Overview of IA's Insurtech initiatives in 2024

Ms Jessica Yeung, Senior Manager, Policy and Legislation Division, Insurance Authority
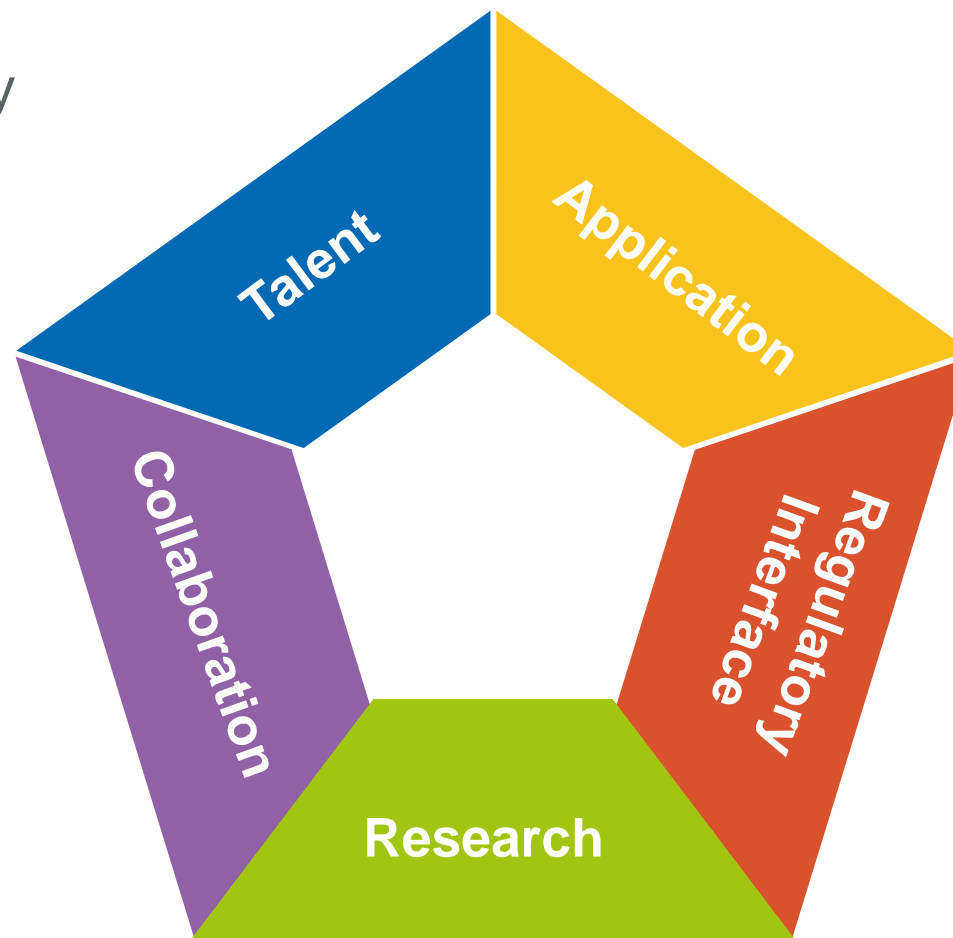
Key Insurtech Initiatives 2024

To facilitate the development of Insurtech ecosystem in Hong Kong

Enhanced Competency Framework on Fintech (ECF-Fintech)

Fintech Career Accelerator Scheme (FCAS)

New Fintech Adoption Roadmap

HKMA CDI Initiative Collaboration

Talent

Application

Collaboration

Regulatory Interface

Research

Open API Central Register

Cybersecurity Guideline (GL20) Enhancement

Updates on Technology Risk-Related Guidelines (GL14 & GL8)

Federated Learning Research

保險業監管局
Insurance Authority

Revamp of GL20: Cybersecurity

Risk-based Assessment Framework

01

Inherent Risk Assessment

Inherent risk rating:
- High, Medium, Low
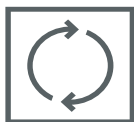
02

Maturity Assessment

Control principles:
- Baseline, Intermediate, Advanced

03

Identify and fill the gap

Improve the control maturity level

Enhance cyber resilience in insurance sector

Q4 2023
- An industry briefing session to HKFI members was conducted in collaboration with PwC

Q1 2024
- A feedback webinar session will be provided to HKFI members

2024
- Expected formal launch of revised GL20

Propose 12 months after the launch of revised GL20
- 1st submission of the assessment

3

Talent Development

保險業監管局
Insurance Authority

Enhanced Competency Framework on Fintech (ECF-Fintech)

Project Timeline

Q2 2023

The 10-month consultancy study started

Q4 2023

Conducted industry-wide consultation on the proposed Framework

TBD

ECF-Fintech Program expected to rollout

Background
- **To develop common Fintech competency standards for insurance and securities sectors**
- **Potential availability of education subsidies**

Purpose
- **Facilitate effective training to upskill Fintech practitioners**
- **Provide clear pathways for career development and specialization in Fintech**

Fintech Career Accelerator Scheme (FCAS)

Benefits to Insurers
- **Early talent assessment**
- **Foster collaboration and knowledge exchange between the industry and universities**

Benefits to Students
- **Explore in Insurtech domain**
- **Acquire hands-on industry experience**
- **Expand professional connections**

Timeline for 2024 cohort

Feb – Mar 2024

Application opens for local university students

Apr – May 2024

Screening & Interviews

Jun – Aug 2024

Interns onboarding

Nurture Insurtech talent for a dynamic future

Open API Initiative

Central Register

- Co-developed with HKSTP
- For authorized insurers, insurance intermediaries and their partnering TSPs to display API-enabled products/services
- Continue to recruit API use cases from the market

Launch of Open API Framework

- Launched on 18 September 2023
- Principle-based framework to give greater flexibility to the market
- Provide guidance in
  - Categorization of Open API functions
  - Open API interface and data/security standards
  - Requirements on governance and risk management

Future Development

- Workshops / Seminars on API with peer regulators and other stakeholders for the industry
- Potential statutory requirements with benefits to general public (e.g., information relating to fulfillment ratio)

2023

Sep 2023

2024 onwards

Encourage cross-sector and cross-border collaboration with the use of API

Federated Learning Research (AFLIA)

Project Background

Researching Federated Learning (FL) for insurance application with the following objectives:

- Enhance insurers' understanding of FL, particularly in leveraging alternative data

- Develop a PoC application to provide insurers with insights from diverse data sources using FL

- Identify and address technical risks, legal considerations & governance issues associated with FL implementation in insurance sector

Data Collaboration

Insurer	Data Partner	Objective of Use Case
Bowtie	Bowtie & JP Health	Leveraging clinical data for advanced claim analysis
FWD	HKTIA	Enhancing AI model accuracy for identifying potential customers
ODHK	Nova Credit	Utilizing credit scores to tailor insurance pricing

Timeline and Deliverables

Mar 2023
- 15-month project commenced & approved by ITC

Oct 2023
- The Advisory Panel was formed
- Workshops to facilitate use cases discussion

Jan 2024
- Insurers and data partners confirmed use cases and collaboration

Q1 2024
- Prepare and sign non-disclosure agreement (NDA)
- Platform deployment

Q2 2024
- Pilot model training
- Gather feedback for evalution report

2024-2025
- Publish a research White Paper

Innovate data-driven solutions through cross-sector collaboration

Thank You

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