



Unleash the Social Value of Insurance Riding on Digital Transformation and Cross-sector Collaboration

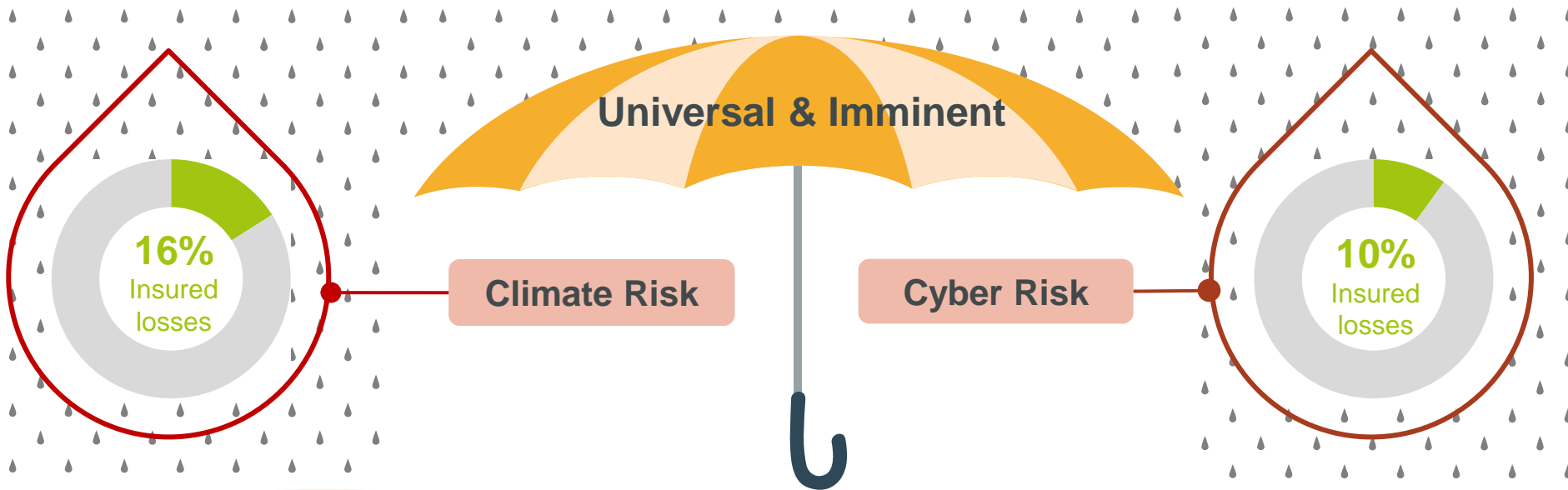
Mr Clement Cheung

Chief Executive Officer, Insurance Authority

3 November 2023



Widening Protection Gaps



Widening protection gap



High growth & accelerated digitalisation



Frequency & intensity of Nat Cat events



Poor resilience and expanding vulnerabilities

Contribution by Hong Kong



