भारतीय बीमा संस्थान
INSURANCE INSTITUTE OF INDIA

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INSUNEWS

- Weekly e-Newsletter

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• Quote for the Week •

"We cannot all do great things, but we can do small things with great love."

Mother Teresa

INSIDE THE ISSUE

Insurance Industry

India: Insurers & other financial entities to work on national financial inclusion strategy – Asia Insurance Review

Insurance companies, pension funds, banks and mutual funds will collaborate to create a common approach to further the government's financial inclusion goals in a targeted manner and based on customer needs.

An inter-regulatory coordination group, plus an outside group of experts (the financial inclusion advisory committee) is busy creating the financial inclusion plan.

The first draft is ready and was discussed at a recent inter-regulatory meeting. It would be fine-tuned further, Reserve Bank of India Deputy Governor S S Mundra told *Business Standard* in an interview.

All financial entities would be directed to coordinate with each other to introduce products in line with the strategy.

All the financial regulators — the IRDAI, Reserve Bank of India for banking, the Securities Exchange Board of India for capital markets, and the Pension Fund Regulatory and Development Authority — have products for those outside the financial fold. But there is currently no common strategy.

The idea is to present a package to a person by understanding the stage of the inclusion journey he or she is in. "Someone opens an account with no job at hand and you try to sell an insurance or pension product to that person … then it's meaningless," Mr Mundra said, adding opening an account is just the start of the inclusion journey.

"Once an account is opened, there should be some transaction. Then the person should be given some productive credit. Once credit is given and he or she can generate surplus, that surplus should be used to buy some microinsurance, and save some money for a rainy day or for old age. In those stages, pensions and investment products would be introduced."

The strategy would be determining what kind of credit should be given once an account is opened, and then what kind of products should be offered. There would be changes in how the information technology would be used, and how a customer can be tracked.

Financial education

The financial institutions will also work together to educate customers about the importance of various products. A national financial education strategy is also being formulated as a corollary to the inclusion strategy.

Financial education would ensure there is a ready demand for the products. "The regulators have done a lot in terms of supply.

Now, if customers are not aware of these products, all these supplies have no meaning," Mr Mundra said, adding demonetisation has increased the supply of these products and demand is also increasing, but more needs to be done.

Source

Life Insurance

Life insurers new business to grow 15-18%: Icra - Business Standard – 2 August 2017

Ratings agency, Icra, has pitched a 15-18 per cent growth rate of new business of Life insurance sector on an Annualised Premium Equivalent (APE) basis for FY18. Whereas the general insurance industry is expected to grow at 20 per cent in FY18, much higher than the 14.4 per cent growth seen in FY 17.

With the key structural drivers namely an underpenetrated market, favourable demographics, improving savings rate coupled with expected recovery in the economy amidst steady push by the government and the insurance companies to improve the penetrations will aid the Industry, said Karthik Srinivasan, Senior VP and Group Head Financial Sector Ratings, Icra.

Crop insurance business, which grew by 6.5 times, registered the fastest growth by acquiring a 12 per cent market share in the general insurance business in FY17 from 2 per cent market share in FY16. However, in FY18 crop insurance business is expected to grow at a slower pace as the availability of reinsurance capacity would be a key requirement.

The solvency indicators of PSU insurers has seen a sharp decline, owing to rise in claims and changes in actuarial estimates with two of the players reporting solvency levels below the regulatory minimum during the year. However, many of the players have managed to raise capital from their promoters or raise Tier II bonds to improve their solvency profile. General Insurance companies cumulatively raised around Rs 21 billion of Tier II bonds till since the regulations were announced.

Select private players continued to demonstrate better underwriting performance with underwriting losses standing much lower at Rs 25 billion in FY2017 vis-a-vis underwriting losses of Rs 108 billion for PSUs during this period, said Icra. With few of the companies considering listing themselves on the stock exchanges, we believe that in addition to providing a route for the promoters to monetise their investments, we could also see some rationalisation in product pricing as companies would also look to shore up their net profits, said Icra.

In FY 17, the new business premium growth of the entire life insurance industry stood at 26 per cent from 23 per cent in FY16, with LIC registering a sharper new business growth at 27.4 per cent as compared to the private players in the industry, who grew at 23.4 per cent.

