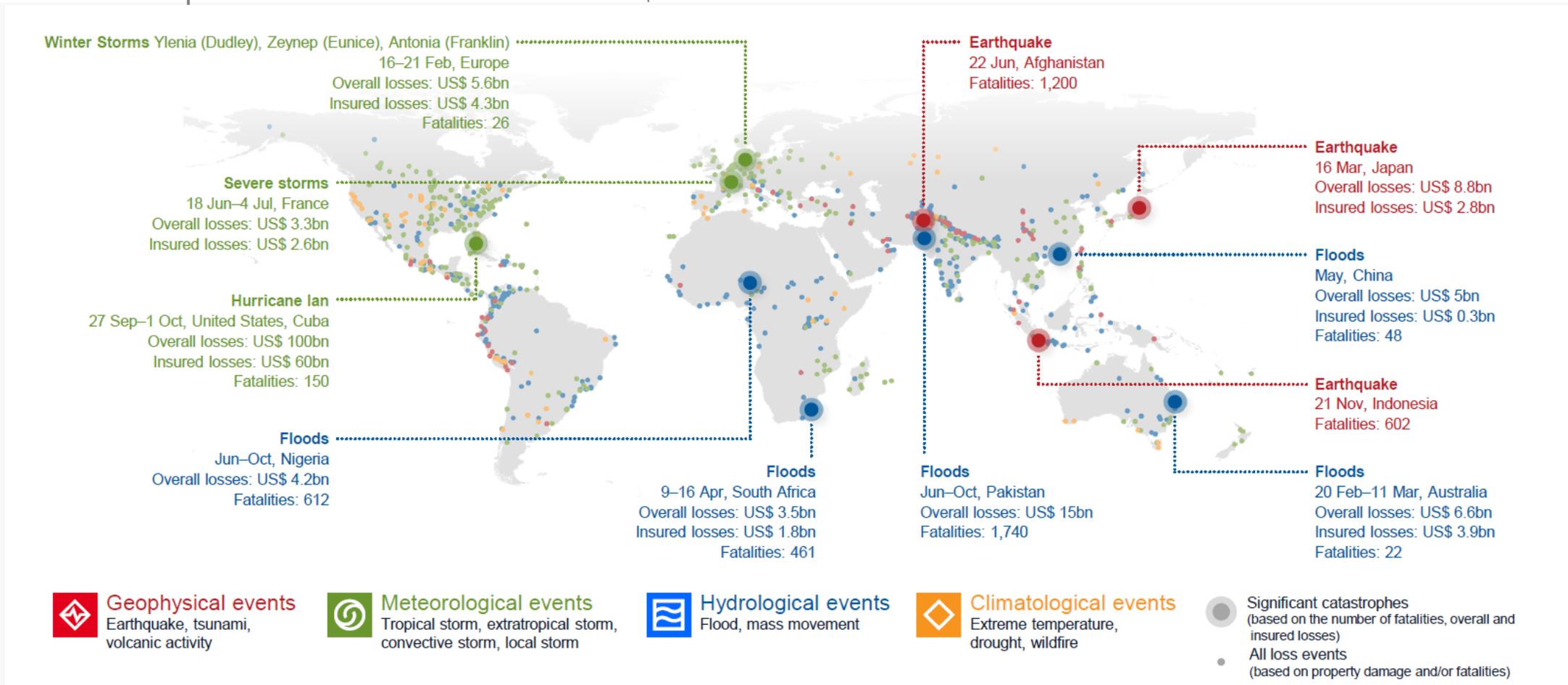
## Enablers



