

Market performance of the Hong Kong insurance industry in 2008

The Office of the Commissioner of Insurance (OCI) today (March 12) released the provisional statistics of the Hong Kong insurance industry for 2008.

In 2008, gross and net premiums of general insurance business recorded a growth of 11.3% to HK\$27.019 billion and 12.3% to HK\$19.158 billion respectively compared with 2007. Nonetheless, underwriting profit lowered from \$2.398 billion to \$1.510 billion, with Accident & Health business registering a profit of \$508 million being the largest contributor, followed by Property Damage business chalking up a profit of \$490 million.

On direct business, gross and net premiums increased by 11.6% to \$21.582 billion and by 13.9% to \$16.031 billion respectively in 2008, benefiting from favourable performance of Accident & Health business whose gross and net premiums were \$6.936 billion and \$6.024 billion respectively, as well as Pecuniary Loss business whose gross and net premiums were \$1.456 billion and \$845 million respectively.

The underwriting profit of direct business receded sharply from \$1.223 billion to \$519 million in 2008 due to adverse claims experience. Specifically, Motor Vehicle business

reversed from a profit of \$11 million to a loss of \$259 million, Property Damage business reported a substantial dip in profit from \$413 million to \$127 million, and the loss recorded in Employees' Compensation business widened from \$164 million to \$498 million. On the other hand, Accident & Health business performed strongly with its profit expanding from \$257 million to \$497 million, of which \$219 million was related to Medical business and \$278 million to Non-Medical business.

On reinsurance inward business, gross and net premiums went up by 10.4% to \$5.436 billion and 4.8% to \$3.127 billion respectively in 2008. Underwriting profit moderated from \$1.175 billion to \$990 million, with exceptional losses seen in Goods in Transit business.

Total revenue premiums of long term in-force business was HK\$166.050 billion in 2008, giving up 5.7% compared with the previous year.

The revenue premiums of Individual Life and Annuity (Non-Linked) business gained 9.0% to \$81.884 billion whereas Individual Life and Annuity (Linked) business shrank by 24.0% to \$56.524 billion. Contributions of Retirement Scheme business grew by 3.7% to \$24.721 billion. Total insurance benefits paid to individuals rose by 5.7% to \$63.080 billion.

New office premiums (excluding Retirement Scheme business) of long term business for 2008 dropped 24.9% to \$60.635 billion compared with 2007, mainly caused by Individual Life and Annuity (Linked) business whose premiums contracted markedly by 39.9% to \$36.107 billion. This notwithstanding, new office premiums in respect of Individual Life and Annuity (Non-Linked) business was boosted by 18.4% to \$24.054 billion.

In respect of new policies issued to Mainland visitors, office premiums amounted to \$3.263 billion, representing 5.4% of the total new office premiums (\$60.417 billion) for individual business in 2008.

A summary of provisional statistics of the Hong Kong insurance business for 2008 is at Annex. Further details can be downloaded from the OCI's website: <http://www.oci.gov.hk>.

End/Thursday, March 12, 2009

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二零零八年臨時統計數字摘要
Summary on 2008 Provisional Statistics
 香港保險業務
Hong Kong Insurance Business

| 概要 Highlights | | | |
|--|---------------------|---------------------|--------------|
| <u>一般業務 General Business</u> | 2008 (百萬元)(\$ m) | 2007 (百萬元)(\$ m) | 變動 Change |
| 毛保費 Gross Premiums | 27,019 | 24,271 | 11.3% |
| 淨保費 Net Premiums | 19,158 | 17,058 | 12.3% |
| 承保利潤/(虧損) Underwriting Profit/(Loss) | 1,510 | 2,398 | -37.0% |
| <u>長期業務(新造業務 #) Long Term Business (New Business #)</u> | | | |
| 保單保費(不包括退休計劃) Office Premiums (exclude Retirement Scheme) | 60,635 | 80,777 | -24.9% |