ULIP business of the life insurers saw an improvement in growth to 7.2 per cent in FY 17 from 4.5 per cent in FY 16, owing to a change in the minimum holding period for ULIP schemes, and improvement in market performance. However, the non-linked premium saw a sustained growth of 6.6 per cent in FY 17 from 6.5 per cent in FY 16. While agents remain the key drivers for business for the individual business of LIC and smaller players, bancassurance channel remains strong for the larger bank promoted life insurance companies, said Icra.

"While the solvency levels of Life Insurance players would decline over period of time as they scale up the mix of traditional products, we believe that the companies can grow their business without raising external equity capital over the near to medium term. They also have the flexibility to raise Tier II bonds to bolster the regulatory solvency levels, said Karthik Srinivasan.

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Data insights can improve life insurance persistency – Mint – 28th July 2017

The elements of customer acquisition and customer retention matrices are different in life insurance business, as customer retention for a long period of 7 to 10 years is critical for earning a profit from customer life-time value. Customer retention in life insurance is measured in terms of persistency rate, or the percentage of policies renewed every year over the policy period. In 2015-16, the average persistency rate for life insurance policies in the 13th month was just 61%, according to the Insurance Regulatory and Development Authority of India's (Irdai) handbook on India's insurance statistics. More than two-thirds of life insurance policies in the 61st month had lapsed during the year as policyholders did not pay renewal premium.

Globally, the persistency ratio is close to 90% in the 13th month and above 65% after 5 years. The acceptable persistency rate in life insurance is 80% for 3-year-old policies and 60% for 10-year-old policies.

Life insurance persistency in India is acutely low and is clearly hurting life insurance companies. The influencers of persistency rate are all the three stakeholders: life insurers, agents, and customers.

The customer contact points of life insurers are limited and customers tend to lose interest after the initial purpose of tax savings; lacking awareness that the utility of life insurance is over a much longer term. Furthermore, the focus of agents is largely on their upfront commission income. The fundamental cause of the low persistency rate is that individuals still largely perceive life insurance as a tax-saving investment instruments and not as a financial protection tool. A large chunk of life insurance is sold in the last quarter of every financial year. This is the period when tax assessors rush to make investments to reduce tax liabilities. All the three stakeholders suffer losses from the current situation: insurers do not make profits on customers who decide to lapse policies within 6 to 7 years. Customers lose money if they do not persist with their policies long enough, with the entire investment lost if policies are persisted for less than 2 years. The focus of the agents on the high upfront commissions makes them lose out on opportunities of deepening relationships with customers.

Life insurers get new business after spending heavily on marketing and business development and on payment of higher first year commissions. This essentially means the upfront costs of acquiring new customers is very high.

For the insurers, the impact of policy lapses is much wider. The lower the persistency ratio, the higher is the operating expense ratio. The operating expense ratio for most life insurers is in double digits. The key to sustainable profitability of life insurers is in reducing their operating expense ratios to low single digits.

Smart customer handling is vital to improving the customer relationship and to understanding their propensity to lapse, based on their economic profile, risk identification, life-stage and other factors.

We know the factors that typically affect policyholder lapse rates include: product type, distribution channel (or specific individual source of business), the number of recent contacts (with the insurer or agent) socioeconomic characteristics of the customer (such as age and gender), any correlation to policy options or guarantees, the presence of product features (such as policy riders), the policy duration (current and remaining) and the policy term, the customer's other policies, as well as macroeconomic and tax considerations (in particular the tax deadlines and thresholds).

The problem of low persistency is deeply entrenched and requires addressing product design, customer relationship management, and agents' selling practices. More needs to be done to convey to consumers the important protection element of policies.

Many efforts have been made to improve persistency. Irdai has been trying to regulate front-loaded commissions and mandate a protection component, while the insurers have constantly been trying to improve their direct connection with customers.

A recent consumer study conducted by LexisNexis Risk Solutions has shown that a large majority of customers (76%) depend on agents to learn about life insurance products before taking a decision. Just over one-third of consumers who participated in the study said they carry out a great amount of research before purchasing life insurance. This suggests a low awareness about life insurance and its purpose, and a need to strengthen the agency relationship and other sales channels.

How can life insurers address low persistency? How can data and analytics help?

Greater digitization of the entire sales process can enhance customer experiences while also allowing effective monitoring of agents and other sales channels. This trend towards a richer customer experience and an assisted self-service model is seen in insurance markets around the world and it is arriving in India too.

