

## FSDC releases report on revitalising life insurance industry in Hong Kong

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The Financial Services Development Council (FSDC) today (December 17) released a research report entitled "Enhancing Hong Kong's Role as a Leading Life Insurance Centre", setting out key recommendations for revitalising the life insurance industry in Hong Kong.

The Chairman of the FSDC, Mr Laurence Li, said, "The insurance industry has contributed significantly to Hong Kong's economy but has been out of the limelight for the past years. In light of the changing demographics in Hong Kong, there is a strong business case to be made for enhancement of the life insurance industry. Hong Kong must strive to be the regional hub for multinational and Mainland life insurance companies so as to maintain and enhance its competitive advantages."

The report analyses the competitive advantages of Hong Kong as the destination of choice for multinational life insurers. The report recommends seven key action points for enhancing the life insurance industry in Hong Kong: (i) implementing "fit for purpose" economic capital requirements; (ii) encouraging the issuance of long-term assets appropriate for matching long-term liabilities; (iii) leveraging Hong Kong's advantageous connection with the Mainland by creating a "Life Insurance Connect" to wider insurance distribution within the Mainland and capture the opportunities in the Guangdong-Hong Kong-Macao Greater Bay Area and the Belt and Road Initiative; (iv) extending the international tax treaty network and providing tax incentives to insurance groups that establish and maintain regional headquarters in Hong Kong; (v) creating a shared value environment where people live healthier for longer by providing better health care and financial support in retirement; (vi) facilitating the local development and deployment of insurtech; and (vii) attracting and developing insurance talent.

The full version of the report can be downloaded from the FSDC website: [www.fsd.org.hk](http://www.fsd.org.hk).

### About the FSDC

The Hong Kong Special Administrative Region Government established the FSDC in 2013 as a high-level, cross-sectoral advisory body to engage the industry in formulating proposals to promote the further development of Hong Kong's financial

services industry and to map out the strategic direction for development.

The FSDC set up five committees, namely the Policy Research Committee, the Mainland Opportunities Committee, the New Business Committee, the Market Development Committee and the Human Capital Committee, as the five streams of its work.

Ends/Monday, 17 December, 2018