**Innovative products & pragmatic
risk management solutions**



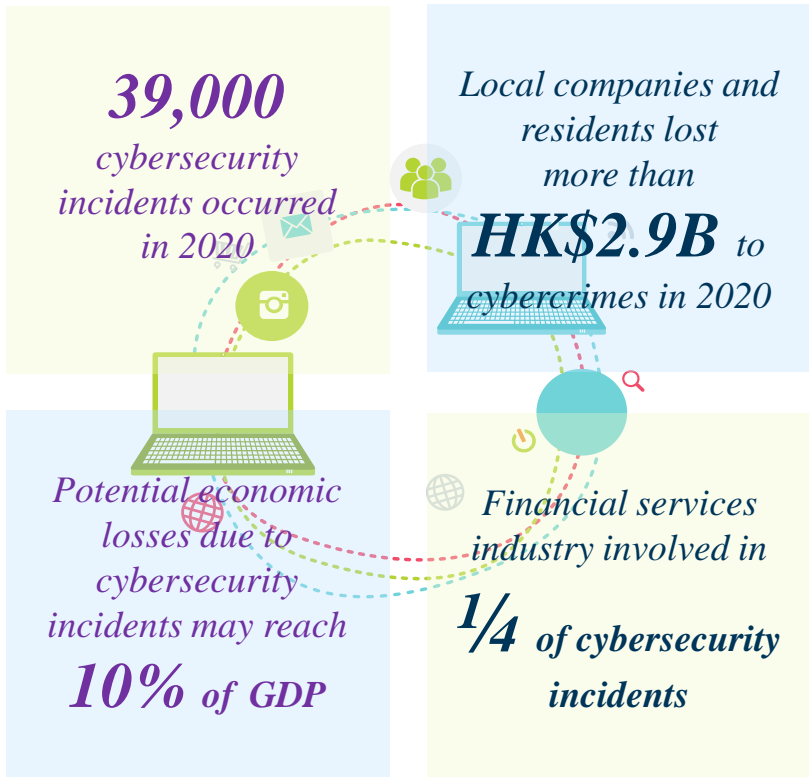
Web 3 development



Insurance-Linked Securities (“ILS”)

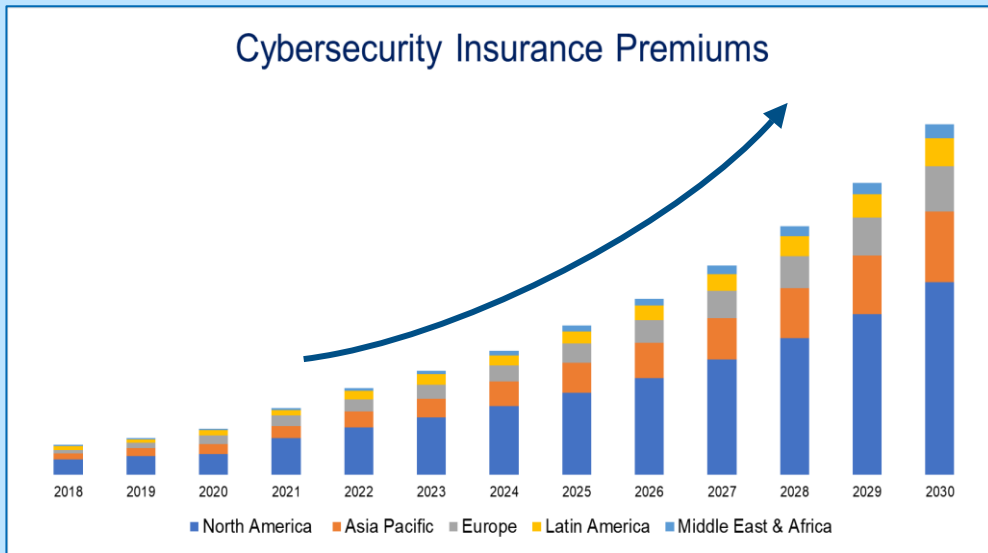
Cyber Threats and Opportunities

Situation in Hong Kong



Source: FSDC Paper No.49, HK Financial Services Development Council

Global Cyber Insurance Market 2018 - 2030



Source: Polaris market Research Analysis (2022), Swiss Re Institute (2023)