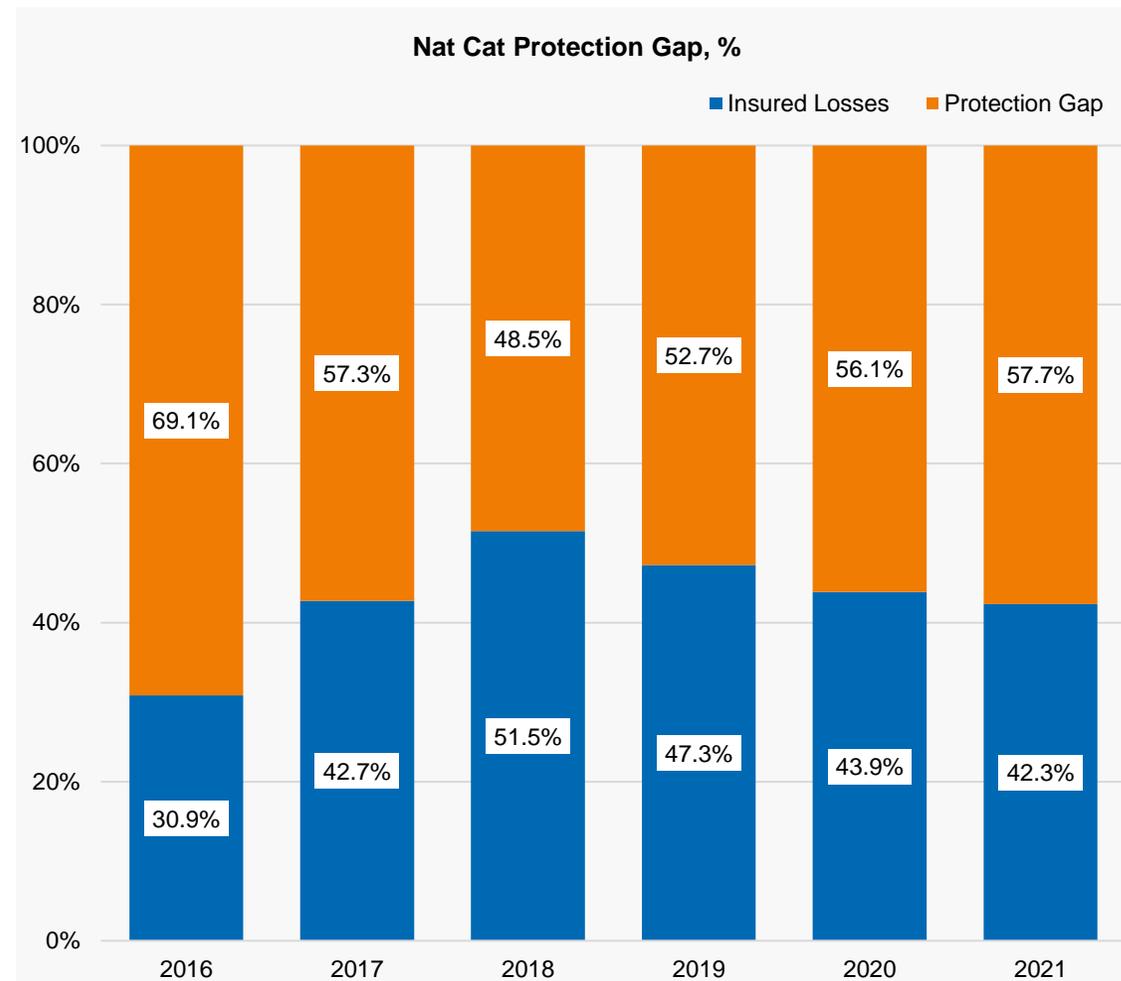
