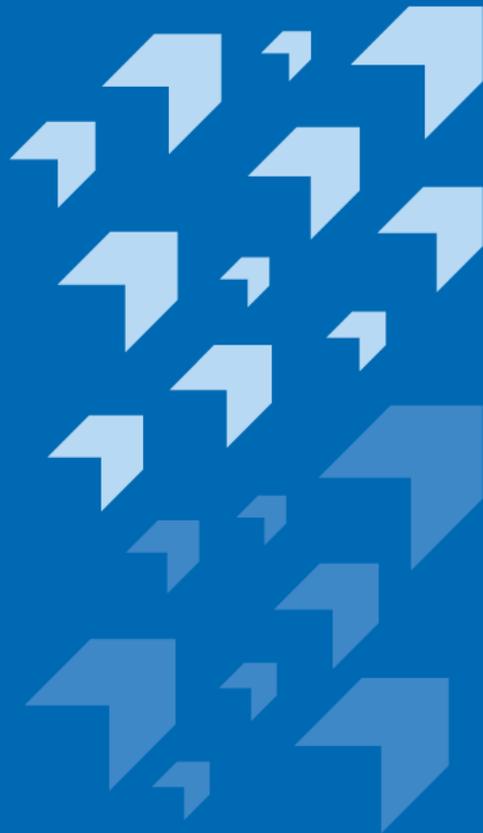




Building Vibrant and Resilient Insurance Markets in the New Normal

Mr Clement Cheung
Chief Executive Officer, Insurance Authority
28 October 2021

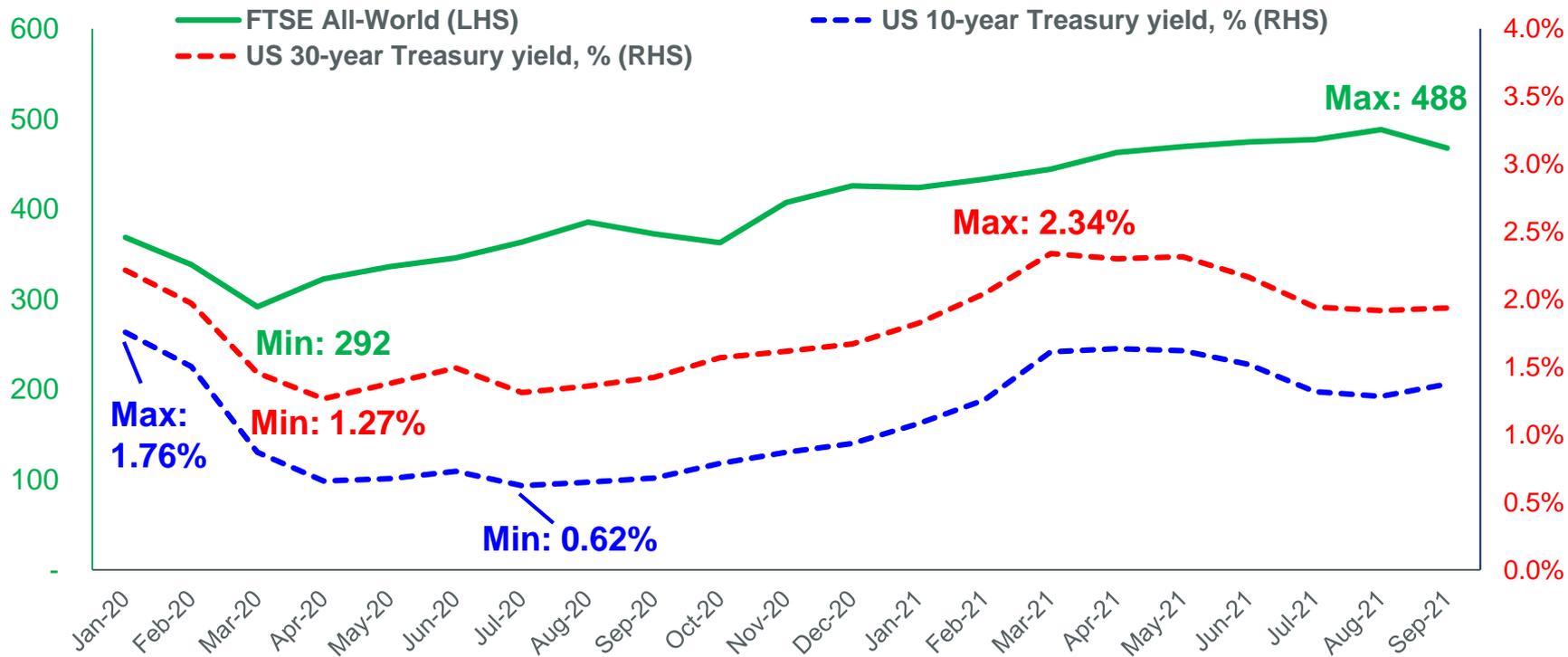


Factors Shaping Market Landscape



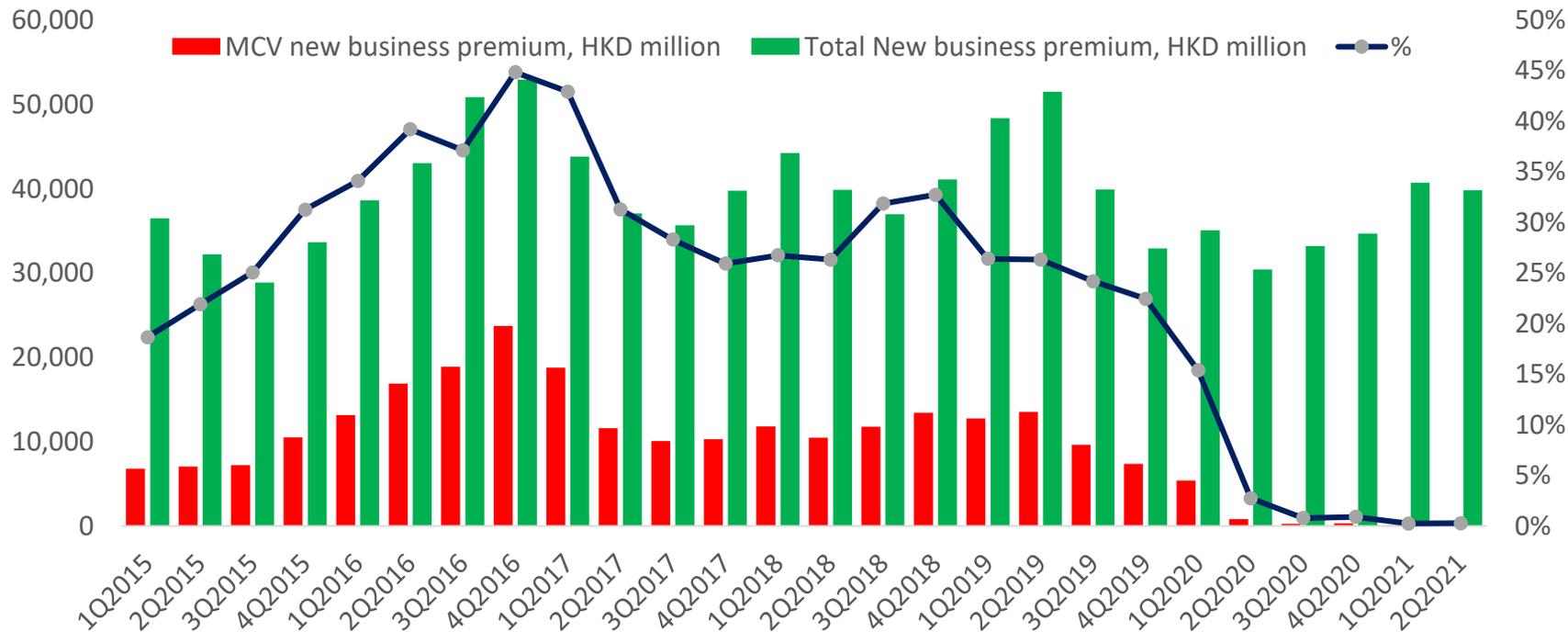
Market Dynamics : Global

Equity Market Performance and Risk-free Rate



Market Dynamics : Local

New Business Derived from Mainland China Visitors



Source: Insurance Authority

Consumer Sentiments : Protection Needs

Mortality Protection Gap Study 2021 Synopsis

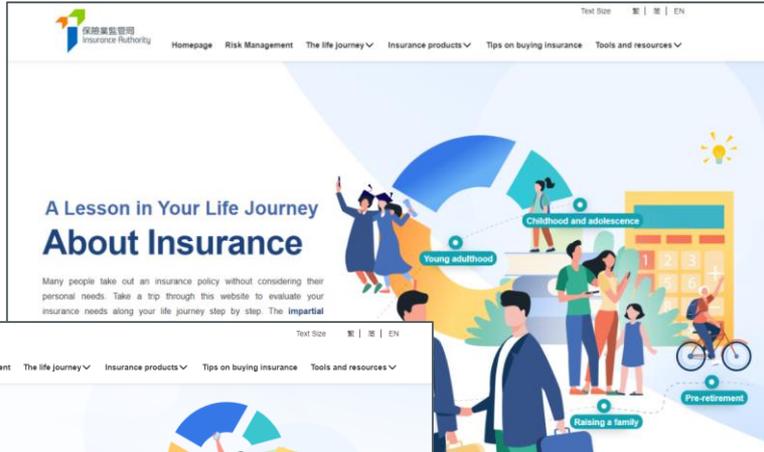


Average size of protection gap
HKD 1.9 million
* per economically active adult