Evolution of Cyber Insurance



Evolving Coverage



Responsive Insurance Services

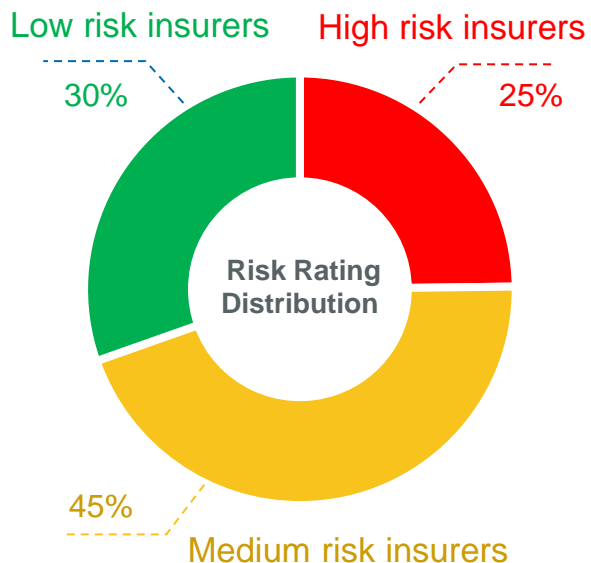


Pragmatic Risk Management Solutions

Operational Resilience

Three-Pronged Approach

1. Industry Insights



2. Risk-based Framework