| 一般業務 General Business | | | | | | |
|------------------------------|-----------------------|---------------------|--------------|---------------------|---------------------|--------------|
| 業務類別 Class of Business | 毛保費 Gross Premiums | | | 淨保費 Net Premiums | | |
| | 2008 (百萬元)(\$ m) | 2007 (百萬元)(\$ m) | 變動 Change | 2008 (百萬元)(\$ m) | 2007 (百萬元)(\$ m) | 變動 Change |
| 意外及健康 Accident & Health | 7,206 | 6,241 | 15.5% | 6,174 | 5,319 | 16.1% |
| 汽車 Motor Vehicle | 2,840 | 2,653 | 7.0% | 2,374 | 2,205 | 7.7% |
| 貨運 Goods in Transit | 1,262 | 1,165 | 8.3% | 891 | 825 | 8.0% |
| 財產損壞 Property Damage | 5,694 | 5,306 | 7.3% | 2,873 | 2,740 | 4.9% |
| 一般法律責任 General Liability | 6,102 | 5,784 | 5.5% | 4,202 | 4,015 | 4.7% |
| 其他 Others | 3,915 | 3,122 | 25.4% | 2,644 | 1,954 | 35.3% |
| 總額 Total | 27,019 | 24,271 | 11.3% | 19,158 | 17,058 | 12.3% |

| 長期業務(新造業務 #) Long Term Business (New Business #) | | | |
|--|-------------------------|---------------------|---------------|
| 業務類別 Class of Business | 保單保費 Office Premiums | | |
| | 2008 (百萬元)(\$ m) | 2007 (百萬元)(\$ m) | 變動 Change |
| 個人人壽及年金(非投資相連) Individual Life and Annuity (Non-Linked) | 24,054 | 20,314 | 18.4% |
| 個人人壽及年金(投資相連) Individual Life and Annuity (Linked) | 36,107 | 60,040 | -39.9% |
| 其他個人業務 Other Individual Business | 256 | 261 | -1.9% |
| 非退休計劃團體業務 Non-Retirement Scheme Group Business | 218 | 162 | 34.6% |
| 總額(不包括退休計劃) Total (exclude Retirement Scheme) | 60,635 | 80,777 | -24.9% |

#新造人壽業務的數字並不包括退休計劃業務。

Figures for long term new business exclude retirement scheme business.

二零零八年臨時統計數字摘要
Summary on 2008 Provisional Statistics
 香港保險業務
Hong Kong Insurance Business

| 長期業務 (有效業務) Long Term Business (Inforce Business) | | | | | | | | | | | | |
|---|--|----------------------------|--------------|--------------------------------|-------------------------------------|-------------------------------|--------------------------------|-------------------------------------|-------------------------------|--------------|-------------------|-------------|
| 業務類別 Class of Business | 保單/計劃數目 Number of Policies/ Schemes | | | 保費收入 Revenue Premiums | | | | | | | | |
| | 二零零八年 年底 End of 2008 | 二零零七年 年底 End of 2007 | 變動 Change | 2008 | | | 2007 | | | 變動 Change | | |
| | | | | 整付 Single (百萬元) (\$m) | 非整付 Non-Single (百萬元) (\$m) | 總額 Total (百萬元) (\$m) | 整付 Single (百萬元) (\$m) | 非整付 Non-Single (百萬元) (\$m) | 總額 Total (百萬元) (\$m) | 整付 Single | 非整付 Non-Single | 總額 Total |
| 個人人壽及年金 (非投資相連) Individual Life and Annuity (Non-Linked) | 6,580,553 | 6,319,510 | 4.1% | 13,014 | 68,870 | 81,884 | 11,676 | 63,472 | 75,148 | 11.5% | 8.5% | 9.0% |
| 個人人壽及年金 (投資相連) Individual Life and Annuity (Linked) | 1,641,723 | 1,427,166 | 15.0% | 27,561 | 28,963 | 56,524 | 49,853 | 24,487 | 74,340 | -44.7% | 18.3% | -24.0% |
| 其他個人業務 Other Individual Business | 207,447 | 213,848 | -3.0% | 0 | 1,369 | 1,369 | 0 | 1,205 | 1,205 | NA | 13.6% | 13.6% |
| 退休計劃團體業務 Retirement Scheme Group Business | 318,501 | 304,305 | 4.7% | 10,824 | 13,897 | 24,721 | 9,520 | 14,315 | 23,835 | 13.7% | -2.9% | 3.7% |
| 非退休計劃團體業務 Non-Retirement Scheme Group Business | 16,487 | 16,608 | -0.7% | 33 | 1,519 | 1,552 | 3 | 1,487 | 1,490 | 1000.0% | 2.2% | 4.2% |
| 總額 Total | 8,764,711 | 8,281,437 | 5.8% | 51,432 | 114,618 | 166,050 | 71,052 | 104,966 | 176,018 | -27.6% | 9.2% | -5.7% |

