

## Seeing Through the Gray Areas

### Interviews and Profiles





## **Patrick Kong**

GENERAL COUNSEL, HEAD OF COMPLIANCE

CHUBB LIFE INSURANCE COMPANY LIMITED,

CHUBB GROUP

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All lawyers face them. In-house lawyers, in particular, need to see them for what they are: risk. The gray areas, and navigating through them, are what Patrick Kong finds most interesting about his job. As general counsel and head of compliance for Chubb, the world's largest publicly traded insurer, he is constantly looking for gray areas and figuring out the best way forward.

The insurance industry is highly regulated. Kong is responsible for anti-money laundering, the protection of personal data, sales conduct in Chubb's distribution channels, and corporate governance. Many financial institutions are relying on technology to run their business, Kong says, which creates a gray area because the laws have not evolved as fast.

Another gray area is data protection. Chubb, like many other companies, relies on third parties to handle parts of its business. The company recently partnered with Microsoft to store email data on the cloud, which is based outside of Hong Kong. Hong Kong's data protection laws, which are similar to the laws of the European Union, do not fully address transferring personal data outside of the city. As a result, Kong needs to anticipate what the law will be.

Kong spent over a year negotiating Chubb's contract with Microsoft. The terms of use, security protection arrangements, and third-party agreements were all complicated topics of discussion. The

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contract negotiations took so long because the cloud is a relatively new technology and platform for non-IT professionals. Further, Microsoft is a US-based company. While it tried to develop standard template contracts covering its worldwide business models, its data warehouses are primarily operating in the United States — where data protection laws are not totally aligned with laws in the European Union.

When Kong first joined the insurance giant in November 2011, it was known as ACE Life. It had acquired New York Life and was undergoing the process of rebranding. Kong worked to complete this at a local level. The experience forced him to learn all about IP rights, which wasn't his specialty.

And it wasn't the last rebrand for the company. On July 1, 2015, the company announced that it would acquire Chubb Corporation for US\$28.3 billion in cash and stock. Kong engineered the rebranding again, but was more experienced this time.

Today he is more of a management voice than a technical lawyer. His goal is to help Chubb, which has seven operations in Asia, to solidify its market position. "Our ultimate aim is to be recognized by our customers as their insurance company," he says, adding that Chubb is a customer-centric business.

## **Beginnings**

Kong, a lifelong resident of Hong Kong, wanted a job that would overcome the monotony of working as an immigration officer.

His solution: become a lawyer. After working for the government for 10 years, he decided to change careers. He studied law part-time for two years, passed his examinations, and decided to take advantage of a subsidy to study in England — which still controlled the crown colony of Hong Kong at the time. At the University of Leeds, he concentrated on his general academic studies and adopted a logical methodology that he still uses today. After he matriculated, he found that his maturity was an asset. "I easily gained the trust of my clients because of my past working experience," he says.

When he returned to Hong Kong, he joined Deacons law firm, and, after qualifying as a lawyer in 1992, immediately stepped into the Chinese market. "Mostly my job was helping the PRC entities to attract foreign direct investments into China and also to help the PRC entity to come to Hong Kong to get listed on the stock exchange," Kong says.

His business education continued when he joined a joint-venture company based in Indonesia. They had invested in China and needed help managing the business there.

Kong got another international business opportunity when a group of wealthy Chinese investors needed his assistance to invest in an Australian mining company. He was heavily involved in the management of the business in Australia for two years before Hong Kong's allure drew him back.

Back in his home city, he had his first experience with life insurance, the industry he would oversee for the next 16 years. It was different from his work as a corporate finance lawyer. He learned all the regulatory requirements. At least, the ones that are black and white.

## **Getting to know... Patrick Kong**

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**What's your favorite thing about Hong Kong? Where would you tell a visitor to go?**

I like Hong Kong because I was born there. At one point, I tried to migrate to Australia or Singapore, but ultimately determined to stay in Hong Kong because it is my hometown.

Hong Kong is a very small place, but people say that it is a shopping paradise. For foreign visitors, they might find it very attractive because they can purchase cheap products here.

**Where are you going on your next vacation?**

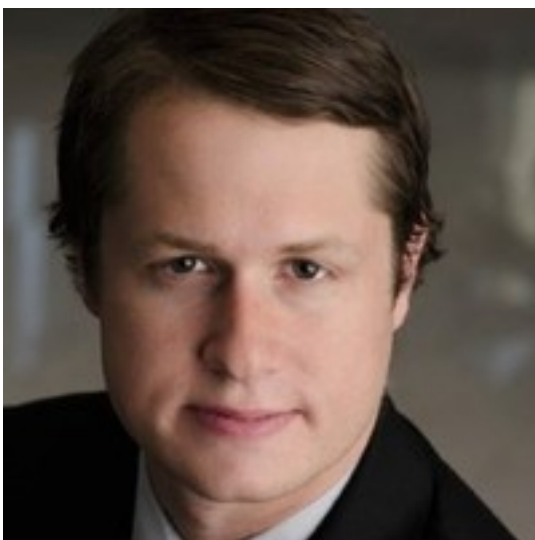
This year I have two travel plans: I will go to Spain and Portugal in April and I will go to New Zealand in September.

I like Spain and Portugal because I like the culture of the people there. They are warm, passionate, and have a very long history. And New Zealand is a very quiet country and I like to go hiking and play sports there.

**What's on your calendar for the rest of the day?**

I will meet with a senior person from New York to talk about risk management. After that, I have a networking lunch with the Independent Non-Executive Director Association in Hong Kong. After that, I will go to the tax authority in Hong Kong to learn more about the Common Reporting Standard, a system developed by the European Union that is similar to FATCA in the United States. Then, I will have a drink with my friend at their office for happy hour.

[Joshua H. Shields](#)



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