

A New Chapter in Insurance Regulation in Hong Kong

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20 September 2017

The Hong Kong Insurance Authority

- established in December 2015 to comply with the requirement of the International Association of Insurance Supervisors (IAIS)
- insurance regulators should be financially and operationally independent

Purpose

to facilitate growth of the insurance industry and protection for policy holders with a modernized regulatory infrastructure

Key statutory functions

Regulate and supervise
insurers and insurance
intermediaries

Promote proper
conduct and practices

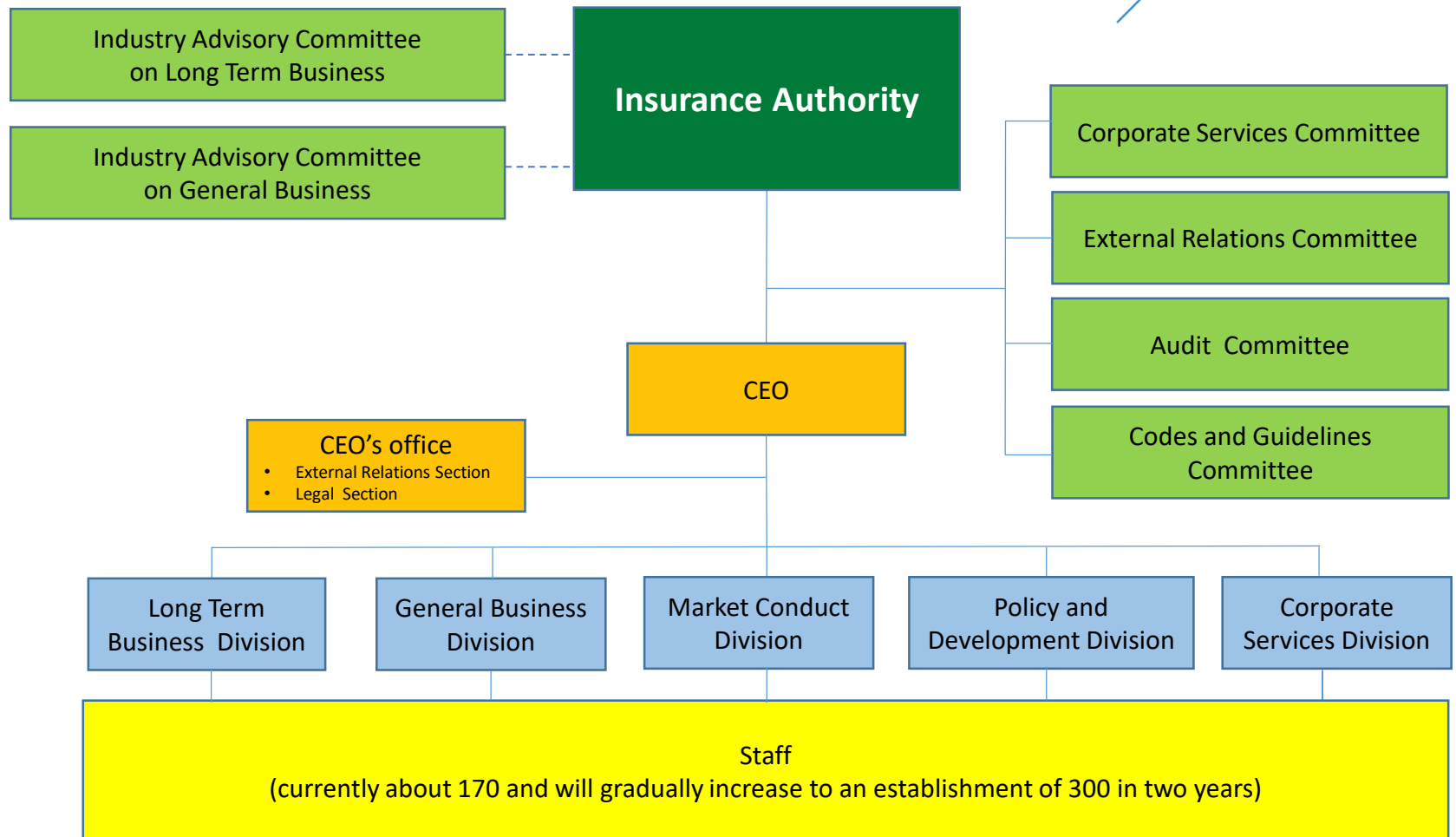
Conduct studies,
consider and propose
related law reforms