GL 20 Assessment Framework

1. Inherent Risk Assessment

2. Maturity Assessment

3. Identify and fill the gap

3. Industry Awareness

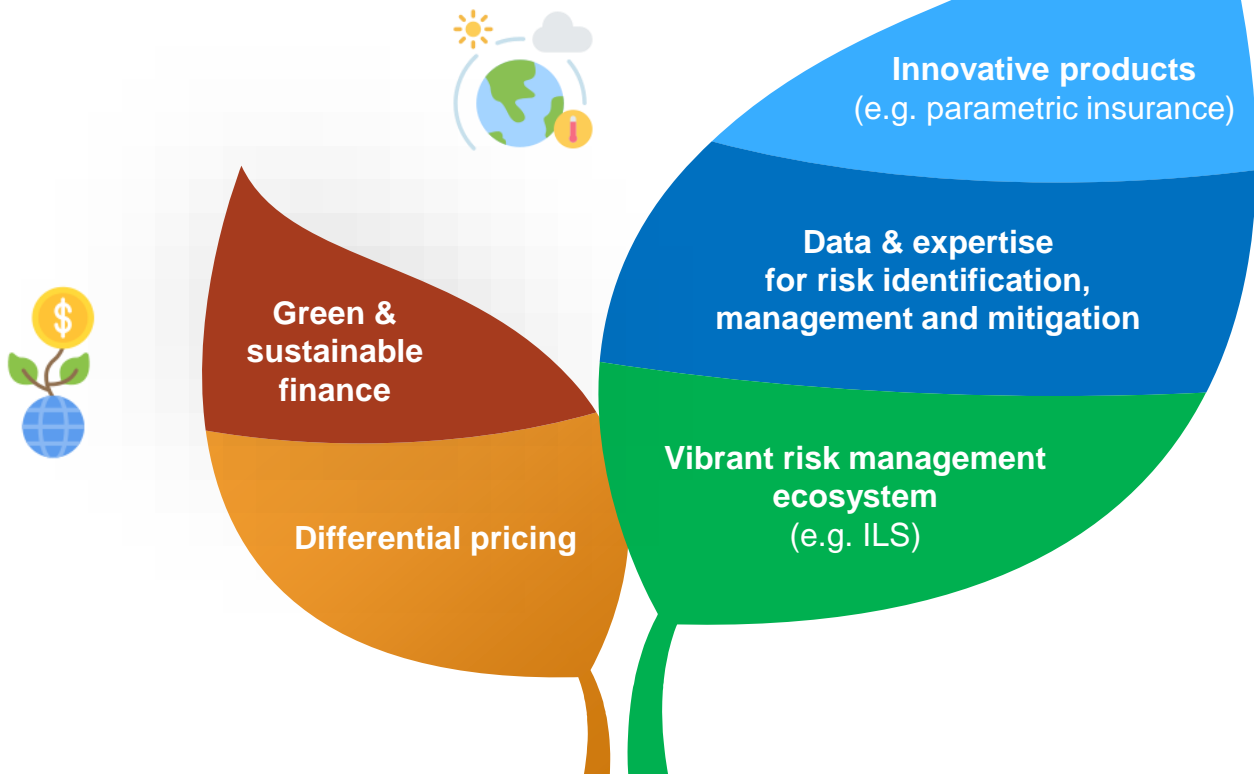


Enhanced
Competency
Framework



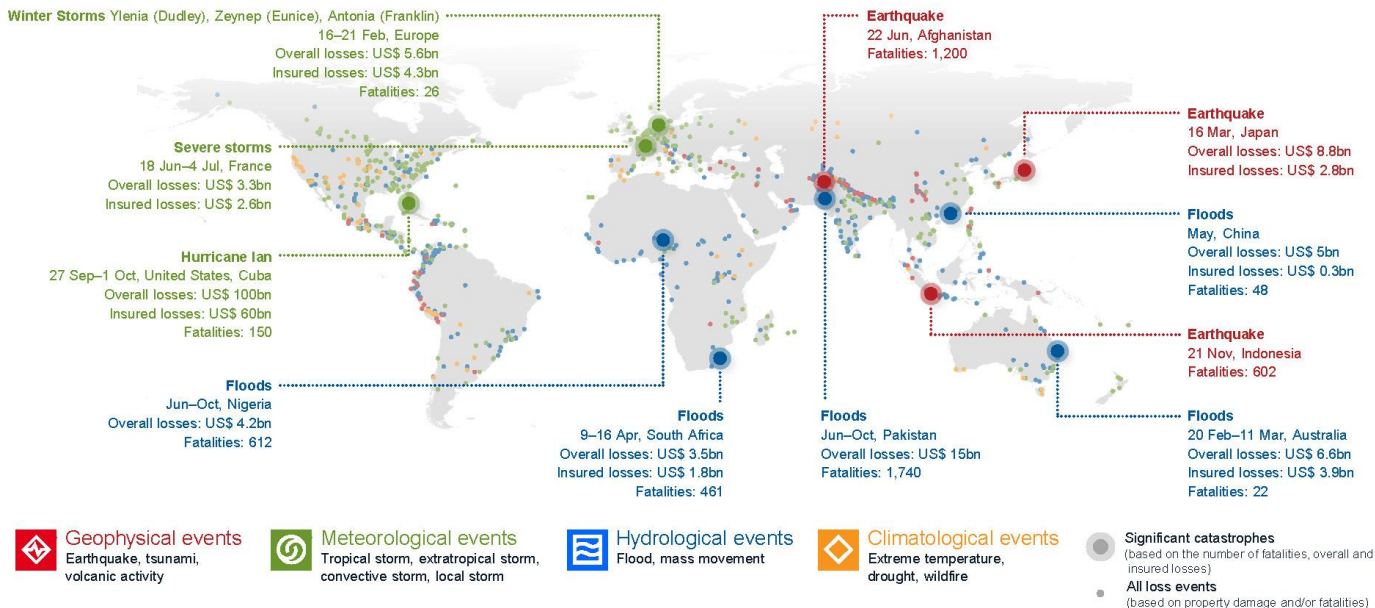
Cyber-related
workshops

