

2021 Risk Radar: Insurance Sector

March 2021

2020 has been a tough year for insurance industry across the globe and the Greater China Region is no exception. To tackle the challenges posed by the COVID-19 pandemic, the insurance sector is responding to changing customer behaviour and expectations, technological advancements and continued regulatory scrutiny that are fundamentally changing the value chain. Firms that will achieve the most success in the future will be those that embrace change, effectively manage new risk exposures that arise and respond to the modern characteristics of this sector.

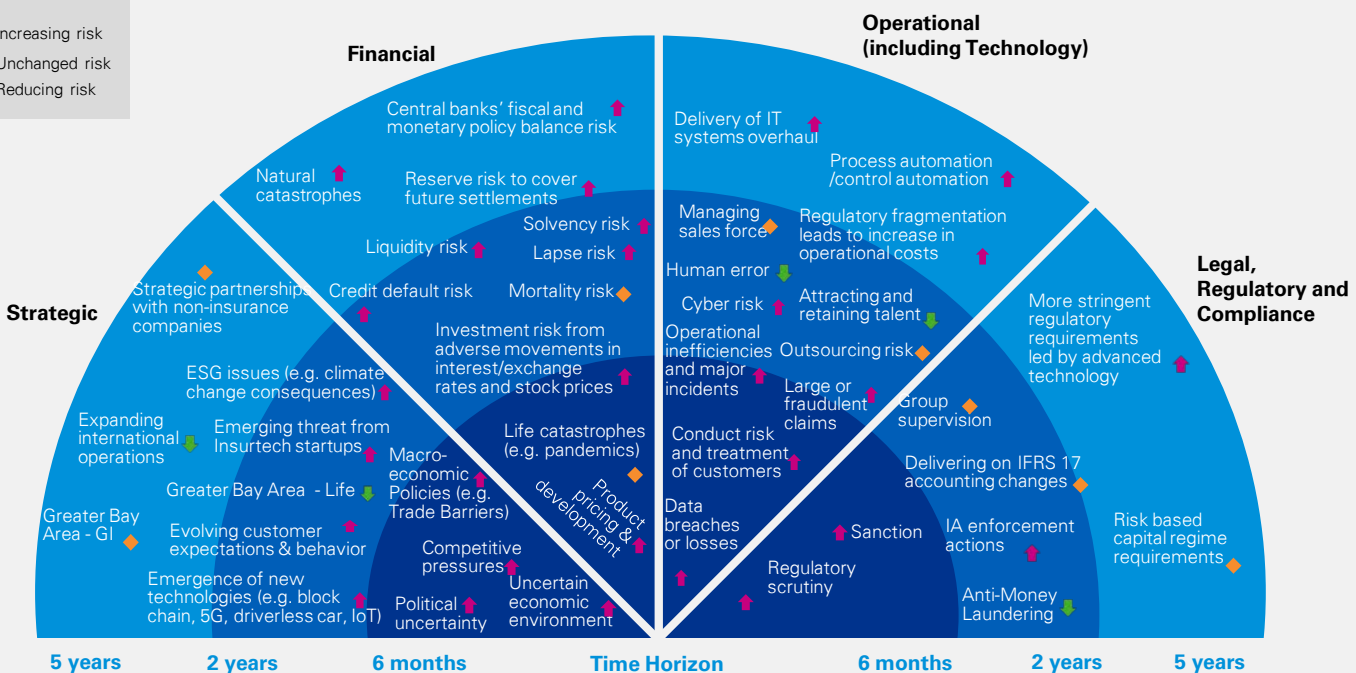


Key trends observed in the market impacting the industry in the Greater China region:

- Prolonged low interest rate environment and economic instability, resulting in increased cost pressure;
- Slowing down of new business in Hong Kong as a result of the COVID-19 pandemic;
- Capitalising on emerging of new products (e.g. pandemic business interruption cover) and increased interest in health related existing products (e.g. critical illness) require organisations to really understand their customer needs;
- Emergence of fast-evolving digital and mobile technologies to meet customer expectations;
- Faster-track technology adoption to enable remote work under the 'new normal', amplifying the complexity of managing cyber and conduct risk;
- Increased regulatory pressures and accounting changes.

Legend

- ▲ Increasing risk
- ◆ Unchanged risk
- ▼ Reducing risk



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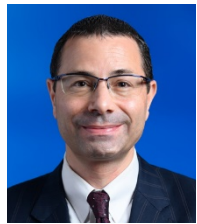
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