

NURTURING NEW
OPPORTUNITIES
AMID GLOBAL UNCERTAINTIES

Annual Report 2024-25

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“ The theme of ‘Nurturing New Opportunities Amid Global Uncertainties’ chosen for this annual report seeks to capture our determination to adapt and thrive in an iffy environment. Indeed, the insurance industry has stayed resilient and performed well in the reporting period. ”

Stephen Yiu
Chairman



CHAIRMAN'S MESSAGE

As we step into 2025, the global risk landscape is shrouded by rising geopolitical tension stemming from regional conflicts and the looming threat of a full-scale tariff war. The headwinds of dampened consumer sentiment, stagflation threats, supply chain disruptions, fragmented monetary policies, aggravating climate change, raging natural catastrophes, and widening protection gaps are disconcerting. The theme of "Nurturing New Opportunities Amid Global Uncertainties" chosen for this annual report seeks to capture our determination to adapt and thrive in an iffy environment. Indeed, the insurance industry has stayed resilient and performed well in the reporting period.

Financial Stability and Safety

Facing an environment fraught with dubiety and incertitude, the principal role served by financial regulators is to maintain market stability. We are glad that insurers have settled down quickly after implementation of the Risk-based Capital regime, adjusting their asset-liability matching to optimise capital utilisation under Pillar 1 of the three-pillar framework. There is increased maturity in leveraging the process of Own Risk and Solvency Assessment under Pillar 2 to inform the pace and direction of business development, and build up internal capacity to cope with external shocks. Consultation on public disclosure requirements under Pillar 3 has been wrapped up, while a follow-up review is being conducted on whether certain design parameters could be fine-tuned to incentivise placement of more offshore risks in Hong Kong, reflecting our dual emphasis on supervision and facilitation.

On the macroprudential front, a new mechanism to designate domestic systemically important insurers is expected to be ready within 2025. It will be reinforced by recovery and resolution plans tailored to cope with the unlikely but impactful failure of designated entities. Finally, a bill giving effect to the proposed Policy Holders' Protection Scheme is on track for introduction to the Legislative Council according to the Government's plan.

Balanced and Sustainable Growth

Looking back in history, the local insurance market has gone through several episodes of "feast or famine" due to heavy reliance on a single source of growth for the long term sector and onshore risks for the general sector.

To break away from this cyclical norm, the IA is determined to tackle some complicated endemic issues, starting with rationalising the remuneration structure of and referral fees paid by insurance intermediaries. Complementary efforts will be made to scale up public education and disciplinary enforcement. Moreover, we are actively facilitating interested insurers to re-domicile to Hong Kong via a convenient pathway under a bespoke regime, striving to attract the formation of captives by state-owned and privately-owned enterprises affiliated with the Mainland, expanding the risk pool written by Protection and Indemnity Clubs and nurturing a vibrant insurance-linked securities ecosystem.

Unleashing Social Value

By 2046, Hong Kong citizens aged 65 and above are projected to account for 36% of the local population. The insurance industry should come to realise that it presents both challenges and opportunities. Setting aside the pressure posed on government services, such a trend will divert resources away from other priorities and impair the productivity of caregivers. The IA is conscious of the imperative to tackle the demographic shift effectively, and has started to implement a suite of coordinated measures including promotional campaigns on retirement planning, a holistic review of the medical insurance business, and the introduction of affordable products capable of inducing disciplined savings to dovetail with quality elderly care facilities in the Greater Bay Area.

CHAIRMAN'S MESSAGE

International Engagement

I highlighted before the importance of letting our overseas interlocutors witness on the ground how Hong Kong is brushing off negativities generated by a combination of the social events and the pandemic. Let me remind you that the IA has made a successful bid to host the Committee Meetings, Annual General Meeting and Annual Conference of the International Association of Insurance Supervisors in November 2026 in Hong Kong, bringing together delegates from over 200 jurisdictions. Please support us in making this megaevent an unforgettable experience for visitors.

Appreciation

The stature of an organisation stems from its culture and leadership. I am extremely fortunate to be backed by a cohort of accomplished Non-Executive Directors, a team of dedicated staff and management, and a group of supportive stakeholders. The synergy created by these elements is immense, and the feeling of being able to do good is satisfying.

Stephen Yiu

Chairman



“ The Insurance Authority has carefully assessed our strategic vision in the face of a treacherous geopolitical landscape. Financial stability and safety, balanced and sustainable growth, and the unleashing of social value are the key priorities that will be reflected in our future corporate planning process. ”

Clement Cheung
Chief Executive Officer

CEO'S MESSAGE

After almost eight years of independent operation, the Insurance Authority ("IA") has carefully assessed our strategic vision in the face of a treacherous geopolitical landscape, diluted international collaboration, decoupling of trade relationships, and a deteriorating macroeconomic environment. As the Chairman alluded to in his message, financial stability and safety, balanced and sustainable growth, and the unleashing of social value are the key priorities that will be reflected in our future corporate planning process.

Market Development

The market showed no sign of fatigue after the release of pent-up demand trapped by restricted cross-boundary passenger movement in 2023, spearheaded by the sale of participating policies. Given that there is a marked difference between regulatory regimes in the Mainland and Hong Kong, the IA is progressively implementing a suite of measures to uphold market integrity and protect policy holders. It kick-started with a joint investigation initiated with the Independent Commission Against Corruption on a licensed broker company suspected to be involved in unlicensed selling activities and public education campaigns across online and offline channels, followed by imposition of a cap on benefit illustrations from 1 July 2025 to prevent misrepresentation at the point of sale.

Over the forthcoming reporting year, we will expedite discussions with industry bodies on a mechanism for commissions to be spread evenly over the tenure of participating policies and explicit control on the level of referral fees. These measures complement and reinforce each other in positioning Hong Kong as the preferred location for financial management by visitors from the Mainland and other parts of the Asia region.

Conduct Supervision and Disciplinary Enforcement

In 2024-25, the IA continued our foray into conduct supervision by embarking on an inclusive approach that seeks to achieve better alignment with prudential and enforcement inspections so that each unit can look beyond their own perspectives. We must join ranks with the industry to ensure that the principle of treating customers fairly can be attained in a pragmatic way, taking full account of local circumstances.

Almost one year after the Enforcement Division came under my direct supervision, a successful pivot has been made towards intelligence-based protocols. To this end, a liaison network among financial regulators, law enforcement agencies, and industry bodies is taking shape, and moves made to support investigators with Artificial Intelligence ("AI") data analytics. I am pleased with the energy displayed by this smart and nimble team. Although consumer empowerment is important to fortify the first line of defence, it is decisive action and effective deterrence that keep the perpetrators at bay.

Emerging Risks and Opportunities

While insurance supervisors have a natural instinct to tackle emerging risks, the IA does not lose sight of potential opportunities. For instance, the Cyber Resilience Assessment Framework rolled out in January 2025 puts us in good stead to pursue recommendations contained in the White Paper on Federated Learning to be released later in 2025. The explosive pace of AI adoption and advent of Agentic AI also compel us to review the existing regulatory instruments for necessary updates, but the purview will be stretched to cover how we can leverage the unique advantages of Hong Kong under the "One Country, Two Systems" principle to become a platform for limited data exchange and the launchpad for Mainland technology companies with ambition to expand beyond national borders.

CEO'S MESSAGE

Talent Development

Succession planning will continue to be a pressing task for the coming year. However, instead of focusing on the top echelons, systematic leadership training has been cascaded down to middle managers and special attention will be paid to the need to inculcate an upright culture and values among the general staff.

I owe a debt of gratitude to the Chairman and Non-Executive Directors of the IA Board for their resoluteness when handling contentious issues and their insightful advice in dissecting intricate problems, as well as to my diligent colleagues for delivering an impressive performance despite time and resource constraints.

Clement Cheung

Chief Executive Officer

THE YEAR UNDER REVIEW

HIGHLIGHTS

Regulation of Insurers

Prudential Supervision

- » Issued a circular to promote operational resilience in managing technology risk by setting out good practice and potential areas of enhancement based on the “Technology Risk Management Fact-Finding Survey” of the three supervised groups of Designated Insurance Holding Companies.
- » Carried out a thematic on-site review of selected general insurers’ claim handling practices and issued a circular outlining findings and concerns to reinforce claim handling standards.

Conduct Supervision

- » Conducted eight comprehensive on-site inspections of authorized insurers, paying particular attention to their sales practices and corporate culture.
- » Launched the Continuing Professional Development (“CPD”) Pilot Schemes for Key Persons in Control Functions for Intermediary Management and Responsible Officers through a series of targeted training sessions, drawing around 500 participants.
- » Following our regulatory efforts, the insurance market achieved a 99.9% CPD compliance rate.

Macroprudential Surveillance

- » Took part in various International Association of Insurance Supervisors (“IAIS”) exercises to assess systemic risks.
- » Completed the industry consultation on the draft Domestic Systemically Important Insurers (“D-SII”) framework and will finalise the framework in 2025.

Group-wide Supervision

- » Organised supervisory colleges and crisis management group meetings, attended by 15 national and overseas regulatory bodies.

Risk-based Capital (“RBC”) Regime

- » Successfully implemented the RBC regime on 1 July 2024.
- » Issued the revised Guideline on Actuarial Review of Insurance Liabilities in respect of General Business (GL9), Guideline on Establishment and Maintenance of Fund(s) in respect of Participating Business (GL34), Guideline on Actuary’s Report of Investigation in respect of Long Term Business (GL35), and Guideline on Valuation and Capital Requirements (GL36).
- » Conducted the consultation on public disclosure requirements, which will be followed by the legislative process.
- » Kick-started the review of the RBC regime.

THE YEAR UNDER REVIEW

HIGHLIGHTS

Regulation of Insurance Intermediaries

Licensing	» Began collecting licensing and related fees from insurance intermediaries from 23 September 2024 onwards, after the end of the five-year waiver period.
Insurance Broker Companies	» Examined 800 statutory returns and conducted 11 on-site inspections of insurance broker companies in line with the risk-based approach. » Promulgated a circular addressing non-compliant business models adopted by licensed insurance broker companies involving in unlicensed selling of long term insurance policies to Mainland China Visitors ("MCVs"), and actively followed up with broker companies suspected of operating non-compliant referral models.
Insurance Agencies	» Strengthened alignment between the regulatory approach on insurance agencies and supervisory practices on insurers, emphasising the importance of insurers' internal control measures over appointed insurance agencies.

Investigation and Enforcement

Surveillance	» Commenced development of surveillance capabilities to gather intelligence on conduct trends and undesirable behaviour.
Investigations, Disciplinary Actions and Prosecution	» Concluded 85 investigations. » Instigated first criminal prosecution against a licensed broker company. » Established the Disciplinary Executive Process to improve efficiency. » Imposed 50 disciplinary actions for conduct breaches and fit and proper issues.
Collaborations with Law Enforcement Agencies	» Conducted a joint operation with the Independent Commission Against Corruption ("ICAC") in April 2024, targeting corrupt conduct in the unlicensed sale of insurance policies to MCVs. » Cooperated with the ICAC and Hong Kong Police Force under the signed Memoranda of Understanding.

Protection of Policy Holders

Complaint Handling	» Received 1,066 new cases and successfully closed 968 of them. » Met our performance pledge by concluding at least 80% of complaints received within six months.
Proposal to Enhance Regulation of Participating Policies	» Initiated discussions with relevant stakeholders and proposed a package of tools to step up regulation of participating policies, including caps on illustration rates, a commission spreading mechanism and a centralised platform for fulfilment ratios. » Rolled out the initiative on illustration rate caps in the first quarter of 2025.
Policy Holders' Protection Scheme ("PPS")	» Preparatory and law drafting work for the PPS with the Government was underway.
Anti-scam	» Supported the Anti-Scam Consumer Protection Charter 3.0, which brought together financial regulators, technology companies and telecommunications firms to jointly combat financial fraud and scams.

THE YEAR UNDER REVIEW

HIGHLIGHTS

Market Development

Integrating into National Development

Unilateral Recognition Policy ("URP") for Cross-boundary Motor Insurance

- » A total of 22 Hong Kong insurers offered URP products.
- » Reached an agreement with the National Financial Regulatory Administration, Guangdong, which permitted Hong Kong insurers to issue independent own-damage policies to add on the compulsory motor insurance required by the Mainland.

Innovative Products Dovetailing Annuity Plans with Elderly Care Facilities in the Greater Bay Area ("GBA")

- » Encouraged Mainland insurers with requisite experience to make innovative products that dovetail annuity plans with elderly care facilities in the GBA available in Hong Kong.

Promoting Competitiveness

Company Re-domiciliation Regime

- » Actively facilitated the legislative process of a company re-domiciliation regime and issued a circular providing guidance on the related requirements and procedures.

Indexed Universal Life Insurance ("IUL") Products

- » Promulgated a joint circular with the Hong Kong Monetary Authority to clarify regulatory expectations on IUL products for professional investors.

Reinforcing Status as a Global Risk Management Centre

Insurance-linked Securities ("ILS")

- » Facilitated more catastrophe bond issuances in Hong Kong, including repeated issuances by the World Bank and a local professional reinsurer.
- » The Pilot ILS Grant Scheme was extended for three years up to 2028.
- » Hosted another ILS Conference, gathering more than 100 institutional investors and professional service providers from around the world.

Captive

- » Granted authorizations to two new captive insurers up to August 2025.
- » Hosted the second Captive Forum in Beijing, attracting some 50 diverse stakeholders.
- » Hosted a breakout session at the Belt and Road Summit to delve into the role of captive insurers in supporting multilateral infrastructure projects.

Marine Insurance

- » Granted authorization to one more leading Protection and Indemnity Club.

Reinsurance

- » Granted authorization to a Hong Kong-based professional reinsurer to expand its business to cover long term risks.
- » Preferential treatment for eligible professional reinsurers in Hong Kong was formalised by the National Financial Regulatory Administration as a long-term measure.

THE YEAR UNDER REVIEW

HIGHLIGHTS

Market Development

Unleashing Social Value of Insurance

Climate Risk Management	» Fostered industry collaboration with local academia to conduct a project to enhance climate risk modelling and assessment capabilities. » Organised a workshop with the Development Bureau and the Hong Kong Federation of Insurers ("HKFI") to promote usage of government spatial data.
Qualifying Deferred Annuity Policy ("QDAP")	» Facilitated the launch of 23 QDAP products by 19 long term insurers, contributing up to HK\$25 billion in annualised premiums.
Study on Mental Health and Insurance in Hong Kong	» Conducted a study on common mental health conditions and insurance, and the findings are being finalised.
Holistic Review on Medical Insurance	» Commenced a review on the medical insurance business.

Insurtech

Cyber Resilience Assessment Framework ("C-RAF")	» The revised Guideline on Cybersecurity (GL20) took effect in January 2025, providing insurers with the C-RAF to assist them in evaluating risk exposure and addressing vulnerabilities.
Fintech & AI Industry Survey	» Conducted an industry survey to gauge the readiness of insurers in adopting Artificial Intelligence ("AI") to inform regulatory changes. » Developed the AI Cohort Programme to boost camaraderie within the insurance industry.
Federated Learning	» Completed the technical development phase of a research project on Federated Learning in partnership with the Hong Kong Applied Science and Technology Research Institute, involving platform establishment and model validation for proof-of-concept insights.
Open Application Programming Interface ("API")	» Continued our partnership with the Hong Kong Science and Technology Parks Corporation to showcase practical use cases following the launch of the Open API Framework.

Green and Sustainable Finance

Cross-sector Co-operation	» Continued to contribute as a member of the Green and Sustainable Finance Cross-Agency Steering Group ("CASG") to promote sustainability disclosure and support transition finance. » Actively took part in IAIS's Climate Risk Steering Group deliberations.
Industry-wide Green Efforts	» Maintained a close dialogue with HKFI's Task Force on Green Insurance.

Asian Insurance Forum

Asian Insurance Forum ("AIF") 2024	» Themed "Rising to the Challenge amidst Global Volatility", the AIF 2024 drew record-high participation of over 2,400 in-person and online attendees from Hong Kong and beyond, with discussions focused on trending insurance topics.
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THE YEAR UNDER REVIEW

HIGHLIGHTS

Anti-Money Laundering and Counter-Financing of Terrorism ("AML/CFT")

Supervision and Outreach Activities

- » Completed the largest and most complex AML on-site inspection since the IA's inception, culminating in a pecuniary penalty of HK\$23 million on an insurer.
- » Conducted four AML/CFT inspections on insurers, two of which were conducted together with conduct inspections for increased synergy. In addition, 18 desktop reviews were completed.
- » Organised two seminars to raise industry awareness of the latest AML/CFT provisions and emerging trends, and to share common observations from on-site inspections.

Environmental, Social and Governance

Environmental Protection

- » Adopted measures on paperless operations, enhanced environmental monitoring and energy conservation, and green procurement practices.
- » Supported recycling and waste reduction in our offices and corporate events, including the donation of used computers and communication products for reuse.
- » Appointed a consultant to verify greenhouse gas emissions and environmental performance.

Social Responsibility

- » Organised six events and fundraising activities, encouraging our staff to play a part in supporting the underprivileged.

THE YEAR UNDER REVIEW

HIGHLIGHTS

Engagement with Stakeholders

Publicity and Public Education

- » Actively engaged with the media and members of the public through a wide array of channels to publicise the IA's key initiatives and communicate educational messages.
- » Organised four media briefings and events, arranged ten interviews, and handled 42 media enquiries.
- » Published five blog articles, 86 press releases, and 106 LinkedIn posts.
- » Launched a thematic campaign targeted at MCVs to help safeguard their interests if considering Hong Kong insurance products.
- » Rolled out an education campaign on critical illness insurance, comprising initiatives across online and offline channels.
- » Produced a new animation series and launched a social media campaign to publicise QDAPs and encourage early retirement planning.
- » Expanded youth engagement through a new initiative targeted at tertiary students. This featured popular singers in campus outreach and an online campaign to share concepts of lifetime risk management and the importance of insurance.
- » Published two editions of our periodical, Conduct in Focus, to provide information on regulatory matters and trending issues.

Insurance Industry

- » Held four joint meetings with our Industry Advisory Committees, involving discussions on a wide range of issues.
- » Maintained close dialogue with industry bodies on major initiatives such as URP enhancement, charging of intermediary fees, and the proposal to enhance regulation of participating policies.
- » Convened a Future Task Force meeting on Fintech to inform the IA's strategic plan on AI development.
- » Spoke at various industry events to share regulatory updates and expectations.

THE YEAR UNDER REVIEW

HIGHLIGHTS

Engagement with Stakeholders

Government and Legislative Council ("LegCo")

- » Submitted the IA's 2025-26 corporate plan and budget to the Financial Secretary, with the budget tabled in LegCo.
- » Briefed the LegCo Panel on Financial Affairs on various topics including the PPS, RBC regime, insurance intermediary fees, and Fintech development in Hong Kong.

Regulatory Engagement

IAIS

- » The IA CEO serves as a member of the IAIS Executive Committee, Policy and Development Committee, and chaired the Audit and Risk Committee (until 24 February 2025).
- » Represented across 17 IAIS parent committees and subcommittees, including Vice Chair of the Implementation and Assessment Committee.
- » Shared regulatory perspectives at IAIS meetings worldwide, including the 2024 Annual General Meeting and Annual Conference in South Africa.
- » Hosted the Capital, Solvency and Field Testing Working Group meeting and the Insurance Capital Standard ("ICS") regional event (Asia and Oceania) in Hong Kong in May 2024.
- » Secured hosting of the 2026 IAIS Committee Meetings, Annual General Meeting and Annual Conference in Hong Kong.

Asian Forum of Insurance Regulators

- » Attended the Annual Meeting and Conference and the Asia-Pacific High-level Meeting on Insurance Supervision in Nepal.

National Financial Regulatory Administration ("NFRA") and Mainland Authorities

- » Led an industry delegation to visit NRFA in Beijing in July 2025, discussing topics covering the development of the Mainland and Hong Kong insurance markets.
- » Took part in the 24th Joint Meeting of the Insurance Regulators of Guangdong, Hong Kong, Macao and Shenzhen, exchanging views on regulatory and market development issues.
- » Continued to strengthen collaboration with Mainland regulatory counterparts on policy holders protection and enhancing the convenience of cross-boundary insurance services.

THE YEAR UNDER REVIEW

HIGHLIGHTS

Hong Kong Insurance Market



HK\$637.8 billion total gross premiums¹



1st in the World for insurance penetration²



2nd in the World for insurance density²



6 of the top 10 insurers in the world authorized to conduct business in Hong Kong³



3 out of the 5 Internationally Active Insurance Groups ("IAIGs") in Asia (ex-Japan) under Hong Kong's Group-wide Supervision framework

IA Activities



Supervision of Insurers and Intermediaries

157

authorized insurers

118,406

licensed insurance intermediaries

3

Internationally Active Insurance Groups

Processed some

178,000

applications for new licences, renewal of existing licences, and updating of details⁴

Attended

25

supervisory college meetings

Conducted

37

on-site inspections of authorized insurers

Conducted

11

on-site inspections of insurance broker companies,

resulting in more than

80

findings that required remedial actions

¹ Based on provisional market statistics between 1 January 2024 and 31 December 2024. Details of industry statistics ([long term business](#) and [general business](#)) can be found on the IA website.

² Swiss Re Institute sigma No 2/2025.

³ Fortune Global 500 list in 2025.

⁴ Includes applications for new licences, renewal of existing licences, updating of details for existing licences, and termination of appointments.

THE YEAR UNDER REVIEW

HIGHLIGHTS



Enforcement⁵

Cases brought forward from the previous reporting year

209

New cases opened

83

Total number of cases

292

Cases closed

125

Ongoing cases

167

Total number of cases

292

Enforcement Actions

Disciplinary Action

No. of Cases⁵
50⁶

Criminal Conviction

1

Pecuniary Fine Imposed

HK\$23,049,000

No. of CPD
Non-Compliance Cases

233

—

HK\$619,500

Compliance Advice Letters and Letters of Concern⁷

108

Compliance Advice Letters

55

Letters of Concern issued

Cases Inherited from the Former Self-Regulatory Organisations ("SROs")⁸

280

cases received

277

cases closed⁹

⁵ Cases involving non-compliance with CPD requirements are excluded.

⁶ Includes one case pending review by the Insurance Appeals Tribunal during the reporting period.

⁷ The figures are the total number of letters issued by the Conduct Supervision Division and Enforcement Division.

