Keynote Speech by Mr Clement Lau,
Executive Director, Policy and Legislation, Insurance Authority
at ASHK Health Insurance Conference 2025 on 4 November 2025

Tim[1], friends, ladies and gentlemen,

Thank you for having me here. I am given a difficult task to deliver a keynote speech, not only because of the 10-minute time constraint, but also because I am among experts who will be able to offer deeper insights on the subject of private health insurance. But let me try to paint a broad picture and share a few thoughts of mine.

Friends, let me be a bit straightforward : we are facing a vicious circle. We see that medical cost has been rising notably, which in turn puts pressure on insurance premium. Policyholders painfully bear the consequence, and it also affects the affordability of both existing and potential policyholders, leading to risk pool deterioration whereby existing policyholders may be forced to drop out and potential ones, especially the younger ones, will find it increasingly difficult to get in. Demographic shifts, especially an aging population, further aggravate the situation. As a result, more pressure will be exerted on our public healthcare system, and the expected sharing of responsibility between the public and private healthcare sectors will become more inefficient. And these components interact as both cause and effect. As the situation continues, the problem is bound to be more serious in terms of scale and complexity.

[1] Mr Timothy Wong, Actuarial Society of Hong Kong (ASHK) Health Committee Chairperson

We are here to find solutions. In fact there are already various initiatives and suggestions coming up from different directions. I am not going to judge or comment on them in detail as they will require a lot more study and deliberations in the wider community, but let me try to put them together in high-level terms.

In the ecosystem of private health insurance, the key stakeholders include consumers, insurers, medical professionals and service providers, as well as policymakers which include both the government and the regulator. For consumers, we hear suggestions like introducing more cost-sharing arrangements, such as deductibles and co-payments, so as to incentivise more responsible way of using insurance. For insurers, we ask questions like whether you can refine your product features so that premium can be lowered corresponding to a reasonable protection coverage, how to keep improving treatment to customers by, for example, helping them make better informed decisions, and how to further enhance the efficiency of claims process. For medical professionals and service providers, we want to see more transparency in pricing so that consumers can choose more wisely, and also clinical standards that help insurers better underwrite and assess claims. Finally, as policymakers, we have the responsibility to put in place or refine policy, legislative or regulatory regimes to achieve the intended outcomes; we need to identify new opportunities, such as those arising from Greater Bay Area development, for our healthcare and insurance sectors to sustain and grow; and we need to consolidate data from different stakeholders, in a granular and well-defined manner, so that we can generate insightful and reliable analytics to inform policy-making.

Alright, I have attempted to outline as much as I can in such a short time, but it's easier said than done. While I should defer to the later speakers to probe further into the various issues, I have also been pondering what else we still need. I think we probably need a few more perspectives of thinking. How we think drives how we act, and more perspectives would help us think better.

The initiatives and suggestions I mentioned involve complex considerations and diverse interests among different stakeholders, but the word "health" appears to me as the highest common factor, because I think at both individual and society levels, being healthy is probably our common goal. In insurance, there has also been growing attention to linking preventive health to insurance, and promoting healthy lifestyle through insurance. This concept of risk mitigation and prevention is extremely important.

With healthy living, early preparation goes hand in hand. We should plan early for not only our lifestyle, but also our insurance needs. Remember the deteriorating risk pool I mentioned? We need great ideas on early preparing the community to make our private health insurance ecosystem sustainable.

Friends, time is short for me to go further and I look forward to learning from you in the rest of the day. The reason I want to highlight these perspectives is because while we shall continue to deep dive into containing medical inflation, refining insurance products and diverting demand from public healthcare system to private sector, I feel that we should also keep asking ourselves if we are making our society a healthier one.

As this diagram depicts[2], we may easily focus on the innermost circle of problems, while overlooking the outermost one which is what we really want to achieve. But with a shared goal, I am hopeful that we can reconcile our differences and come up with practical solutions. Let's work together to make our society not only a better insured one, but also a healthier one.

And before I go, let me encourage you all to exercise your civic rights and vote for the next Legislative Council on 7 December.

Thank you very much.

