

## 5.3 INSURANCE COMPANIES

Some statistical information about insurance companies in Hong Kong has already been considered (see 5.2.1 above). Some other features should be noted as well, as follows (source of figures: the Office of the Commissioner of Insurance, unless otherwise stated):

### (a) International Basis

As is well-known, Hong Kong is a major international centre for financial services. Of the 155 authorised insurers as at 31 December 2012, 83 were Hong Kong incorporated and 72 incorporated in 21 jurisdictions outside Hong Kong (including 2 incorporated in the Mainland of China).

### (b) Market Analysis

Below are statistics on the market shares of the top insurers by major classes of business in the year 2011:

- (i) **General Business:** by gross premium, the aggregate percentage market share of the top ten insurers in relation to General Business (comprising Direct Business and Reinsurance Inward Business) is 42% and in relation to each of the major classes is 73% for Accident and Health, 60% for Motor Vehicle, 56% for Property Damage, and 51% for General Liability (comprising Statutory Business and Other Business). No one insurer had a market share of more than 17% in any one of these classes.
- (ii) **Long Term Business:** here the analysis reveals a different picture, with the top ten insurers accounting for 75% of the 2011 market, the top five accounting for 55% and the top one 16%, all by premium (annual plus single) of Total In-Force Business.

With 111 insurers authorised to write General Business and 63 authorised to write Long Term Business, we may reasonably conclude that General Business is more evenly distributed among authorised insurers than Long Term Business.

### (c) Market Co-operation

More will be said on this topic later (see for example 5.5 below), but it is appropriate to mention at this stage that Hong Kong insurers have a central body representing their interests, *The Hong Kong Federation of Insurers* ('HKFI'). Since its formation in August 1988, the HKFI has been recognised by the Government as the **representative body of insurers** in Hong Kong. According to the HKFI, as at the end of 2012, it had 86 general insurance members and 43 life insurance members. Without doubt, it is a major factor in the structure of the Hong Kong Insurance Industry.