Roles of Insurance Industry



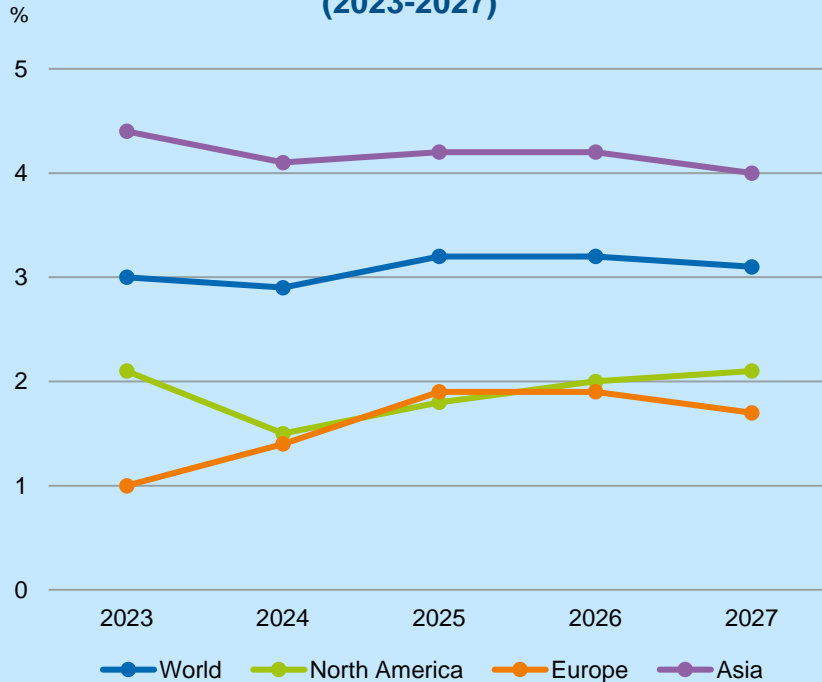
Climate Change is a Global Menace

Total economic losses of US\$270B in 2022

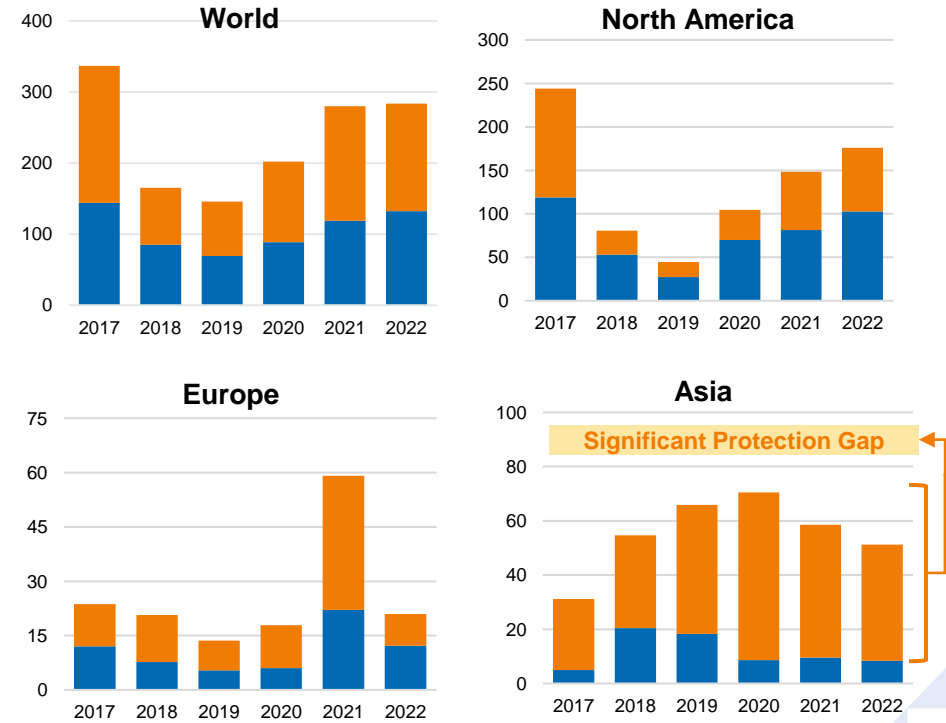


GDP Growth and Protection Gap

Real GDP growth Forecast (2023-2027)

