

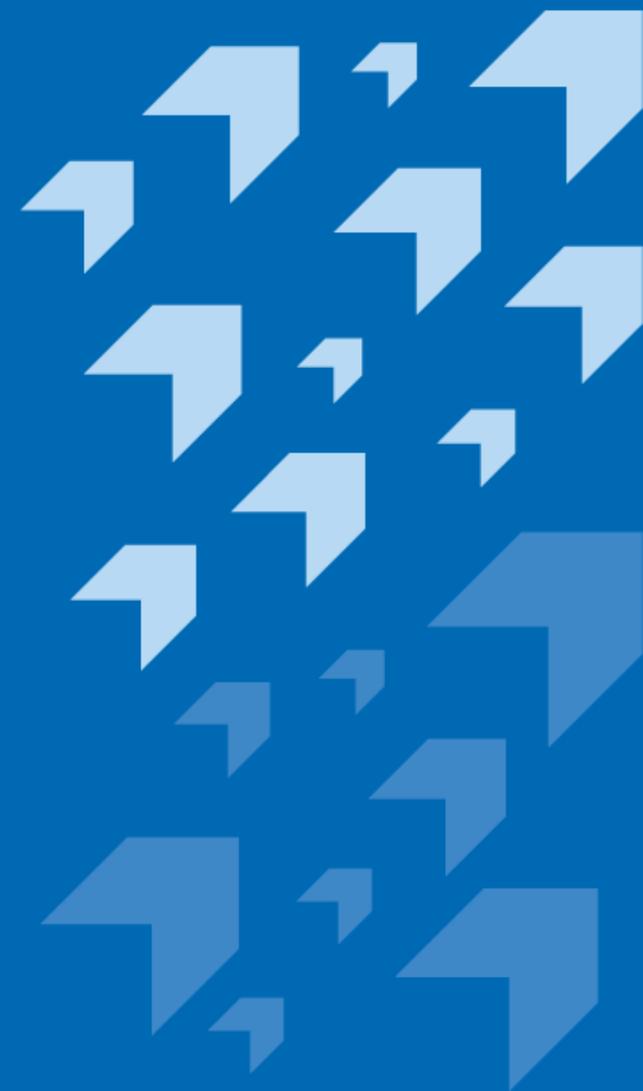


The Future of Conduct Supervision in the Hong Kong Insurance Market

Peter Gregoire

*Head of Market Conduct and General Counsel
Insurance Authority*

11 November 2022



“To study the past, is to understand the present and foresee the future!”

What lessons did the IA learn from regulating during COVID-19, and how have these informed the IA’s strategy for **“conduct supervision”** in the future?



What is Conduct Supervision?

