



# PEOPLE'S REPUBLIC OF CHINA— HONG KONG SPECIAL ADMINISTRATIVE REGION

## FINANCIAL SECTOR ASSESSMENT PROGRAM

June 2021

### TECHNICAL NOTE—INSURANCE SECTOR REGULATION AND SUPERVISION

This Technical Note on Insurance Sector Regulation and Supervision for the People's Republic of China–Hong Kong Special Administrative Region FSAP was prepared by a staff team of the International Monetary Fund as background documentation for the periodic consultation with the member country. It is based on the information available at the time it was completed in June 2021.

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June 7, 2021

## TECHNICAL NOTE

INSURANCE SECTOR REGULATION AND SUPERVISION

Prepared by  
**Monetary and Capital Markets  
Department**

This Technical Note was prepared by IMF staff in the context of a Financial Sector Assessment Program (FSAP) mission in the People's Republic of China, Hong Kong Special Administrative Region, led by Ananthakrishnan Prasad. The note contains the technical analysis and detailed information underpinning the FSAP assessment's findings and recommendations. Further information on the FSAP program can be found at <http://www.imf.org/external/np/fsap/fssa.aspx>.

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## Glossary

ASHK	Actuarial Society of Hong Kong
CFR	Council of Financial Regulators
CMG	Crisis Management Group
CWUMPO	Companies (Winding Up and Miscellaneous Provisions) Ordinance
DST	Dynamic Solvency Testing
ERM	Enterprise Risk Management
FIRO	Financial Institutions (Resolution) Ordinance
FSAP	Financial Sector Assessment Program
FSTB	Financial Services and Treasury Bureau of the Government of Hong Kong SAR
FSC	Financial Stability Committee
GIECA	Group Internal Economic Capital Assessment
G-SII	Global Systemically Important Insurer
GWP	Gross Written Premiums
GWS	Group-wide supervision
HKD	Hong Kong dollar
HKFI	Hong Kong Federation of Insurers
HKMA	Hong Kong Monetary Authority
HKSAR	Hong Kong Special Administrative Region
IA	Insurance Authority
IAIG	Internationally Active Insurance Group
IAIS	International Association of Insurance Supervisors
IAT	Insurance Appeals Tribunal
ICB	Insurance Complaints Bureau
ICP	Insurance Core Principle
ICS	Insurance Capital Standard
IFRS	International Financial Reporting Standard
IFS	Insolvency Fund Scheme
ILAS	Investment-linked assurance schemes
IO	Insurance Ordinance
LTA	Long-term adjustment
MA	Matching adjustment
MAV	Market-adjusted valuation
MCR	Minimum Capital Requirement
MCV	Mainland Chinese visitors
ORSA	Own Risk and Solvency Assessment
PCR	Prescribed Capital Requirement
PPS	Policy Holders' Protection Scheme
RBC	Risk-based capital requirements
SFC	Securities and Futures Commission
USD	US dollar