Revise and propose
reforms of the
regulatory system

Facilitate sustainable
market development
and promote
competitiveness of the
industry

Engage with the public
for better
understanding of
insurance products and
the industry

Our Organization



Phased approach

Phase 1

- 7 Dec 2015 to 26 June 2017
- IA was vested with certain administrative functions only and co-existed with the Office of the Commissioner of Insurance (OCI)

Phase 2

- From 26 June 2017
- Takeover of OCI's statutory functions
- Self-regulatory regime for intermediaries remains unchanged

Phase 3

- Within 2 years after 26 June 2017
- Takeover of the direct regulation of intermediaries through a statutory licensing regime

Key tasks

- Prudential regulation
 - Risk-based Capital Regime (RBC)
- Policy Holders' Protection Scheme
- Conduct regulation
 - Statutory conduct requirements for intermediaries
 - Codes and guidelines

Risk-based Capital Regime (RBC)

- A major reform to enhance protection of policy holders and prudential supervision

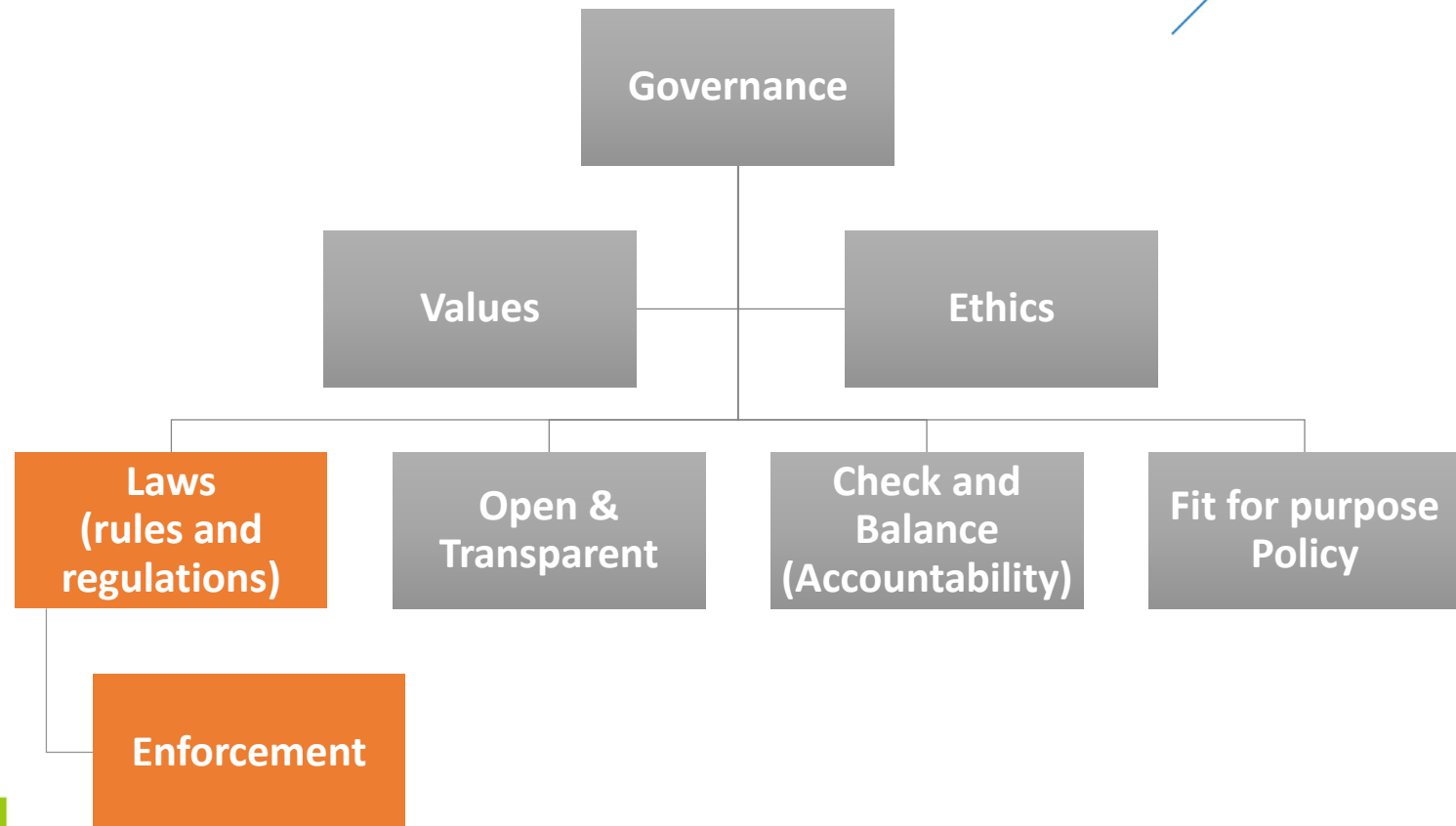
At least 2 rounds of Quantitative Impact Study (QIS) for data analysis (1st round started in late July)