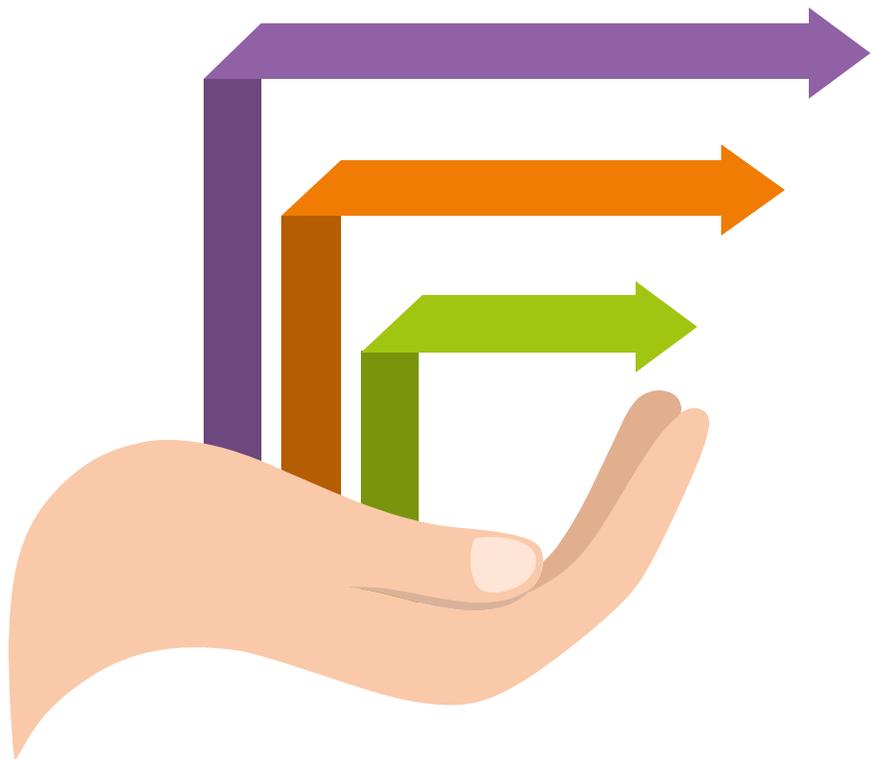


Conduct supervision regulates how insurance business is conducted between the providers of insurance and buyers of insurance. It views matters through the lens of the “customers” or “clients” and asks whether they are being treated fairly.

Key Lesson 1

Adapting to regulate Digital Distribution

COVID-19 social distancing restrictions accelerated the drive to digitalization and formulation of non-face-to-face digital distribution channels. We learned how to adapt our conduct supervision approach to new situations.

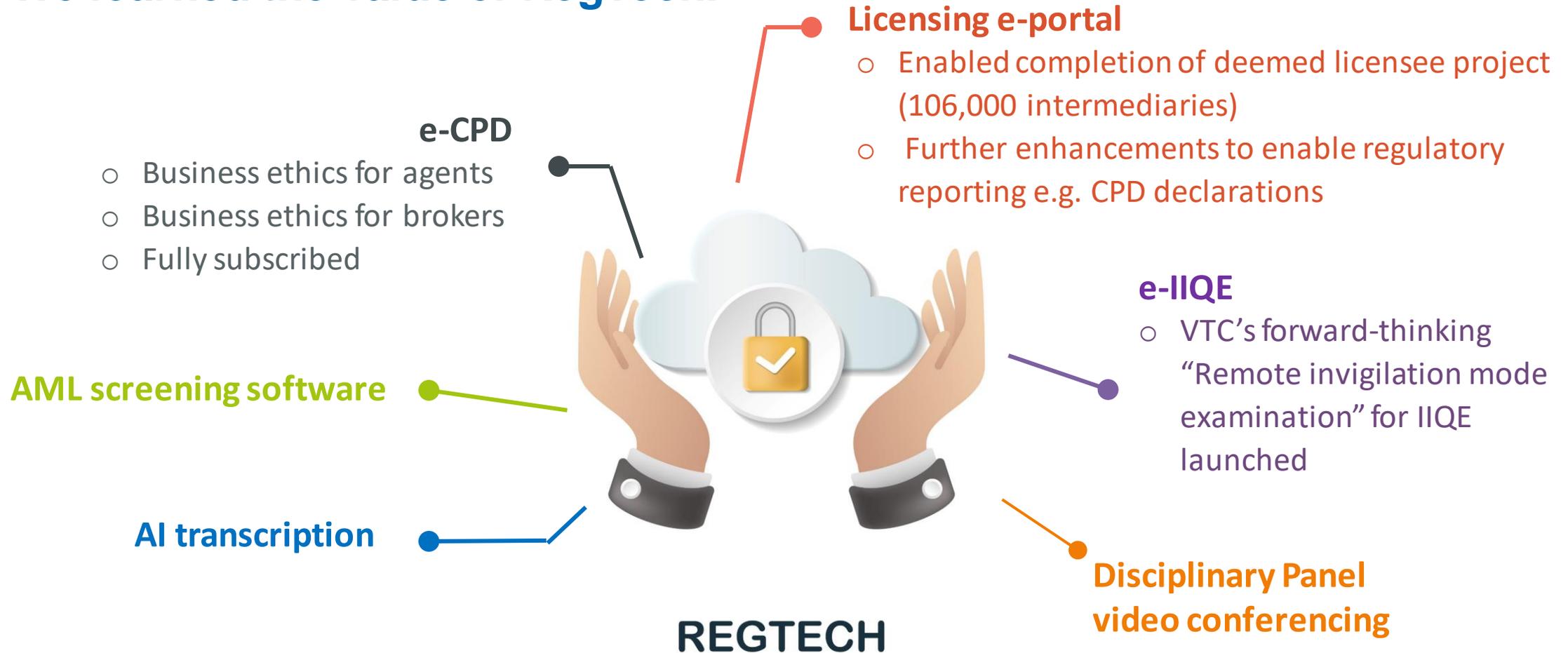


- **Temporary Facilitative Measures**
- **Use of the Sandbox**
- **Explanatory Note on Regulated Activities**