There also needs to be greater emphasis on training of employees and agents so they become financial or risk advisers for customers rather than just sellers. Insurers can enhance the understanding past insurance behaviour of customers through a unified view of customer risk profiles, which is possible only if life insurers share data amongst themselves.

There's an opportunity to use advanced analytics to identify customer life-stages and thereby their insurance needs. This will help in pitching the right products to customers, identifying policy lapsation patterns using predictive modelling and surrogate data like credit scores.

The Indian life insurance industry is increasingly becoming aware of this persistency malaise and efforts are moving towards collaboration, and smart use of technology-driven solutions. However greater efforts are required to bring cooperation and data consistency amongst insurers.

Source

Health Insurance

Demand for maternity cover on the rise - The Hindu Business Line – 3rd August 2017

Health insurance companies have been offering maternity cover as a bundled product or as an optional add-on, primarily on a group platform. However, current trend suggests rising demand for tailor-made retail products with adequate cover for the newborn.

According to industry experts, more and more women are planning a child at a much later age leading to a rise in high-risk pregnancies. The costs of pregnancy have, therefore, risen due to the need for regular visits to the gynaecologist, extra nutritional medication, high incidence of caesarean section deliveries, and treatment at super-speciality hospitals.

"Given the increased cost, buying maternity cover comes as a convenient and attractive option," said Anurag Rastogi, Head - Retail Underwriting & Claims, HDFC ERGO General Insurance.

A newborn should ideally be given insurance cover from day one, said Dr S Prakash, COO, Star Health and Allied Insurance, explaining the need to widen the ambit of such coverage. "When we do not ply a new vehicle on the road without insurance, is it right to bring a life into this world without insurance?" he asked.

Demand-supply gap

Policybazaar.com, the online portal for comparing various financial products, has seen traction in the number of enquiries for such products. However, at present not many products are available in the market to match the strong demand.

"Several health insurers are exploring the possibility of introducing products for this segment. We might see some launches happening in the next 6-10 months," said Dhruv Sarin, Head of Health Insurance, Policybazaar.com. Insurers are looking at tapping this segment with products that offer higher sub-limits and wider covers.

Apollo Munich Health Insurance, which currently offers this as a bundled product on a group platform, is exploring the possibility of launching a product with comprehensive coverage for the mother and the newborn on the retail platform.

With a greater percentage of women getting married late, "a comprehensive cover that not only focuses on maternity and child care but also includes infertility is the need of the hour," said Antony Jacob, CEO, Apollo Munich.

Higher premiums

According to Jyoti Punja, Deputy CEO, Cigna TTK, generally maternity and newborn coverage has a waiting period of four years. "In some plans, this can be reduced with waiver of waiting period up to two years by paying additional premium. There are also some specific maternity insurance plans with lower waiting period available in the market," he said.

Since maternity benefit plans have 100 per cent utilisation ratio, they are more expensive than other insurance plans. To keep it viable, insurers set a certain waiting period, exclusions and limit on the maternity benefit. Insurers also offer value-added services, including vaccination, parental guidance or congenital cover to the newborn, Rastogi said.

Source

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Higher insurance coverage for Indian emigrant workers - The Pioneer – 31st July 2017

In order to provide better financial cover to the Indian emigrant workers, the Indian Government has revamped the mandatory insurance scheme for them. The new scheme, applicable from August 1, will provide Indian emigrant worker a higher insurance coverage for medical emergencies and repatriation under the Pravasi Bharatiya Bima Yojana (PBBY).

PBBY is a scheme aimed at welfare of Indian emigrant workers who need Emigration Clearance for overseas employment. According to the new scheme, the medical insurance cover for hospitalisation for Indian workers due to injuries, sickness, ailment and diseases has been raised from existing Rs 75,000 to Rs 10,0000. This amount can be up to Rs 50,000 per hospitalisation.

The maximum amount for insured under the Scheme remains Rs 10 lakhs in the event of accidental death or permanent disability leading to loss of employment while in employment abroad, irrespective of change of employer/location of insured person. Certification of accidental death or permanent disability by Indian Missions and Posts abroad shall be accepted by the insurance companies.

The maternity benefit to women emigrants has been increased from Rs 25,000 to Rs 35,000 in case of normal delivery and to Rs 50,000 in case of caesarean section delivery. The insured emigrant workers are also eligible for one-way air ticket in case they are not received by the employer; if there is any substantive change in the job/employment contract/agreement to the disadvantage of the insured person; or if the employment is prematurely terminated within the period of employment for no fault of the emigrant. However, the grounds for repatriation need to be certified by the Indian mission. In case of emigrant's accidental death or permanent disability, two-way fare will be paid for an attendant to the nearest airport.

