



International Information Exchange

Hong Kong

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Hong Kong FACT SHEET: Country Overview

Criteria	Data/Stats	Source/Year
National Land	1,106 km ²	Statistics and Census Department, Hong Kong
Climate/Weather	Hong Kong Average Yearly Temp.: 23.3°C Annual Rainfall: 2,638 mm	
Population	7,241 (Thousand)	
Young Population (0-14)	804 (Thousand, 11.1%)	
Productive Population (15-64)	5,371 (Thousand, 74.2%)	
Elderly Population (Over 65)	1,066 (Thousand, 14.7%)	
# of Households and Ave.ppl/h.h	2,432 (Thousand) / 2.9 ppl	
Average Life Expectancy	Male: 81.2 / Female: 86.7	
Total Fertility Rate (*)	1.10	
GDP (Nominal GDP)	262 (USD Billion)	
GDP per Capita	36.5 (USD Thousand)	
Social Security Program	Annuity (Old-age and grass-root classes), Health Care, Nursing Care	
Remarks	<ul style="list-style-type: none"> ▪ Recovering from the Asia and European financial crisis since 2008 ▪ Challenges from the influx of immigrants from Mainland China 	

(*) TFR: The average number of children that would be born to a woman over her reproductive life (15~49).

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2013 LIFE INSURANCE INDUSTRY FAST FACTS

(Thousand Policies, US\$ Million)

(Policies, US\$)

Type	New Business		Policy In-Force		Average Policy per Person	
	# of Policies	S	# of Policies	S	# of Policies	S
Individual	1,028,724	N/A	10,415,766	440,847	1.4	60,874
Indiv. Annuity	15,013	N/A	256,766	10,868	0.3	1,501
Group	499	N/A	18,754	93,271	0.1	12,879

Criteria	FY2011	FY2012	FY2013
# of Life Insurers	45	44	45
Net Premium Income	22,296	25,502	28,734
Payment of Insurance Claim	N/A	N/A	N/A
Total Assets	107,285	128,286	137,908
Main Products	Whole Life, Medical, Term, Savings, Critical Illness		

Distribution Channel	Scale	Participation rate
Tied-Agents	N/A	
Life Office Counter	-	20%
Insurance intermediaries	Brokers 604 entities Agents 40,027 entities	25% 55%
Mail Order, Internet	-	
Working Office, Others	-	

*Calculated based on the exchange rate of HK\$7.8=US\$1 (2014.3.31TTM).

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Challenges of Hong Kong's Life Insurance Industry

❑ Establishment of the Independent Insurance Authority

A new insurance regulator, an independent Insurance Authority, will be set up in around year 2016. At the same time, new insurance law will be enacted. All these changes will pose challenges to the Hong Kong insurance industry including all insurers and insurance intermediaries.

❑ Responding to international efforts of Anti-Money Laundering and Counter-Terrorism Financing

One of the most important issues for the sound development of the life insurance business is to cut off the ties with anti-social forces to eliminate money laundering and counter-terrorism financing.. This is a social responsibility imposed on all insurers, particularly on life insurers. For these purposes, on-site and off-site inspections are regularly conducted by the Hong Kong Insurance Authority to ensure full compliance by the insurance industry.

❑ Developing New Products That Meet Customer Needs

Hong Kong life insurers are facing fierce competition in the local insurance market. They always need to develop or explore new products to stand out and meet the customer needs (Nursing-care, In-kind benefit, Income protection and so on).

❑ Asset Management Under the Low Interest Rate and Currency Quantitative Easing

Like other life insurers in other jurisdictions, Hong Kong life insurers are facing similar challenges under the current market of low interest rate and currency quantitative easing. Under such a environment, Hong Kong life insurers always need to formulate the best asset management policy to (1) match the assets with liabilities; (2) fulfill reasonable expectation of policyholders; (3) achieve long term business growth; (4) attain reasonable investment return.