⁸ The Hong Kong Confederation of Insurance Brokers, Professional Insurance Brokers Association, and Insurance Agents Registration Board established by the Hong Kong Federation of Insurers.

⁹ The three outstanding cases are inter-related and are currently undergoing external review.

THE YEAR UNDER REVIEW

HIGHLIGHTS

Complaint Handling¹⁰



Cases brought forward from the previous reporting year	280
New cases received	1,066
Total	1,346
Cases closed	968
Referrals to the IA's Enforcement Division or Conduct Supervision Division	32
Ongoing cases	346
Total	1,346

¹⁰ Excluding self-reported cases from insurers and insurance intermediaries.

THE YEAR UNDER REVIEW

HIGHLIGHTS

Market Development



Insurance-linked Securities ("ILS")

Total ILS issuances involving

HK\$6.2 billion since the launch of a bespoke regulatory regime for ILS business in 2021

Indexed Universal Life Insurance ("IUL")

As of August 2025,

6 insurers in HK provided IUL products for professional investors since the issuance of the joint circular by the IA and the Hong Kong Monetary Authority

Insurtech

Sandbox pilots approved

43

Sandbox applications concerning virtual on-boarding

25

Unilateral Recognition Policy ("URP") for cross-boundary motor insurance

22 insurers in HK provided URP products, accounting for **90%** of the motor insurance market

Market Outreach

More than

30 outreach meetings with industry stakeholders arranged

THE YEAR UNDER REVIEW

FINANCIAL POSITION

The Insurance Authority (“IA”) recorded a minor deficit in the reporting year as operating expenditure slightly exceeded income due to operation growth. As an independent financial regulator, the IA will continue to exercise prudent financial management to ensure resources are deployed efficiently in carrying out our statutory functions and regulatory activities, with a view to achieving financial sustainability.

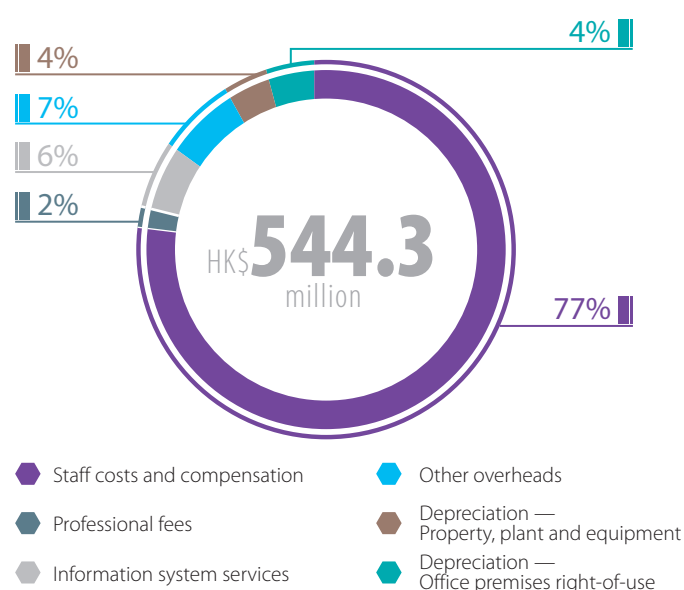
Funding

Premium levies receivable from policy holders remained at 0.1% of premium, capped at HK\$100 per annum and HK\$5,000 per annum for long term and general policies respectively. Authorization and annual fees receivable from insurers comprise a fixed fee of HK\$300,000¹ and a variable fee set at 0.0039% of insurance liabilities and capped at HK\$7 million. Designation and annual fees are payable by the three insurance groups under the IA’s group-wide supervision at 0.0026% of insurance liabilities, with a minimum and maximum of HK\$10 million and HK\$60 million per annum respectively. There are fees for users of specific services. In addition, the IA started to collect licensing fees from insurance intermediaries in September 2024 after a five-year waiver.

Income and Expenditure

For 2024-25, income and operating expenditure were HK\$537.8 million (2023-24: HK\$526.6 million) and HK\$544.3 million (2023-24: HK\$505 million) respectively, resulting in a deficit of HK\$6.5 million (2023-24: surplus of HK\$21.6 million). The accumulated deficit of HK\$327 million was met by the Government’s capital grants totalling HK\$953 million. Premium levies, authorization and annual fees, and designation and annual fees were HK\$279.5 million, HK\$132 million, and HK\$85.2 million respectively, while staff costs of HK\$418.2 million continued to account for the bulk of operating expenditure.

Expenditure for 2024-25



¹ Fixed fees for special purpose insurers, captive insurers and composite insurers are HK\$15,000, HK\$30,000 and HK\$600,000 respectively.

THE YEAR UNDER REVIEW

REGULATION OF INSURERS

As Hong Kong's insurance regulator, the principal functions of the Insurance Authority ("IA") are to maintain market stability and resilience. To do so, the IA proactively carries out forward-looking and comprehensive risk assessments, financial examinations, on-site inspections, and thematic reviews to monitor the insurance industry. With ongoing collaboration with regulatory bodies in other jurisdictions, we supervise global insurance groups and implement frameworks that align with international standards and best practices.

Alongside prudential supervision, the IA prioritises insurers' conduct, seeking to uphold high standards of professionalism and integrity. This is achieved through strengthened oversight of insurers' intermediary management control functions, including conducting inspections, organising industry seminars to enhance awareness and compliance, and implementing thorough reference checks on insurance intermediaries. These measures are in place to minimise conduct risks, promote an ethical corporate culture, and enhance public confidence in the insurance market.

Prudential Supervision

Risk Assessment

The IA's risk-based supervisory framework determines the risk profile of an individual insurer through risk assessment, company review, and a supervisory response and feedback loop. This assessment is carried out at least annually, adopting a future-ready approach to insurers' risk outlook.

Quantitative and qualitative analyses of insurers' solvency position, capital adequacy, liquidity, and asset quality are undertaken, among others. We also conduct stress testing on an insurer's solvency position and analyse its risk profile, including inherent risks, macroprudential assessment of outward risks, adequacy of corporate governance, effectiveness of internal controls, and risk management systems.

This proactive approach enables the IA to anticipate and resolve problems that may adversely affect an insurer's capacity to meet its obligations to policy holders. We determine the appropriate level of supervisory response and activities based on the risk evaluation for each insurer.

Financial Examinations

These examinations serve as an intrinsic component of our supervisory assessment, making sure that insurers have sufficient assets with the right mix to meet their contractual liabilities as well as fully comply with solvency requirements and prevailing regulations. To identify possible vulnerabilities, we carry out scenario analysis and stress testing based on financial and qualitative data, with findings and feedback relayed to insurers on a regular basis.

On-site Inspections and Thematic Inspections

On-site inspections complement off-site financial examinations, examining an insurer's business operations, evaluating its corporate governance framework, overall risk profile, and internal controls, and benchmarking industry best practice and compliance with applicable regulatory and supervisory requirements. On-site inspections can be full-scope or thematic, targeting one or more specific area of concern on a case-by-case basis. The frequency, scope, and depth of such inspections are determined by the nature and risk levels involved.

Findings and Recommendations for Claims Management

The IA conducted a thematic review of insurers' claim handling practices during the reporting year, a key aspect of their reserving and pricing control cycle. We examined selected general insurers' claim manual and conducted on-site inspections. To reinforce claim handling standards, we issued a circular in February 2025, outlining findings and concerns identified during the thematic review.

THE YEAR UNDER REVIEW

REGULATION OF INSURERS

Conduct Supervision

With our commitment to integrity, trust, and compliance, the IA focuses on continuously advancing our conduct supervision framework, tools, and expertise.

Conduct Inspections

Our Conduct Supervision Teams ("CS Teams") continued to make effective use of conduct indicators gathered from licensing, supervisory, and complaint handling processes to drive strategic deployment of supervisory resources and identify suitable targets for on-site inspections. Between April 2024 and March 2025, the CS Teams conducted eight comprehensive on-site inspections of authorized insurers. These inspections focused on assessing insurers' compliance with regulatory codes and guidelines, paying particular attention to the fairness of their sales practices, corporate culture, and how they measure up against industry best practice. In-depth on-site inspections gave the CS Teams a holistic view of each insurer's compliance culture and ethical standards, ultimately helping to protect the interests of policy holders.

As a result of the inspections, disciplinary action was taken on one insurer during the reporting year due to control weaknesses in its intermediary management function, underscoring our commitment to fostering a strong compliance culture and ensuring that insurers maintain robust controls across all aspects of intermediary oversight.

Industry Seminar and Launch of CPD Pilot Schemes for KPIMs and ROs

In October 2024, the IA, in collaboration with the Hong Kong Federation of Insurers ("HKFI"), hosted a seminar for industry practitioners. The event was specifically tailored for Key Persons in Control Functions, compliance executives, district directors, and agency managers

responsible for recruiting and supervising insurance agents. In the seminar, the IA provided an overview of the regulatory actions taken since the statutory regulatory regime for insurance intermediaries commenced on 23 September 2019 and shared insights into IA expectations on insurance market conduct. The seminar attracted strong interest from the industry, drawing around 600 participants.

Key Persons in Control Functions for Intermediary Management ("KPIMs") of authorized insurers and Responsible Officers ("ROs") of licensed insurance broker companies play a crucial role in the effective administration of internal controls and management oversight of licensed insurance intermediaries. To help KPIMs and ROs better understand their respective roles and responsibilities under the insurance regulatory framework, the IA launched two Continuing Professional Development ("CPD") pilot schemes in June 2024: the KPIM-CPD Pilot Scheme; and RO-CPD Pilot Scheme. These schemes aim to articulate the regulatory expectations for KPIMs and ROs, and to support them in the design and implementation of appropriate internal controls to fulfil their statutory duties.



Giving practical guidance and insights to Key Persons in Control Functions for Intermediary Management of authorized insurers

THE YEAR UNDER REVIEW

REGULATION OF INSURERS

Following close collaboration with the HKFI, Hong Kong Confederation of Insurance Brokers ("CIB"), and Professional Insurance Brokers Association ("PIBA"), the two CPD pilot schemes were successfully rolled out in April 2025 through a series of in-person training sessions. The participation of around 500 practitioners was a clear indication of the industry's commitment to enhancing governance and market conduct standards. Looking ahead, the IA will continue to work with industry bodies to explore ways of formalising training for management personnel responsible for overseeing intermediary activities.

Regulation of Participating Business

To ensure policy holders' reasonable expectations on the performance of their participating policies are met, the IA issued a Practice Note on Illustration Rate Caps in Benefit Illustration for Participating Policies in February 2025. This introduced the illustration rate caps that authorized insurers should apply in benefit illustrations for participating policies at the point of sale. Considering prevailing market and economic conditions, illustration rate caps of 6.0% and 6.5% were set for policies denominated in Hong Kong dollars and non-Hong Kong dollars respectively. With effect from 1 July 2025, the Practice Note will be reviewed from time to time.

Assessing Insurers' Corporate Culture

The IA's cultural assessment aimed to provide a comprehensive view of insurers' corporate culture. Through self-assessments, insurers were invited to share qualitative and quantitative information across key areas such as corporate governance, conduct risk management, and intermediary oversight. The process not only helped the IA benchmark industry standards by identifying best practice, but also facilitated insurers in assessing and strengthening their own organisational culture.

Reference Checks on Insurance Intermediaries

To address the "rolling bad apples" phenomenon¹ in the insurance industry and reinforce market confidence, the IA supports HKFI's introduction of a reference-checking scheme for individual life insurance agents. The scheme, which came into effect on 1 September 2024, enables the recruiting insurer to take up references using a standard template, and the responding insurer to provide feedback within a specified timeframe so as not to disrupt the recruiting process.

With the accumulation of sufficient and successful operational experience, the industry now recognises the need to expand the scope of the scheme to cover all types of individual life insurance intermediaries, for example, individual insurance agents, technical representatives (agent) and technical representatives (broker). The expansion would help ensure coverage of the entire life insurance distribution channel, preventing problematic individuals from evading scrutiny simply by shifting roles or moving between different principals. The IA is working closely with the HKFI, CIB, and PIBA to take the initiative forward and is committed to supporting its smooth implementation.

Achieving Excellence in CPD Compliance

To further enhance CPD compliance by licensed insurance intermediaries, the IA adopted a two-pronged approach. We continued to leverage conduct inspections to assist specific authorized insurers identify weaknesses in their controls and procedures for CPD compliance, and provided tailored recommendations for improvement. In addition, the IA actively monitored industry-wide progress in CPD completion through effective communication with appointing principals. As a result of these efforts, CPD compliance across the insurance market reached 99.9% for the assessment period 2023/24². The high level of compliance further strengthened policy holders' trust and confidence in licensed insurance intermediaries.

¹ The phenomenon of "rolling bad apples" in this context refers to those few individual insurance intermediaries who, in seeking to evade the consequences of their poor conduct, resign from one principal and seek appointment with a new principal without their problematic behaviour being disclosed.

² The assessment period 2023/24 spans 1 August 2023 to 31 July 2024.

THE YEAR UNDER REVIEW

REGULATION OF INSURERS

Macroprudential Surveillance

The IA's Macroprudential Supervision team (comprising members from the former Technical Expert Team) conducts macroprudential surveillance in addition to our routine supervision work. In line with this, the IA took part in various exercises launched by the International Association of Insurance Supervisors ("IAIS") to assess systemic risks. These included the Global Monitoring Exercise ("GME"), involving data collection and analysis for sector-wide monitoring, individual insurer monitoring, as well as emerging themes such as climate risk, the increased use of alternative assets, and asset-intensive reinsurance.

To strengthen macroprudential supervision capabilities, the IA is developing a methodology to identify Domestic Systemically Important Insurers ("D-SII") in Hong Kong to assess the risks they pose to the stability and effective operation of the financial system. An industry consultation on the draft D-SII framework took place in 2024, and the aim is to finalise the framework in 2025.

Group-wide Supervision and Internationally Active Insurance Groups

Under the Insurance Ordinance ("IO"), the IA continues to exercise direct regulatory authority over Designated Insurance Holding Companies ("DIHCs") to ensure comprehensive supervision of the groups they belong to. AIA Group, Prudential plc Group, and FWD Group are Internationally Active Insurance Groups ("IAIGs") subject to our group-wide supervision ("GWS") framework.

The GWS framework aims to align with IAIS standards and best practice. By integrating robust governance, risk management, and capital adequacy requirements, the framework serves as a cornerstone of Hong Kong's insurance regulatory regime, reinforcing Hong Kong's prominence as an attractive base for insurance group headquarters and a global hub of risk management. We will continue to enhance the GWS framework to align with international standards and best practice. The IA will also further enhance readiness for potential crises impacting IAIGs through the development of resolution planning, resolvability assessments, and crisis simulations.

During the reporting year, we issued a circular to promote operational resilience in managing technology risk by setting out good practice and potential areas of enhancement based on the "Technology Risk Management Fact-Finding Survey" of the three supervised groups.

As the group supervisor of three IAIGs, the IA places great emphasis on collaborating with our regulatory counterparts in different jurisdictions. Supervisory colleges are organised every year to strengthen communication among international regulators of multinational insurance groups. During the reporting year, the IA organised supervisory colleges and crisis management group meetings during which supervisors of the three IAIGs exchanged views on issues of common interests and coordinated supervisory activities. Fifteen national and overseas regulatory bodies attended the meetings.

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REGULATION OF INSURERS

Building on these collaborative efforts, the IA hosted a knowledge-sharing day with Thailand's Office of Insurance Commission in September 2024 in Hong Kong. The session focused on the IA's GWS approach, covering an overview of the regulatory framework, supervisory tools, and systems. The initiative highlighted the IA's ongoing commitment to the promotion of mutual understanding and collaboration with international regulatory counterparts.



The IA organises supervisory colleges and crisis management group meetings for the three Internationally Active Insurance Groups

Risk-based Capital Regime

The Risk-based Capital ("RBC") regime seeks to align an insurer's capital requirements with its risk profile, and is made up of three pillars pertaining to quantitative, qualitative, and disclosure requirements. The IA successfully implemented the quantitative pillar on 1 July 2024, putting Hong Kong on a par with international standards. We also promulgated the revised Guideline on Actuarial Review of Insurance Liabilities in respect of General Business (GL9), Guideline on Establishment and Maintenance of Fund(s) in respect of Participating Business (GL34), Guideline on Actuary's Report of Investigation in respect of Long Term Business (GL35), and Guideline on Valuation and Capital Requirements (GL36) to tie in with the RBC regime. Following the regime's implementation, authorized insurers are required to submit a new set of regulatory returns from which provisional statistics on the Hong Kong insurance industry were compiled.

To enhance transparency and market discipline, the IA issued a consultation conclusion on public disclosure requirements for insurers in August 2025, ahead of the legislative process. To enhance our competitiveness in the international arena and ensure the RBC regime adapts to evolving circumstances, the IA has kick-started a review of the regime and will continue to engage the industry on further enhancements.

THE YEAR UNDER REVIEW

REGULATION OF INSURERS

New Authorizations

Any company intending to carry on insurance business in or from Hong Kong must obtain authorization from the IA. New authorizations recorded in the reporting year are summarised below:

Name of Insurer	Place of Incorporation	Type of Business	Date of Authorization
Silk Road Re Limited	Hong Kong	Special Purpose	12 December 2024
Sveriges Ångfartygs Assurans Förening	Sweden	General	14 February 2025

Transfer of Insurance Business

An insurer intending to transfer its general business to another insurer may do so by obtaining approval from the IA under Section 25D of the IO. One case was recorded in the reporting year, as summarised below:

Under Section 25D of the IO

Date of Approval by the IA	From	To	Specific Portfolio/Insurance Class(es) Involved or Whole Business
30 September 2024	QBE General Insurance (Hong Kong) Limited	QBE Hongkong & Shanghai Insurance Limited	Whole Business

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REGULATION OF INSURERS

Stepped-up Supervisory Actions against Individual Insurers

Appointment and Change of Managers for Tahoe Life Insurance Company Limited

Despite the appointment of Advisors to Tahoe Life Insurance Company Limited ("Tahoe Life") under Section 35(2)(a) of the IO in August 2023, Tahoe Life failed to improve its internal controls and corporate governance. To safeguard policy holders' interests, the IA invoked powers under Section 35(2)(b) of the IO on 26 July 2024 to appoint Managers³ to take full control of the affairs and property of Tahoe Life.

Since Tahoe Life was incorporated in Bermuda, the IA also coordinated with the Bermuda Monetary Authority on the appointment of Joint Provisional Liquidators⁴ ("JPLs") by the Supreme Court of Bermuda on the same day. The JPLs operated in tandem with the Managers in Hong Kong to identify and execute effective and optimal recovery solutions for Tahoe Life. The current Managers of Tahoe Life are Messrs Glen Ho, Ivan Chan, and Oliver Cheng of Deloitte Touche Tomatsu.⁵ The three individuals and Mr Marcin Czarnocki of Deloitte Financial Advisory Ltd are the current JPLs of Tahoe Life.⁶ The appointment of the Managers and JPLs did not affect Tahoe Life's daily operations or the terms and conditions of its in-force policies.

Change of Liquidators for Target Insurance Company Limited

The High Court of Hong Kong approved on 17 July 2025 the resignations of Mr Lai Kar Yan (Derek) and Mr Kam Chung Hang (Forrest) as the Joint and Several Liquidators of Target Insurance Company Limited ("Target") and appointed Ms Chu Ching Man Karen and Mr Cheng Man Lung as the Joint and Several Liquidators of Target in replacement. The handling of claims related to policies issued by Target will be unaffected by the change in liquidators. The Motor Insurers' Bureau of Hong Kong ("MIB") and the Employees Compensation Insurer Insolvency Bureau ("ECIIB") will continue to process claims arising from third party motor policies and employees' compensation policies respectively under the respective insolvency fund schemes. As for valid claims under the remaining policies, the Liquidators will continue to handle them as permitted under the relevant laws.

³ Messrs Derek Lai, Forrest Kam, and Oliver Cheng of Deloitte Touche Tohmatsu ("Deloitte") were the Managers first appointed in July 2024. The appointed Advisors were revoked on 23 September 2024 after handover of their information to the Managers.

⁴ Messrs Derek Lai, Forrest Kam and Oliver Cheng, together with Mr Marcin Czarnocki of Deloitte Financial Advisory Ltd. in Bermuda were the JPLs first appointed.

⁵ On 17 December 2024, the IA appointed Messrs Glen Ho and Ivan Chan of Deloitte to work with Mr Oliver Cheng as the Managers of Tahoe Life following the resignations of Messrs Derek Lai and Forrest Kam from the role on the same day.

⁶ On 28 February 2025, the Supreme Court of Bermuda appointed Messrs Glen Ho and Ivan Chan as JPLs and released Messrs Derek Lai and Forrest Kam from the role at the same time.

THE YEAR UNDER REVIEW

REGULATION OF INSURANCE INTERMEDIARIES

The Insurance Authority (“IA”) places emphasis on promoting proper standards of conduct and culture of insurance practitioners, as well as augmenting the corporate governance and internal control systems that underpin their operations.

Licensing

Collection of Licensing Fees

Following the industry consultation on licensing fees and subsequent legislative process to amend the Insurance (Prescribed Fees) Regulation (Cap. 41B), the IA began levying licensing and related fees on insurance intermediaries from 23 September 2024. These fees were set on a cost-recovery basis with the aim of ensuring that income from insurance intermediaries, together with other income sources such as authorization and annual fees from insurers and levies from policy holders, could collectively cover IA operational costs incurred in fulfilling our statutory functions.

New Licences and Renewals

During the reporting year, the IA processed approximately 23,400 new individual licence applications and 260 applications for approval as responsible officers of licensed insurance agencies or licensed insurance broker companies. In addition, we processed around 53,400 individual licence renewal applications. We also handled around 52,200 updates related to appointments, business lines, and other particulars, as well as 48,300 terminations of appointment.

Further Enhancements to Insurance Intermediaries Connect (“IIC”)

The IA continued to enhance IIC by introducing new functions to support electronic submission of applications for approval of responsible officers of licensed insurance agencies and licensed insurance broker companies, as well as licence renewals for these entities. With ongoing development, we expect all types of applications from business entities can be submitted via IIC by the end of 2025.

To further enhance user convenience, an electronic payment gateway was added to IIC during the reporting year, enabling applicants and licensees to pay fees online.