Consultation on guidelines on Enterprise Risk Management (ERM) and Own Risk Solvency Assessment (ORSA) by end of this year / early next year

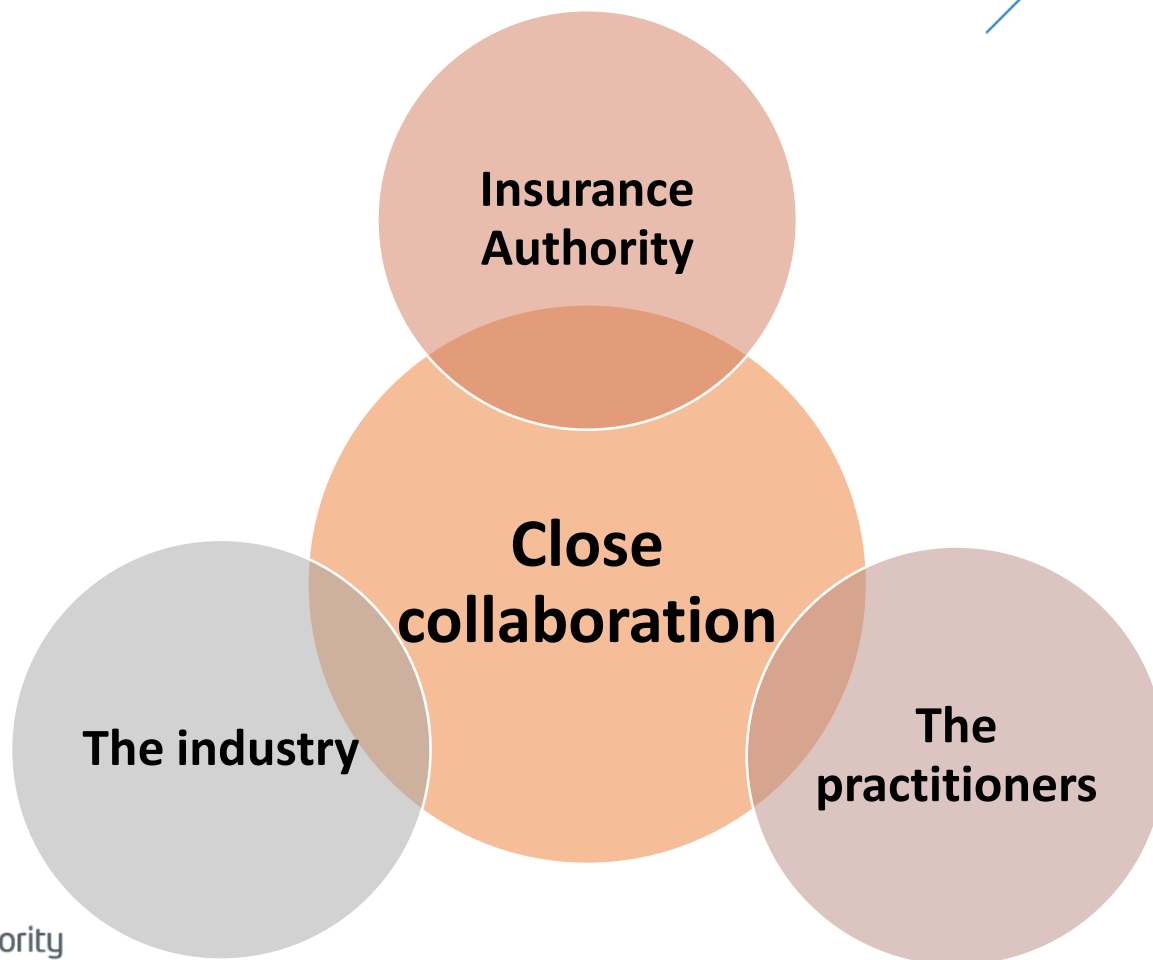
Amendments to legislation, regulations and guidelines

RBC expected to be in place by 2020

My model of effective governance



Future of insurance industry depends on...





保險業監管局
Insurance Authority

thank you!