
REGULATORY NEWSLETTER

2025 Vol.2



Welcome to the January 2025 edition of our Regulatory Newsletter. In this issue, we review the key regulatory developments and updates that have shaped the financial sector over the past month. From recent compliance challenges to evolving regulatory landscapes in Hong Kong and beyond, we provide insights into the trends and changes impacting industry professionals.

At ComplianceDirect, our mission is to keep you informed about the latest compliance issues and regulations that affect your business. We hope this edition of our newsletter proves valuable in helping you stay ahead in an ever-changing regulatory environment. As always, we remain committed to supporting your continued success and are here to guide you through the complexities of today's compliance landscape.

Press Releases

Insurance Authority releases provisional business statistics for the first three quarters of 2024

17 Jan 2025

The Insurance Authority (IA) today (17 January 2025) released the provisional business statistics for the first three quarters of 2024, with total gross premiums reaching \$480.8 billion.

Long term business

New office premiums (excluding Retirement Scheme business) of long term business were \$169.6 billion (increased by 15.7%), mainly composed of \$162 billion derived from Non-Linked individual business (increased by 18%) which can be further broken down into participating business of \$141.4 billion and other businesses of \$20.7 billion, as well as \$7.2 billion derived from Linked individual business (decreased by 19.7%). Some 58,000 Qualifying Deferred Annuity Policies were issued that

brought in \$3.7 billion or 2.2% of the total premiums for individual business.

New business premiums derived from Mainland visitors dipped by 0.4% to \$46.6 billion compared with the same period in 2023, representing 27.6% of total new office premiums for individual business. A majority of these policies were settled at regular intervals. Whole life, critical illness and medical policies accounted for about 59%, 28% and 5% of them respectively. Having regard to the seasonal travelling pattern of Mainland visitors, the related business statistics will be released at semi-annually rather than quarterly intervals from the first quarter of 2025.

Total revenue premiums of in-force business were \$405.8 billion in the first three quarters of 2024 (increased by 8.3%), mainly composed of \$358.4 billion derived from Non-Linked individual business (increased by 8.7%), \$16.8 billion derived from Linked business (decreased by 7.5%) and \$25.5 billion derived from Retirement Scheme business (increased by 14%). The total claims and benefits paid to policy holders amounted to \$270.2 billion¹ (increased by 12.7%).

General business

In the first three quarters of 2024, the gross and net premiums of general business were \$75 billion and \$51.7 billion respectively, against which total gross claims of \$38.4 billion were paid. The overall operating profit was \$6.7 billion and the underwriting profit was \$2.2 billion.

The gross and net premiums of direct general business were \$39.5 billion and \$27.9 billion respectively. The former are mainly attributable to Accident & Health business of \$18 billion which includes medical business of \$15.5 billion and travel business of \$1.5 billion, General Liability (comprising Employees' Compensation) business of \$9.4 billion, Property Damage business of \$5.1 billion and Motor Vehicles business of \$4.2 billion, against which total gross claims of \$19.8 billion were paid. The overall underwriting profit of \$2.5 billion was driven largely by General Liability (comprising Employees' Compensation) business, Pecuniary Loss business and Property Damage business but partly offset by Accident & Health business.

On reinsurance inward business, gross and net premiums of \$35.5 billion and \$23.9 billion respectively were recorded, mainly contributed by Property Damage business, Accident & Health business and General Liability business, against which total gross claims of \$18.6 billion were paid. The overall underwriting loss was \$0.3 billion.

Following implementation of the Risk-based Capital regime on 1 July 2024, a new set of regulatory returns was introduced and some definitions were modified. The insurers must now report their underwriting performance based on financial year instead of calendar year, causing some data to be partially covered in this set of statistics. An element reflecting offshore business in respect of general insurance was also included. It is therefore inappropriate to make a direct comparison between the latest figures with those published in previous years.

A summary of the provisional statistics is provided at [Annex](#), and additional details can be obtained at the [IA website](#).

Ends

Note:

¹ Including lapsation/surrender benefits of \$128.8 billion, as well as other claims and benefits of \$141.4 billion.

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Industry experts and academia explore the role of insurance in developing silver economy

13 Jan 2025

Population ageing presents a multifaceted challenge to society and at the same time creates significant opportunities for the insurance industry in developing the silver economy and narrowing protection gaps. The Insurance Authority (IA) hosted a panel titled "Navigating the Silver Economy: Insurance Sector Opportunities in an Aging Society" at the Asian Financial Forum (AFF)¹ today (13 January 2025), where experts from the industry and the academia took a deep dive into the subject.

The panel shed light on key demographic trends shaping Hong Kong's population, insurance solutions currently available in the market and challenges in meeting the emerging needs and narrowing protection gaps, in both local and cross-border perspectives.

Mr Clement Lau, panel moderator and Executive Director, Policy and Legislation of the IA, said, "By providing the much-needed coverage and support, the insurance sector can play a vital role in alleviating pressing issues faced by the elderly community as well as in driving silver economy."

"With enhanced connectivity within the Guangdong-Hong Kong-Macao Greater Bay Area (GBA), there is also immense potential for our insurance industry to collaborate with other sectors to serve the region at large," he added.

The panellists also delved into other topics including how the industry could help raise insurance literacy and retirement planning awareness to create a more sustainable and resilient society.

Ends

Note:

1 The [Asian Financial Forum \(AFF\)](#) is the region's premier platform that brings together influential leaders from government, finance, and business communities globally for ground-breaking discussions and exchange of insights on the global economy from an Asian perspective. Full programme can be found [here](#).

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There is no enforcement news this month!



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