Besides, the legal expenses on litigation related to emigrant's overseas employment have been enhanced from Rs 35,000 to Rs 45,000. The insurance will remain valid irrespective of change of employer or the subscriber's location during the policy period. The insurance will also remain valid during visit of subscriber to India or any third country during the period of the insurance cover. While providing the online facility for renewal of insurance policy, the Government has decided to retain the nominal insurance premium of Rs 275 and Rs 375 for a period of two and three years, respectively.

Source

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General Insurance

Insurance likely for drivers, conductors - The Tribune – 3rd August 2017

The State Transport Department is contemplating creating a corpus to provide insurance cover to the drivers and conductors of all private commercial vehicles so that they along with their families get some financial help in case of any accident related casualty or injury.

Transport Minister GS Bali said the step was being taken to ensure that the driver and conductors engaged in these commercial vehicles get financial assistance in case of any accident. The agenda for creation of the corpus fund is likely to be placed before the Cabinet at its meeting scheduled for August 5.

As per the plans, the owner of vehicle will have to pay an amount of Rs 500 at the time of registration of the vehicle with the regional Transport Officer. This will help the government generate about Rs 35 crores over a period of time.

It is learnt that the government is also planning to later extend this amount to drivers engaged in private vehicles. The financial assistance in case of casualty will be about Rs 4 lakh and in the case of injury it will vary between Rs 50,000 and Rs 4.50 lakh.

Source

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Crop Insurance

'Crop insurance making insurance Companies richer' – The Times of India – 2 August 2017

To save hefty premium and take early decision on crop loss claims under Pradhan Mantri Krishi Fasal Bima Yojana (PMFBY), the state government is to decide on floating its own crop insurance company by the month-end. The decision came after Union agriculture minister Radha Mohan Singh agreed 'in principle' to a demand raised by some states to this effect.

Singh shot off letters to all states allowing them to set up their own insurance agencies to enrol farmers under PMFBY and Restructured Water Based Crop Insurance Scheme (RWBCIS). He said the decision was taken by the government after states raised their concern over the hefty amount being paid to insurance companies even if there is no crop loss, said a senior officer in the agriculture department.

"Some states are of the view the empanelled insurance companies are making huge profits and paying less claims. These states have expressed their desire to float their own crop insurance company to take the benefit of less claims during good or normal crop years and to make reserve for future high claims," read the letter sent by agriculture minister Singh.

The states had raised the point for being compelled to pay a huge amount as crop insurance premium to private companies in crores for the last two years even when there is no crop loss. The hefty amount is turning out to be net profit for the ten registered firms, said officials.

Under the new crop insurance scheme, the private insurance companies were paid Rs 17,184 crore as premium in 2016 and of that only Rs 6,804 crore was paid as the claim to farmers while remaining Rs 10,380 crore went to insurance companies, the officials said.

"The ministry has no objection in principle to setting up of crop insurance company by any state subject to condition that the state shall adopt transparent and competitive bidding process to determine the actuarial or commercial premium to be charged for coverage of risk under the PMFBY and choose the company accordingly," stated the minister.

As the state government is trying to save money, officials also clarified their stand over formation of new insurance company as weather conditions change crop pattern and production to a great extent in the state.

"In case there is no crop loss, the state wouldn't be forced to pay premium amount if they have their own insurance companies. Thus, it would help in saving public money, which could be utilised for other welfare schemes," the officials said.

As the Centre accepted the state's demand, Rajasthan and Punjab announced setting up their own insurance agency. The state government formed a sub-committee headed by state finance minister Jayant Malaiya, which was likely to decide on the issue this week. However, due to civic polls, the meeting was postponed till August 10.

"We will discuss the matter as other states also raised concern over the hefty premium being paid to the insurance companies. The sub-committee was likely to meet on Tuesday. However, due to civic polls in 37 municipalities, chief minister and other leaders had prior engagements, so we decided to convene the meeting after August 10," Malaiya told TOI.

"The meeting will discuss whether the state needed a separate insurance company and also address all related issues. We are trying to make things easier for farmers and provide them best possible option," said Rajesh Rajora, principal secretary, farmer welfare and agriculture development.