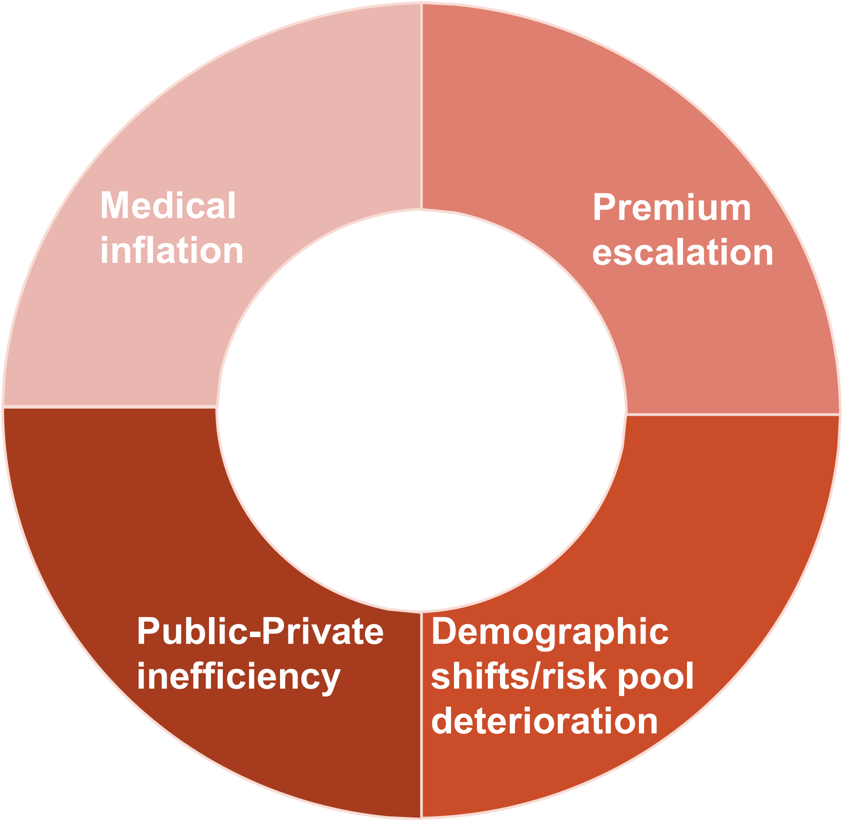
---

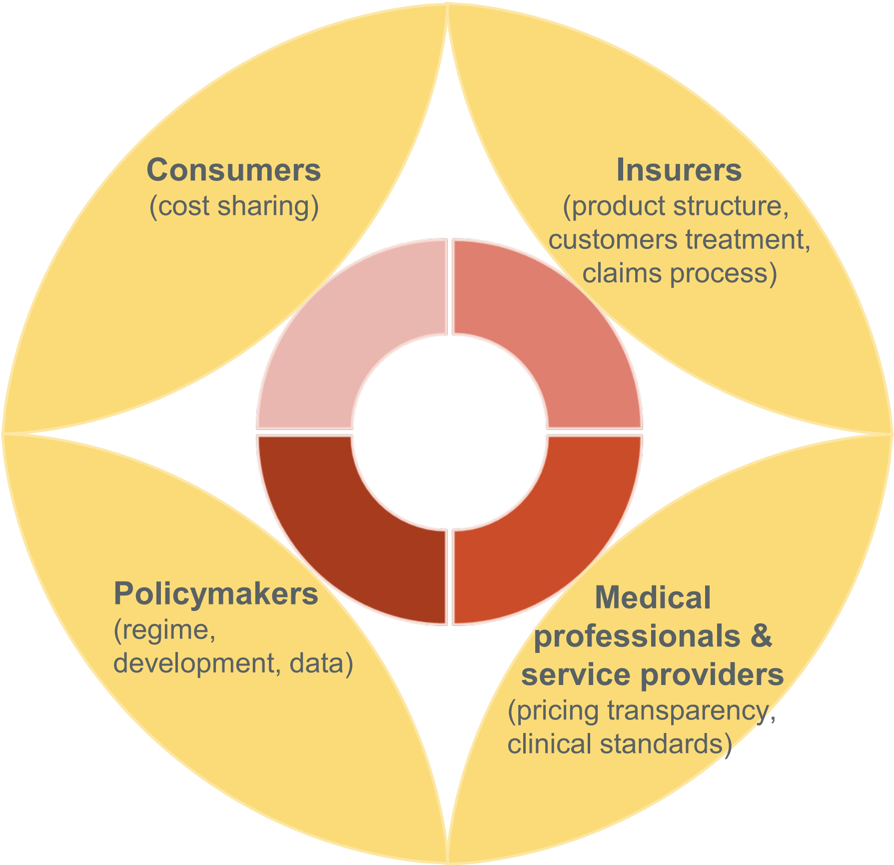
[2] Please refer to the following presentation slides.

