Pre-Recorded Keynote Remarks by
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Distinguished Guests, Ladies and Gentlemen

A Good Morning to all.

It is a pleasure to address the 6th ASEAN Insurance Summit, and I commend the ASEAN Insurance Council for bringing together leaders and regulators of the region's insurance sector. This Summit provides an important platform to exchange perspectives, strengthen collaboration, and chart pathways to build a more resilient insurance industry that can better safeguard communities and enhance financial risk protection across ASEAN.

This year's theme, *"Redefining Risk in ASEAN: Driving Innovation, Inclusion & Resilience in Insurance"*, is both timely and significant. ASEAN stands at a critical juncture to reaffirm its commitment to building a resilient and future-ready ASEAN Economic Community. While our region is projected to become the world's fourth-largest economy by 2030, with a combined GDP of USD 3.9 trillion in 2024[1], we face growing challenges. Rising trade protectionism such as the imposition of US tariffs, and heightened geopolitical tensions threaten the foundations of open trade and investment that have long underpinned ASEAN's growth and prosperity. These external pressures, combined with structural shifts such as climate change and ageing populations, will shape the trajectory of our economies and test the resilience of our communities.

[1] ASEANstats database, GDP preliminary figures as of May 2025.

Amidst these challenges, ASEAN continues to harness its collective strength to advance initiatives that promote sustainability and strengthen regional resilience:

a. In 2023, ASEAN adopted the ASEAN Strategy for Carbon Neutrality, a comprehensive framework to accelerate the region's transition towards a low-carbon, climate-resilient future. If fully implemented, this strategy could contribute up to USD 5.3 trillion in GDP value add, attract as much as USD 6.7 trillion in green investment, and generate 66 million new jobs by 2050[2];

b. As a concrete step toward this goal, the upgraded ASEAN Trade in Goods Agreement (ATIGA), targeted for conclusion in 2025, will incorporate provisions for the free movement of remanufactured goods. This will help integrate circular products into intra-ASEAN trade, strengthen green supply chains, promote environmental protection and reduce landfill waste through more sustainable trade practices; and

c. The ASEAN Power Grid (APG) is another transformative initiative, enhancing cross-border electricity interconnectivity to meet growing energy demand and accelerate renewable energy integration. Achieving the APG vision will require an estimated USD 764 billion[3] in investments for power generation and transmission infrastructure.

Supporting these initiatives, ASEAN's financial sector has laid the groundwork to channel resources into sustainability. We have introduced tools such as the ASEAN Taxonomy for Sustainable Finance and the ASEAN Transition Finance Guidance to guide investors in sustainable decision-making. At the same time, ASEAN is advancing interest in Voluntary Carbon Markets (VCM), creating opportunities for climate mitigation and supporting transition pathways for companies pursuing greener operations. This aligns with the broader shift in global capital markets, where institutional investors, including insurers, are increasingly channeling resources toward green bonds and sustainable infrastructure.

ASEAN Insurance Regulators are also fostering dialogues to encourage the development of insurance products aligned with sustainable activities and consistent with the Sustainable Development Goals (SDGs).

Beyond sustainability, ASEAN continues to strengthen disaster risk financing. Under the ASEAN+3 Finance Cooperation Process, the Disaster Risk Financing Initiative (DRFI), supported by the Southeast Asia Disaster Risk Insurance Facility (SEADRIF), has provided sovereign disaster risk coverage for public assets and capacity-building support. Notably,

[2] Source: ASEAN Centre for Energy (ACE); International Renewable Energy Agency (IRENA); DBS; UN Environment (UNEP); BCG analysis. https://asean.org/wp-content/uploads/2023/08/Brochure-ASEAN-Strategy-for-Carbon-Neutrality-Public-Summary-1.pdf
[3] https://www.unescap.org/sites/default/d8files/event-documents/ASEAN%20Secretariat's%20Briefing%20on%20Energy_Final.pdf

SEADRIF facilitated immediate flood insurance payouts for Lao PDR—USD 1.5 million in 2023 and USD 3 million in 2024[4]. Most recently, Lao PDR secured a new sovereign disaster risk insurance policy with SEADRIF, providing up to USD 16 million in protection against floods, typhoons, earthquakes, landslides, and related risks.[5]

While regional insurance initiatives for public assets are gaining traction, ASEAN's insurance sector still shows ample room for growth. In 2023, ASEAN's total insurance penetration stood at just 3.2 percent of GDP, compared with the global average of 7.0 percent.[6] Disparities across Member States reflect the complexity of ASEAN's insurance landscape.