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REGULATION OF INSURANCE INTERMEDIARIES

Licensed Insurance Intermediaries by Licence Type as of 31 March 2025

	Number of licensees with appointing principals	Number of licensees without appointing principals	Total number of licensees
Individuals			
Licensed Individual Insurance Agents	75,356	5,559	80,915
Licensed Technical Representatives (Agent)*	22,729	951	23,680
Licensed Technical Representatives (Broker)	11,009	439	11,448
Total Number of Licensees Being Individuals	109,094	6,949	116,043
Business Entities			
Licensed Insurance Agencies*	1,556	5	1,561
Licensed Insurance Broker Companies	Not applicable	Not applicable	802
Total Number of Licensed Insurance Intermediaries			118,406

* There were 42 authorized institutions registered as licensed insurance agencies, with around 18,652 individuals registered as their licensed technical representatives (agents).

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REGULATION OF INSURANCE INTERMEDIARIES

Supervision of Insurance Broker Companies

On-site Inspections and Off-site Reviews

The IA carries out on-site inspections of licensed insurance broker companies, identified by drawing reference from assigned risk ratings derived from both quantitative and qualitative assessments. We also seek to achieve a balanced mix that encompasses the diversity of business models deployed.

During the reporting year, the IA conducted 11 on-site inspections of insurance broker companies (including six inspections that also covered Anti-Money Laundering compliance and two thematic inspections focusing on the adequacy of the broker companies' controls on financial requirements). These inspections resulted in more than 80 findings that required remedial actions. In addition, off-site reviews of 800 audited financial statements submitted by broker companies led to the issuance of 30 Compliance Advice Letters and 12 Letters of Concern.

Circular on Action against Non-compliant Business Models that Incentivise Unlicensed Selling of Long Term Insurance Policies to Mainland China Visitors ("MCVs")

In May 2024, the IA published a circular addressing non-compliant business models adopted by licensed insurance broker companies, specifically the unlicensed selling of long term insurance policies to MCVs. The circular recapped our joint enforcement action with the Independent Commission Against Corruption in April 2024 and highlighted the common features of these non-compliant business models. It also outlined the key principles that authorized insurers and licensed insurance broker companies must adhere to when adopting referral business models.

Further regulatory insights were shared in *Conduct in Focus* (Issue No.9), published in August 2024. These insights highlighted the significant role that insurance brokers perform in the life insurance market, and underscored the importance of designing an appropriate commission structure to uphold the "treating customers fairly" principle. Following these communications, the IA has actively followed up with broker companies operating suspected non-compliant referral models through on-site inspections, off-site reviews, and during the licence renewal process.

Practice Note and Continuing Professional Development ("CPD") Course for Licensed Insurance Brokers regarding services on Investment-Linked Assurance Scheme ("ILAS") Policies

The IA issued a Practice Note in July 2024 setting out the minimum competency requirements for licensed insurance brokers to carry out advisory investment services or discretionary investment management services in relation to ILAS policies. This was followed by a collaboration with the Hong Kong Confederation of Insurance Brokers, Professional Insurance Brokers Association, and Hong Kong Securities and Investment Institute on the rolling out of a CPD course titled "Course for Insurance Brokers on Grandfathered ILAS Policies" as the grandfathering arrangement for relevant licensed insurance brokers in the CPD assessment period 2024/25¹. The course was designed to equip relevant licensed insurance brokers with the necessary technical knowledge to continue to provide advisory investment services or discretionary investment management services in relation to ILAS policies issued before 1 October 2024. For the CPD assessment period 2024/25, close to 1,000 insurance practitioners had enrolled or completed the course.

¹ The assessment period 2024/25 spans 1 August 2024 to 31 July 2025.

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REGULATION OF INSURANCE INTERMEDIARIES

Circular on the Submission of Audited Financial Statements and Auditor's Report by Licensed Insurance Broker Companies

In August 2024, the IA issued a circular to introduce application procedures for requesting an extension to submit audited financial statements and compliance reports ("Required Documents") as stipulated under Section 73(1) of the Insurance Ordinance. This circular applies to situations where licensed insurance broker companies anticipate difficulties in submitting the Required Documents within the six-month deadline due to matters beyond their controls.

Supervision of Insurance Agencies

As of March 2025, there were 1,556 licensed insurance agencies in Hong Kong. The IA's regulatory approach aligns closely with the supervisory practices of insurers, emphasising the importance of insurers' internal control measures on their appointed insurance agencies. During the reporting year, we issued two Letters of Concern to insurance agencies.

In addition, we continued to maintain close dialogue with the Hong Kong Monetary Authority ("HKMA"), regularly exchanging information on licensing matters, inspection findings, and other supervisory matters related to the 42 authorized institutions licensed as insurance agencies by the IA. This is in accordance with the IA's Memorandum of Understanding with the HKMA, which delegates frontline inspection and investigation powers to the HKMA.



Provision of regulatory updates and supervisory priorities to insurance intermediaries

THE YEAR UNDER REVIEW

INVESTIGATION AND ENFORCEMENT

Through proactive and proportionate enforcement actions to stem misconduct, the Insurance Authority (“IA”) strives to provide sufficient deterrence measures within the insurance regulatory framework to protect policy holders.

Statistics

A total of 209 cases (63 under initial assessment, 85 under investigation, and 61 going through the disciplinary process) were brought forward from the previous reporting year. During the reporting year, 83 cases were received/opened and 125 cases concluded.

In addition, 41 formal investigations were initiated during the reporting year and 50 disciplinary actions imposed, excluding Continuing Professional Development (“CPD”)-related cases.

A total of 167 ongoing cases (54 under initial assessment, 41 under investigation, and 72 going through the disciplinary/criminal process) will be carried forward to the next reporting year.

Surveillance

The IA has commenced development of surveillance capabilities to gather intelligence on conduct trends for early detection of misconduct or undesirable behaviour that adversely affects the interests of policy holders or the reputation of the industry. Early identification allows the IA to take measures, through public education or regulatory action, to encourage a change in conduct and behaviour before the issue escalates into a systemic or serious breach that requires severe regulatory action. For this purpose, the IA conducts mystery shopping exercises to observe at first-hand the sales activities currently carried out within the industry and deploys technology-empowered and data-driven tools to monitor the digital arena and social media platforms for intelligence. The IA also collaborates with other regulators, law enforcement agencies, and industry bodies in collecting intelligence to facilitate the formulation of our enforcement priorities and strategies.

Investigation

The Enforcement Division concluded 85 investigations with the majority of cases concerning misappropriation and/or mishandling of the client’s premium payments. Other investigations concerned forgery of documents or client’s signature, misrepresentation, improper advice during policy replacement, breach of statutory requirements imposed on licensed insurance broker companies, and contravention of the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (“AMLO”).

In April 2024, the IA conducted its first joint operation with the Independent Commission Against Corruption (“ICAC”) against suspected unlicensed selling to Mainland China Visitors. The investigation is ongoing, and the IA has executed 27 search warrants for the purpose of seizing and inspecting evidence about the case.

Prosecution

IA instigates First Criminal Prosecution

The IA instigated our first prosecution against a licensed broker company for failing to submit audited financial statements within the statutory timeframe, as stipulated in Section 73(1) of the Insurance Ordinance (Cap.41). In March 2025, the licensed broker company was convicted and fined.

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INVESTIGATION AND ENFORCEMENT

Disciplinary

Disciplinary Executive Process

In 2024, the IA introduced our Disciplinary Executive Process ("DEP") to improve efficiency. This allows IA senior executives to determine homogenous disciplinary cases of a lesser level of seriousness using the same criteria and process as the Disciplinary Panel Pool, enabling the panel to concentrate on more complex cases. Bespoke safeguards are built into the DEP to ensure fairness and procedural integrity are upheld while optimising use of resources, with 47 cases determined under this process during the reporting year.

Disciplinary Actions

During the reporting year, 50 disciplinary actions were imposed on non-CPD related matters, with one case pending review by the Insurance Appeals Tribunal at the end of the reporting period, whereas 233 disciplinary actions were imposed on CPD related matters. The disciplinary actions resulted in the IA imposing total pecuniary fines of HK\$23,668,500.

The majority of disciplinary actions (non-CPD related cases) were imposed on intermediaries for use of false certificates and mishandling/misappropriation of client's premium payments. Other disciplinary actions involved forgery of a client's signature, mishandling of a client's motor vehicle insurance policy application, contravention of the AMLO, and general fit and proper issues concerning licensed intermediaries. Notable cases included:

- » A fine of HK\$23 million on an authorized insurance company for technical issues related to implementation and use of its anti-money laundering system and associated algorithm.
- » A licence application ban for 14 years imposed on a former insurance agent for having misappropriated RMB1,602,000 in premium payments from four policy holders between 2017 and 2019.
- » A fine of HK\$37,270 and HK\$7,000 respectively on a licensed insurance broker company and its licensed technical representative for failing to handle a client's insurance policy with due care and diligence.

Alternatives to Disciplinary Actions

To optimise resource deployment, formal disciplinary actions may be replaced by alternatives, such as admonitions and demands for improvement or rectification, including strengthening of corporate governance, internal controls, and procedures. During the reporting year, the IA issued 108 Compliance Advice Letters and 55 Letters of Concern for these purposes.

THE YEAR UNDER REVIEW

INVESTIGATION AND ENFORCEMENT

Enforcement Collaboration

Cooperation with National Financial Regulatory Administration and Monetary Authority of Macao

In April 2024, the IA conducted our first joint operation with the ICAC targeting corrupt conduct in the sale of insurance policies to Mainland China Visitors. The incident led to subsequent discussions with the National Financial Regulatory Administration and the Monetary Authority of Macao on enforcement strategies to combat unlicensed cross-boundary selling.



The IA meets with members of the Monetary Authority of Macao to discuss insurance business conduct and enforcement issues

Cooperation with ICAC and Hong Kong Police

Under the Memoranda of Understanding with the ICAC and Hong Kong Police Force ("HKPF"), the IA and the law enforcement agencies may refer cases that fall within their respective purviews to each other. During the reporting year, the IA referred two cases to the HKPF, and initiated investigation and disciplinary proceedings for two cases referred by the ICAC.

Public Education

The IA also seeks to improve insurance industry conduct through communication and public education. Together with the Conduct Supervision Division, the Enforcement Division provided industry practitioners with an overview of IA disciplinary actions at seminars hosted by the ICAC and Hong Kong Federation of Insurers over the reporting year. Additionally, information on IA disciplinary actions can be found in the ["Enforcement News"](#) section of the IA website and Conduct in Focus, a periodic publication issued by the IA.



Lessons from enforcement case studies and topical issues are shared with industry practitioners

THE YEAR UNDER REVIEW

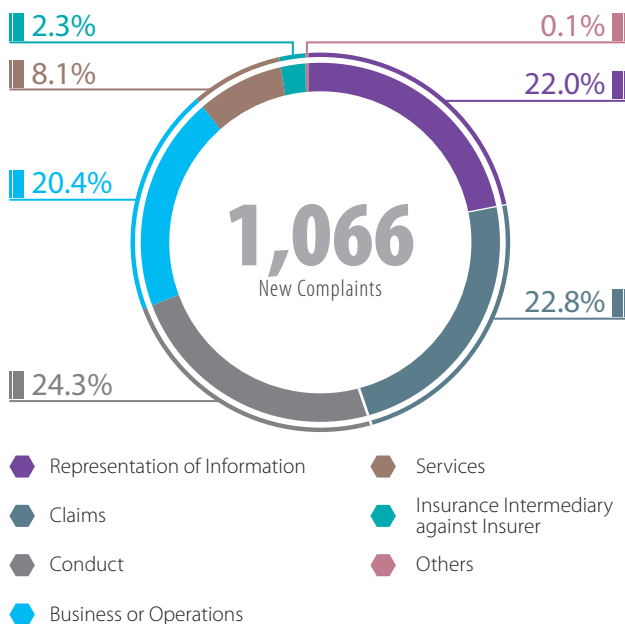
PROTECTION OF POLICY HOLDERS

The Insurance Authority ("IA") is fully committed to safeguarding the interests of policy holders by handling public complaints fairly and efficiently.

Complaint Statistics

The IA received a total of 1,066 new complaint cases during the reporting year and 280 ongoing cases were brought forward from the previous reporting year. Most of the new cases concerned conduct, claims, and representation of information, as shown in the breakdown below. We managed to close 968 cases, referred 32 cases to the Enforcement Division or the Conduct Supervision Division for follow-up action, while 346 ongoing cases were carried forward to the next reporting year.

Breakdown of Complaints 2024-25



Complaint Statistics 2024-25¹

Reporting year	1 April 2024 to 31 March 2025	1 April 2023 to 31 March 2024
Ongoing cases brought forward from the previous reporting year	280	383
New cases received	1,066	955
Total	1,346	1,338
Cases closed	968	1,014
Cases referred to the IA's Enforcement Division or the Conduct Supervision Division for follow-up action	32	44
Ongoing cases carried forward to the next reporting year	346	280
Total	1,346	1,338

¹ This table shows the number of new complaint cases made directly to the IA and insurance-related complaint cases referred to the IA by other financial regulators, but does not include self-reported complaint cases by insurers.

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PROTECTION OF POLICY HOLDERS

Approach in Handling Complaints

During the reporting year, we fulfilled our pledge of closing at least 80% of new complaint cases received (except those referred to other bodies such as the Hong Kong Monetary Authority, Voluntary Health Insurance Scheme Office or Insurance Complaints Bureau) within a period of six months². The IA held regular meetings with stakeholders to review emerging trends and agree on improvements. In addition, we disseminated core messages via complaint statistics and articles published in our *Conduct in Focus* newsletter.

Gather feedback from Complainants

During the reporting year, we launched a pilot project to gather feedback from complainants on their level of satisfaction in terms of complaint handling. Key performance indicators on operational efficiency were also rolled out.

Data Standardisation

Systematic collection and analysis of conduct-related data is essential for proper allocation of regulatory priorities. We are thus in the process of developing a survey among insurers on the pattern of customer complaints and claims handling to gain deeper insight into prevailing business practices.

Regulation of Participating Policies

To promote sustainable development of the local insurance market, a package of tools was conceived during the reporting year to step up regulation of participating policies.

Illustration Rate Caps

Aggressive illustration of non-guaranteed dividends put in place by insurers under competitive tension could result in a mismatch between policy holder expectations and actual outcomes. In February 2025, the IA promulgated a Practice Note imposing benefit illustration rate caps for participating policies at the point of sale with effect from 1 July 2025.

Commission Spreading Mechanism

In July 2025, the IA issued a Practice Note which supplemented the requirements under the Guideline on Underwriting Long Term Insurance Business (other than Class C Business) (GL16) and set out the IA's minimum expectations on how authorized insurers should structure remuneration for licensed insurance intermediaries in relation to participating policies with regular premium payment terms. Its objective was to promote better alignment between the interests of policy holders and the incentives for insurance intermediaries to provide both pre-contract and ongoing servicing after the point of sale. The Practice Note will take effect from 1 January 2026.

Centralised Platform for Fulfilment Ratios

To empower consumers to make informed decisions when choosing participating products, we are designing a centralised platform that enables consumers to comprehend the fulfilment ratios and other relevant information of participating products.

Policy Holders' Protection Scheme

Consultation conclusions released by the Government in December 2023 reaffirmed that there is strong support for the proposed Policy Holders' Protection Scheme, which will be funded by insurer levies. It will cater for most types of direct insurance policies held by individuals, with embedded features to facilitate the transfer of long term policies to another insurer and to confer up to 60 days' interim coverage for general insurance policies. The preparatory and law drafting work by the Government and the IA are underway.

Mystery Shopping

In May 2025, the IA conducted a mystery shopping exercise targeted at peddling by individuals along Canton Road in Tsim Sha Tsui during the Golden Week holiday, with a view to instilling some discipline on such activities.

² Begins from the date on which written consent and supporting documents were received from the complainant to the date on which a referral was made to the Enforcement Division or the Conduct Supervision Division for follow-up action, or the date on which a letter of conclusion was issued to the complainant.

THE YEAR UNDER REVIEW

PROTECTION OF POLICY HOLDERS

Anti-Scam Consumer Protection Charter

The Anti-Scam Consumer Protection Charter 2.0 ("Charter 2.0") is a cross-sector initiative aimed at combatting digital fraud and scams. All financial institutions joining the initiative undertake to adopt measures aimed at shielding customers from bad actors and reminding the general public to safeguard their personal data. Over 70 authorized insurers and licensed insurance broker companies have indicated support for Charter 2.0.

In light of the positive response to Charter 2.0, Anti-Scam Consumer Protection Charter 3.0 ("Charter 3.0") has now been launched jointly by the financial regulators, including the IA, the Hong Kong Monetary Authority, the Securities and Futures Commission and the Mandatory Provident Fund Schemes Authority. Charter 3.0 marshals technology companies and telecommunications firms to establish channels for reporting fraudulent content as well as achieve better collaboration on public education campaigns.

Jurisdiction Limit of the Insurance Complaints Bureau

We welcome the decision taken by the Insurance Complaints Bureau to adjust its jurisdiction limit from HK\$1.2 million to HK\$1.5 million from 1 January 2025, thereby enabling more policy holders to access free dispute resolution services.



The IA collaborates with fellow regulators to launch the Anti-Scam Consumer Protection Charter 3.0 to combat financial fraud and scams (IA CEO Mr Clement Cheung, second right)

THE YEAR UNDER REVIEW

MARKET DEVELOPMENT

The Insurance Authority (“IA”) strives to integrate Hong Kong into national development and reinforce the city’s status as a global risk management hub. Positioned at the centre of this aspiration, our Market Development Section completed over 30 outreach meetings during the reporting year to build networks, gather intelligence, and identify opportunities.

Integration into National Development

Unilateral Recognition Policy for Cross-boundary Motor Insurance

An agreement was reached with the National Financial Regulatory Administration, Guangdong, in November 2024 to refine the existing framework so that local insurers can issue independent own-damage policies to add on the compulsory motor insurance required by the Mainland. Among the 22 local insurers offering Unilateral Recognition Policy products, ten had expressed interest in adopting this method by the end of 2024.

Innovative Products Dovetailing Annuity Plans with Elderly Care Facilities in the Greater Bay Area

Hong Kong boasts the highest life expectancy in the world and one out of three local residents will be aged 65 or above by 2046¹, exerting huge pressure on the city’s public health and social welfare systems. The IA is encouraging Mainland insurers with requisite experience to make innovative products that dovetail annuity plans with elderly care facilities in the Greater Bay Area available in Hong Kong.



Discussing IA initiatives to encourage the launch of innovative products that dovetail annuity plans with elderly care facilities in the Greater Bay Area (IA Executive Director, Long Term Business Mr Marty Lui, third left)

¹ Source: Census and Statistics Department, HKSAR

THE YEAR UNDER REVIEW

MARKET DEVELOPMENT

Promoting Competitiveness

Company Re-domiciliation Regime

The company re-domiciliation regime provides a simple and cost-effective pathway of return for non-Hong Kong insurers. We actively facilitated the legislative process and issued a circular providing guidance on the related requirements and procedures.

Indexed Universal Life Insurance Products

Given that high-net-worth individuals and family offices are receptive to insurance solutions for legacy planning and wealth management, a circular was jointly promulgated by the IA and the Hong Kong Monetary Authority ("HKMA") to clarify regulatory expectations on Indexed Universal Life insurance products for professional investors.

Reinforcing Status as a Global Risk Management Hub

Insurance-linked Securities Ecosystem

We were glad to have more catastrophe bond issuances in Hong Kong, including repeated issuances by the World Bank and Peak Re, and new issuance by Taiping Re. Around US\$800 million (equivalent to HK\$6.2 billion) of Insurance-linked Securities ("ILS") have been issued from Hong Kong since the introduction of a bespoke regulatory regime and Pilot ILS Grant Scheme in 2021. As announced in the 2025-26 Budget, the Pilot ILS Grant Scheme has been extended for three years up to 2028.

The second ILS Conference held in May 2025 was a resounding success, gathering more than 100 institutional investors and professional service providers from Asia Pacific, Switzerland, and the United Kingdom.



The IA hosts a second edition of ILS Conference, tailored for institutional investors and professional service providers

Captive Domicile

The decisions made by HSBC Group and SAIC Motor in April and August 2025 respectively to form captive insurers in Hong Kong vindicated our three-pronged marketing campaign predicated on state-owned enterprises, private companies, and local multinational corporations. The IA hosted the second Captive Forum in Beijing, attracting some 50 diverse stakeholders, and a breakout session at the Belt and Road Summit that delved into the role of captive insurers in supporting multilateral infrastructure projects, particularly those focusing on renewable energy.



Moderating a thematic breakout session at the Belt and Road Summit (IA Executive Director, General Business Mr MM Lee, first left)

THE YEAR UNDER REVIEW

MARKET DEVELOPMENT



The IA hosts the Captive Forum in Beijing for the second year to advocate the adoption of captives among businesses seeking enhanced risk management solutions

Reinsurance

Mainland insurers ceding risks to eligible professional reinsurers in Hong Kong have enjoyed lower capital charges under the preferential treatment scheme since 2018. The National Financial Regulatory Administration has formalised the preferential treatment as a long-term measure.

Meanwhile, a professional reinsurer based in Hong Kong was granted authorization to carry on long term business in addition to general business, opening up greater room for its diversification and regional expansion, and injecting momentum into the reinsurance industry's development.

Marine Insurance

In February 2025, the IA granted authorization to another leading Protection and Indemnity Club² that should bring in new premiums and specialist talents. The IA also introduced a dedicated capital regime for marine insurers, which went into effect from 1 July 2024. We shared our regulatory perspectives on marine insurance at the IUMI Asia Forum Hong Kong 2024.



Mr MM Lee (centre), IA Executive Director, General Business, provides regulatory perspectives on the marine insurance business in Hong Kong at the IUMI Asia Forum Hong Kong 2024

² Please refer to the chapter "Regulation of Insurers" for details of new authorizations.

THE YEAR UNDER REVIEW

MARKET DEVELOPMENT

Unleashing Social Value of Insurance

Climate Risk Management

The IA has commenced a project to foster industry collaboration with academia, aiming at identifying weather thresholds linked to claims data and losses implication under climate change. These efforts are designed to strengthen the industry's risk assessment capabilities through forward-looking analytics, stimulate product innovation, and refine underwriting practices.