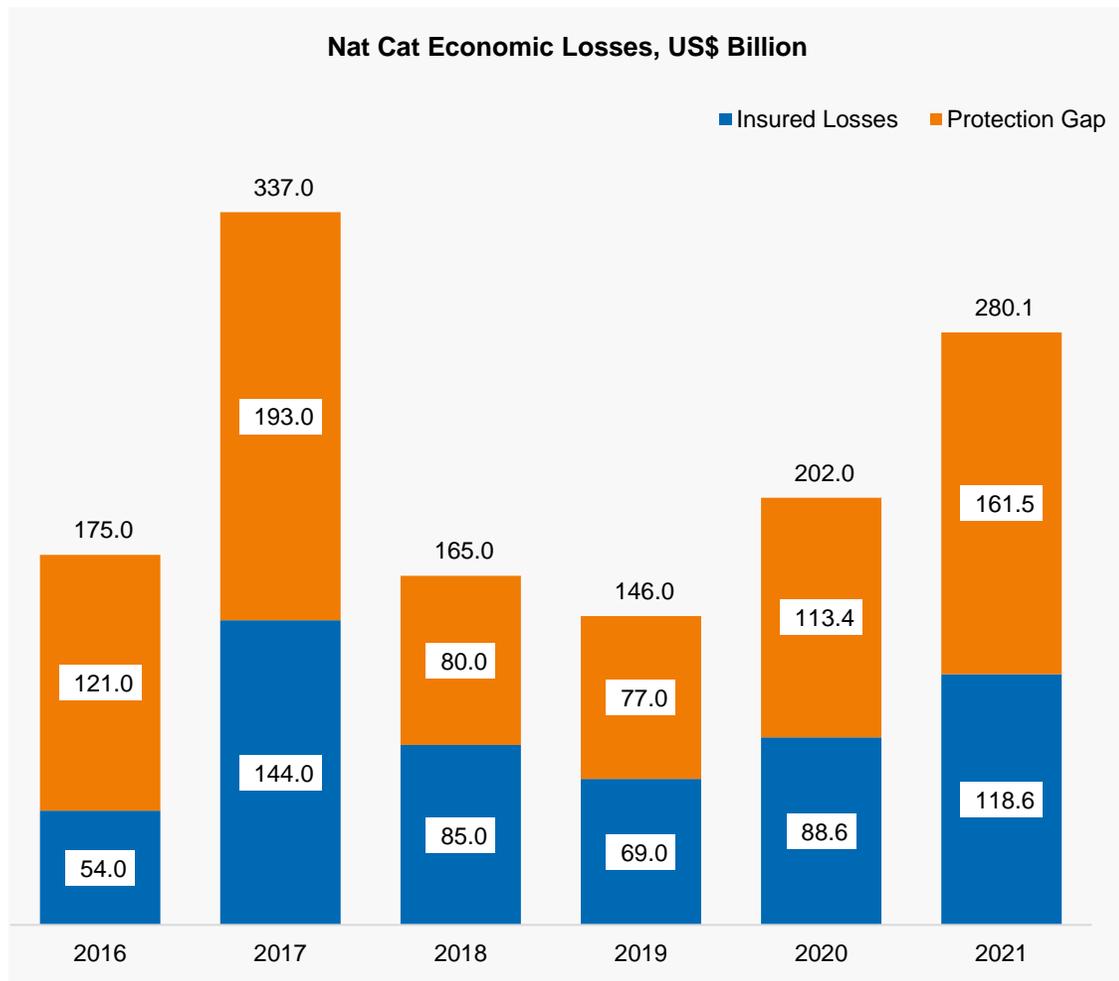
# A Perilous Planet