- ▶ The fundamental purpose of life insurance is to protect policyholders against mortality risk (premature death of the breadwinner) which could make households very vulnerable to financial hardship, so it is worth attention.
- ▶ In this report, Mortality Protection Gap ("MPG") in Hong Kong is examined. MPG refers to the difference between the actual protection needs and financial resources available. The larger the mortality protection gap, the more dependent(s) would be unable to maintain the same living standard using the financial resources on hand.

Average size of protection gap
5.7 times
of annual income
* weighted average per economically active adult

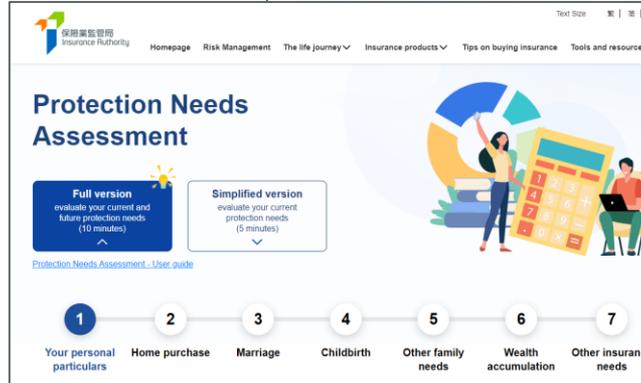
Mortality Protection Gap Study 2021



A Lesson in Your Life Journey About Insurance

Many people take out an insurance policy without considering their personal needs. Take a trip through this website to evaluate your insurance needs along your life journey step by step. The **Impartial**

Thematic Sitelet



Protection Needs Assessment

Full version evaluate your current and future protection needs (10 minutes)

Simplified version evaluate your current protection needs (5 minutes)

[Protection Needs Assessment - User guide](#)

- 1 Your personal particulars
- 2 Home purchase
- 3 Marriage
- 4 Childbirth
- 5 Other family needs
- 6 Wealth accumulation
- 7 Other insurance needs