The IA also co-hosted a workshop with the Hong Kong Federation of Insurers ("HKFI") and the Development Bureau ("DEVB") to promote the utilisation of publicly available government spatial data for insurers' climate risk assessment. Additionally, the IA has engaged with the DEVB to organise an industry briefing on rising sea levels and flood management in Hong Kong. This initiative aims to provide the insurance sector with enhanced insights into the government's climate resilience strategies and elevate public understanding of the critical role and societal benefits of climate adaptation measures.



Mr Tony Chan, IA Associate Director, Policy and Legislation, speaks at a workshop promoting the use of government spatial data for insurers' climate risk assessment

Qualifying Deferred Annuity Policy

As of March 2025, 23 Qualifying Deferred Annuity Policy ("QDAP") products were being offered by 19 long term insurers and some 368,170 policies had been sold, contributing annualised premiums of about HK\$25 billion. In light of the positive response, we maintained our one-stop search tool "QDAP Selection Made Easy", which enables prospective policy holders to compare different products.

Study on Mental Health and Insurance in Hong Kong

Recognising that insurance could narrow protection gaps by encouraging early intervention in common mental health conditions, the IA performed thematic research on Autism Spectrum Disorder and Attention Deficit or Hyperactivity Disorder among children and adolescents as well as anxiety and depression among adults. The relevant research findings are now being finalised.

Holistic Review on Medical Insurance

We kick-started a holistic review aimed at ensuring healthy and sustainable growth of the medical insurance business and complementing policy reforms spearheaded by the Government.

THE YEAR UNDER REVIEW

MARKET DEVELOPMENT

Insurtech

Cybersecurity

The revised Guideline on Cybersecurity (GL20) took effect in January 2025, paving the way for implementation of the Cyber Resilience Assessment Framework to assist insurers in evaluating risk exposure and addressing vulnerabilities.

Survey on Fintech and Artificial Intelligence

During the reporting year, the IA commissioned a survey to gauge the readiness of insurers in adopting Artificial Intelligence ("AI") and the associated risks so as to inform regulatory changes necessary to capture both ethics and synergies. In parallel, an AI Cohort Programme is being developed to boost camaraderie within the insurance industry.

Federated Learning in Insurance Sector

We partnered with the Hong Kong Applied Science and Technology Research Institute on a study of potential applications of Federated Learning in the insurance sector. This addressed risk management, regulatory compliance, and data security, supported by proof-of-concept insights. The technical development phase, encompassing setting up the platform and model validation, ended in September 2024. A white paper will be published accordingly in 2025.



IA CEO Mr Clement Cheung delivers the keynote presentation at Hong Kong Fintech Week 2024

Open Application Programming Interface

After rolling out the Open Application Programming Interface Framework in 2023, the IA has continued to showcase practical use cases with help from the Hong Kong Science and Technology Parks Corporation.

Insurtech Sandbox

A total of 43 pilot trials had been approved under the Insurtech Sandbox as of March 2025, with 25 involving virtual on-boarding and three originating from a licensed insurance broker company.

Green and Sustainable Finance

Cross-sector Co-operation

As a member of the Green and Sustainable Finance Cross-Agency Steering Group ("CASG") and its Working Group on Sustainability Disclosures, the IA has been playing an active role in charting a course for the adoption of the Hong Kong Sustainability Disclosure Standards in full alignment with the International Financial Reporting Standards Sustainability Disclosure Standards ("ISSB Standards") in a pragmatic and proportionate manner. The IA also sits on the Climate Risk Steering Group of the International Association of Insurance Supervisors to shape global rules and disseminate good practices on various topics such as sustainability reporting.

On the industry front, we maintained a regular dialogue with the HKFI's Task Force on Green Insurance on topics such as the local adoption of ISSB Standards and narrowing local climate data gaps. The Insurance Industry Climate Charter had 37 signatories as of March 2025, demonstrating the industry's commitment to take concerted action on climate change. The IA will continue to partner with the industry to realise the full potential of insurance in combating climate risks.



The IA supports the initiatives of the Green and Sustainable Finance Cross-Agency Steering Group (IA CEO Mr Clement Cheung, first left)

THE YEAR UNDER REVIEW

MARKET DEVELOPMENT

Asian Insurance Forum 2024

The Asian Insurance Forum 2024, themed “Rising to the Challenge amidst Global Volatility”, recorded more than 2,400 participants. Through keynote speeches and panel discussions, some 20 international experts took a

deep dive into topical subjects, including global supervisory priorities, strategies for bolstering the headquarters economy, and innovative insurance solutions in wealth management.



IA Chairman Mr Stephen Yiu gives the opening remarks

Mr John Lee, Chief Executive of the Hong Kong Special Administrative Region, delivers a speech at the Asian Insurance Forum 2024

Mr Cheuk Wing-hing, Deputy Chief Secretary of the Hong Kong Special Administrative Region, presents his insights at the Forum's keynote luncheon



IA CEO Mr Clement Cheung (first left) and the senior leadership team engage in a candid discussion with audience members on how the IA seeks to advance



The Forum draws over 2,400 participants in-person and online from Hong Kong and beyond

THE YEAR UNDER REVIEW

MARKET DEVELOPMENT

Nurturing Talents

Internship and Capacity Building

The IA remained steadfast in supporting the Sustainable Finance Internship Initiative launched by the CASG and the Government-funded Pilot Green and Sustainable Finance Capacity Building Support Scheme.

Fintech Career Accelerator Scheme

The IA and the HKMA jointly launched the Gap Year Placement Programme as part of the Fintech Career Accelerator Scheme (Insurance Track) in 2022 and since then has received over 1,000 applications.

Pilot Programme to Enhance Talent Training for the Insurance Sector

We were pleased to note the extension of the Government's Pilot Programme to Enhance Talent Training for the Insurance Sector until 2025-26.

Financial Leaders Programme

The IA teamed up with the HKMA, Securities and Futures Commission, and Mandatory Provident Fund Schemes Authority to establish the Hong Kong Academy of Finance and conceive the Financial Leaders Programme ("FLP"). The Chairman and the CEO shared our strategic vision and operational priorities with the FLP 2024 cohort.



Sharing the IA's strategic priorities and industry developments with the Financial Leaders Programme 2024 cohort

THE YEAR UNDER REVIEW

ANTI-MONEY LAUNDERING AND COUNTER-FINANCING OF TERRORISM

All authorized insurers and reinsurers carrying on long term business, and licensed individual insurance agents, licensed insurance agencies and licensed insurance broker companies carrying on regulated activities in respect of long term business, are required to comply with the requirements under the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615) (“AMLO”) and the Guideline on Anti-Money Laundering and Counter-Terrorist Financing (GL3) published under the AMLO.

The Insurance Authority (“IA”) remained vigilant regarding insurance sector compliance with requirements under the AMLO during the reporting year, taking measures to enhance the effectiveness of supervision, strengthen risk-based supervision, and increase the industry’s capability to fight money laundering and terrorist financing (“ML/TF”).

Risk-based Supervisory Regime

To optimise supervisory resources towards higher-risk areas, the IA adopts a risk-based approach in the supervision of insurance institutions (“IIs”) on Anti-Money Laundering/Counter Financing of Terrorism (“AML/CFT”). We also conduct ML/TF risk assessments from time to time to better understand the insurance risk landscape. These assessments take into account a variety of factors, including the characteristics and business profile of IIs, the quality of IIs’ AML/CFT systems and controls, and risks identified in the Hong Kong Money Laundering and Terrorist Financing Risk Assessment Report (“HRA”).

In July 2024, the IA launched Insurance Regulatory Information Connect (“IRIC”), an online returns system to streamline the data submission process for insurers. With the adoption of IRIC and the introduction of a new set of regulatory returns under the new capital regime, the IA is now better equipped to carry out more granular, sophisticated and timely analysis of ML/TF risks across the sector. This, in turn, has strengthened the effectiveness of our risk-based supervision.

To further assist our AML/CFT work, the IA continued to employ supervisory technology (“SupTech”) to test the effectiveness and efficiency of long term insurers’ screening systems during the reporting year.

On-site Inspections and Off-site Reviews

Under the IA’s risk-based approach, the rigour and frequency of our inspections and supervision of long term insurers depend on the AML/CFT risks involved. In general, we carry out routine on-site inspections for IIs with high and medium AML/CFT risk ratings. These inspections encompass insurers’ AML/CFT systems and controls, as well as compliance with the relevant statutory and regulatory requirements. IIs with low risk profiles are subject to off-site reviews focusing on policies and procedures for compliance.

THE YEAR UNDER REVIEW

ANTI-MONEY LAUNDERING AND COUNTER-FINANCING OF TERRORISM

In addition, the IA maintains ongoing supervisory engagement with insurers by requiring them to furnish self-assessments and institutional risk assessments ("IRA"). These are sought in between on-site inspection and off-site review cycles, regardless of their risk levels, for desktop review by the IA.

During the reporting year, the IA conducted on-site inspections of four insurers and six brokers, off-site reviews of three IIs (including insurers and bank agencies), self-assessment reviews on seven insurers, and IRA reviews on eight insurers. For increased synergy, we carried out two of the on-site AML inspections of insurers together with conduct inspections. In addition, 18 desktop reviews were completed.

Landmark AML Inspection

Following up on findings from our largest and most complex on-site AML inspection since the IA's inception, we took enforcement action by imposing a pecuniary penalty of HK\$23 million on one insurer. We also issued an order requiring the company to submit a report by an independent external advisor to validate the ongoing effectiveness of its remediation measures. The IA will continue to implement proportionate supervisory and enforcement measures to ensure IIs' compliance with AMLO requirements.

Supervisory Outreach

The IA makes great efforts to provide training for industry practitioners through annual AML/CFT seminars. Such activities also enable the IA to further understand practitioners' practical difficulties and clarify compliance queries. In October 2024, the IA hosted two AML/CFT seminars. At these events, speakers from a licensed insurance broker company, the Joint Financial Intelligence Unit, and the IA shared their perspectives on AML/CFT compliance, ML typologies, and statutory obligations related to the reporting of suspicious transactions, along with common observations from on-site inspections.



The IA's annual seminars keep industry practitioners abreast of the latest AML/CFT regulatory requirements

Circulars

After on-site inspections revealed that insurers' controls over premium payments made by cashier order were largely ineffective, making them easy to circumvent and undermine, the IA issued a circular in April 2024 to mitigate the risks associated with third-party payments. The circular provided specific guidance on the threshold of obtaining payment proof when cashier orders are used and urged insurers to promptly strengthen their controls in this aspect. The IA will continue to monitor implementation of the requisite measures through on-site inspections and off-site monitoring.

To further enhance IIs' capabilities in complying with the requisite requirements under the AMLO, the IA also issued a circular in May 2025 to delineate our regulatory expectations on AML/CFT compliance and share general observations from on-site examinations conducted in recent years.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

CORPORATE GOVERNANCE

The Insurance Authority (“IA”) champions corporate governance that adheres to best practices in environmental, social and governance (“ESG”) processes, rigorous standards of conduct, and resilient operational and financial control, in consonance with our service commitment as a socially responsible regulator.

Governance Structure

Membership

Under the Insurance Ordinance (“IO”), membership of the IA comprises the Chairman, who is also a Non-Executive Director (“NED”), Chief Executive Officer (“CEO”), who is also an Executive Director (“ED”), and not less than six other NEDs or EDs. All are appointed by the Chief Executive of the Hong Kong Special Administrative Region (“Chief Executive”).

As at March 2025, the IA Board consisted of 13 NEDs and four EDs. With effect from 28 December 2024, Mr Stephen Yiu was reappointed Chairman for another three-year term. Professor Darwin Choi, Mr Andrew Fung, and Professor Fung Hong were newly appointed to serve as NEDs for a term of three years. Ms Ivy Cheung, Mr Lam Wai-kong, Mr Terry Lo, Ir Dr Derrick Pang, Mr Anson Wong, SC, and Mr Kenneth Wong were reappointed NEDs for another term of three years. Dr Clement Chen, Ms Agnes Choi, and Ms Theresa Ng were reappointed NEDs for another term of two years.

Dr Evelyn Lam, Dr Ares Leung, and Professor Anna Wong stepped down as NEDs.

Responsibilities and Diversity of Directors

Chairman and CEO

The Chairman provides leadership and strategic direction, while the CEO assumes responsibility for daily operations and implementation of strategies under the direction of the IA Board.

Executive Directors

EDs take charge of daily operations within their respective purviews, such as long term business, general business, and policy and legislation. They also support the CEO in fulfilling his duties.

Non-Executive Directors

NEDs enable the IA to gain valuable external perspectives and broader insights through sharing of experience and expertise from diverse fields, including insurance, law, accountancy, finance, actuarial science, and enterprise management.

NED Diversity

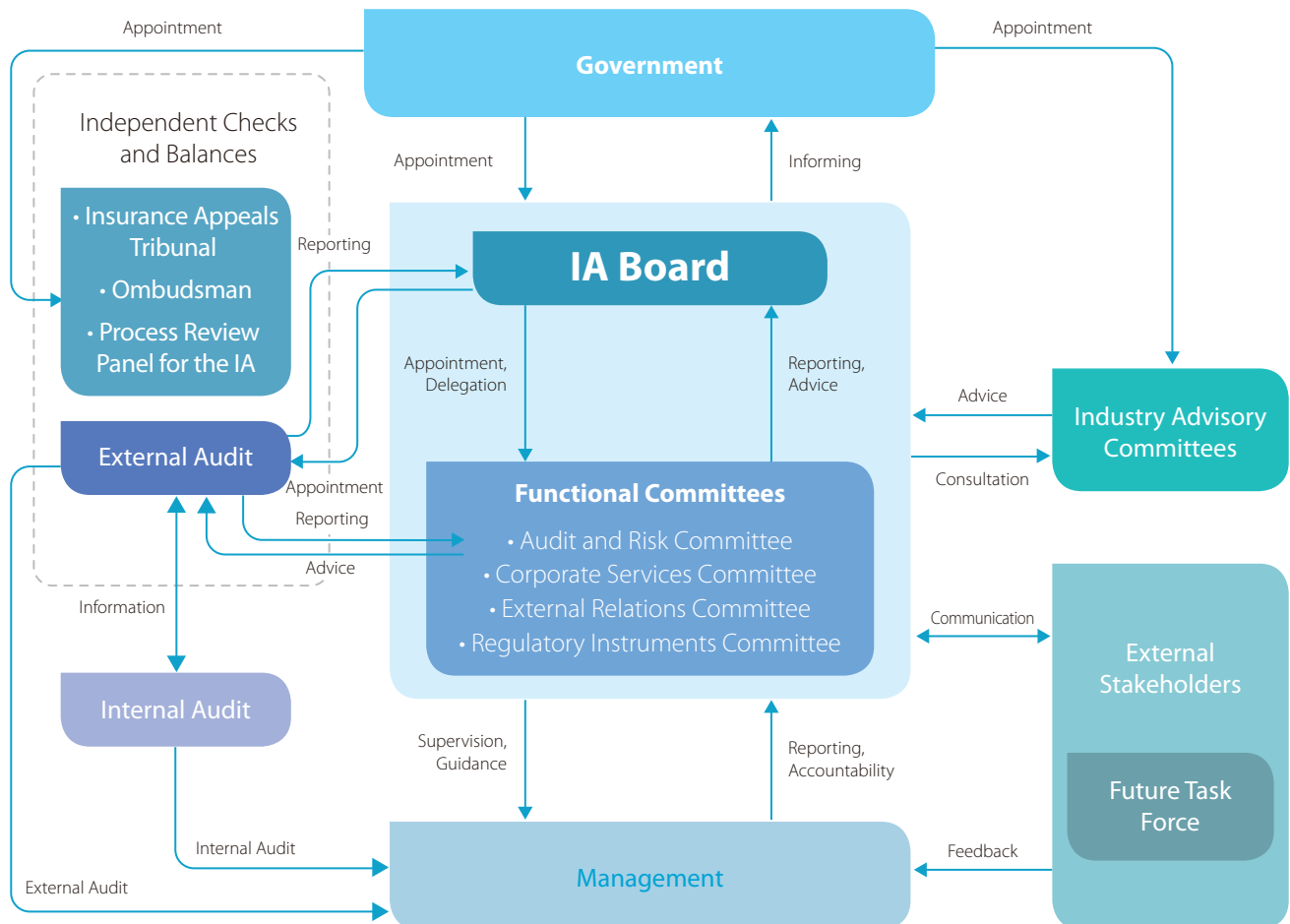
Gender	
Male	10 (77%)
Female	3 (23%)

Professional Expertise/Experience	
Accountancy/Actuarial Science	3 (23%)
Banking/Business/Finance/Insurance	4 (30%)
Education and Management	1 (8%)
Engineering	1 (8%)
Healthcare	1 (8%)
Labour and Welfare	1 (8%)
Legal	2 (15%)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

CORPORATE GOVERNANCE

Governance Structure



ENVIRONMENTAL, SOCIAL AND GOVERNANCE

CORPORATE GOVERNANCE



1 Mr Stephen Yiu Kin-wah, JP
Chairman

2 Mr Clement Cheung Wan-ching, GBS, JP
Chief Executive Officer

3 Dr Clement Chen Cheng-jen, GBS, JP
Non-Executive Director

4 Ms Ivy Cheung Wing-han
Non-Executive Director

5 Ms Agnes Choi Heung-kwan, MH
Non-Executive Director

6 Professor Darwin Choi
Non-Executive Director

7 Mr Andrew Fung Hau-chung, SBS, BBS, JP
Non-Executive Director

8 Professor Fung Hong, JP
Non-Executive Director

9 Mr Lam Wai-kong, MH
Non-Executive Director

10 Mr Terry Lo Kin-wing
Non-Executive Director

11 Ms Theresa Ng Choi-yuk, JP
Non-Executive Director

12 Ir Dr Derrick Pang Yat-bond, JP
Non-Executive Director

13 Mr Anson Wong Man-kit, SC, JP
Non-Executive Director

14 Mr Kenneth Wong Wing-yan
Non-Executive Director

15 Mr Clement Lau Chung-kin
Executive Director, Policy and Legislation

16 Mr Lee Moung-mo
Executive Director, General Business

17 Mr Marty Lui Yu-kwok
Executive Director, Long Term Business

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

CORPORATE GOVERNANCE

IA Members

Chairman



Mr Stephen Yiu Kin-wah, JP

Mr Yiu took up the Chairmanship of the Insurance Authority ("IA") since December 2021. He has been a member of the IA Board since its inception in 2015. Mr Yiu was the Chairman and Chief Executive Officer for Mainland China and Hong Kong of KPMG, possessing in-depth knowledge on auditing large banking and financial corporations. He was also a government-appointed Director on the Board of Hong Kong Exchanges and Clearing Limited. Mr Yiu has been actively promoting the financial services sector of Hong Kong and is currently a member of the Exchange Fund Advisory Committee and a director of the Hong Kong Academy of Finance. He is also a government-appointed Board member of the Hong Kong Airport Authority.

Non-Executive Directors



Dr Clement Chen Cheng-jen, GBS, JP

Dr Chen is the Managing Director of Tai Hing Cotton Mill Limited. He currently serves as Chairman of the Standing Committee on Judicial Salaries and Conditions of Service, Vice-President of the Executive Committee of the Hong Kong Professionals and Senior Executives Association, and Honorary President of the Federation of Hong Kong Industries. He is also a member of the Public Service Commission and member of the Board of Governors of Technological and Higher Education Institute of Hong Kong. Notable past appointments include Chairman of the Council and the Court of Hong Kong Baptist University, Chairman of the Standing Committee on Youth Skills Competition, Chairman of the Vocational Training Council and Chairman of the Federation of Hong Kong Industries.



Ms Ivy Cheung Wing-han

Ms Cheung is the Vice Chairman of KPMG China and Senior Partner of KPMG in Hong Kong. She is the Past President of the Hong Kong Institute of Certified Public Accountants. She currently serves as member of various public service committees, including the Standing Commission on Civil Service Salaries and Conditions of Service, the Standing Committee on Company Law Reform and the Consumer Council. Ms Cheung is the Non-Executive Director of The Hong Kong Mortgage Corporation Limited, and the board member of the Hong Kong Cyberport Management Company Limited and the Hong Kong Genome Institute. She is also an Honorary Advisor, a member of the Advisory Committee and the Inspection Committee of the Accounting and Financial Reporting Council.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

CORPORATE GOVERNANCE



Ms Agnes Choi Heung-kwan, MH

Ms Choi is a senior general insurance leader with over 35 years' experience. She was Chairman of the Hong Kong Federation of Insurers from 2012 to 2013 and a member of the Executive Committee of the International Union of Marine Insurance ("IUMI") from 2015 to 2018. Currently, she is the IUMI's Asia Ambassador. She is also a lay member of the Council of the Hong Kong Institute of Certified Public Accountants and a member of the Travel Industry Authority. She was elected as one of the Top Ten Influential Persons in Marine Insurance 2017 by Lloyd's List and one of the Top Ten Outstanding Women in the Maritime Industry in China in 2019.



Professor Darwin Choi

Professor Choi is an Associate Professor of Finance at The Hong Kong University of Science and Technology ("HKUST"). His research explores how institutional details and behavioral factors affect asset prices and capital allocations of professional and individual investors. His recent work emphasizes climate finance and other ESG (Environmental, Social, and Governance) issues. Professor Choi teaches ESG Investing at HKUST Business School. He serves as a member of Hong Kong Deposit Protection Board, Banking Review Tribunal, and the Academic and Accreditation Advisory Committee of the Securities and Futures Commission.



Mr Andrew Fung Hau-chung, SBS, BBS, JP

Mr Fung is an Executive Director and Chief Financial Officer of Henderson Land Development Company Limited, Non-executive Director of The Hong Kong and China Gas Company Limited, Trustee of The D. H. Chen Foundation, Professor of Practice (Finance) for the School of Accounting and Finance of the Hong Kong Polytechnic University, and Adjunct Professor of the Hang Seng University of Hong Kong. His current public appointments include Non-executive Director of Accounting and Financial Reporting Council, member of Cantonese Opera Advisory Committee and Cantonese Opera Development Fund. Mr Fung holds a bachelor's degree of Arts in English Literature & Translation from the University of Hong Kong and is an Honorary Fellow of Lingnan University.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

CORPORATE GOVERNANCE



Professor Fung Hong, JP

Professor Fung is Professor of Practice at the Jockey Club School of Public Health & Primary Care ("JCSPHPC"), The Chinese University of Hong Kong ("CUHK"). He joined CUHK in 2014, playing a dual role in developing the CUHK Medical Centre ("CUHKMC"), a private teaching hospital wholly owned by CUHK, as well as teaching at JCSPHPC. Professor Fung was the founding Executive Director and Chief Executive Officer of CUHKMC. He retired from the position in July 2025. The Hospital serves the social mission of bridging the gap between public and private healthcare services in Hong Kong. Before he joined CUHK, Professor Fung was Cluster Chief Executive of the New Territories East Cluster and Hospital Chief Executive of the Prince of Wales Hospital at the Hospital Authority from 2002 to 2013.



