

Opening Remarks by Mr Stephen Yiu, JP
Chairman of the Insurance Authority
at the Hong Kong Green Week event on 12 September 2025

Bridging Finance and Future:
Insurance Industry as a Pillar of Climate Resilience

Distinguished guests, friends and colleagues, ladies and gentlemen,

Good morning. On behalf of the Insurance Authority (“IA”), it gives me great pleasure to welcome you to our city’s flagship sustainability event, the Hong Kong Green Week 2025 (“Green Week”). We are delighted to work hand in hand with the Hong Kong Federation of Insurers (“HKFI”) to present today’s themed session: *“Bridging Finance and Future: Insurance Industry as a Pillar of Climate Resilience”*.

To help you understand our thinking behind the theme, maybe I should start with how our future is challenged by climate change, specifically the challenges faced by our city. Among the various weather indicators, do you know that our rainstorm warning system is actually the most articulate in the world? The colourful signals of amber, red and black, are more than just symbols; they are lifelines that help us prepare, protect, and stay safe in the face of

nature's intensity. But this new normal in weather landscape is quite worrying. In August 2025, a month ago, the Hong Kong Observatory hoisted four black rainstorm signals and recorded an astonishing 940 millimetres of rainfall¹. To give you all a sense of what it means, that's equivalent to 25 600 Olympic swimming pools! The link between climate change and the increasing frequency of extreme weather events is well-established. These developments not only exist in scientific models, as they are manifesting themselves as tangible risks, they are impacting Hong Kong as well as economies and communities far afield.

So, how to bridge finance and future? More specifically in our context, how to enable insurers to play a vital role in today's challenging climate landscape? As insurers, you provide a financial safety net during times of crisis, help quantify the impact of extreme events through claims data, and contribute to building climate resilience by turning that data into actionable insights. Given the scale and complexity of climate-related risks, it is incumbent upon regulators and policymakers to engage proactively with all you in the insurance industry, to strengthen our city's climate resilience through robust risk assessment, improved risk management frameworks underpinned by a deeper understanding of the social value which insurance delivers. Easier said than done, but I trust the combination of **science**, **innovation** and **collaboration** will be the keys to our success. As I

¹ See The Weather of August 2025 – An August with outbreaks of heavy rain:
<https://www.hko.gov.hk/en/wxinfo/climat/warndb/warndb3.shtml>

move on, you will realise that all these key factors are manifested in today's event.

While the Chinese saying 「天有不測之風雲」 is meant to say, “misfortune comes without a warning”, it does reflect the traditional wisdom that weather is very unpredictable. Well, although that wisdom may still remain relevant today, **science** does help. With the advancement of science and data analytics, our capability in predicting weather and assessing climate risks have been notably enhanced. Technological progress and increasingly sophisticated climate modelling now enables actuaries to assess and price climate risks with astonishing accuracy. In our first discussion today, we are going to showcase a Climate Modelling Project. It is a strategic tripartite collaboration between the IA, the industry and the Hong Kong University of Science and Technology (“HKUST”). Harnessing HKUST's high-resolution climate models, this project aims to provide the industry with risk insight and data analytics in order to enhance the industry's capabilities in climate risk assessment, underwriting refinement and product innovation.

Speaking of **innovation**, it helps us look at climate change from a broader perspective. With product and solution innovation, pursuing climate action does not need to come at the expense of topline growth or bottom-line performance. In our second session, we will benefit from insights of a distinguished panel on how the insurance sector can innovate beyond its traditional boundaries to unlock new

business opportunities and position Hong Kong as a global hub for climate risk management.

Collaboration underscores the entire event today. All stakeholders — all of us here and on zoom, including insurers, regulators, academia, professional service providers, as well as Government entities, are gathering here to unite our efforts to combat climate change. That leads to my introduction to the last session of today's programme.

Since 2018, the Government has been incorporating green initiatives into the Budget and Policy Address in response to global climate imperatives and Hong Kong's carbon neutrality goals. In the 2025-26 Budget, the Government placed emphasis on accelerating green development, positioning the city as a regional leader in sustainable finance, green technology, and climate resilience.² Today, we are delighted to have colleagues from the Government's Civil Engineering and Development Department and the Drainage Services Department to lead two respective research sharing sessions. They will share the Government's efforts on infrastructure adaptation measures such as shoreline management and integrated flood strategies. Indeed, in today's world, insurers are moving beyond assessing damages and paying claims after disasters, but becoming trusted advisors in mitigating climate risks. I am sure our participants from the insurance

² Accelerating Green Development, Budget Speech 2025-26:
<https://www.budget.gov.hk/2025/eng/budget28.html>

today will gain invaluable insights from these Government's initiatives for analysing and mitigating climate risks.

And finally, Mr Clement Cheung, our CEO will wrap up today's programme with insightful remarks.

Ladies and gentlemen, thank you once again for joining us in our shared mission to combat climate change, which is very important for us today. I wish you a rewarding and inspiring morning. Without further ado, I shall pass the time to Ms Selina Lau of the HKFI. Thank you very much.