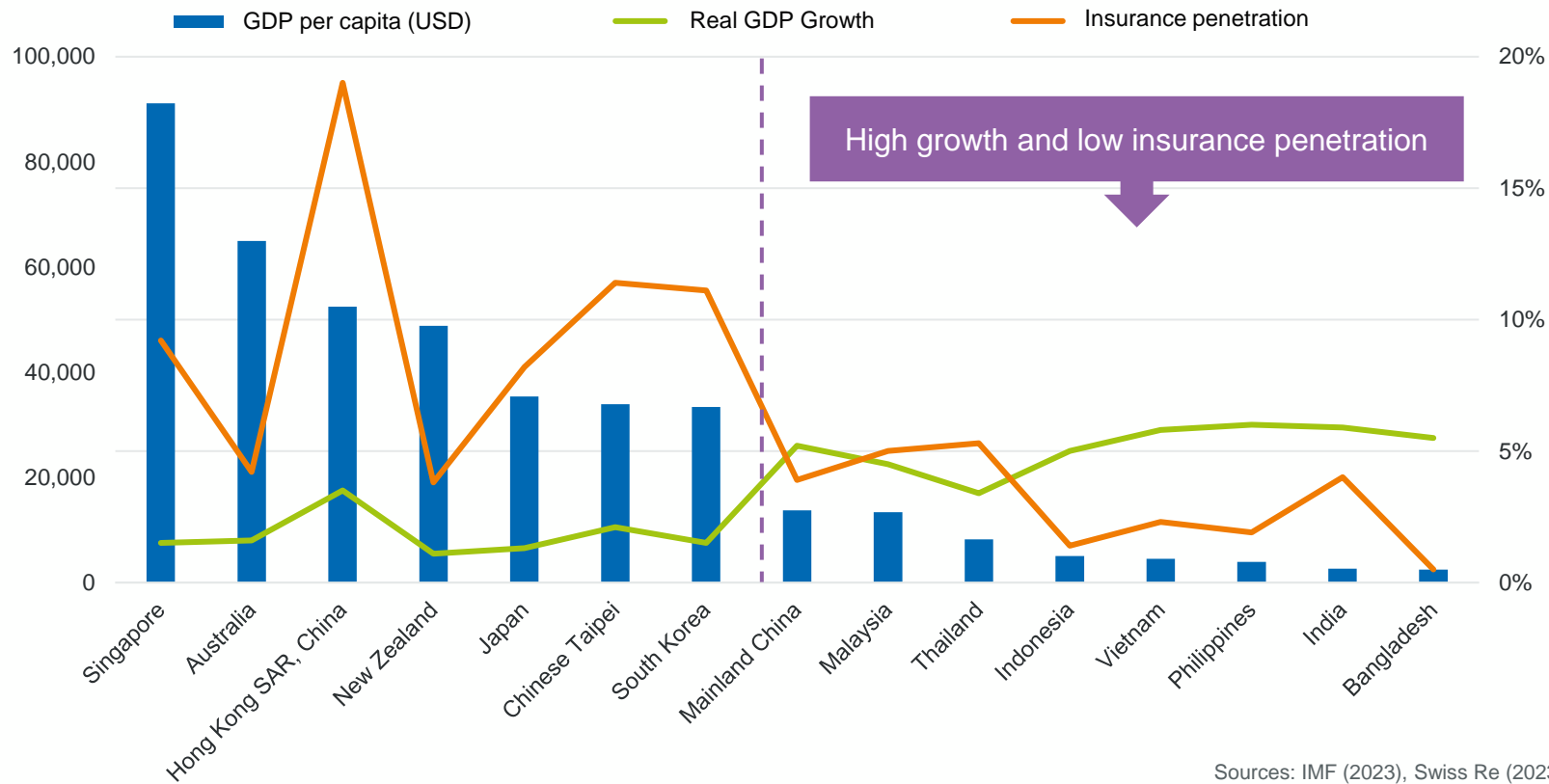


Nat Cat Protection Gap by region, US\$ Billion (2017 – 2022)



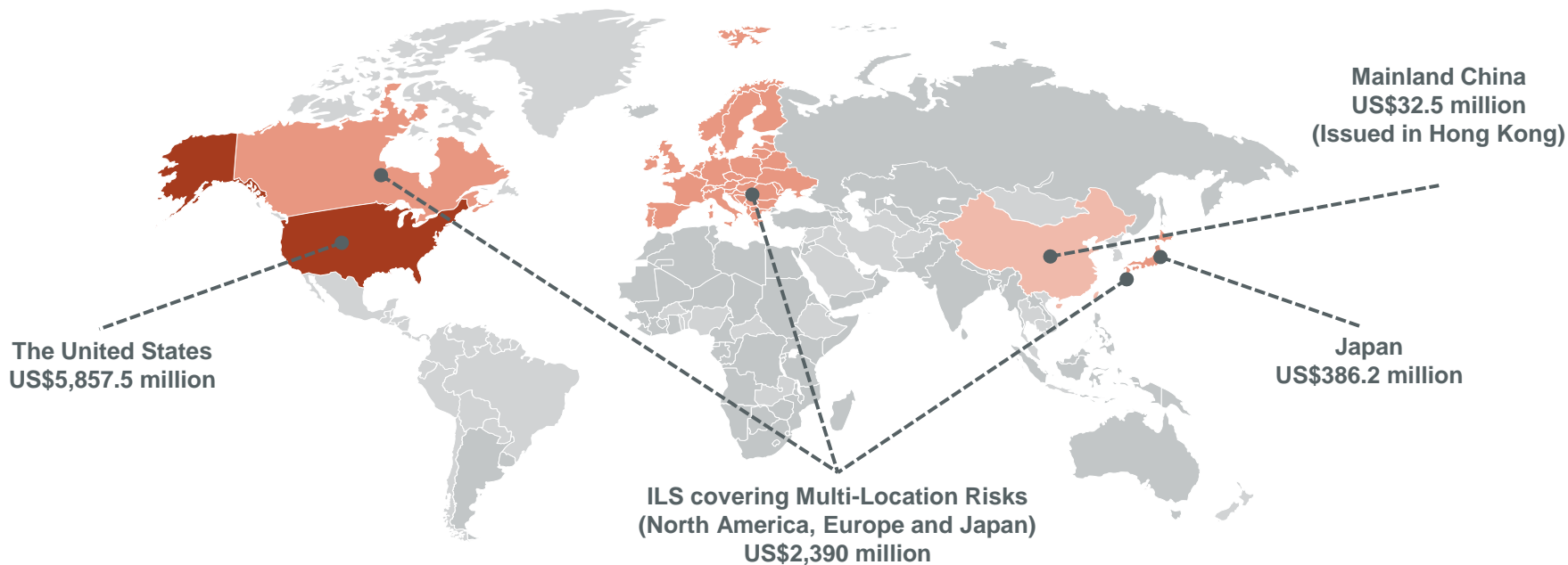
GDP Growth and Insurance Penetration in Asia Pacific