## Nat Cat Loss Events 2022

Natural Catastrophes caused overall losses of US\$ 270bn worldwide



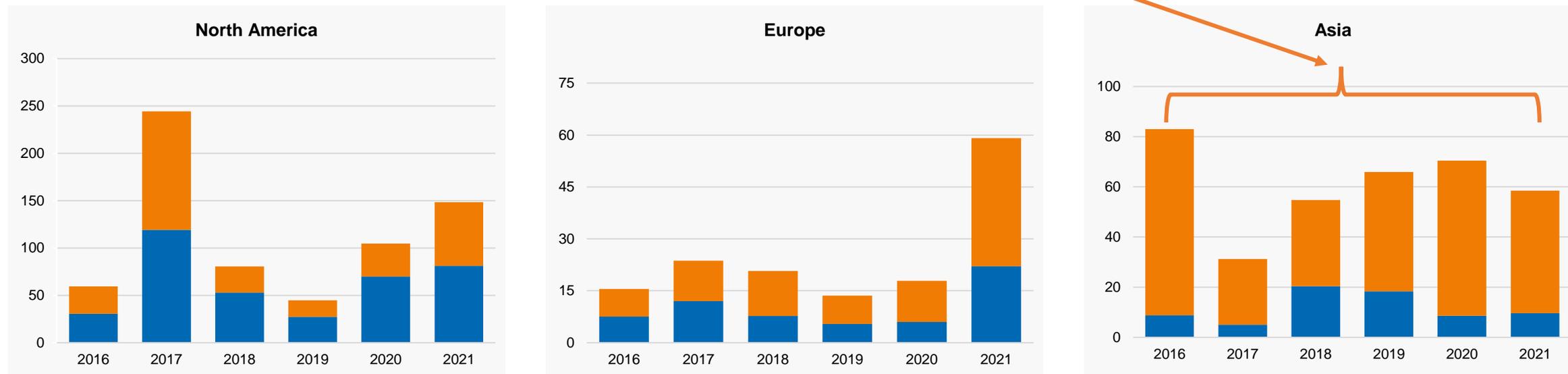
# Nat Cat Protection Gap



Source: Swiss Re Institute

# Asia Fare Worse

Nat Cat Protection Gap by region 2016 – 2021, US\$ Billion



Source: Swiss Re Institute

Wide protection gap at present



High economic growth & rapid urbanisation