長期業務 (終止業務及利益給付金額)

Long Term Business (Terminated Business and Benefit Payments)

| 業務類別 Class of Business | 終止保單數目 Number of Policy Terminations | | | | | 利益給付金額 Amount of Benefit Payments | | | | |
|---|---|-------------------------------|-----------------------------|-----------------------------|--------------|---|--|---|---|--------------|
| | 2008 | | | 2007 | 變動 Change | 2008 | | | 2007 | 變動 Change |
| | 失效/ 退保 Lapse/ Surrender | 其他終止 Other Terminations | 所有終止 All Terminations | 所有終止 All Terminations | | 給予個人的 退保利益 Lapse/ Surrender Benefits Paid to Individuals (百萬元) (\$m) | 給予個人的 其他申索 及利益 Other Claims and Benefits Paid to Individuals (百萬元) (\$m) | 所有利益 給付金額 All Benefit Payments (百萬元) (\$m) | 所有利益 給付金額 All Benefit Payments (百萬元) (\$m) | |
| | | | | | | | | | | |
| 個人人壽及年金 (非投資相連) Individual Life and Annuity (Non-Linked) | 391,159 | 45,141 | 436,300 | 432,866 | 0.8% | 8,834 | 16,855 | 25,689 | 20,785 | 23.6% |
| 個人人壽及年金 (投資相連) Individual Life and Annuity (Linked) | 104,057 | (282) | 103,775 | 82,234 | 26.2% | 17,091 | 2,101 | 19,192 | 21,642 | -11.3% |
| 其他個人業務 Other Individual Business | 21,516 | 7,913 | 29,429 | 32,238 | -8.7% | 314 | 325 | 639 | 508 | 25.8% |
| 退休計劃團體業務 Retirement Scheme Group Business | NA | NA | 18,500 | 17,097 | 8.2% | 11,211 | 5,628 | 16,839 | 15,990 | 5.3% |
| 非退休計劃團體業務 Non-Retirement Scheme Group Business | NA | NA | 3,394 | 2,585 | 31.3% | 4 | 717 | 721 | 734 | -1.8% |
| 總額 Total | NA | NA | 591,398 | 567,020 | 4.3% | 37,454 | 25,626 | 63,080 | 59,659 | 5.7% |

長期業務 (再保險業務)

Long Term Business (Reinsurance Business)

| 再保險業務總額 Total Reinsurance Business | 保費收入 Revenue Premiums | | | | | |
|---------------------------------------|--|-------|--------------|--|-------|--------------|
| | 分入再保險的可收取的保費 Premiums Receivable under Reinsurance Assumed (百萬元) (\$m) | | | 分出再保險的應付的保費 Premiums Payable under Reinsurance Ceded (百萬元) (\$m) | | |
| | 2008 | 2007 | 變動 Change | 2008 | 2007 | 變動 Change |
| | | | | | | |
| | 1,478 | 1,273 | 16.1% | 5,630 | 5,032 | 11.9% |