GDP Growth and Insurance Penetration in 2023



Concentration of Nat Cat ILS Issuances

Major Nat Cat ILS Issuances in 2022



Success Factors for ILS Hub



Government Support



Financial Infrastructure



Professional Talents



Data Source



Risk Modelling



Cross-sector Collaboration



Open API Framework



**Research on
Federated Learning**



**Cross-boundary
Collaboration**

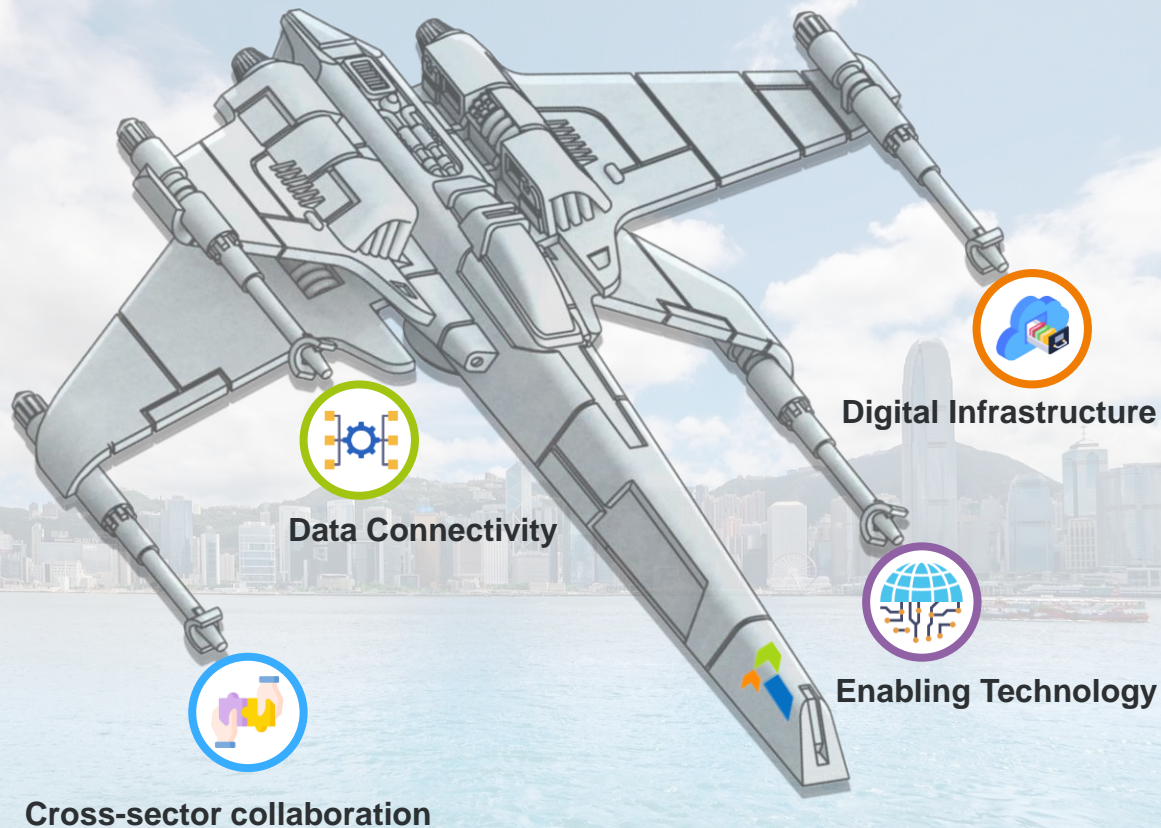
IA Philosophy 2.0

Integrated into the
National Development Arena

Reinforce the status of Hong Kong as
a Global Risk Management Centre

Achieve balanced development of
the long-term and general sectors

Unleash the social value of
insurance





Thank You

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