Source

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Fasal Bima Yojana by Narendra Modi government moved in right direction, made substantial progress - The Financial Express – 31st July 2017

Recent floods in Gujarat, Rajasthan and Assam show that even in an otherwise normal monsoon year, farmers in certain pockets could still suffer due to natural calamities. Earlier, the droughts of 2014-15 and 2015-16 exposed that the existing crop insurance schemes were not enough to alleviate farmers' woes. The sums insured under National Agriculture Insurance Scheme (NAIS), modified NAIS (MAIS), and Weather Based Crop Insurance Scheme (WBCIS) were too low, as premiums were kept low. Further, the compensation of claims was too meagre, and took too long to materialise to be really meaningful to farmers. So, governments often used National Disaster Relief Funds to rescue the situation. Unfortunately, it was not based on any robust scientific system and had its own loopholes.

The prime minister realised this, and in kharif 2016, he announced the Pradhan Mantri Fasal Bima Yojana (PMFBY), hoping it to be a game-changer. The PMFBY raised the sums insured to realistic levels, basically to cover cost of cultivation of farmers. The premiums were heavily subsidised by the Centre and the states in equal proportions, with farmers paying only 2% of the premium for kharif and 1.5% for rabi (for horticulture crops, it was 5%). Farmers found PMFBY attractive. Consequently, in the very first kharif season (2016), area (in ha) and number of farmers covered under PMFBY, both increased to 37.5 million. It was 47% higher in terms of number of farmers, and 38% higher in terms of area, over the NAIS and MNAIS schemes of kharif 2015, a drought year.

However, if compared to a normal kharif year, say, 2013, the number of farmers opting for it increased by 210% in kharif 2016, and area covered increased by 126%. The sum insured on per hectare basis under PMFBY increased by 51% over kharif 2015. The number of non-loanee farmers opting for PMFBY, as per the ministry's communication, also increased by about 23%, driven primarily by Maharashtra. All these indicators show that PMFBY is moving at a good pace, and in the right direction.

But where one has to pay attention is that, despite increasing coverage, the premiums as percentage of sums insured increased. With greater competition, there is surely scope for negotiating lower premiums. But the litmus test of any crop insurance scheme is how fast it can settle claims of farmers. And it is here that the governance of the state is tested.

There are three critical steps in this process: first, the state has to notify the crops, make clusters of districts, determine the sums to be insured based on district level committees, and invite tenders from insurance companies; second, the state and the Centre have to pay premiums to the companies providing insurance; and third, in case of crop damages, they must quickly assess the damages and ask companies to pay the claims of farmers.

Unfortunately, in this entire process, farmers have almost no role. That's the reason that its implementation and effectiveness has fallen between cracks. If states delay notifications, or payment of premiums, or gathering crop cutting data, there is no way companies can pay compensation to farmers in time. And it is exactly this slow pace and casual attitude of several state agencies that had delayed compensations to farmers for losses in.

Unfortunately, in this entire process, farmers have almost no role. That's the reason that its implementation and effectiveness has fallen between cracks. If states delay notifications, or payment of premiums, or gathering crop cutting data, there is no way companies can pay compensation to farmers in time. And it is exactly this slow pace and casual attitude of several state agencies that had delayed compensations to farmers for losses in kharif 2016, and it may happen again in kharif 2017.

There is talk in certain quarters that the government is giving away money to private insurance companies as the claims are much lower than premiums paid. It may be noted that in any crop insurance business, companies make profits during normal times and incur losses during droughts and floods. So, any meaningful commentary on premiums and claims should look at at least a 3-5 year cycle.

In any case, just for FY17, the total premium paid by the government and farmers is Rs 22,345 crore both for kharif and rabi, while the estimated claims for kharif 2016 alone will exceed Rs 10,000 crore, of which Rs 4,203 crore has already been paid.

In Tamil Nadu, which was affected by the worst drought of the century, Rs 976 crore was paid as premium in rabi and claims of Rs 1,213 crore have been paid. It may be noted that most states did not claim any amount under on-account claim for mid-season adversity, which allows 25% payment for quick relief to farmers. Similarly, most states failed to provide smartphones to revenue staff to capture and upload data of crop-cutting, which continues to come in with inordinate delay. There is hardly any use of modern technology in assessing crop damage.

