

Opening Remarks by Mr. Stephen Yiu, JP
Chairman of the Insurance Authority
at the AI Cohort Launch Ceremony on 18 August 2025

Good morning, distinguished guests, ladies and gentlemen,

I take great pleasure in welcoming you all to the official launch of our AI Cohort Programme. This is a monumental occasion, not just for the Insurance Authority, but also for the entire insurance ecosystem in Hong Kong. Your presence today is a strong reinforcement of our shared commitment to innovation and collaboration.

The fast-evolving trend of AI is unstoppable. While just a few years ago we were still marveling at AI's potential in isolated experiments and narrow applications, today the application of AI is seen in almost every part of a business value chain, from optimising internal operations and underwriting to streamlining claims processing and enhancing risk assessment. Momentum is clearly building. A recent global survey shows that 38% of financial institutions in Hong Kong are already using Generative AI, compared to a global average of 26%¹. The global

¹ Finastra. (2023). Financial Services State of the Nation Survey 2023. <https://www.finastra.com/financial-services-state-nation-survey-2023>

Generative AI market is projected to grow nearly fivefold, reaching around US\$1.5 trillion by 2030². While many of us are still amazed by the capabilities of Generative AI, some are already venturing into the development of more intelligent forms of AI that will revolutionise operating models, risk modeling and customer engagement.

At the Insurance Authority, we have always embraced a dual mandate. We regulate with prudence, and we enhance our market competitiveness. So, the question for us is how to grasp the AI opportunities to bring our industry development to a higher level in a facilitative but also prudent environment.

To answer that question and map out a strategy, we have first taken a closer look at how AI is being adopted in our industry. Earlier this year, we surveyed over 110 insurers and the findings were very clear. AI is already transforming the insurance landscape, from underwriting and claims to fraud detection and customer service. 20% of insurers have established a strategy to steer AI adoption and are implementing AI applications. Over half are at the exploratory or pilot stage, and 40% plan to increase AI investment in the next two years. While the results reflect

² BCG and QED Investors. (2024, June). Prudence, Profits, and Growth. <https://web-assets.bcg.com/a9/4e/eeb7ae814bfb98d918fac0fcc4ce/2024-fintech-report-june-2024-edit-03.pdf>

a growing interest in AI, we also notice a gap between large and less sizable insurers which are held back by limited technical capacity and talent shortages.

Knowing where we are and guided by our dual mandate, our AI strategy follows a two-pronged approach. On the regulatory front, we will promulgate updated guidelines next year to provide regulatory clarity on the use of AI. Our goal is not to create unnecessary frictions or hurdles, but to enable and facilitate adoption in a responsible way.

On the other hand, on the development front, we are enabling the industry through partnerships, infrastructure, and shared expertise, and that is why the AI Cohort Programme is the key to realise our vision. It supports insurers at all stages of technological maturity and brings together a powerful coalition of stakeholders to accelerate the responsible use of AI across the insurance industry.

We are very proud to welcome our inaugural group of seven leading insurers, including AIA, AXA, China Taiping, FWD, HSBC Life, Prudential, and YF Life as Core Participants in the AI Cohort Programme. These companies have demonstrated clear strategies, sustained investment, and a strong commitment to building AI capabilities. As Core Participants, they will establish AI Centers of

Excellence in Hong Kong to support group-wide innovation, experimentation, and deployment. Their involvement also extends beyond internal transformation as these Centers will also help nurture local talents and promote industry-wide collaboration through experience sharing. I would like to express my sincerest gratitude for their participation in the AI Cohort. Their support highlights strong confidence in Hong Kong as a base for AI development and commitment to building a collaborative and future-ready insurance ecosystem.

With the solid foundation laid by the Core Participants, I strongly encourage all insurers to take part in this AI Cohort Programme as it rolls out. You will benefit from not only the invaluable experiences of the Core Participants, but also resources and advice of a wide spectrum of solution providers. A great opportunity is lying ahead for you to collaborate with industry peers and explore real-world AI applications.

As I conclude, I want to thank everyone who has contributed to this important milestone. A special thank you as well to our venue sponsor, Cyberport, for hosting us in this beautiful place. Let's join together to pave the way for a more intelligent, resilient, and inclusive future for insurance. Thank you.