

5 July 2019

Our Ref: INS/TEC/6/20/6 Subfile IV

By **email** only

To: Chief Executives of all authorized insurers

Dear Sirs,

### **GL21: Guideline on Enterprise Risk Management**

I am writing to inform you that the Insurance Authority (“IA”) has published GL21 – Guideline on Enterprise Risk Management today as enclosed (See **Appendix I**), which has duly taken into account comments from the industry.

As GL21 sets out the objectives and requirements on enterprise risk management (“ERM”) and the Own Risk and Solvency Assessment; and provides the impetus for insurers to establish effective tools to identify, monitor, manage and mitigate risks, we would like to see endeavours made by insurers to move towards the objectives for enhancing their ERM frameworks.

GL21 is also available on the IA’s website at the Guidelines section ([https://ia.org.hk/en/legislative\\_framework/guidelines.html](https://ia.org.hk/en/legislative_framework/guidelines.html)) and the Insurer’s Collaboration Corner (login required) ([https://ia.org.hk/en/portal\\_for\\_insurers/icc/welcome.html](https://ia.org.hk/en/portal_for_insurers/icc/welcome.html)).

### **Preparation Status Survey**

As mentioned in our circular in May 2018<sup>1</sup>, we notice and appreciate the efforts that have been undertaken by many insurers to gear up their ERM frameworks. To facilitate us to understand and monitor the overall progress of the industry in enhancing their ERM frameworks, we are conducting a Preparation Status Survey (“Survey”) attached at **Appendix II**. Insurers are expected to complete the Survey on the best effort basis. Please complete the Survey in Excel file format and have it returned to the IA via email at [rbcphase2@ia.org.hk](mailto:rbcphase2@ia.org.hk) by **16 August 2019**.

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<sup>1</sup> Consultation on Draft Guideline on Enterprise Risk Management - [https://www.ia.org.hk/en/legislative\\_framework/circulars/reg\\_matters/files/cir\\_20180508.pdf](https://www.ia.org.hk/en/legislative_framework/circulars/reg_matters/files/cir_20180508.pdf)

Should you have any enquiries about this circular and the Survey, please email us at [rbcphase2@ia.org.hk](mailto:rbcphase2@ia.org.hk) or contact Ms Kay Szeto at 3899 9980 or Mr Timothy Shih at 3899 9529.

Yours faithfully,

Raymond Tam  
Executive Director, Policy and Development Division  
Insurance Authority

Encls.

c.c. Chairman, The Hong Kong Federation of Insurers