



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)

↑ 5.2%

5-year compound annual
growth rate (“CAGR”)

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

164

authorised insurers

(as of 31/12/2022)

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

(Fortune Global 500, August 2022)

1st in Asia, **2nd** in the world
for **insurance penetration**
(premiums in % of GDP)
and **insurance density**
(premiums per capita)



Image source: HKTDC

(Source: Swiss Re Institute Sigma No. 4/2022)

Strategic Roles of Insurance

Public Advocacy



Differential Underwriting



Corporate Disclosure



Product Innovation



Green and Sustainable Finance

Risk Advisory and Modelling



Impact Investment



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

GSF Data Source Repository

This repository contains a set of available data sources for assisting climate risk management and other green and sustainable finance related analysis and research. It was recommended and compiled by the GSF Centre's Data Working Group based on current industry practice and is not exhaustive. The GSF Centre will review and update the repository on an ongoing basis.

* Suggestions and feedback are welcome. Please send them to the e-mail address: hkgsf@hkma.gov.hk.



Data application / use cases for the insurance sector

1 Climate risk management

2 Climate scenario analysis

3 Setting climate goals and strategies

4 Support low carbon transition

5 Promote capacity building

6 Product development
(e.g. parametric insurance & ILS)

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



Thank You



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