Mr Lam Wai-kong, MH

Mr Lam is a senior trade union worker. He is currently a Member of the Wan Chai District Council, Vice Chairman of the Hong Kong Federation of Trade Unions, Chairman of the Motor Transport Workers General Union and has been elected by the trade union as a member of the Labor Advisory Board (employee representative). Representing the labour sector to participate in the Government and various social groups, Mr Lam helps to put forward the views of the labour grassroots. He was appointed as a member of the Employees' Compensation Assistance Fund Board and the Employees' Insurance Levy Board.



Mr Terry Lo Kin-wing

Mr Lo is an actuary and a veteran of the insurance industry, having been the chief executive of a few authorized insurers in the Hong Kong SAR and the Mainland China before his retirement. He had served the industry as a General Committee member of the Insurance Claims Complaints Bureau¹, Chairman of the Life Insurance Council and Deputy Chairman of the Governing Committee of the Hong Kong Federation of Insurers.

¹ Replaced by the Insurance Complaints Bureau in 2018.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

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Ms Theresa Ng Choi-yuk, JP

Ms Ng is a veteran banker who held key frontline and management positions in retail, wealth management as well as private banking. She was a lay member of the Council of the Hong Kong Institute of Certified Public Accountants. Ms Ng has devoted much of her time in serving the community by taking part in charity work, public services and youth educational matters. She is currently the Chairman of Friends of Caritas and School Managers for a number of reputable secondary schools.



Ir Dr Derrick Pang Yat-bond, JP

Ir Dr Pang is the Chief Executive Officer of Asia Allied Infrastructure Holdings Limited. He has over 27 years of civil engineering design and construction experience in the United States and Hong Kong. Ir Dr Pang holds a number of important public offices, including a member of the Henan Provincial Committee of the Chinese People's Political Consultative Conference, a council member of the Hong Kong Polytechnic University, a director of the Hong Kong Cyberport Management Company Limited and a member of the Aviation Development and Three-runway System Advisory Committee.



Mr Anson Wong Man-kit, SC, JP

Mr Wong is a Senior Counsel with a broad range of civil and commercial practice. He has sat as Deputy High Court Judge on multiple occasions. He has also been appointed by the Government as Chairman or Deputy Chairman of various quasi-judicial tribunals. He is currently the Chairman of the Banking Review Tribunal and Deputy Chairman of the Town Planning Appeal Board Panel and was formerly the Chairman of the Resolvability Review Tribunal, Chairman of the Resolution Compensation Tribunal, Chairman of Municipal Services Appeal Board and Deputy Chairman of Inland Revenue Board of Review.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

CORPORATE GOVERNANCE



Mr Kenneth Wong Wing-yan

Mr Wong is a Senior Partner and Solicitor Advocate (having higher rights of audience (civil)) of a law firm, specialising in civil litigation including commercial and real estate litigation and arbitration, judicial review and competition, town planning and regulatory related matters. He has been serving as a Deputy High Court Judge. He is currently Chairman of the Civil Litigation Committee of the Law Society of Hong Kong.

Executive Directors



Mr Clement Cheung Wan-ching, GBS, JP **Chief Executive Officer**

Mr Cheung has been serving in the role as Chief Executive Officer of the Insurance Authority since 2018 after retiring from the civil service in 2017. Some major positions that he held include the Commissioner of Insurance (2006 to 2009), the Postmaster General (2009 to 2011), the Commissioner of Customs and Excise (2011 to 2015), and a political appointment as Secretary for the Civil Service (2015 to 2017).

At the global and regional levels, Mr Cheung is a member of the Executive Committee of the International Association of Insurance Supervisors as well as the Chair of its Audit and Risk Committee from 2021 to 2025. He is also a member of the Asian Forum of Insurance Regulators and its Chairman from 2018 to 2023.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

CORPORATE GOVERNANCE



Mr Clement Lau Chung-kin

Executive Director, Policy and Legislation

Mr Lau has over 20 years of experience in public administration and financial regulation. Before joining the IA in January 2024, he had held senior positions in the Hong Kong Monetary Authority ("HKMA") and the HKSAR Government. Mr Lau took charge of various subject matters including monetary management, financial stability, retail payment regulation, offshore renminbi business as well as corporate development while he was with the HKMA. His service as an Administrative Officer in the HKSAR Government covered a wide range of policy areas including health and welfare, district administration, higher education, transport and tourism.

Mr Lau holds a bachelor's degree in finance and a master's degree in economics, both from The University of Hong Kong.



Mr Lee Moung-mo

Executive Director, General Business

Mr Lee joined the IA as Associate Director of the General Business Division in May 2018. Prior to this, he worked in a credit rating agency for 17 years being responsible for the ratings assigned in Asia. While he was working in the credit rating agency, he was a frequent speaker and panellist to many insurance conferences and seminars. Mr Lee has deep knowledge of different financial markets in Asia and a strong passion for realising the social value of insurance. He received his bachelor's degree in economics from Chung Ang University and his master's in economics from Seoul National University.



Mr Marty Lui Yu-kwok

Executive Director, Long Term Business

Mr Lui joined the IA in 2017. He has over 25 years of experience in the field of insurance and retirement fund supervision. He started his career as a regulator in 1995 with the then Office of the Commissioner of Insurance ("OCI") supervising property and casualty insurers. He subsequently joined the newly established Mandatory Provident Fund Schemes Authority ("MPFA") in 1999 and held various positions within the MPFA for nine years including supervision of retirement pooled funds, investment regulation, and policy development work. Before he rejoined the OCI in 2010 to take up international liaison duties, he held a compliance role with an international life insurer.

Mr Lui holds a Master of Business Administration degree from the Hong Kong University of Science and Technology. He is a CFA Charterholder and a Fellow of the ACCA.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

CORPORATE GOVERNANCE

Governance Practices

The IA endeavours to adhere to corporate governance best practices, including:

- » Holding regular meetings to handle matters of operational and strategic importance.
- » Establishing policies for disclosure and managing conflicts of interest.
- » Providing the IA Board with appropriate management data to enable detailed scrutiny of performance and results.
- » Delivering relevant materials to the IA Board in advance to facilitate in-depth discussions during meetings.
- » Meeting in functional committees to gather initial feedback.
- » Maintaining records for the IA Board, including meeting minutes, attendance, and decisions.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE

CORPORATE GOVERNANCE

Meeting Attendance in 2024-25

Meetings attended/held	IA Board	Audit and Risk Committee ("ARC")	Corporate Services Committee ("CSC")	External Relations Committee ("ERC")	Regulatory Instruments Committee ("RIC")
Chairman					
Stephen Yiu	8 ^a /8	2/3	6/6	–	–
Non-Executive Directors					
Clement Chen	6/8	2/3	–	2/2	–
Ivy Cheung	6 ^a /8	3/3	4 ^a /6	–	–
Agnes Choi	8 ^a /8	–	6/6	2 ^a /2	3/4
Darwin Choi ^e	1/1	1/1	–	–	–
Andrew Fung ^f	1/1	–	1/1	–	–
Fung Hong ^f	1/1	–	1/1	–	–
Evelyn Lam ^g	4 ^d /7	–	4 ^d /5	1 ^a /2	–
Lam Wai-kong	6 ^b /8	–	–	1/2	4 ^b /4
Ares Leung ^g	4/7	–	2/5	1/2	–
Terry Lo	7 ^b /8	3 ^a /3	–	–	3 ^a /4
Theresa Ng	8 ^a /8	–	4/6	–	2/4
Derrick Pang	3 ^a /8	2 ^b /3	–	–	4 ^d /4
Anson Wong	7 ^c /8	–	–	1/2	3 ^a /4
Anna Wong ^g	5 ^a /7	–	–	1/2	3 ^a /3
Kenneth Wong	3/8	–	4/6	–	3/4
Executive Directors					
Clement Cheung	8 ^a /8	–	–	2/2	3/4
Clement Lau	5 ^a /8	–	–	1/2	3/4
MM Lee ^h	5/5	–	–	–	–
Marty Lui ^h	5/5	–	–	–	–

^a Including one virtual attendance.

^b Including two virtual attendances.

^c Including three virtual attendances.

^d Including four virtual attendances.

^e Appointed a member of the IA Board, ARC, and ERC effective from 28 December 2024.

^f Appointed a member of the IA Board, CSC, and ERC effective from 28 December 2024.

^g Retired on 28 December 2024.

^h Appointed a member of the IA Board effective from 27 May 2024.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

CORPORATE GOVERNANCE

Functional Committees

The IA has four functional committees, namely the ARC, CSC, ERC and RIC, each chaired by an NED with relevant expertise. NEDs make up around 80% of the membership

of the committees, and comprise the entire membership for both the ARC and CSC. This provides checks and balances on the IA's decision-making process.

Committees	Composition	Summary of Work in 2024-25
Audit and Risk Committee ("ARC")	6 NEDs	» Held three meetings. » Reviewed the audited financial statements and internal audit charter. » Endorsed the external audit plan. » Considered the annual internal audit plan. » Received reports on Review of Appointment Process of Key Persons by Insurers and Management of Declaration of Interest, as well as periodic procurement reports, ensuring compliance with internal policies and guidelines.
Corporate Services Committee ("CSC")	7 NEDs	» Held six meetings. » Examined the Corporate Plan for 2025-26 and Six-Year Financial Forecast for 2025-26 to 2030-31, providing comments to the IA Board. » Endorsed the enhancement of annual leave entitlement and mechanism for determination of variable pay for general staff. » Considered the appointment and terms of senior executives.
External Relations Committee ("ERC")	7 NEDs and 2 EDs	» Held two meetings. » Considered the proposed framework for Annual Report 2023-24. » Considered the IA's initiatives for publicity, public education, and talent development for the insurance industry. » Endorsed production and broadcasting arrangements for a television series to promote the IA's work.
Regulatory Instruments Committee ("RIC")	7 NEDs and 2 EDs	» Held four meetings. » Scrutinised the proposed promulgation of new regulatory instruments or updates to existing instruments, including Actuarial Review of Insurance Liabilities in Respect of Employees' Compensation and Motor Insurance Businesses, Actuary's Report of Investigation in Respect of Long Term Business, Establishment and Maintenance of Fund(s) in Respect of Participating Business, Public Disclosure Rules, as well as the Cyber Resilience Assessment Framework.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

CORPORATE GOVERNANCE

Industry Advisory Committees

The IA is required by the IO to set up two [Industry Advisory Committees](#) ("IACs") on long term business and general business respectively. Each IAC includes the Chairman, the CEO, and not more than two other IA EDs, as well as eight to 12 other members appointed by the Financial Secretary ("FS") in consultation with the IA.

The FS appointed/reappointed 11 non-official members to each of the two IACs for a term of two years between 1 June 2024 and 31 May 2026. These members were selected from different sectors within the insurance industry and related fields, such as actuarial, law, banking, medical, Fintech and Insurtech. Four joint IAC meetings took place during the reporting year. IAC members are listed in the Appendices on page 110.

Independent Checks and Balances

The Ombudsman

The IA is subject to indirect oversight by the Office of the Ombudsman, which has statutory powers to investigate alleged acts of maladministration.

Insurance Appeals Tribunal

The [Insurance Appeals Tribunal](#) ("IAT") has been established under the IO to review, on application, specified decisions made by the IA.

The IAT's statutory purpose is to determine a question or an issue arising out of or in connection with a review and to ensure that insurance regulatory decisions are reasonable and fair. The IAT is formed whenever there is a case to be reviewed. It consists of a chairperson and two ordinary members, recommended by the IAT chairperson and chosen from a panel of members appointed by the FS under authority delegated by the Chief Executive. From June 2022 to June 2025, Ms Rachel Lam, SC, served as IAT chairperson.² IAT members are listed in the Appendices on page 111.

During the reporting year, the IAT concluded 69 applications for review, all relating to disciplinary actions taken by the IA, with 68 concerning insurance intermediaries and one related to an authorized insurer. During the same period, nine applications for review by the IAT were received, with seven relating to disciplinary actions on insurance intermediaries and two focused on a specified decision made by the IA in relation to an authorized insurer.

Process Review Panel for the IA

The [Process Review Panel](#) ("PRP") is an independent body established by the Government to review and advise the IA on internal procedures and operational guidelines governing actions and operational decisions by the IA and our staff in the performance of the IA's regulatory functions. In the PRP's 2024 Annual Report, the panel made several observations and recommendations on the IA's regulatory oversight for further progress, and expressed appreciation for our improvements in disciplinary processes and operations. The IA continuously strives to ensure our internal procedures are fair and reasonable, and our regulatory powers exercised in a fair and consistent manner. PRP members are listed in the Appendices on page 112.

² Mr Johnny Ma Ka-chun, SC, was appointed IAT chairperson for a term of three years from June 2025 to June 2028.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

CORPORATE GOVERNANCE

Accountability and Transparency

Standards of Conduct

We attach great importance to the integrity and probity of our staff and expect them to uphold a high standard of conduct in fulfilling the statutory functions conferred on the IA. To ensure that our staff understand and observe the relevant standards, we have issued guidelines and a code of conduct addressing areas such as conflict of interest, declaration of financial interests, and acceptance of gifts. It is mandatory for all newcomers to attend induction modules and training organised by the Independent Commission Against Corruption.

Corporate Planning

In each financial year, the IA is required by the IO to submit a corporate plan to the FS outlining key objectives, planned activities, and budget for the following year. Views on the budget are also sought from the Legislative Council ("LegCo") Panel on Financial Affairs.

Financial Control and Reporting

Financial statements in accordance with prevailing accounting standards, reporting rules, and interpretations promulgated by the Hong Kong Institute of Certified Public Accountants are prepared and published together with our Annual Report. We engaged Deloitte Touche Tohmatsu as external auditor for our financial statements for the reporting year.

We have adopted the following to enhance the transparency of our financial status:

- » An external firm is appointed to conduct the annual audit.
- » Annual financial statements are presented to the ARC.

- » Approval from the IA Board is sought on the annual financial statements published in the annual report.
- » Key financial data is presented at IA Board meetings.
- » Regular reports are provided to the Government.
- » The annual budget and revised estimates are presented to the LegCo Panel on Financial Affairs.

Communication with Stakeholders

The IA interacts with a variety of stakeholders, including industry practitioners, policy holders, regulatory counterparts, government officials, LegCo members, media representatives, and the general public. Communication channels include the IA website, media briefings, press releases, circulars, social platforms, and publicity events. In addition, we collect feedback through meetings, seminars, and consultation sessions. We also release industry statistics on a regular basis. Six requests for access to information were handled during the reporting year.

Complaint Handling and Whistleblowing Policy

The IA prioritises accountability, transparency, and integrity as core values. Anyone dissatisfied with how our staff carry out or fail to carry out our duties can file a complaint. All complaints will be treated seriously and in strict confidence.

We have also put in place a comprehensive whistleblowing policy and encourage our staff and any parties who have dealings with us (e.g. regulated entities, contractors, and suppliers) to report any suspected fraud, misconduct, malpractice, or irregularity within the IA. The IA will make every effort to keep the whistleblower's identity confidential and take follow-up action, such as referring appropriate cases to law enforcement agencies.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

CORPORATE GOVERNANCE

Risk Management

A series of measures is in place to safeguard our operations against possible risks, including external risks arising from the insurance market, internal risks such as financial risks, and threats to our information and office security:

- » External risks associated with the insurance market are assessed as part of the corporate planning process and appropriate measures adopted to address risks on an ongoing basis.
- » The Internal Audit Section reports to the IA Board to evaluate and improve the IA's risk management, controls, and governance processes.
- » Financial control policies and procedures delineate the authority and responsibility of our staff and the IA Board in the appointment of consultants, service providers, procurement of capital items, etc.
- » The IA's risk management system and internal control procedures are subject to review by the ARC, which is composed exclusively of NEDs.
- » Access controls are in place for the IA's computer and file systems as protection against unauthorized access, use, or modification. There are also access controls for office premises to safeguard against unauthorized entry.
- » A data privacy policy is promulgated and a Data Privacy Officer appointed to facilitate compliance with the Personal Data (Privacy) Ordinance.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

ENVIRONMENTAL PROTECTION

The Insurance Authority (“IA”) has implemented a wide range of effective eco-practices in our offices to build awareness among staff and actively engaged in activities that foster sustainability.

A Green Workplace

To advance environmentally friendly work routines, the IA adheres to the principles of Reduce, Reuse and Recycle (“3Rs”). Measures employed during the reporting year include:

Reducing Paper Consumption

- » Sharing reports, guidelines, and consultation papers digitally, and ensuring information for stakeholders, such as annual reports, is available on the IA website to reduce printing.
- » Accepting electronic returns from regulated entities.
- » Adopting a data management system for electronic records.
- » Using electronic platforms for digital transmission and storage of documents.
- » Enabling paperless meetings by providing staff with laptops.
- » Setting up a digital kiosk in the IA office to display corporate information.
- » Sending festive greetings via e-cards.
- » Encouraging double-sided printing through default settings.
- » Monitoring printing usage to identify and reduce excessive paper consumption.

Reducing Energy Consumption

- » Operating two green and energy-efficient data centres.
- » Utilising server virtualisation technology and leveraging cloud-based IT services to reduce the use of physical server hardware.
- » Adopting an open plan design to maximise natural lighting and conserve energy.
- » Procuring energy-efficient devices and equipment and setting them in power-saving mode.
- » Installing a master timer and auto-scheduling control system for lighting and air conditioning.
- » Using LED light fittings to improve energy efficiency and durability.
- » Deploying motion and daylight sensors in offices to turn off unnecessary lighting and reduce energy wastage.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

ENVIRONMENTAL PROTECTION

Recycling and Reusing

- » Collecting festive items such as metal mooncake boxes, Christmas trees, red packets, peach blossom trees, and aluminium coffee capsules and cans for recycling.
- » Encouraging staff to take part in donation and recycling programmes.
- » Setting up collection bins to assist sorting of recyclables, including paper, plastic, metal, and glass.
- » Reusing equipment and furniture to reduce wastage.
- » Donating used computers and communication products to charitable organisations and recycling obsolete furniture.

Reducing Waste and Water Usage

- » Enhancing the eco-friendliness of corporate events by choosing venues that prioritise sustainable catering and use digital displays for event information.
- » Adopting measures to reduce waste from events, for example, reducing single-use disposables, reusing event resources, and channelling materials to recycling/donation outlets.
- » Reducing food waste by preparing an appropriate quantity of food and taking away any excess after the event, if allowed.
- » Switching from bottled water dispensers to direct flow water dispensers with leakage sensors to reduce wastage.

Eco-friendly Environment

- » Using eco-friendly cleaning products for regular carpet cleaning and pest control services in offices.
- » Applying non-toxic nano-technology preventive disinfection treatments in offices to minimise the risk of contracting and spreading viruses.
- » Encouraging staff to use reusable dishware and biodegradable utensils.
- » Sharing sustainable habits in the workplace and daily life via our "Green Tips Corner" on the IA's intranet portal.

Green Procurement

In our procurement activities, we reference international standards, such as ISO14001, and incorporate them into our technical assessment criteria. Service providers are requested to provide green solutions in their proposals (for example, recyclable consumables and the trading-in of obsolete models). We also purchase office equipment and electrical appliances with Energy Efficiency labels, and sustainable stationery.

Consumption and Recycling

	2024-25	2023-24	2022-23	2021-22
Consumption				
Paper (piece/head)	1,837	2,262	1,965	2,550
Electricity (kWh/head)	2,069[^]	1,757	1,749	1,825
Recycling				
Paper (kg)	3,649	3,799	2,767	5,667*

[^] Increase largely due to use of an additional floor in the IA's Wong Chuk Hang office since February 2024.

* Increase largely due to the disposal of historical records, now stored in the IA's data management system.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

ENVIRONMENTAL PROTECTION

ESG Awards and Recognitions

The IA received a Gold Award in the Office Buildings and Office Spaces category of the inaugural Universal Design Award Scheme, organised by the Equal Opportunities Commission in November 2024. The accolade recognised the smart design of IA offices, which provides accessible facilities for individuals with diverse needs.



Receiving the Gold Award for "Office Buildings and Office Spaces" in the Universal Design Award Scheme (IA Director, Corporate Services Mr Ryan Chiu, centre)

In June 2024, the IA was awarded a certificate under the ESG Pledge Scheme, organised by the Chinese Manufacturers' Association of Hong Kong and Hong Kong Brand Development Council, in recognition of our continuous efforts to promote ESG and good governance.

For the fifth consecutive year, the IA was awarded the Hong Kong Green Organisation Certificate by the Environmental Campaign Committee in appreciation of our ongoing efforts to save energy and reduce waste. For the first time, we also received Energywi\$e and Wastewi\$e certificates of "Excellent Level" and "Good Level" ratings respectively.

Regular cleaning of air-conditioning filters helped maintain air quality in our Wong Chuk Hang and North Point offices. The two offices continued to be rated "Good Class" in the Indoor Air Quality Certification Scheme, organised by the Environmental Protection Department. In addition, both offices received a "Good Level" rating in the Hong Kong Green Organisation's IAQwi\$e certificate scheme for the first time.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE

ENVIRONMENTAL PROTECTION

Our Commitment to Environmental Sustainability and Conservation

The IA is dedicated to supporting initiatives that combat climate change. In line with this, we appointed a consultant to verify our Greenhouse Gas Emissions Summary and environmental performance for the baseline year of 2024. Carbon credits were purchased to partially offset the validated CO₂e emissions.

As part of our ongoing partnership with the World Wide Fund for Nature, we pledged our support for Earth Hour 2025 as a corporate participant and encouraged our staff to join.

Demonstrating our commitment to environmental conservation, we have also avoided serving shark fin products at any corporate events since the IA's inception.