Insurance Literacy Tracking Survey



Protection Needs Assessment Tool

Climate Change: Threats and Opportunities

Climate change is the greatest imminent peril threatening mankind



Climate Change: Threats and Opportunities

Public
Advocacy

Corporate
Disclosure

Risk Advisory
and Modelling



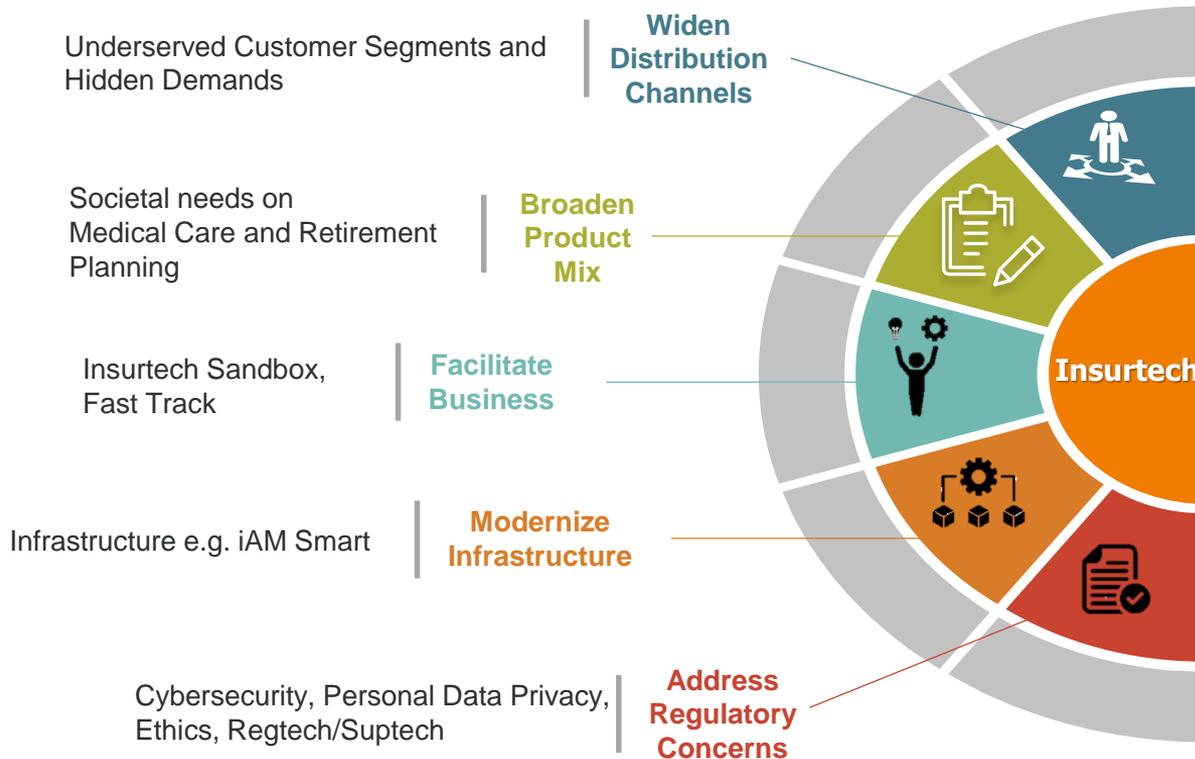
**Green and
Sustainable Finance**

Differential
Underwriting

Product
Innovation

Impact
Investment

Fintech Adoption





**Policy Holders'
Protection**



**Market
Development**



**Product
Innovation**

Policy Holders' Protection: Risk-based Capital Regime

Pillar 1

Conducted 3 rounds
of Quantitative
Impact Studies

Public consultation
on draft capital
rules in early-2022

Pillar 2

GL 21 on Enterprise
Risk Management
effective since
early-2020

First set of ORSA
reports received in
mid-2021

Pillar 3

Industry
consultation
commenced in
early-2021

Last batch of
proposals issued in
October 2021

Policy Holders' Protection Scheme

- Maintain market stability in case of insurer solvency
- Draft bill ready in the 2022-23 legislative session



Market Development : Dual Circulation

International Financial Centre and Risk Management Centre

National 14th Five-Year Plan



International Circulation

- Group-wide Supervision
- Insurance-linked Securities
- Captives and Specialty Risks

Domestic Circulation

Greater Bay area

- After-sales Service Centres
- Cross-border Insurance Products
- One-stop Sandbox Network
- Insurance Connect