These developments mirror global trends: According to Aon, an international professional services firm, natural catastrophe losses worldwide reached USD 368 billion in 2024, yet less than half were insured, underscoring the widening global protection gap and the urgency of building more inclusive insurance systems. The same urgency also applies to ASEAN, where closing this gap will be critical to building resilience.

This gap presents both a challenge and an opportunity: a chance to broaden insurance coverage through targeted strategies, particularly in emerging areas such as climate and sustainability-related risks. At the same time, global demographic pressures, especially ageing populations, are driving new forms of health and pension-related insurance. ASEAN must prepare for these shifts by innovating products that address not only climate risks, but also long-term social protection needs.

Excellencies, Distinguished Guests, Ladies and Gentlemen

A dynamic, sustainable, and innovative insurance sector is essential to building financial resilience in the face of climate change and natural disasters. Allow me to share three recommendations to strengthen collaboration and align with ASEAN's vision for a resilient future:

First, sustain close dialogue between insurers, regulators, and policy-makers to design innovative products that advance sustainable finance. Regulators' vision, paired with industry innovation, can yield practical solutions that expand financial protection against growing disaster risks. I also encourage deeper engagement with regional mechanisms such as SEADRIF to explore affordable disaster risk financing instruments;

[4] Joint Statement of the 28th ASEAN+3 Finance Ministers' and Central Bank Governors' Meeting (AFMGM+3). https://asean.org/wp-content/uploads/2025/05/Final-Draft-of-Joint-Statement_28th-AFMGM3-clean_20250504.pdf
[5] SEADRIF [July 2025] "Lao PDR and SEADRIF Sign Sovereign Disaster Insurance with World First Reported Impact Trigger". https://seadrif.org/news/lao-pdr-and-seadrif-sign-sovereign-disaster-insurance-with-world-s-first-reported-impact-trigger/
[6] ASEC [2024] ASEAN Insurance Surveillance Report 2024.

Second, accelerate the adoption of green insurance to bolster financial participation for sustainable investments across the region. Companies adopting such policies play a critical role in mitigating climate-related risks, particularly in economies where sustainable financing remains limited. The insurance sector could take a proactive role by offering incentives—such as premium shifting or differentiation—to encourage investment in sustainable projects while gradually disincentivizing carbon-intensive activities; and

Third, strengthen reinsurance capacity to support the financing of green projects as ASEAN transitions to a low-carbon economy. Reinsurance plays a pivotal role in supporting ASEAN's transition by providing effective risk financing solutions and strengthening risk management capabilities. In this context, I welcome the launch of a reinsurance pooling initiative in the renewable energy sector—particularly for projects under the ASEAN Power Grid (APG)—among ASEAN reinsurers. Such initiatives will help reduce investment risks, improve underwriting capacity, and build resilience against climate-related risks. I also encourage deeper collaboration with policymakers, businesses, and academia to promote capacity-building geared towards green financing to support and secure the region's transition to a low carbon economy.

In conclusion, the insurance sector is not only an important partner in advancing ASEAN's sustainability agenda, but also a driver of global innovation in redefining how societies manage risk. By bridging protection gaps, mobilising green finance, and strengthening reinsurance collaboration, the industry can transform vulnerabilities into opportunities for growth and resilience. This Summit is a timely reminder that insurance is not just about protection but about shaping a future for ASEAN that is inclusive, sustainable, and prepared for the challenges of a changing world.

Thank you, and I wish the 6th ASEAN Insurance Summit every success.

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