Key Lesson 2

Embracing RegTech

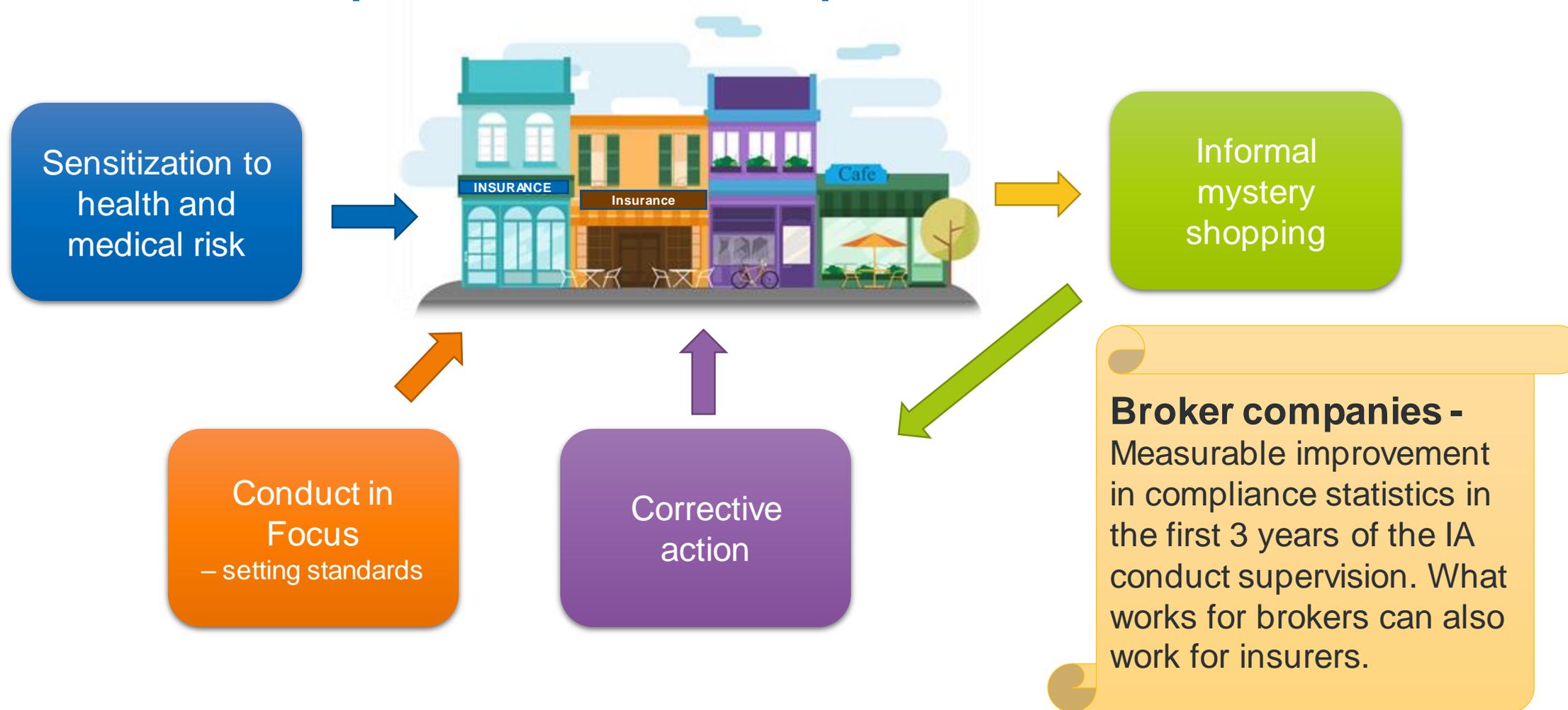
We learned the value of RegTech.



