

Asian Insurance Forum 2022
“Reflect, Reset, Revive for a Resilient Future”
5 December 2022

Welcome Remarks by Mr Stephen Yiu, JP
Chairman of the Hong Kong Insurance Authority

Mr Liu¹, Mr Dixon², Dr Cheng³, friends and colleagues, ladies and gentlemen,

Good morning, good afternoon or good evening for someone, depending on where you are. On behalf of the Insurance Authority (“IA”), I would like to extend you a warm welcome to the Asian Insurance Forum (“AIF”) 2022, its fifth edition held so far. It is particularly exciting to see so many familiar and new faces turning up in person at the Hong Kong Convention and Exhibition Centre. This year we have more than 300 delegates on-site, which is almost double of last year. Together with the 20% increase of virtual attendees, this is another strong testimony that “Hong Kong is back”.

Twenty twenty-two marks the 25th anniversary of the establishment of the Hong Kong Special Administrative Region. Influenced by a spate of social events, the complex geopolitical environment and the pandemic, some critics have revived their omen that the principle of “One Country, Two Systems” is no longer sustainable, arguing that Hong Kong should be written off as an international financial centre.

¹ Mr Liu Fushou, Chief Risk Officer, the China Banking and Insurance Regulatory Commission

² Mr Jonathan Dixon, Secretary General, the International Association of Insurance Supervisors

³ Dr Moses Cheng, founding Chairman of the Hong Kong Insurance Authority

It is therefore comforting to know that President Xi has made an unambiguous affirmation in his speech delivered here in July that the “One Country, Two Systems” principle served the fundamental interests of not only Hong Kong, but also the whole nation, and that such a good policy must be adhered to in the long run. This has helped to dispel lingering misconceptions and instill much confidence on our future as an open and free metropolis.

The IA can take pride on steady progress made along two key fronts in 2022, namely consolidation of our status as a preferred base of headquarters for insurance groups under the group-wide supervision (“GWS”) framework and improvement of our attractiveness as a platform for the issuance of insurance-linked securities (“ILS”). The supervisory colleges for three designated insurance groups chaired by the IA are gaining traction, while the third catastrophe bond in the pipeline is reinforcing our claim to be a dynamic ILS hub. Notwithstanding these achievements, there is little room for complacency. We should make constant and timely enhancement to the GWS framework, expanding the number and variety of corporations embraced by this critical infrastructure. Of equal importance is the need to muster the basic elements of an ecosystem so that Hong Kong can reap the benefits derived from a complete ILS value chain.

The theme of “Reflect, Reset, Revive for a Resilient Future” is carefully chosen since various parts of the world are resuming normal from the pandemic in accordance with its own pace. The insurance industry has demonstrated remarkable resilience and versatility amid the pandemic, offering appropriate and affordable products to shield members of the public from unexpected perils caused by prolonged disruption. My sincere gratitude goes to industry stakeholders who spared

no effort in adjusting product mix and broadening distribution channels in response to shifting customer sentiments and behaviour over the past three years.

Let me give you a flavour of what we have today. Mr Liu Fushou will kick off the proceedings with perspectives from the China Banking and Insurance Regulatory Commission on closer cooperation between the 11 cities in Greater Bay Area and the expectations for Hong Kong. The Secretary for Financial Services and the Treasury together with the Chief Executive Officer of the IA will then engage in a policy dialogue on roadmap for the insurance industry by taking stock of recent developments and an evolving external environment. After the Chief Executive the Honourable John Lee has delivered his keynote speech, Mr Bernard Chan will moderate the first panel discussion focusing on how the GWS framework could sharpen our competitive edge as an international financial centre before adjourning the morning session.

The afternoon session will begin with a fireside chat featuring an exchange between the Financial Secretary and Mr K P Chan on cornerstones for success of the insurance industry. This will be followed by the second panel discussion where Dr Stephen Wong and expert speakers take a closer look into how Hong Kong should maximize its support for the dual circulation economic strategy. After a short break, Mr Jonathan Dixon will update us on major projects of the International Association of Insurance Supervisors that have bearing on the Asia region. Last but not least, Mr K C Kwok will take charge of the third and final panel discussion on how insurance could spur collaboration, innovation and finance in the context of climate change action.

Let me conclude with some personal reflections of the role insurance can play. The insurance industry is unfortunately understated and underrated. As a career accountant who has been involved in the auditing and advisory for insurance companies, and as the Chairman of the IA, I am best placed to testify the significant but unassuming way in which insurance has been backing up personal, commercial and economic activities. On a personal level, from accident and health policies that alleviate financial burden posed by loss of income and hospitalisation, critical illness coverages that provide a cash buffer for medical and rehabilitative treatment, annuities that mitigate longevity risk to endowments fitting family saving goals, insurance is a handy tool for lifetime financial planning. On a commercial level, the myriad of insurance products such as business disruption, employees' compensation, motor vehicle, property damage and general liability are indispensable for prudent daily operation. On an economic level, aviation, goods in transit, ships, trade credit lines and inward reinsurance are powerful ingredients driving the pursuit of active involvement by Hong Kong in the dual circulation economic strategy.

In conclusion, ladies and gentlemen, the IA is determined to work closely with you to realise the strategic vision of our motherland, to propel economic growth, to cater for rising community aspirations, and ultimately to advance the well-being of the planet that we all call home.

Thank you very much.