Further Green Endeavours

Among our other ESG efforts, we have integrated eco-friendly practices into all areas of our daily operations. For instance, we have enhanced our office environment with potted plants to promote a greener workplace. Additionally, the IA has signed up to the Green Event Pledge, organised by the Environmental Protection Department, and strives to arrange eco-friendly corporate events.



Supporting Earth Hour 2025

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

SOCIAL RESPONSIBILITY

Corporate social responsibility (“CSR”) is a key aspect of the Insurance Authority (“IA”)’s workplace culture, seeking to provide our staff with an environment that inspires personal growth, propels forward teamwork, and spurs community service.

Caring for Our Staff

With staff acknowledged as our most important asset, the well-being of those who work at the IA is pivotal for sustaining our corporate culture, energising contribution, and spurring high performance. In line with this outlook, our Wong Chuk Hang head office has created a designated collaborative space to facilitate colleagues in sharing ideas, relaxation, and engagement. Social activities organised over the reporting year included board games and chess, as well as wellness events, such as yoga and singing bowl meditation, helping to strengthen collaboration between divisions, cross-functional teamwork, and innovation and efficiency.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE

SOCIAL RESPONSIBILITY

To foster the “One IA” spirit, our sponsorship scheme of employee-initiated CSR and sports activities continued, inspiring the formation of clubs for table tennis, basketball, and football which connect up cross-divisional colleagues with similar interests. We also encouraged staff to share their individual expertise and passion by leading interest classes or workshops, enhancing the IA core values of sharing and learning.

In addition, the IA’s Social Committee and Human Resources Section, supported by colleagues across divisions, regularly organised a wide range of vitalising events and wellness classes to promote work-life balance and boost morale. Staff activities such as Movie Day, baking, coffee ground soap-making, model-making, sports events, and competitions all received positive responses. Colleagues and their families also enjoyed an action-packed programme at our Family Fun Day.

Continuously seeking to deepen workplace satisfaction to attract and retain talents, the IA is committed to enhancing staff benefits and wellness. Our group medical insurance scheme is regularly reviewed and enhanced. A work-from-home arrangement is in place to provide a flexible and family-friendly working environment, with an Employee Assistance Programme available to support mental health and well-being.

In a further boost to team spirit, we organised an Annual Dinner and a Christmas Party to celebrate the IA’s achievements and express our appreciation of staff members’ hard work and contributions throughout the year.



The IA organises a host of activities to promote staff wellness and foster team spirit

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

SOCIAL RESPONSIBILITY

Caring for the Community

At the IA, we believe in the power of community engagement and actively encourage staff to collectively make a difference. This brought together diverse colleagues to participate in a number of fundraising events over the reporting year, including Oxfam Trailwalker and the annual charity run organised by The Life Underwriters Association of Hong Kong.

Colleagues also volunteered for CSR events. In partnership with Food Grace, the IA organised two community care activities in 2024. Staff delivered “Charity Love Soup” to the elderly in September and prepared an “Eco Meal” to celebrate the winter solstice with seniors.

Later, in March 2025, the IA hosted a workshop in collaboration with Furry Green, a social enterprise, to help prepare fresh pet food for a local animal shelter using recycled ingredients that would otherwise have ended up in landfills. The initiative not only raised staff awareness of sustainability practices but also promoted animal welfare.

In recognition of our continuous CSR efforts, the IA has received a “5 Years Plus Caring Organisation Logo” (2019-24) from the Hong Kong Council of Social Service.



IA staff set the pace by running for a good cause



The IA's Oxfam Trailwalker team takes on the 100km MacLehose Trail, helping to raise funds to support the charity's initiatives



IA volunteers organise and participate in a variety of community care events

ENGAGEMENT WITH STAKEHOLDERS

To foster support, build trust, and gain insights for our policy developments and initiatives, the Insurance Authority (“IA”) actively engages with our diverse stakeholders, utilising multiple channels to productively foster relationships locally, nationally, and overseas.

The Insurance Industry

The IA gains valuable external views through our two Industry Advisory Committees, focused on long term and general sector-related matters respectively. These committees held four joint meetings during the reporting year, with diverse topics raised for discussion.

We also maintain regular dialogue with industry bodies such as the Hong Kong Federation of Insurers (“HKFI”), Hong Kong Confederation of Insurance Brokers (“CIB”),

Professional Insurance Brokers Association (“PIBA”), and Insurance Industry Regulatory & Development Concern Group (“ICG”) on major initiatives. Key areas of discussion included enhancement of the Unilateral Recognition policy (“URP”) for cross-boundary motor insurance, charging of intermediary fees, indexed universal life insurance products for professional investors and the proposal to enhance regulation of participating policies.



The IA proactively engages with the industry to share regulatory updates and gauge feedback



ENGAGEMENT WITH STAKEHOLDERS

In July 2024, the IA issued a Practice Note on minimum competency requirements for licensed insurance brokers providing advisory investment services or discretionary investment management services in relation to Investment-Linked Assurance Scheme (“ILAS”) policies. Following this, the IA collaborated with the CIB, PIBA, and Hong Kong Securities and Investment Institute (“HKSI”) to roll out a Continuing Professional Development (“CPD”) course — “Course for Insurance Brokers on Grandfathered ILAS Policies” for CPD assessment period 2024/25.

We also partnered with the HKFI, CIB, and PIBA respectively to launch two CPD pilot schemes in April 2025 for Key Persons in Control Function for Intermediary Management (“KPIMs”) of authorized insurers and Responsible Officers (“ROs”) of licensed insurance broker companies. Drawing around 500 participants, the schemes aimed to provide an overview of regulatory expectations to assist KPIMs and ROs in their management of design and implementation of internal controls.

On specific themes, the Belt and Road Insurance Exchange Facilitation (“BRIEF”) platform continued to foster networking and encouraged exchange among stakeholders on risk management and insurance solutions. BRIEF members totalled 43 as of March 2025, spanning insurers, reinsurers, captive insurers, insurance brokers, industry associations, law firms, and loss adjusters.

The Insurtech Facilitation Team kept in close dialogue with the technology and insurance communities. This involved the team in responding to more than 70 enquiries and arranging over 90 meetings with stakeholders, ranging from local and overseas insurers and regulators to Fintech firms and industry organisations.

In addition, IA senior executives spoke at the Asian Financial Forum, Hong Kong Fintech Week, and other high impact events. We also shared our views with overseas participants at events such as the International Union of Marine Insurance (“IUMI”) Asia Forum Hong Kong in June 2024 and East Asian Insurance Congress in September 2024. Additionally the IA was invited by the China Actuarial Association to speak at its Insurance Capital Standard (“ICS”) training event in January 2025.



Mr Clement Lau (first left), IA Executive Director, Policy and Legislation, moderates a panel discussion at the Asian Financial Forum

ENGAGEMENT WITH STAKEHOLDERS

Future Task Force

The IA works together with the Future Task Force (“FTF”) to explore industry development. We tap the expertise of FTF members, comprising insurance professionals, academics, and other stakeholders, to examine strategies to enhance Hong Kong’s position as a global risk management centre and regional reinsurance and insurance hub.

In March 2025, an FTF meeting on Fintech was convened to inform participants of the IA’s strategic two-pronged approach to Artificial Intelligence (“AI”) within the insurance industry, focusing on both regulatory framework development to drive responsible use of AI, as well as facilitation that seeks to maximise the benefits of AI in insurance processes and innovation to build a better and sustainable ecosystem.



The IA holds a Future Task Force meeting to discuss Fintech issues and regulatory developments

Regulatory Counterparts

The IA continued to play a pivotal role in shaping global insurance regulation through active engagement with the International Association of Insurance Supervisors (“IAIS”), the leading global standard-setting body for insurance supervision.

The IA Chief Executive Officer (“CEO”) serves as a member of the IAIS Executive Committee, Policy and Development Committee, and the Audit and Risk Committee (“ARC”), and chaired the latter until handing over leadership duties in February 2025. Overall, the IA remained represented across 17 IAIS parent committees and subcommittees. Roles included Vice Chair of the Implementation and Assessment Committee and membership of the Macprudential Committee, reinforcing IA leadership in advancing global supervisory frameworks.

During the reporting year, the IA shared our regulatory perspectives at IAIS meetings worldwide, including at the IAIS Annual General Meeting and Annual Conference in South Africa in December 2024. Ahead of this, in May 2024, the IA demonstrated our commitment to international regulatory collaboration by hosting the Capital, Solvency and Field Testing Working Group meeting and the ICS regional event (Asia and Oceania) in Hong Kong. The IA’s participation in IAIS initiatives reflects our dedication to the promotion of global best practice in insurance regulation and advance of international supervisory standards.



IA CEO Mr Clement Cheung attends the 19th Asian Forum of Insurance Regulators Annual Meeting and Conference in Nepal

ENGAGEMENT WITH STAKEHOLDERS

Regionally, the IA joined the 19th Asian Forum of Insurance Regulators (“AFIR”) Annual Meeting and Conference and the 7th Asia-Pacific High-level Meeting on Insurance Supervision in Nepal in January 2025. The following month, the IA Chairman led an IA delegation to Bermuda, where discussions took place with the Bermuda Monetary Authority, key industry associations, and selected government offices. Talks covered topics ranging from macroprudential issues and regulatory coordination to market development initiatives of mutual benefit for both markets.



IA Chairman Mr Stephen Yiu (third right) leads an IA delegation to visit the Bermuda Monetary Authority

Regarding Fintech collaboration, the IA continued to participate as a member in the Global Financial Innovation Network (“GFIN”) Cross-Border Testing workstream. The GFIN serves as an international platform enabling eligible financial institutions and Fintech companies to carry out cross-border pilots of innovative products and services. The IA also regularly shared insights on financial innovation with other members to reinforce international collaboration in this area.

Meanwhile, in line with our oversight activities, the IA took part in 25 supervisory colleges to strengthen communication with overseas regulators on group-wide supervision of multinational insurance groups.

On Mainland-related liaison, the IA continued to strengthen collaboration with the National Financial Regulatory Administration (“NFRA”) and other authorities on supervisory initiatives and topics of mutual interest. On top of meetings with NFRA in Beijing and Hong Kong in August and November 2024 respectively, the IA led an industry delegation to Beijing for the first time, meeting senior officials of the NFRA in July 2025. Both sides exchanged views on topics covering the development of the Mainland and Hong Kong insurance markets, how Hong Kong could leverage its role as a global risk management centre, and the strengthening of bilateral regulatory collaboration.

The Beijing trip also featured a visit to the Hong Kong and Macao Work Office of the Communist Party of China Central Committee and the Hong Kong and Macao Affairs Office of the State Council, during which Director Mr Xia Baolong and Executive Deputy Director Mr Xu Qifang met with the Chairman and CEO of the IA.

In February 2025, the IA participated in the 24th Joint Meeting of the Insurance Regulators of Guangdong, Hong Kong, Macao and Shenzhen, hosted by the Monetary Authority of Macao. Regulators exchanged views on market development trends, regulatory and policy holder protection issues, as well as proposals to enhance the convenience of cross-boundary insurance services within the Guangdong-Hong Kong-Macao Greater Bay Area (“GBA”).



The 24th Joint Meeting of the Insurance Regulators of Guangdong, Hong Kong, Macao and Shenzhen

ENGAGEMENT WITH STAKEHOLDERS



The IA leads a delegation from the Hong Kong insurance industry to Beijing to meet with senior officials of the National Financial Regulatory Administration



IA Chairman Mr Stephen Yiu (left) pays Mr Xia Baolong (right), Director of the Hong Kong and Macao Work Office of the Communist Party of China Central Committee and the Hong Kong and Macao Affairs Office of the State Council, a visit in Beijing

Locally, the IA closely liaised with other financial regulators including the Hong Kong Monetary Authority ("HKMA"), Securities and Futures Commission ("SFC"), and Mandatory Provident Fund Schemes Authority ("MPFA") on areas of mutual interest.

The IA and HKMA jointly issued a circular on Indexed Universal Life Insurance Products for Professional Investors in March 2025 to clarify regulatory expectations regarding application of the relevant IA guidelines. Earlier, in June 2024, the IA and HKMA jointly issued another circular to share key observations from the joint inspections on premium financing ("PF") activities in late 2023 and highlighted good practices and potential areas for enhancement. The joint inspections assessed the industry's level of compliance with the PF supervisory standards and requirements introduced in January 2023, along with other issues.

In April 2024, the IA conducted our first joint operation with the Independent Commission Against Corruption ("ICAC"), targeting corrupt conduct in the unlicensed sale of insurance policies to Mainland China Visitors ("MCVs"). The operation led to discussions with NFRA and the Monetary Authority of Macao on enforcement strategies to combat unlicensed cross-boundary selling.

Under the Memoranda of Understanding ("MoUs") signed respectively with the ICAC and Hong Kong Police Force ("HKPF"), the IA and the law enforcement agencies may refer cases that fall within their statutory functions to each other. During the reporting year, the IA referred two cases to HKPF, and initiated investigation and disciplinary proceedings for two cases referred to the IA by the ICAC.

In addition, the IA participated in the Council of Financial Regulators and Financial Stability Committee. These platforms address cross-sectoral regulatory issues and matters with a potential impact on financial stability, facilitating discussions on the effect of the latest market trends and monitoring of systemic risks.

Government and Legislative Council

The IA proactively engages with the Government and Legislative Council ("LegCo") when formulating policy and legislative changes.

In December 2024, we submitted our corporate plan and budget for 2025-26 to the Financial Secretary. We submitted our annual report to the Financial Secretary for his perusal and tabling in LegCo in early 2025. We also consulted the LegCo Panel on Financial Affairs on our budget for 2025-26 in March 2025 and attended panel meetings on matters such as the Policy Holders' Protection Scheme, Risk-based Capital regime, insurance intermediary fees, and Fintech development in Hong Kong.

ENGAGEMENT WITH STAKEHOLDERS

The Public

As a statutory body, the IA strives to attain a high level of transparency and raise public awareness of our work and functions through a variety of communication channels.

IA news and updates on key initiatives were effectively disseminated to the public through a mix of formats and channels, including press releases, media interviews, blogs, and LinkedIn posts. During the reporting year, we published five blogs, 86 press releases, and 106 LinkedIn posts to keep the public informed.

To foster stronger media relationships, we stepped up engagement by organising media briefings and events, and arranging media interviews with IA senior management. In addition, by leveraging our notable achievements and milestones in our publicity efforts, for example, new captive authorizations, catastrophe bond issuances, and the advent of the re-domiciliation regime, we generated a positive coverage from regional and local media, and Mainland social media platforms and

interlocutors. We will continue to proactively engage the media to enhance the IA's image with the public.

As the linchpin of policy holder protection, we also sought to advance our public education drives, adopting a mixed publicity approach to gain greater attention from a wider audience and empower the public to make informed choices when taking out insurance policies.

After the IA's first joint operation with the ICAC against unlicensed selling to MCVs in April 2024, we launched a thematic campaign targeted at MCVs to help safeguard their interests if considering Hong Kong insurance products. Centred on "Seven Key Points to Note When Taking Out Insurance in Hong Kong (赴港投保7件事)", we publicised the campaign's key messages via online and offline platforms, such as the High Speed Rail station, cross-border coaches, e-leaflets, online banners, and Mainland search engines. The messages were spread widely on the Mainland social media including WeChat and Xiaohongshu.



The IA engages with the media to convey key initiatives and updates to the public

ENGAGEMENT WITH STAKEHOLDERS

To enhance public understanding of the functions and product features of critical illness insurance, we rolled out an education campaign across different channels. Initiatives included special segments on “Critical Illness Insurance Tips (危疾保險懶人包)” attached to a popular TV health programme and a light-hearted video series entitled “A True Love Story (危疾生死戀)”. Both highlighted points to note when taking out critical illness insurance.

Together with the Investor and Financial Education Council, we co-hosted a Facebook talk featuring an IA speaker who introduced key features of medical insurance

and critical illness insurance, and shared important reminders when buying these products.

In the first quarter of 2025, before the tax season approached, the IA launched an animation series on Qualifying Deferred Annuity Policy (“QDAP”), reminding potential policy holders of the key considerations when taking out QDAP and encouraging them to use our one-stop online tool “QDAP Selection Made Easy” for product comparisons. We also launched a “Preparatory Class for Retirement (早鳥退休班)” social media campaign to share knowledge of QDAP and early retirement planning.

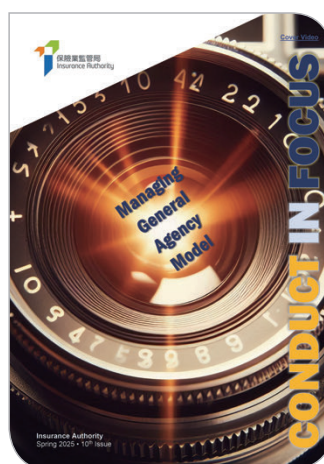
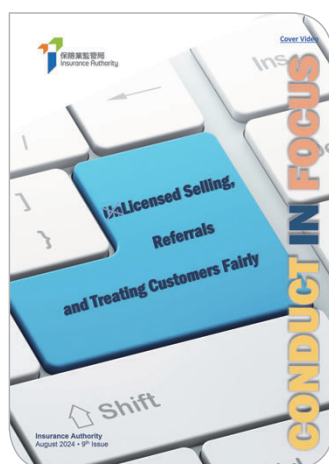
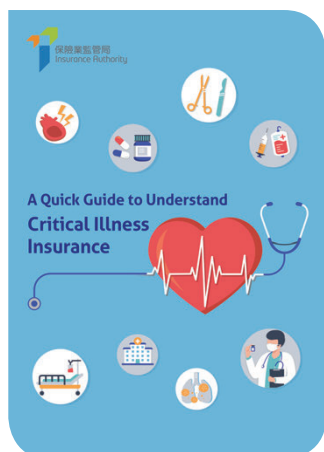


The IA adopts a mixed publicity approach to empower the public

ENGAGEMENT WITH STAKEHOLDERS

During the reporting year, the IA published two editions of *Conduct in Focus* to provide insurance practitioners and policy holders with information on regulatory matters and emerging issues, such as unlicensed selling and referrals as well as the managing general agency model.

In addition, the IA website, our Facebook page “Insurpedia (蓋世保鑑)”, YouTube channel, and LinkedIn page kept stakeholders abreast of our latest developments while a hotline handled daily public enquiries.



ENGAGEMENT WITH STAKEHOLDERS

Hosting IAIS Annual Flagship Event in 2026

Building on our active participation in IAIS initiatives, the IA made a successful bid to host the 2026 IAIS Committee Meetings, Annual General Meeting and Annual Conference in Hong Kong. The event is scheduled to take place from 9 to 13 November 2026, providing an excellent opportunity to showcase the openness, diversity, and vibrancy of Hong Kong as an international financial centre. We are working hard on preparations and looking forward to welcoming hundreds of delegates from around the world to this flagship event on global insurance supervision.



Energising the Next Generation

Subsequent to our pilot programme in secondary schools during the last reporting year, the IA launched a new youth engagement initiative in March 2025: campus outreach cum online games targeting tertiary students. The goal was to raise the younger generation's understanding of risk management concepts and the importance of insurance in transferring and mitigating different risks throughout their lifetime.



With popular young singers YT Chow and Cath Wong as campaign ambassadors, these campus activities were warmly received. Students had in-depth sharing with industry veterans from the HKFI and young management trainees from the IA, focusing on the social function of insurance and the industry's contribution to the financial sector. The month-long programme attracted around 2,000 participants, and its success demonstrated the effectiveness of a soft-sell approach in delivering messages on insurance knowledge and the industry.

CORPORATE DEVELOPMENTS

To perform our regulatory work efficiently and effectively, the Insurance Authority (“IA”) enhances all-round organisational performance by delivering a range of career development opportunities to extend our staff’s capabilities, and productively deploying IT innovation.

About the Insurance Authority

The IA is an insurance regulator independent of the Government and the insurance industry. Established in December 2015 to modernise the insurance industry regulatory infrastructure in Hong Kong, our objective is to provide a regulatory regime that can facilitate the sustainable development of the industry, promote Hong Kong’s competitiveness in the global insurance market, and provide better protection for policy holders.

Statutory Functions

In accordance with the Insurance Ordinance (Cap. 41) (“IO”), the IA’s principal function is to regulate and supervise the insurance industry to promote the general stability of the insurance industry and protect existing and potential policy holders. The IO stipulates that the IA shall:

- (a) be responsible for supervising an authorized insurer’s and a licensed insurance intermediary’s compliance with the provisions of the IO;
- (b) consider and propose reforms of the law relating to insurance business;
- (c) promote and encourage the adoption of proper standards of conduct and sound and prudent business practices by authorized insurers;
- (d) promote and encourage the adoption of proper standards of conduct by licensed insurance intermediaries;
- (e) review and, if necessary, propose reforms of the systems for regulating authorized insurers and licensed insurance intermediaries;
- (f) regulate the conduct of insurance intermediaries through a licensing regime;
- (g) promote the understanding by policy holders and potential policy holders of insurance products and the insurance industry;
- (h) formulate effective regulatory strategies and facilitate the sustainable market development of the insurance industry, and promote the competitiveness of the insurance industry in the global insurance market;
- (i) conduct studies into matters affecting the insurance industry;
- (j) assist the Financial Secretary in maintaining the financial stability of Hong Kong by taking appropriate measures in relation to the insurance industry;
- (k) co-operate with and assist financial services supervisory authorities of Hong Kong or of any place outside Hong Kong, whenever appropriate, to the extent permitted by the IO;
- (l) liaise and co-operate with any involved supervisor in any place outside Hong Kong in the determination of the group supervisors of insurance groups;

CORPORATE DEVELOPMENTS

- (m) regulate and supervise insurance groups of which the IA is appointed as the group supervisor; and
- (n) perform functions imposed or conferred on the IA by the IO or any other Ordinance.

The Organisation

The IA is governed by a Board comprising a Chairman, Non-Executive Directors, and Executive Directors, all appointed by the Chief Executive of the Hong Kong Special Administrative Region. The Chief Executive Officer ("CEO"), who is also an Executive Director, leads the executive arm of the IA and is responsible for managing the IA's day-to-day operations.

As at 31 March 2025, the IA had six divisions to carry out our duties and functions: the Long Term Business Division, General Business Division, Policy and Legislation Division, Conduct Supervision Division, Enforcement Division, and Corporate Services Division. Each division is led by an executive at the Director or Head level.