Increasing frequency & intensity of Nat Cat events

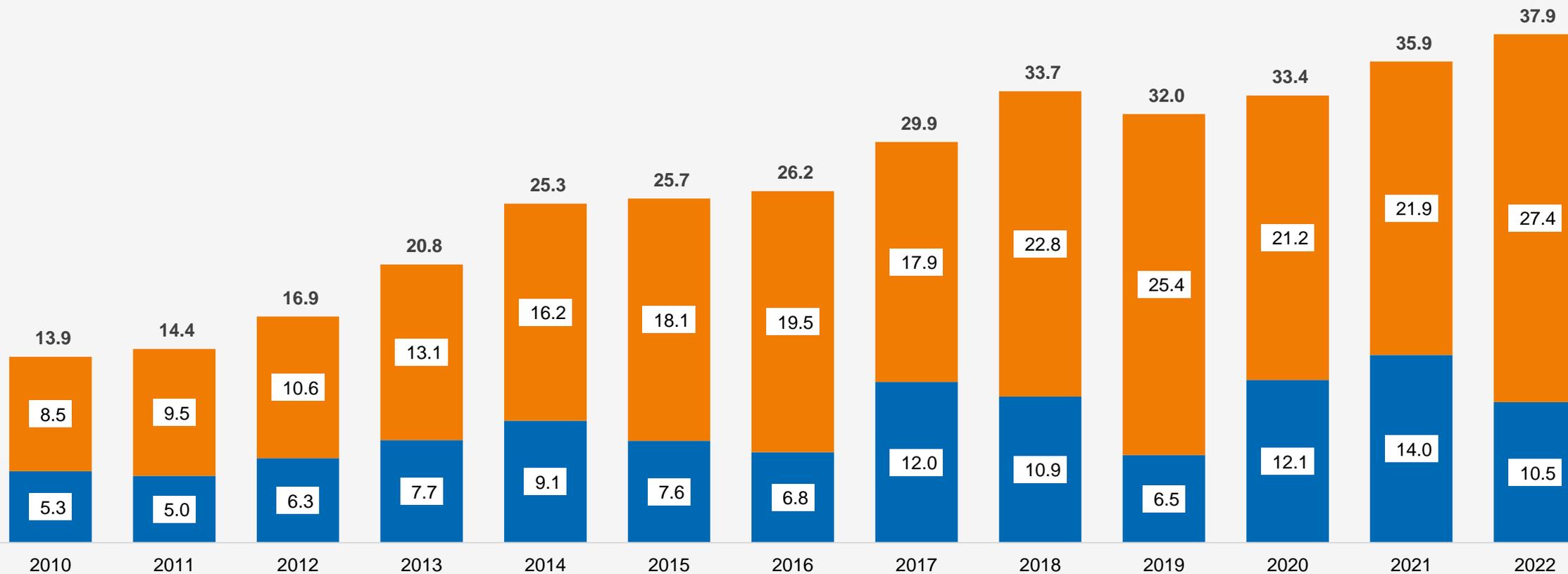


Poor resilience and expanding vulnerabilities

# Global Market for Insurance-linked Securities

### Global ILS Market 2010-2022

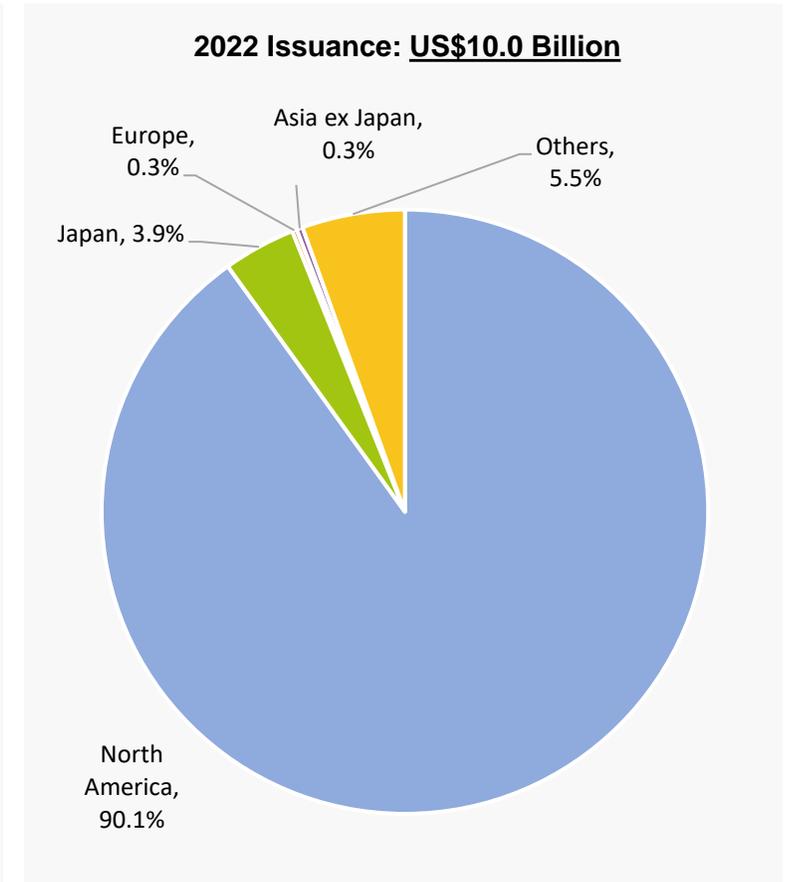
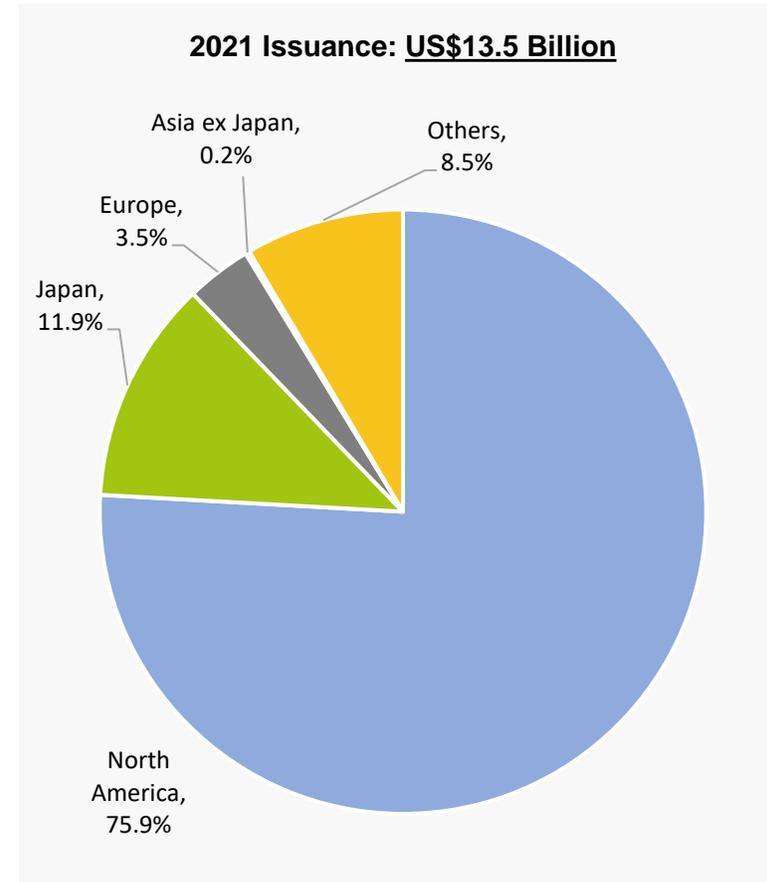
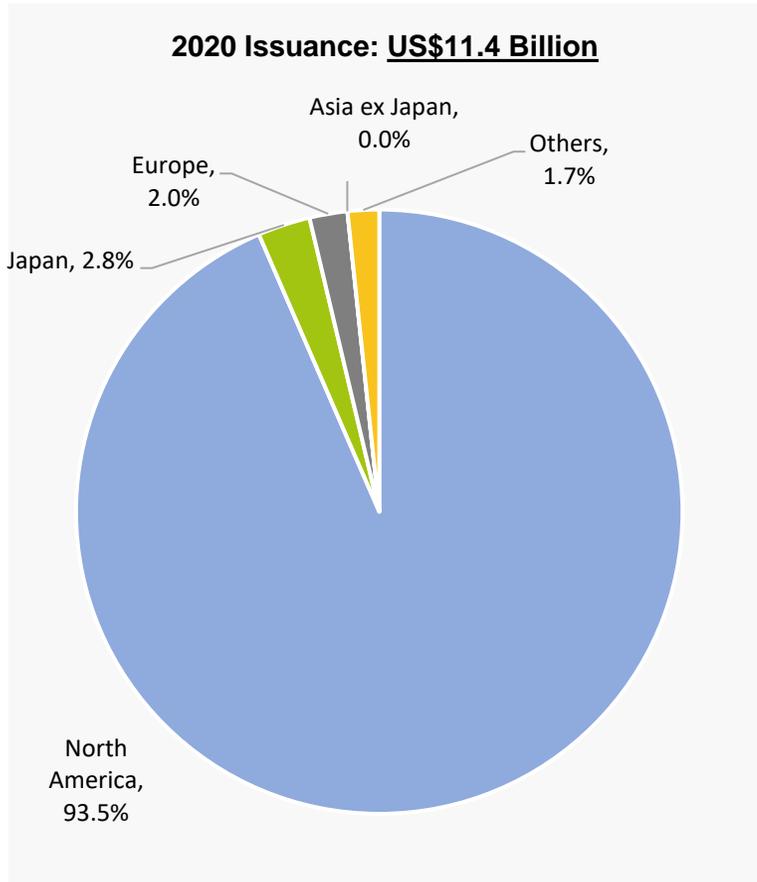
■ Issued, US\$ Billion   ■ Outstanding, US\$ Billion



Source: Artemis

# Limited Coverage for Emerging Markets

## 2020 – 2022 Nat Cat ILS Issuance by geographical exposures



# Essential Ingredients for Success



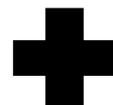
Government support



Financial Infrastructure



Professional Talents



Data Source



Risk Modelling



Risk Pool



Capital Market



Vibrant  
Ecosystem

## Strategic Positioning



# Milestone Achievements