Key Lesson 3

The value of pro-active conduct supervision

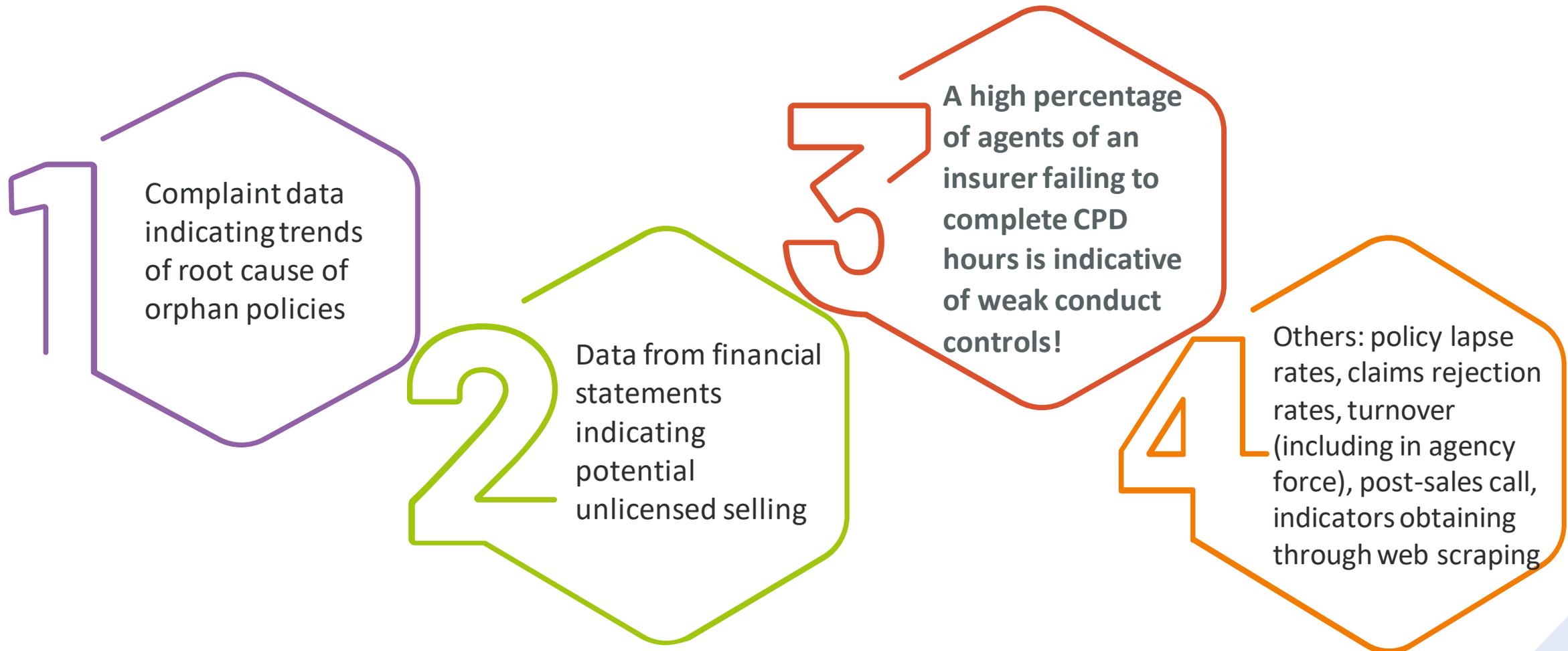
We learned that pro-active conduct supervision works!



Key Lesson 4

Using Conduct Indicators to identify emerging problems

Conduct indicators - key data on conduct-related matters that can be used to indicate emerging conduct issues before they become problems.



Key Lesson 5

Getting the culture right

The importance of corporate culture in embedding ethics

Corporate culture –

- is the collective values and principles of the people who work for and who represent the insurer;
- dictates how the insurer and its agents deal with and treat customers no matter what the situation is;
- will be a key focus for our conduct supervision going forward.

A culture of acting ethically and with integrity in line with the Conduct Principles provides the foundation of trust in the insurance market



The future of conduct supervision

1

Continue to be proactive in adapting Conduct Principles to new distribution channels

3

Use conduct supervision to seek and prevent problems

2

Embrace RegTech further in our supervision

4

Collect and analyze conduct indicators to identify emerging issues

5

Assess corporate culture of insurers and intermediaries for ethics, integrity and understanding of the Conduct Principles





Thank You

Follow us:

 www.ia.org.hk

 蓋世保鑑Insurpedia

 Insurance Authority