Global Risk Management Centre and Regional Insurance Hub





Group-wide supervision

Risk and Governance

Disclosure Requirements

Available Capital



Insurance-linked Securities

Regulatory Framework

Pilot Grant Scheme

Inaugural Issuance by China Re



Captives and Specialty Risks

Tax Concessions

Insurable Risks

Hong Kong Specialty Risks Consortium

Market Development : Domestic Circulation

After-sales Service Centres



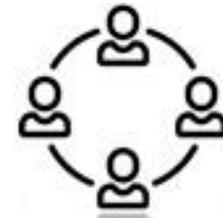
One-stop Sandbox Network



Innovative Cross-border Insurance Products



Insurance Connect





合資格延期年金保單
Qualifying Deferred
Annuity Policy

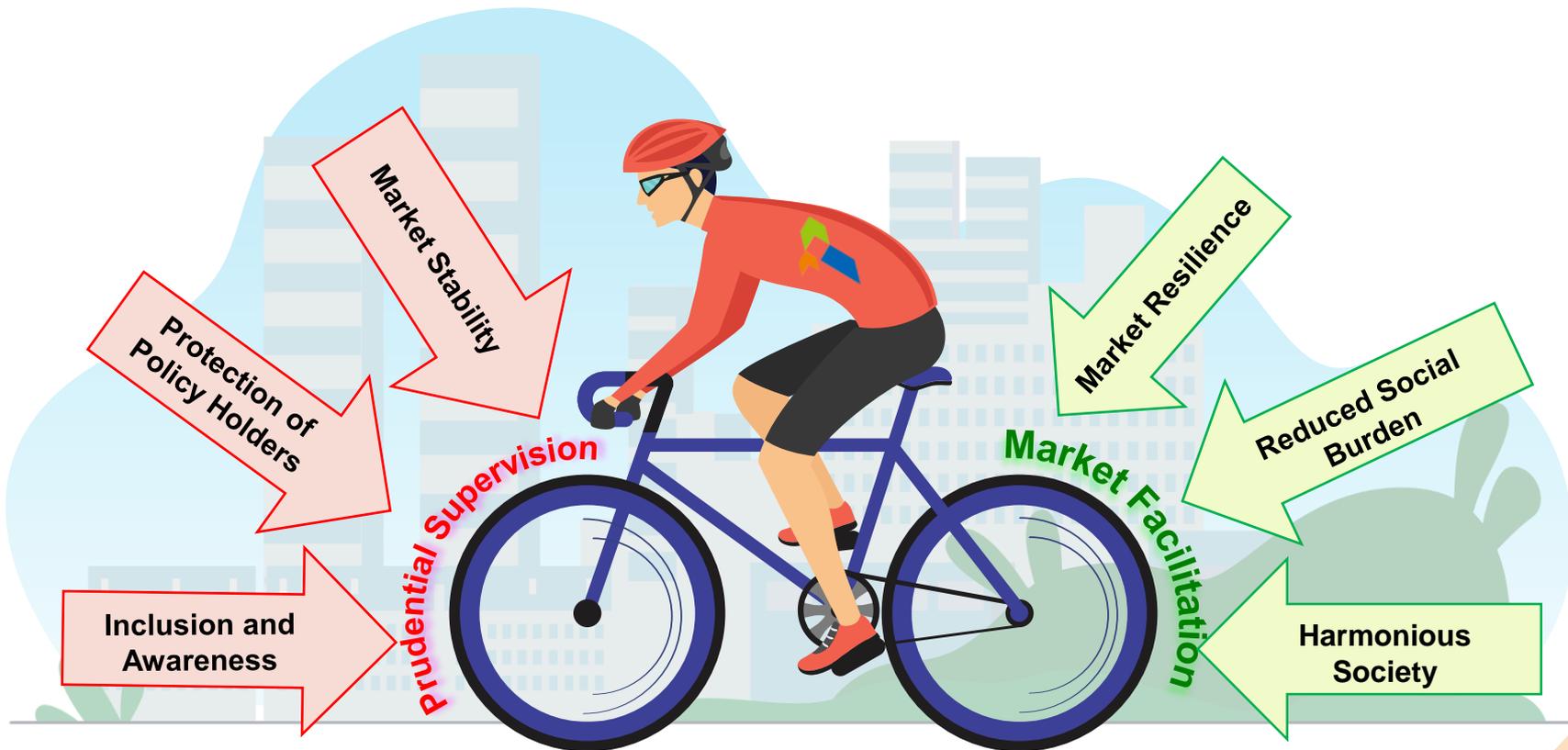


自願醫保計劃
Voluntary Health Insurance Scheme



Protection Linked Plan

Insurance Authority Corporate Vision





Thank You

Follow us:

 www.ia.org.hk

 KoiSaiPoKam

 Insurance Authority

