



KSY SPECIALITY LTD

Moving Ahead of the Times

Regulation is impacting market dynamics, changing priorities for an ambitious workforce. What does the future hold for the industry and its customers?

Following the enactment of the Insurance Companies (Amendment) Ordinance 2015, the insurance market has changed substantially, according to Agnes Koon, chief executive of KSY Speciality Ltd.

The independent Insurance Authority ("IA") was established on 26 June 2017. It took over the regulatory functions of the then Office of the Commissioner of Insurance, which was a Government department and now is independent of the Government and industry.

Koon says this is an era of new regulatory regime to the industry.

"Both insurance companies and insurance intermediaries are facing new regulatory requirements and challenges. It is expected that the IA will take over the regulation of insurance intermediaries from the three Self-Regulatory Organizations ("SROs"), and implement a new statutory regulatory and licensing regime around the second to third quarter of 2019. The three SROs are the Insurance Agents Registration Board established under The Hong Kong Federation of Insurers, The Hong Kong Confederation of Insurance Brokers and Professional Insurance Brokers Association," she explains.

Values Matter Most

"Insurance intermediaries are facing a new array of Codes of Conduct and regulatory requirements. Amongst the Codes of Conduct promulgated by the IA guidelines, Honesty & Integrity, Acting in the Best Interests of clients, Exercising Care, Skill & Diligence, Disclosure, and Professional Competence are of our paramount core values which we have been hitherto distinguishing our Company in the market. We would continue to thrive our best to anchor such values in our insurance solutions and deliverables to our clients," says Koon.



Agnes Koon, Chief Executive.

According to latest figures, the insurance market in the past few years has been recording a robust growth of around 8.5% per annum.

The industry in 2018 recorded a total gross written premium of HK\$531.7 billion, with an increase of 8.6% from HK\$489 billion in 2017. General insurance total premium growth was 11.3%. Among all line of business, medical insurance outperformed all other lines with a healthy growth of 10.4%.

KSY is a 'specialty lines' insurance broker providing preferred products to the niche markets of the followings:

- a. Jewellers' Block, Specie, Fine Arts, individual jewelry, and exhibition all risks insurances:** KSY is a Coverholder at Lloyd's and one of the few providers in such line of insurance in Hong Kong.
- b. Individual Medical Insurance:** KSY positions ourselves in specializing individual medical offerings. It provides a full range of products from the standard plan of Voluntary Health Insurance Scheme ("VHIS"), mid-market products to full cover world-wide high-end medical insurances. KSY helps clients to compare different products and terms to meet individual's health and financial needs. Following the HKSAR Government's promotion in the VHIS and the issue of ageing population, there has been strong demand for individual medical coverage.
- c. Group Medical Insurance** – KSY sources large number of group medical insurers

(both local plans and international plans) and provides professional analysis and recommendations for its group clients.

d. Professional Lines – KSY designs, chooses and delivers professional liability schemes for selected industries to suit their industry's unique insurance needs and to provide recommendations on risk management.

e. Marine cargo – KSY provides service to the cargo and freight forwarder marine cargo business.

f. Claims service – with its wealth of professional expertise, KSY helps clients claim for their best offers.

Health & Technology!

Koon says: "We believe the demand for individual medical insurance will surge. Today, the total population in Hong Kong is 7.4 million, out of which 1.2 million is over age 65. This segment represents 16% of the total population. It is expected that by year 2033, about 26.8% of the Hong Kong population will be of age over 65. Now that HKSAR Government has launched the Voluntary Health Insurance Scheme (VHIS), there will be lots of market demand in individual medical, be it VHIS or high-end medical."

On the other hand, she notes that the insurance industry is now having a new force of InsurTech. While it is very difficult to get the IA approval of new insurer in Hong Kong, the IA is approving a different queue of new insurers who are doing InsurTech business. It is expected that a segment of current market share will move to InsurTech," according to Koon.

Overall, Koon expects more mergers and acquisition activities in Hong Kong in the coming future. At the same time, more new insurance companies and insurance intermediaries will set up its base in the Greater Bay Area, she says confidently. ■

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