ASHK Health Insurance Conference 2025

Keynote Speech by

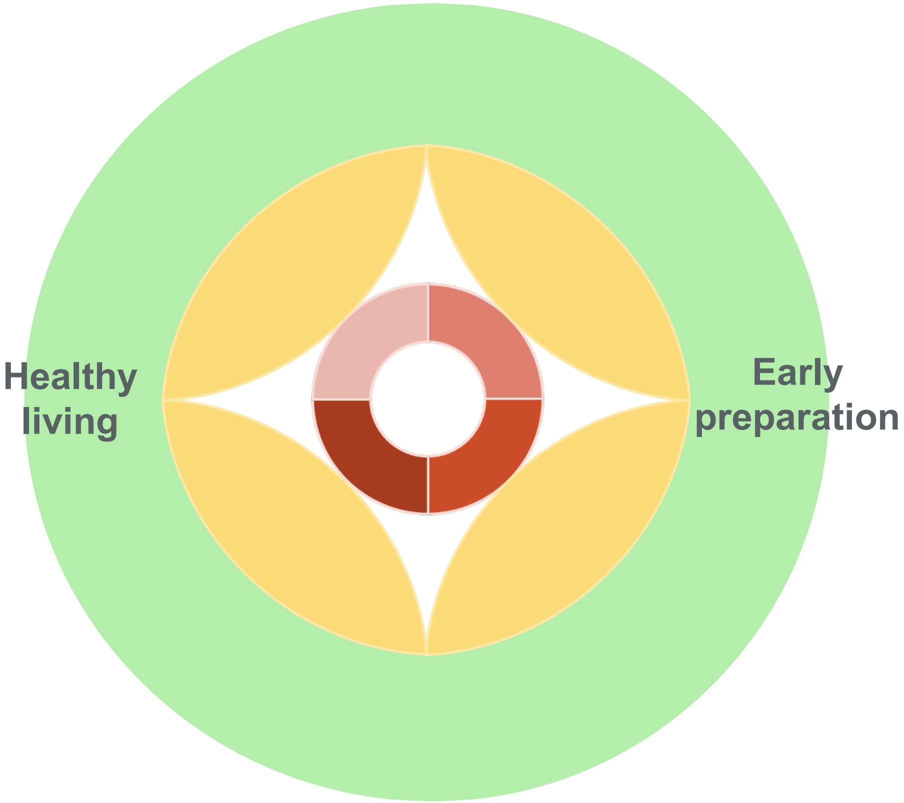
Mr Clement Lau, Executive Director, Policy and Legislation, Insurance Authority


Medical inflation
Premium escalation
Public-Private inefficiency
Demographic shifts/risk pool deterioration

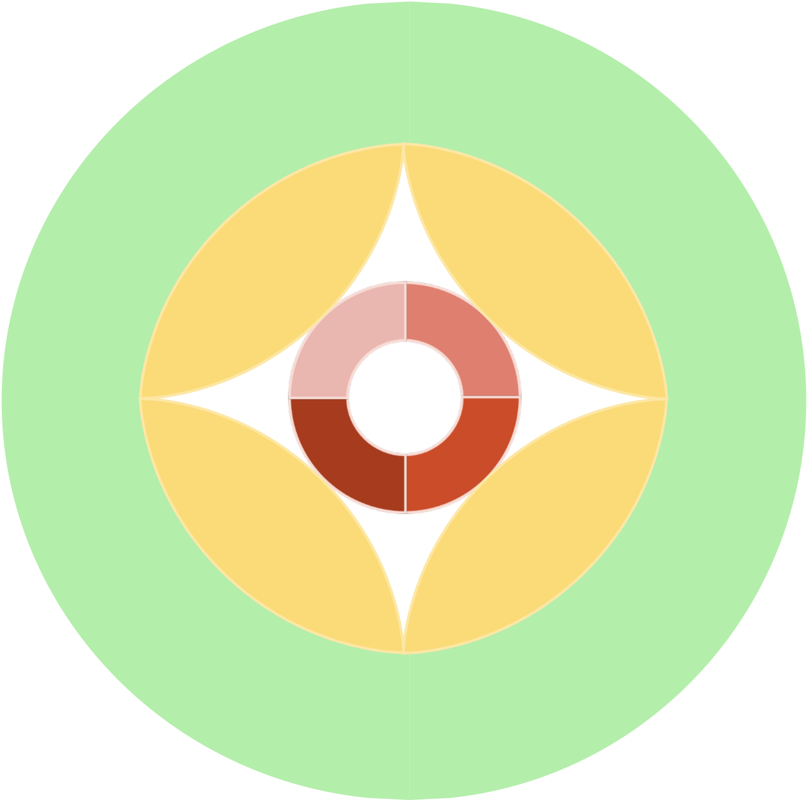


Consumers
(cost sharing)
Insurers
(product structure,
customers treatment,
claims process)
Policymakers
(regime,
development, data)
Medical
professionals &
service providers
(pricing transparency,
clinical standards)

保險業監管局
Insurance Authority



保險業監管局
Insurance Authority



Let’s work together
to make our society
not only a better insured one,
but also a healthier one