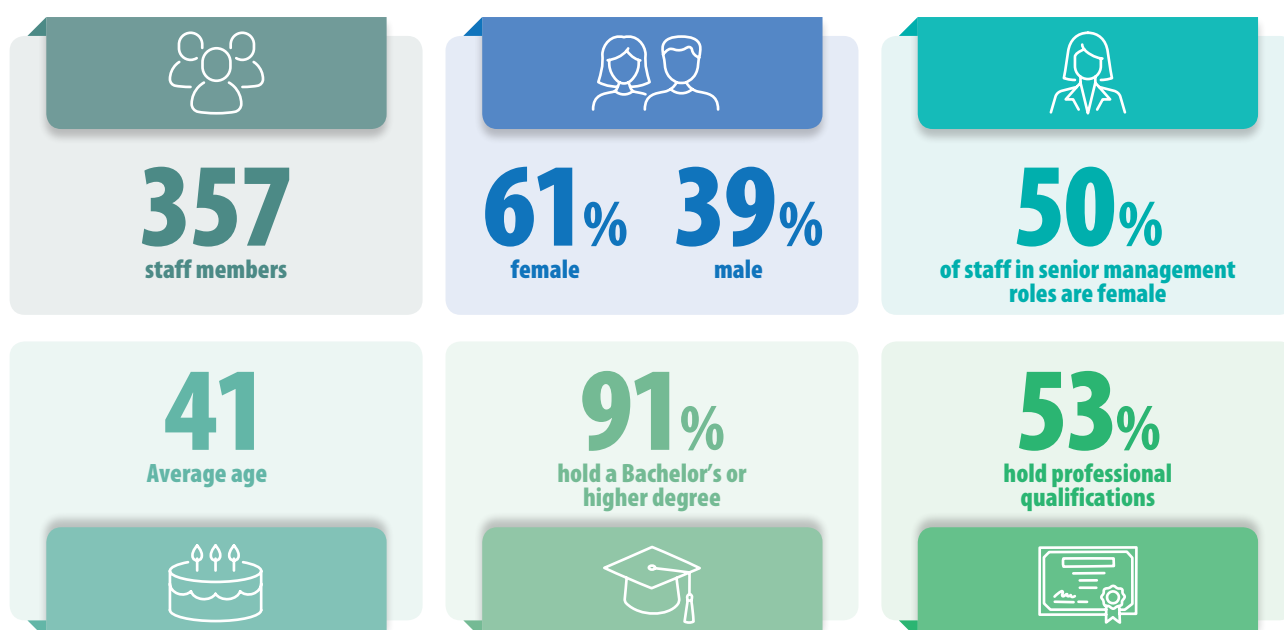
Along with the six divisions, the CEO's Office includes the External Relations Section, Legal Section, and Market Development Section. The IA also has an Internal Audit Section, which reports to the Board to improve risk management and governance.

The IA's organisational structure can be found in the Appendices on page 108.

Our People

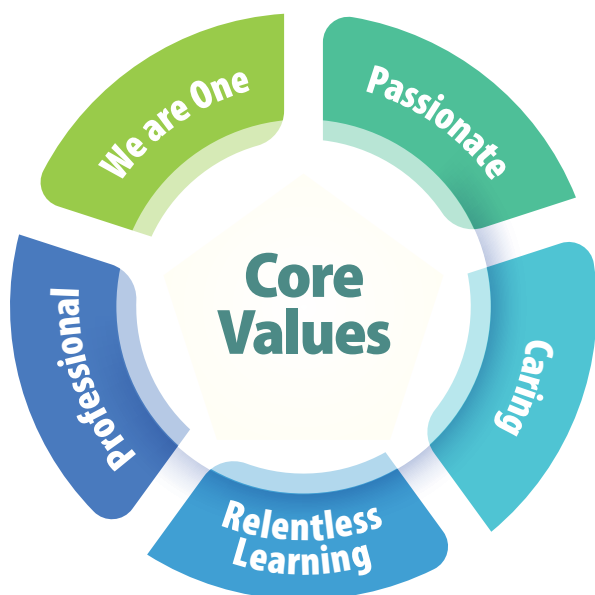
As of March 2025, the IA had 357 staff, including many multidisciplinary professionals from the regulatory and insurance sectors. Our plan is to build a full team of 380 staff members in 2025. We will continue to recruit high-calibre individuals with diverse backgrounds and experience from the insurance industry, professional firms, and regulatory and public sectors.

IA Staff



CORPORATE DEVELOPMENTS

Corporate Culture



At the IA, we place great emphasis on fostering a culture that enables us to be an innovative and responsive regulator. In line with this goal, we conducted focus group discussion to obtain staff feedback and suggestions over the reporting year. It encouraged colleagues to offer suggestions on areas ranging from staff benefits and development to improving communication and management practices.

Performance-based System

The IA has implemented mechanisms for making performance-linked pay adjustments and awarding variable pay. In 2025, a new mechanism was introduced to build a closer nexus between achievement of key performance indicators and level of variable pay to strengthen a performance-based reward culture.

Talent Development

We are committed to the development of our staff members' capabilities and an ongoing learning environment. During the reporting year, we arranged an array of training programmes to enrich staff members' professional knowledge, reinforce compliance practices, and keep them abreast of the latest market developments in areas such as cybersecurity, data platform for the new Insurance Regulatory Information System ("IRIS"), and Own Risk and Solvency Assessment ("ORSA") Review.

To meet the diverse needs of our staff, we launched a Learning Management System ("LMS") to enable hybrid training. Colleagues can learn anytime anywhere through the LMS.

We nurtured young talent and staff at different career stages to help them develop their work capabilities, including career development programmes for management trainees and management programmes for newly promoted supervisors. We also organised a variety of seminars with experts, who shared their experiences and insights to broaden staff members' overall knowledge and awareness.

CORPORATE DEVELOPMENTS

In addition, we encouraged and sponsored staff to attend external professional training programmes and pursue relevant professional qualifications. Overseas training sessions with renowned organisations broadened exposure and facilitated the exchange of ideas and good practice in supervisory work. These included Lloyd's International Regulators' Programme in London, the Insurance School of Japan's Advanced Course in Tokyo, and the Financial Action Task Force Standards Training

Course in Busan. During the reporting year, there was outbound and inbound staff secondment to and from other local and Mainland financial regulators.

In recognition of our commitment to staff training and development, the IA's accreditation as a "Manpower Developer" under the Manpower Developer Award Scheme of the Employees Retraining Board was extended for another two years in April 2023, up to 31 March 2025.



IA staff attend Fundamental Actuarial Analysis for Non-Actuary sessions, conducted by Hang Seng University academics

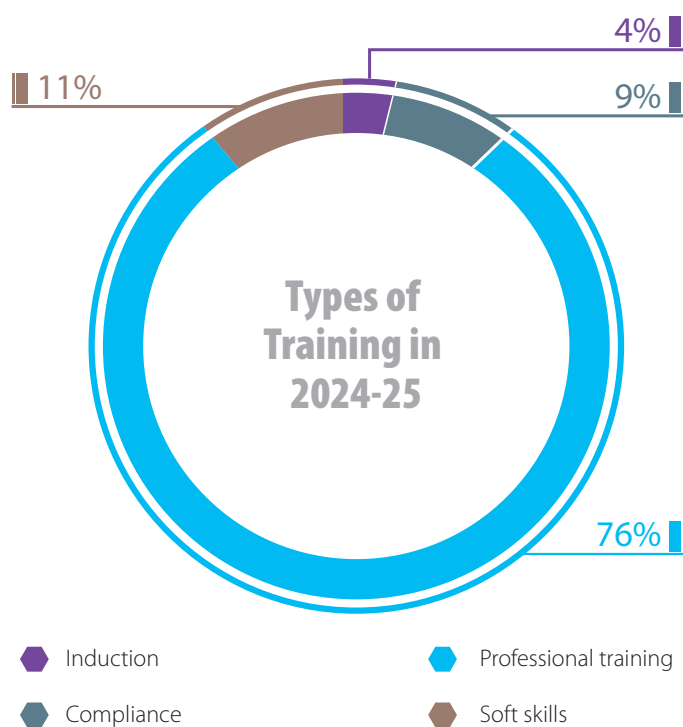
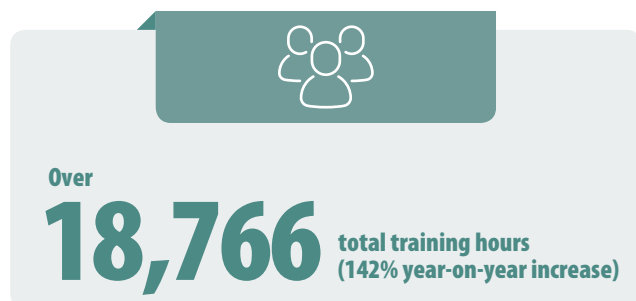
Ms Stephanie Luk (centre), IA Manager, Conduct Supervision (AML), attends the Financial Action Task Force Standards Training Course in Busan



A variety of seminars, training, and sharing sessions are organised to broaden IA staff's knowledge and awareness

CORPORATE DEVELOPMENTS

Types of Training in 2024-25



CORPORATE DEVELOPMENTS

Unleashing the Potential of Next-Generation High Flyers

The IA endeavours to nurture high-performing talents who can proficiently carry out our regulatory responsibilities and expand the talent pool for the insurance sector overall. Two key ways to achieve this are through our three-year Management Trainee Scheme and a Summer Internship Programme for outstanding university graduates and undergraduates.

Management Trainee Scheme

In the reporting year, the IA recruited six management trainees from local and international universities. Trainees were assigned to various divisions and undertook a comprehensive programme comprising an induction session, on-the-job training, job rotation,

and training in professional knowledge, core competencies, and interpersonal skills. Each trainee was also mentored by a senior manager throughout the programme. Those who performed well and successfully completed the scheme were appointed to assistant manager positions.

Summer Internship Programme

From June to August 2024, we offered summer internships to 19 undergraduates. During the programme, interns gained wide-ranging insights into the IA and hands-on experience of our work, developing a greater understanding of the role of an insurance regulator as well as the insurance industry.



CORPORATE DEVELOPMENTS

Information Technology

Cybersecurity

The IA places great emphasis on the protection of digital information and assets from cyber threats. We carried out an organisational-wide Cybersecurity Incident Response Drill to assess the cybersecurity posture of the IA, and better prepare our different divisions to cohesively respond to a range of security incident scenarios. In addition, we conducted online and offline cybersecurity awareness training and an IA-initiated self-phishing exercise to alert staff to potential dangers and enhance their security savviness.

Supervisory Technology ("SupTech")

The Insurance Regulatory Information Connect ("IRIC") was launched in July 2024 to facilitate returns submission under the Risk-based Capital ("RBC") regime. Equipped with an approval workflow, IRIC validates data submitted by insurers before loading into data warehouses. Dashboards and report templates further assist the supervisory teams' work.

On the other hand, development of the Insurance Regulatory Information System ("IRIS"), to replace the existing Insurance System ("IS") got underway. IRIS will be integrated with the IRIC and the document management system. It also includes new features that address the latest regulatory requirements under the RBC regime and Insurance Ordinance.

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS



INDEPENDENT AUDITOR'S REPORT TO THE INSURANCE AUTHORITY

(established in Hong Kong under Insurance Ordinance (Cap. 41))

Opinion

We have audited the financial statements of Insurance Authority (the "Authority") set out on pages 87 to 106, which comprise the statement of financial position as at 31 March 2025, and the income and expenditure account, statement of changes in capital and reserve and statement of cash flows for the year ended 31 March 2025, and notes to the financial statements, including material accounting policy information and other explanatory information.

In our opinion, the financial statements give a true and fair view of the state of affairs of the Authority as at 31 March 2025, and of the results of the operations and cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Insurance Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Authority in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The members of the Authority are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT TO THE INSURANCE AUTHORITY

(established in Hong Kong under Insurance Ordinance (Cap. 41))

Responsibilities of Members and Those Charged with Governance for the Financial Statements

The members of the Authority are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the Insurance Ordinance, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the Authority or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, in accordance with section 5F of the Insurance Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT TO THE INSURANCE AUTHORITY

(established in Hong Kong under Insurance Ordinance (Cap. 41))

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members.
- Conclude on the appropriateness of the members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner on the audit resulting in this independent auditor's report is Leung Chui Shan (practising certificate number: P05731).

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

22 August 2025

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 March 2025

	NOTE	Year ended 31 March 2025 HK\$	Year ended 31 March 2024 HK\$
INCOME			
Prescribed levies	5	279,529,455	265,205,988
Authorization and annual fees		132,022,190	134,233,013
Designation and annual fees		85,175,539	84,822,077
Insurers register's prescribed fees		11,264,700	7,538,700
Insurance intermediary licensing fees		3,951,126	–
Interest income		25,828,283	27,224,525
Other income		5,990	870
Government subsidies — Anti-epidemic Fund		–	7,554,904
		537,777,283	526,580,077
EXPENDITURE			
Staff costs and key management personnel compensation	6, 7	418,217,092	389,946,595
Professional fees	8	10,604,449	15,923,857
Information system services		32,490,545	24,422,993
External relations expenses		14,332,245	13,161,142
Other operating expenses	9	22,695,526	18,523,572
Depreciation			
— Property, plant and equipment	10	19,732,221	18,354,933
— Right-of-use assets	11	23,083,968	21,208,580
Interest expense on lease liabilities	11	3,164,301	3,389,646
		544,320,347	504,931,318
(DEFICIT)/SURPLUS FOR THE YEAR		(6,543,064)	21,648,759

The Insurance Authority (the "Authority") had no components of comprehensive income other than "deficit/surplus for the year" in either of the years presented. Accordingly, no separate statement of comprehensive income is presented as the Authority's "total comprehensive income/loss" was the same as the "deficit/surplus for the year" in both years.

The notes on pages 91 to 106 are an integral part of these financial statements.

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

At 31 March 2025

	NOTE	2025 HK\$	2024 HK\$
NON-CURRENT ASSETS			
Property, plant and equipment	10	45,413,272	51,110,446
Right-of-use assets	11	84,698,881	107,782,849
Deposits for leases		6,993,388	6,982,749
		137,105,541	165,876,044
CURRENT ASSETS			
Deposits and prepayments		21,956,924	18,559,155
Accounts receivable	12	157,043,008	151,349,973
Time deposits with maturity longer than 3 months		373,000,000	310,000,000
Cash held for Grant Scheme	13	22,685,784	7,797,054
Cash and cash equivalents		220,204,013	269,079,791
		794,889,729	756,785,973
NON-CURRENT LIABILITIES			
Other long term payables		1,691,032	1,597,746
Lease liabilities	11	65,492,066	88,490,300
		67,183,098	90,088,046
CURRENT LIABILITIES			
Other payables and accruals		118,067,593	108,253,908
Deferred authorization and annual fees income		70,836,365	69,608,213
Deferred insurance intermediary licensing fees		26,876,691	–
Lease liabilities	11	22,998,234	22,135,497
		238,778,883	199,997,618
NET ASSETS			
		626,033,289	632,576,353
CAPITAL AND RESERVE			
Grants from the Government of Hong Kong Special Administrative Region ("HKSAR")	15	953,000,000	953,000,000
Accumulated deficit		(326,966,711)	(320,423,647)
		626,033,289	632,576,353

The financial statements on pages 87 to 106 were approved and authorized for issue by the Authority on 22 August 2025 and are signed on its behalf by:

Mr Stephen Yiu
Chairman

Mr Clement Cheung
Chief Executive Officer

The notes on pages 91 to 106 are an integral part of these financial statements.

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN CAPITAL AND RESERVE

For the year ended 31 March 2025

	Grants from the Government of HKSAR HK\$	Accumulated deficit HK\$	Total HK\$
Balance at 1 April 2023	953,000,000	(342,072,406)	610,927,594
Surplus for the year	–	21,648,759	21,648,759
At 31 March 2024	953,000,000	(320,423,647)	632,576,353
Balance at 1 April 2024	953,000,000	(320,423,647)	632,576,353
Deficit for the year	–	(6,543,064)	(6,543,064)
At 31 March 2025	953,000,000	(326,966,711)	626,033,289

The notes on pages 91 to 106 are an integral part of these financial statements.

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS

For the year ended 31 March 2025

	2025 HK\$	2024 HK\$
CASH FLOWS FROM OPERATING ACTIVITIES		
(Deficit)/Surplus for the year	(6,543,064)	21,648,759
Adjustments for:		
Depreciation		
— Property, plant and equipment	19,732,221	18,354,933
— Right-of-use assets	23,083,968	21,208,580
Interest expense on lease liabilities	3,164,301	3,389,646
Interest income on bank deposits	(25,828,283)	(27,224,525)
Operating cash flows before movements in working capital	13,609,143	37,377,393
Change in working capital:		
Increase in deposits and prepayments	(3,408,408)	(8,019,269)
(Increase)/decrease in accounts receivable	(3,019,677)	7,320,485
Increase in cash held for Grant Scheme	(14,888,730)	(7,791,002)
Increase in other long term payables	93,286	1,597,746
Increase in other payables and accruals	9,813,685	26,166,921
Increase/(decrease) in deferred authorization and annual fees income	1,228,152	(1,178,764)
Increase in deferred insurance intermediary licensing fees	26,876,691	—
NET CASH GENERATED FROM OPERATING ACTIVITIES	30,304,142	55,473,510
CASH FLOWS FROM INVESTING ACTIVITIES		
Placement of time deposits with maturity longer than 3 months	(373,000,000)	(310,000,000)
Withdrawal of time deposits with maturity longer than 3 months	310,000,000	256,000,000
Property, plant and equipment purchased	(14,035,047)	(29,135,672)
Interest received from bank deposits	23,154,925	21,799,585
NET CASH USED IN INVESTING ACTIVITIES	(53,880,122)	(61,336,087)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal element of lease payment	(22,135,497)	(18,247,309)
Interest element of lease payment	(3,164,301)	(3,389,646)
NET CASH USED IN FINANCING ACTIVITIES	(25,299,798)	(21,636,955)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(48,875,778)	(27,499,532)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	269,079,791	296,579,323
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	220,204,013	269,079,791
Analysis of Cash and Cash Equivalents:		
Time deposits with maturity of 3 months or less	211,000,000	258,000,000
Other bank balances and cash	9,204,013	11,079,791
	220,204,013	269,079,791

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

1. GENERAL INFORMATION

The Authority was established on 7 December 2015 with the commencement of the relevant provisions added by the Insurance Companies (Amendment) Ordinance 2015 ("Amendment Ordinance"). The Authority is the insurance regulator independent of the Government.

The Authority took over the statutory functions of the Office of the Commissioner of Insurance ("OCI") in regulating insurers on 26 June 2017. The OCI was disbanded on the same day.

On 23 September 2019, the Authority took over the regulation of insurance intermediaries from the three Self-Regulatory Organizations ("SROs") through a statutory licensing regime.

The financial statements are presented in Hong Kong dollars, which is the functional currency of the Authority.

2. MATERIAL ACCOUNTING POLICY INFORMATION

(a) Basis of preparation

The financial statements have been prepared under the historical cost basis and in accordance with all applicable HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants and have been properly prepared in compliance with the Insurance Ordinance (the "IO").

(i) New standards, amendments and interpretations to existing standards not yet adopted

Certain new accounting standards, amendments and interpretations have been published that are not mandatory for the current reporting period and have not been early adopted by the Authority. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions but may affect certain presentation and disclosure of the financial statements upon HKFRS 18 "Presentation and Disclosure in Financial Statements" become mandatorily effective on 1 January 2027.

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(b) Change in accounting policies

New standards, amendments and interpretations to existing standards, which are related to the Authority have become mandatory for the first time for the financial year beginning on or after 1 April 2024, have been adopted by the Authority. These include the following new standards, amendments to standards and interpretations to existing standards:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The effect of amendments to these standards is not material to the Authority's financial statements.

(c) Recognition of income

(i) Prescribed Levies

Levies on insurance premiums are payable by policy holders and are recognised in the income and expenditure account as income in the period the respective insurance policies are written and as reported by the authorized insurers to the Authority. The amount of levies to be recognised in the Authority's reporting period is based on the levy remittance reported by the authorized insurers for that period, being adjusted for the best estimate of the portion of levies that the Authority is expected to return or refund for policies cancelled subsequent to the date of the statement of financial position or levies uncollected.

(ii) Fees

Authorization and annual fees, designation and annual fees, and insurance intermediary licensing fees are recognised as income on a straight-line basis over the periods to which they relate. Insurers register's prescribed fees are recognised as income when relevant applications under the Insurance (Prescribed Fees) Regulation are completed.

(iii) Interest income

Interest income represents gross interest income from bank deposits and is recognised on a time apportionment basis using the effective interest method.

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(d) Financial assets

The Authority's financial assets include deposits, accounts receivable, time deposits with maturity longer than 3 months, cash held for Grant Scheme and cash and cash equivalents. These financial assets, other than cash, are held within a model whose objective is to hold assets in order to collect contractual cash flows. The contractual terms of financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. They are initially measured at fair value plus direct attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost. Interest income from these financial assets is recognised by using effective interest rate method. Impairment losses are presented as a separate line item in the income and expenditure account. The Authority assesses on a forward looking basis the expected credit losses associated with these financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

A financial asset is derecognised when the rights to receive cash flows from the asset have expired or the Authority has transferred substantially all the risks and rewards of ownership of the asset.

(e) Property, plant and equipment

Property, plant and equipment are stated at cost less subsequent accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Authority and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the income and expenditure account during the financial period in which they are incurred.

Depreciation is provided to write-off the cost of items of property, plant and equipment over their estimated useful lives and after taking into account their estimated residual value, using the straight-line method.

Property, plant and equipment are depreciated on a straight-line basis as follows:

Office equipment	5 years
Office furniture	5 years
Information Technology ("IT") equipment and software	3 to 5 years
Motor vehicles	5 years
Leasehold improvements	Over the remaining terms of the leases

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(e) Property, plant and equipment (Continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising from derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income and expenditure account in the year in which the item is derecognised.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

(f) Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at bank and short-term highly liquid investments with original maturities of three months or less.

(g) Other payables and accruals

Payables and accruals are obligations to pay that have been acquired in the ordinary course of business. Payables and accruals are classified as current liabilities if payment is due within one year. If not, they are presented as non-current liabilities. Payables and accruals are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(h) Employee benefits

Annual leave and variable pay are recognised when they are accrued according to employees' entitlements. A provision is made for the estimated liability for untaken annual leave and variable pay as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave, maternity leave and paternity leave are not recognised until the time of leave.