With picking up of PMFBY, area under WBCIS reduced from 12 lakh ha in 2015-16 to 1.8 lakh ha in 2016-17. Both Rajasthan and Maharashtra, leaders of WBCIS, delayed finalisation of their tenders and received high actuarial rates. The pilot scheme of unified package insurance (UPIS) in 50 districts has not taken off. So, what is the future of crop insurance in addressing farmers' woes from natural calamities? The PMFBY has moved in the right direction and made substantial progress in terms of coverage, but failed in quick dispensation of claims to farmers.

The primary reason behind this failure is lethargy and casual attitude of state agencies. If the PMFBY has to succeed, farmers must have a bigger stake in its functioning. There is an urgent need to link insurance database with Core Banking Solution (CBS) so that when the premium is deducted from a farmer's bank account, the bank sends him a message informing about the premium, sum insured and.

There is an urgent need to link insurance database with Core Banking Solution (CBS) so that when the premium is deducted from a farmer's bank account, the bank sends him a message informing about the premium, sum insured and name of insurance company.

IRCTC has already done it for railway tickets, and there is no reason why our technology-savvy banks and insurance companies cannot do it quickly. Currently, several loanee farmers may not even be aware that they are insured! If the system remains locked between state agencies and insurance companies, chances are that the farmers will get shortchanged. It is time that the PM makes this flagship programme farmer-centric for effective implementation. It can pay rich dividends.

Source

IRDAI Circular

Source

IRDAI uploded clarification regarding IRDAI (Other Forms of Capital) Regulations, 2015 to CMDs/ CEOs of all insurers.

Source

Status of Insurance Brokers (As on 30th June, 2017).

Source

Second Amendment to IRDAI's (Payment of commission, remuneration or reward to insurance agent or insurance intermediaries) Regulations, 2016

Source

Gross premium underwritten by non-life insurers within India (segment wise) up to JUNE, 2017

Source

Terms and Conditions of Life Products for F.Y. 2017-18

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Global News

Nepal: Insurance premiums shoot up by 23% to US$561 mln in FY17 – Asia Insurance Review

The insurance market in Nepal saw premiums surge by 22.74% to NPR57.53 billion (US$561 million) in the last fiscal year (FY2017) ended 15 July.

Life insurance premiums increased by 20% to NPR38.40 billion while nonlife premiums rose faster at 27.75% to NPR19.03 billion in FY2017, according to data from the Insurance Board (IB).

First-year premiums received by the country's nine life insurers totalled NPR10.56 billion, an increase of 11% over the previous year.

Premiums from foreign employment policies, that Nepalese bound for working stints overseas are required to purchase, jumped by 41.7% to NPR2.58 billion in FY2017.

Among the nine life insurers, Nepal Life Insurance remained at the top of the list in terms of premium with INR12 billion in FY2017, 17.1% higher than in FY2016. However, National Life Insurance grew at the fastest pace of 29% with premiums reaching NPR4.95 billion, reported The Himalayan Times.

Among non-life insurance firms, Shikhar Insurance Company was the biggest with NPR2.77 billion in premiums in FY2017, representing growth of 38.4%. Among the 17 nonlife insurers in the country, the two fastest growing were Neco and NB Insurance. Their premiums surged by 50.4% to NPR1.36 billion and 98.5% to NPR694 million respectively.

Source

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China: CIRC reiterates need for insurers to give risk control top priority – Asia Insurance Review

The entire insurance sector will place risk control in a more important position, the Chinese insurance regulator has said as it vows once again to strengthen supervision to fend off financial risk and push reform in the sector.

Mr Chen Wenhui, Vice Chairman of the CIRC said this when addressing a two-day internal meeting that ended last Saturday, reported the Xinhua News Agency.

"Actions will be taken to crack down on serious violations, dissolve hidden risk points and improve the long-term mechanism to hold the bottom line that there would be no systemic risks," Mr Chen said.

Highlighting stability and financial security, he reiterated that insurance would in no way become the financing and investment tool of big shareholders and he pledged to introduce policies to ensure the healthy development of the sector with improved competitiveness and more opening up.

The regulator will strengthen the sector's role in supporting the real economy, he said.

These words have been repeated several times in recent months following a crackdown by the CIRC on insurers that have used leveraged money to buy shares in listed companies in the quest for short-term profits or controlling stakes, in moves which triggered sharp volatility and market concerns late last year.

Managing risk has become an even greater priority after President Xi Jinping said at a national financial work conference in mid-July that "failing to detect financial risk in time is a breach of duty; spotting risk but without addressing it is a dereliction of duty".

Source