



Strategic Roles of Insurance in Green and Sustainable Development

Insurance Authority January 2023

Sustainable Finance Internship Training



Hong Kong Insurance Market Overview



HK\$ **581.7** billion of total gross premiums

(2021 Hong Kong Insurance Business Statistics, IA)

164authorised insurers
(as of 31/12/2022)

15.2%

5-year compound annual growth rate ("CAGR")

(2016 -2021 Hong Kong Insurance Business Statistics, IA)

12 of the world's
top 20 insurers
authorized to conduct
business in Hong
Kong

(Fortune Global 500, August 2022)



Strategic Roles of Insurance





Green and Sustainable Finance Data Gaps





Expertise contributed by the insurance sector

Expertise in Risk Modelling

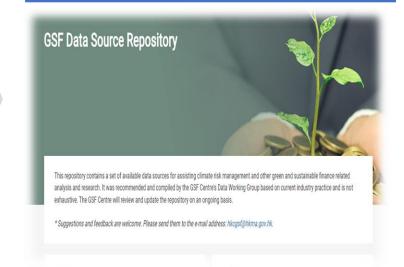
Experience in Risk Assessment

Climate Risk Management and Mitigation Tools

Bridging Data Gaps

- Availability
- Accessibility
- Reliability

Green and Sustainable Finance Data Source Repository





Data application / use cases for the insurance sector

- 1 Climate risk management
- 4 Support low carbon transition
- 2 Climate scenario analysis
- 5 Promote capacity building
- 3 Setting climate goals and strategies
- Product development (e.g. parametric insurance & ILS)

Climate Risk Management and Disclosures



Climate Risk Management

• Guideline on Enterprise Risk Management (GL 21) requires authorized insurers to include climate risk, among other relevant and material risks, in their enterprise risk management framework.

Climate-related Disclosures

 To consider a proportionate and pragmatic approach in implementing ISSB's standards in Hong Kong, taking into account local circumstances

- 1. To conduct industry survey to assess level of readiness
 - 2. To promote good practice and address gaps and challenges identified
 - 3. To formulate proportionate and pragmatic supervisory approach





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