Employee benefit expenses are charged as expenditure on an accrual basis in the period in which the associated services are rendered.

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(i) Retirement benefit costs

The Authority has joined a Mandatory Provident Fund Scheme ("MPF Scheme") established under the Mandatory Provident Fund Schemes Ordinance. Contributions paid or payable to the MPF Scheme is charged as expenses when employees have rendered services entitling them to the benefits.

(j) Provisions

Provisions are recognised when the Authority has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of obligation can be made. Expenditures for which a provision has been recognised are charged against the related provision in the period in which the expenditures are incurred. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount provided is the present value of the expenditures expected to be required to settle the obligation. Where the Authority expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

(k) Grants from the Government of HKSAR

Grants from the Government of HKSAR, which is provided without related conditions, is recognised as capital upon receipt in the statement of financial position.

(l) Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the rate at which the leased asset is available for use by the Authority.

For leases of premises of which the Authority is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Authority under residual value guarantees;
- the exercise price of a purchase option if the Authority is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Authority exercising that option.

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(l) Leases (Continued)

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases held by the Authority, the lessee's notional incremental borrowing rate is used, being the rate that the Authority would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to income and expenditure account over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

(m) Government subsidies

Government subsidies for operating expenditure are recognised as income in the period when the corresponding expenditure is incurred. Government subsidies in compensation for capital expenditure is deducted from the carrying amount of the asset and consequently recognised in the income and expenditure account over the useful life of the asset by way of reduced depreciation expense.

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. CRITICAL ESTIMATES AND JUDGEMENTS

3.1 Critical accounting estimates

In the process of applying the accounting policy of levies recognition, the Authority estimated that there will be no significant amount of levies to be returned or refunded for cancelled policies or uncollected levies as at 31 March 2025 and 31 March 2024. As a result, there is no adjustment or provision against the levies as per the remittance reports.

3.2 Critical accounting judgements

Note 16 contains information about the statutory deposits, placed by the authorized insurers in the name of the Authority in accordance with the respective sections of Insurance Ordinance. The Authority is of the opinion that such deposits are not the resources for the Authority's own purposes and no economic benefits have been transferred to the Authority.

4. TAXATION

No provision for Hong Kong Profits Tax has been made in the financial statements as the Authority is exempt from Hong Kong Profits Tax under the Inland Revenue Ordinance.

5. PRESCRIBED LEVIES

IO section 134 provides for the Authority to collect levies on insurance premiums from the policy holders through the authorized insurers if the insurance contract relates to a prescribed class of insurance business or a prescribed type of insurance contract. The levy rates are established by law.

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

6. STAFF COSTS

The staff costs include salaries, contributions to MPF Scheme, insurance, employee benefits and other staff related costs of the Authority.

	2025 HK\$	2024 HK\$
Salaries	387,934,952	362,329,912
Contributions to MPF Scheme	15,227,928	13,644,879
Insurance	13,122,059	10,005,446
Employee benefits and other staff related costs	1,932,153	3,966,358
	418,217,092	389,946,595

7. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel are the Authority members as defined in the IO section 4AA. They consist of a chairperson (a non-executive director of the Authority), a chief executive officer (an executive director of the Authority), 3 other executive directors, and 12 other non-executive directors (31 March 2024: a chairperson, a chief executive officer, 1 other executive director, and 12 other non-executive directors). Authority members' remuneration and benefits included in Note 6 are set out below:

	2025 HK\$	2024 HK\$
Non-executive Directors Remuneration	3,912,000	3,912,000
Chief Executive Officer Salary and other short term employee benefits	7,001,184	6,718,829
Post-employment benefits	280,026	266,691
Other Executive Directors Salaries and other short term employee benefits	11,297,571	1,813,080
Post-employment benefits	464,277	206,132
	19,043,058	9,004,732

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

8. PROFESSIONAL FEES

	2025 HK\$	2024 HK\$
Consultancy and agency fees	8,849,801	12,680,863
Legal fees	1,255,026	2,661,615
Auditor's remuneration	202,800	200,000
Other fees	296,822	381,379
	10,604,449	15,923,857

9. OTHER OPERATING EXPENSES

	2025 HK\$	2024 HK\$
Journals, periodicals, and association membership	4,831,650	4,032,029
Staff training and welfare	4,140,619	3,220,482
Business travel and accommodation	3,524,535	2,506,279
Office premises expenses	4,895,749	4,293,323
Office supplies and miscellaneous expenses	3,386,442	3,345,004
Other expenses	1,916,531	1,126,455
	22,695,526	18,523,572

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

10. PROPERTY, PLANT AND EQUIPMENT

	Office equipment HK\$	Office furniture HK\$	IT equipment and software HK\$	Motor vehicles HK\$	Leasehold improvements HK\$	Total HK\$
COST						
At 1 April 2024	12,845,925	6,821,324	109,790,617	961,214	47,401,830	177,820,910
Additions during the year	238,667	53,020	13,201,750	–	541,610	14,035,047
At 31 March 2025	13,084,592	6,874,344	122,992,367	961,214	47,943,440	191,855,957
ACCUMULATED DEPRECIATION						
At 1 April 2024	11,543,363	6,016,345	74,888,170	580,607	33,681,979	126,710,464
Charge for the year	677,951	355,175	16,233,064	192,243	2,273,788	19,732,221
At 31 March 2025	12,221,314	6,371,520	91,121,234	772,850	35,955,767	146,442,685
CARRYING AMOUNT						
At 31 March 2025	863,278	502,824	31,871,133	188,364	11,987,673	45,413,272
COST						
At 1 April 2023	12,538,444	6,724,193	95,262,418	961,214	33,198,969	148,685,238
Additions during the year	307,481	97,131	14,528,199	–	14,202,861	29,135,672
At 31 March 2024	12,845,925	6,821,324	109,790,617	961,214	47,401,830	177,820,910
ACCUMULATED DEPRECIATION						
At 1 April 2023	10,817,226	5,643,063	59,845,589	388,364	31,661,289	108,355,531
Charge for the year	726,137	373,282	15,042,581	192,243	2,020,690	18,354,933
At 31 March 2024	11,543,363	6,016,345	74,888,170	580,607	33,681,979	126,710,464
CARRYING AMOUNT						
At 31 March 2024	1,302,562	804,979	34,902,447	380,607	13,719,851	51,110,446

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

11. LEASES

(i) Amounts recognised in the statement of financial position

The statement of financial position shows the following amounts relating to leases:

	2025 HK\$	2024 HK\$
Right-of-use assets		
Premises	84,698,881	107,782,849
Lease liabilities		
Current	22,998,234	22,135,497
Non-current	65,492,066	88,490,300
	88,490,300	110,625,797

There were no additions to the right-of-use assets in the financial year ended 31 March 2025 (31 March 2024: HK\$105,632,581).

The notional incremental borrowing rates applied to lease liabilities range from 3.09% to 4.05% per annum.

Changes in the lease liabilities and the reconciliation of the liabilities arising from financing activities:

	2025 HK\$	2024 HK\$
Lease liabilities		
At beginning of the year	110,625,797	23,240,525
Cash outflow from financing activities	(25,299,798)	(21,636,955)
New leases	–	105,632,581
Interest expense on lease liabilities	3,164,301	3,389,646
At end of the year	88,490,300	110,625,797

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

11. LEASES (Continued)

(ii) Amounts recognised in the income and expenditure account

The income and expenditure account shows the following amounts relating to leases:

	2025 HK\$	2024 HK\$
Depreciation charge of right-of-use assets		
Premises	23,083,968	21,208,580
Interest expense on lease liabilities	3,164,301	3,389,646

The total cash outflow for leases in the financial year ended 31 March 2025 was HK\$25,299,798 (31 March 2024: HK\$21,636,955).

The Authority leases premises for its operation. The leases run for periods of 3 to 6 years and include options to renew the leases at prevailing market rate for another 3 to 6 years. Lease payment changes upon lease renewal to reflect the prevailing new rent.

The Authority assesses at lease commencement whether it is reasonably certain to exercise the renewal options. If the Authority is not reasonably certain to exercise the renewal options, the future lease payments during the renewal periods are not included in the measurement of lease liabilities.

12. ACCOUNTS RECEIVABLE

	2025 HK\$	2024 HK\$
Levies receivable	142,657,960	132,921,732
Interest receivable	12,607,324	9,933,966
Government subsidies receivable	–	7,554,904
Others	1,777,724	939,371
	157,043,008	151,349,973

The authorized insurers collect levies from policy holders in 2 half-yearly periods ended 31 March and 30 September each year and remit them to the Authority within 2 months after the end of each period.

There were no impairment losses recognised for the year ended 31 March 2025 (31 March 2024: Nil).

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

13. CASH HELD FOR GRANT SCHEME

To attract insurance companies and organisations to issue insurance-linked securities in Hong Kong, the Government of HKSAR launched a Pilot Insurance-linked Securities Grant Scheme in May 2021. The Grant Scheme is administered by the Authority and funded by the Government of HKSAR to provide subsidies for eligible issuers. The cash held for the Grant Scheme is solely restricted for the use of such subsidies and is therefore not available for general use by the Authority. The unused balance, as well as bank interest generated, will be returned to the Government of HKSAR upon the completion of the Grant Scheme. The corresponding amount due to the Government of HKSAR is included in other payables and accruals.

14. FINANCIAL RISK MANAGEMENT

The Authority's financial instruments include deposits, accounts receivable, time deposits with maturity longer than 3 months, cash held for Grant Scheme, cash and cash equivalents and other payables and accruals.

The risks associated with these financial instruments and the policies applied by the Authority to mitigate these risks are set out below.

(a) Market risk

(i) Foreign currency risk

Foreign currency risk arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates.

The Authority is not exposed to significant foreign exchange risk.

(ii) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the value of financial instruments. The Authority is mainly exposed to interest rate risk in relation to the interest bearing bank deposits.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Authority takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its cash flow risks and closely monitors the interest rate risk exposure within an acceptable level.

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

14. FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(ii) Interest rate risk (Continued)

The interest rate profile of the Authority's interest bearing financial assets as at 31 March 2025 are ranged from 0.12% – 4.25% (31 March 2024: 0.44% – 4.70%) per annum.

The Authority considers the overall interest rate risk is not significant as the impact of interest rate change on its variable-rate interest bearing financial assets is not significant, and accordingly, no sensitivity analysis is presented.

(iii) Price risk

The Authority does not hold any investments which are exposed to significant price risk as at 31 March 2025 (31 March 2024: Nil).

(b) Fair value estimation

The Authority is of the opinion that the carrying amount of all financial assets and liabilities are approximate to their fair values.

(c) Credit risk

The Authority takes on exposure to credit risk, which is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment in full when due, that it has entered into with the Authority.

Credit risk arises from cash and cash equivalent and time deposits with maturity longer than 3 months, interest receivables, account receivables, other receivables, and deposits. The Authority's bank balances are deposited with note-issuing banks in Hong Kong and is not exposed to significant credit risk. As at 31 March 2025 and 31 March 2024, the Authority's bank balances are placed with licensed banks in Hong Kong rated P-1 by Moody's or A-1 or above by Standard and Poor's. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. The Authority performed impairment assessment using 12-month expected credit loss as there is no financial assets with significant increase in credit risk.

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

14. FINANCIAL RISK MANAGEMENT (Continued)

(d) Liquidity risk

Liquidity risk is the risk that the Authority will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Authority manages liquidity risk by holding adequate cash and unencumbered assets which can be readily realised for cash to meet expected cash outflow.

As at 31 March 2025 and 31 March 2024, the Authority held sufficient cash and cash equivalents to meet all of the cash outflow arising from other payables and accruals.

(e) Capital risk management

The Authority manages its capital to ensure its ability to continue as a going concern so that the Authority can be financially independent and recover its operating costs through levies, authorization and annual fees and other income. The capital structure of the Authority comprises the grants from the Government of HKSAR net of accumulated deficit as disclosed in the statement of changes in capital and reserve on page 89.

15. GRANTS FROM THE GOVERNMENT OF HKSAR

The Authority received a grant of HK\$300 million from the Government of HKSAR in June 2020; HK\$200 million in June 2018; HK\$450 million in June 2016; and HK\$3 million in March 2016 as funding to cover the establishment and operating costs of the Authority in its initial years. The grants are recognised as capital in the statement of financial position and are provided by the Government of HKSAR without related conditions.

16. STATUTORY DEPOSITS FROM AUTHORIZED INSURERS

Under Part V (section 35A) of the IO, the Authority may exercise its rights to require an authorized insurer to place a deposit in the name of the Authority as trustee for the authorized insurer's funds when this is considered desirable in the general interests of persons who are or may become policy holders of the authorized insurer. Deposits placed by the particular authorized insurer is to be used by the Authority as a source of payment to policyholders in case of insolvency of that authorized insurer. Any interest accrued on the statutory deposits belongs to the authorized insurer. The Authority has therefore determined that those deposits are not its own financial assets and should not be recognised in its statement of financial position. As at 31 March 2025, such statutory deposits amounted to HK\$643,691,467 (31 March 2024: HK\$653,916,439).

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

17. LETTERS OF CREDIT FROM AUTHORIZED INSURERS

Under Part IVA (section 25C) of the IO, an authorized insurer may, instead of maintaining assets in Hong Kong as required by this part, substitute, in whole or in part, a letter of credit or other commitment from a bank, in favour of the Authority. As at 31 March 2025, such letters of credit or other commitments held by the Authority amounted to HK\$6,100,085,453 (31 March 2024: HK\$7,712,716,661).

18. CAPITAL COMMITMENTS

At the end of the reporting period, the Authority had commitments for capital expenditure in respect of the acquisition of property, plant and equipment as follows:

	2025 HK\$	2024 HK\$
Contracted but not yet incurred	41,358,092	45,633,115

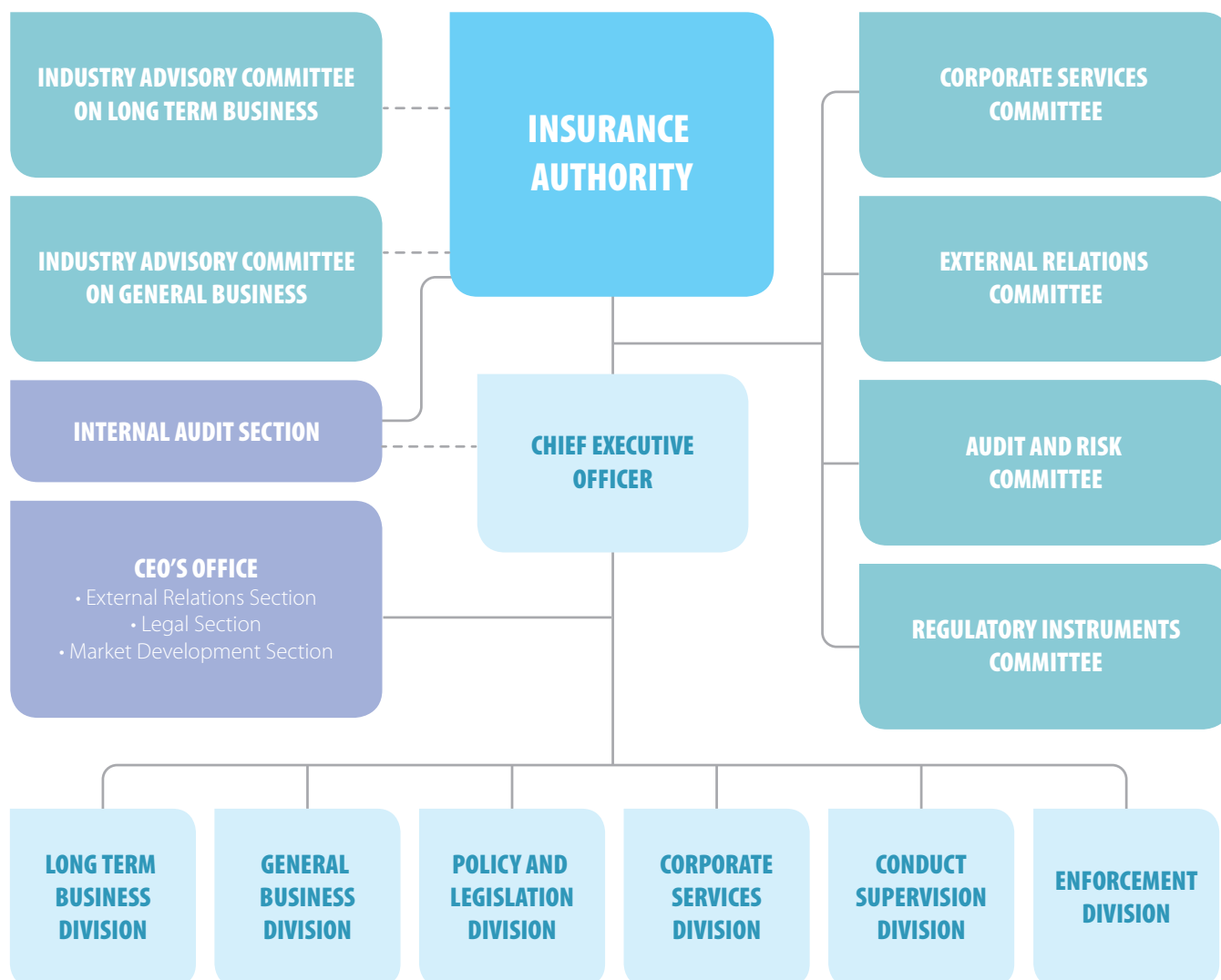


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ORGANISATIONAL STRUCTURE¹

(as at 31 March 2025)



¹ Please refer to the [IA website](#) for the latest Organisational Structure.

CHANGES OF AUTHORIZED INSURERS

(From 1 April 2024 to 31 March 2025)

Name of Insurers	Place of Incorporation	Type of Business Authorized
New Authorizations		
Silk Road Re Limited	Hong Kong	Special Purpose
Sveriges Ångfartygs Assurans Förening	Sweden	General
Withdrawal of Authorizations²		
The Sincere Insurance & Investment Company, Limited	Hong Kong	General
Aetna Insurance (Hong Kong) Limited	Hong Kong	General
QBE General Insurance (Hong Kong) Limited	Hong Kong	General
Old Mutual Life Assurance Company (South Africa) Limited	South Africa	Long Term
Change of Names of Insurers		
FTLife Insurance Company Limited to Chow Tai Fook Life Insurance Company Limited	Bermuda	Long Term

² Excluding partial withdrawal during the period.

INDUSTRY ADVISORY COMMITTEES³

(as at 31 March 2025)

Industry Advisory Committee on Long Term Business

Chairman

Mr Stephen Yiu Kin-wah, JP

Ex-officio Members

Mr Clement Cheung Wan-ching, GBS, JP

Mr Marty Lui Yu-kwok

Mr Clement Lau Chung-kin

Non-official Members

Ms Annie Chen Poonis

Mr Alex Chu Wing-yiu

Mr Peter James Crewe

Mr Dick Fong Ho-cheung

Mr Nigel Knowles

Ms Joanie Ko Chung-ling

Ms Lisa Lau Man-man, BBS, MH, JP

Ms Selina Lau Pui-ling

Ms Orchis Li Tzy-lan

Mr Bill Song Xuanbi

Mr Wilson Tang Chee-ping

Industry Advisory Committee on General Business

Chairman

Mr Stephen Yiu Kin-wah, JP

Ex-officio Members

Mr Clement Cheung Wan-ching, GBS, JP

Mr Lee Moun-mo

Mr Clement Lau Chung-kin

Non-official Members⁴

Mr Rohan Bhappu

Mr Jonathan Chen Zhaonan

Mr Cheong Heng-loong

Ms Polly Ho Kin-wing

Mr Jia Jingwei

Dr Kevin Lau Chung-hang, MH

Mr George Leung Woon-wing

Mr Jimmy Poon Wing-fai, MH

Ms Sally Wan Yuen-wai

³ The lists represent membership of the Industry Advisory Committees ("IACs") as at 31 March 2025. Please refer to the [IA website](#) for the latest IAC membership lists.

⁴ Professor Fung Hong and Professor Tang Heiwai resigned from the IAC in January 2025.

INSURANCE APPEALS TRIBUNAL⁵

(as at 31 March 2025)

Chairperson⁶

Ms Rachel Lam Yan-kay, SC

Panel Members

Mr Au Lut-chi

Mr Kenneth Chan Kin-nin

Professor Chan Koon-hung

Mr Anthony Chan Kwok-tung

Mr Chan Pui-leung

Mr Arthur Chan Sung-lai

Mr Brian Chau

Professor Chen Nan

Ms Kerry Ching Kim-wai

Mr Ian Chu Pak-ning

Ms Cindi Hui Ming-ming

Mr Benson Hung Kin-ho

Mr Jiang Tao

Mr Mark Norman Reginald Johnson

Ms Nixie Lam Lam

Mr Lee Pak-kee

Mr Peter Li Po-ting

Mr Ken Lin

Dr Gladie Lui Man-ching

Professor Phyllis Mo Lai-lan

Mr Tommy So Chung

Professor Tam Kar-yan, MH, JP

Mr Simon Tang Shu-pui

Mr Kevin Wong Ho

Mr Harry Wong Wing-tai

Mr James Wong Yuk-loi

Ms Wendy Yuen Miu-ling

⁵ Please refer to the [Insurance Appeals Tribunal's website](#) for the latest membership list.

⁶ Ms Rachel Lam, SC, served as IAT chairperson from June 2022 to June 2025.

PROCESS REVIEW PANEL FOR THE INSURANCE AUTHORITY

(From 1 November 2023 to 31 October 2025)

Chairman

Mr Eugene Fung Ting-sek, SC

Members

Miss Grace Chan Man-yee

Mr Paul Cheung Lap

Mr Wilson Chow Wai-shun

Mrs Agnes Koon Woo Kam-oi, MH

Mr Mike Lee Siu-chuen

Dr James C Lin

Mr Martin Tam Chi-wai

Mr Jeff Wong Kwan-kit

Professor Raymond Wong Man-kong

Ms Alice Yip Ka-ming

Ms Fion Yip Yan-ting

Ex-officio Members

Chairman of the Insurance Authority

Secretary for Justice (or his representative)

Insurance Authority

19/F, 41 Heung Yip Road, Wong Chuk Hang, Hong Kong

 (852) 3899 9983
 (852) 3899 9993
 www.ia.org.hk
 Insurance Authority

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