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Comparative Analysis of Chinese and Indian Insurance Industries

Abstract

Insurance is a very important financial services industry and is a pillar or support system for the entire economy of a country, it is important to study the insurance industries of the countries to get a fair idea about how the assets of a country is protected. Insurance is an important financial product and is designed to take care of the interests of the insured in case a loss happens. The loss can be of life, health as well as assets. There are broadly two branches of insurance – Life and Non-Life. While the life insurance is to take care of the needs of individuals and families in case of decease of their near and dear ones, the non-Life or general insurance products are to indemnify the financial loss to the assets due to an accidental loss. Worldwide, insurance forms the backbone of the financial sector and the economy. The insurance companies are cash rich ones and they hold the funds for investment in the various sectors of the economy. Conventionally, the insurance companies play a big role in the economic development of the nations. The insurance penetration of a country which is the premium underwritten as percentage of GDP is a measure of the maturity of insurance markets across the world. The insurance penetration in developed markets is higher than developing markets. However, the Chinese market is fast catching up with global trends and Indian market which is comparatively in a much nascent state of development is also making rapid strides. This paper is intended to study the Chinese insurance market scenario – the history of the Chinese insurance industry, the size of the insurance companies, the insurance penetration levels, the major players in both Life and Non-Life (General) Insurance, the broad regulatory environment and also make a comparison with the Indian insurance market on these broad parameters. The paper may also look at the common challenges, the possible synergies, collaboration and points of convergence that may benefit the insurance industry of both the countries. This study may be beneficial to understand and assess the broad contours of the insurance industry in China and India from a comparative and analytical perspective. The paper is based on study of industry statistics and reports by regulatory agencies, studies by leading international insurance bodies, insurance journals, etc.

Keywords: Insurance, Life, Assets, market penetration

Introduction

Insurance is an important financial risk transfer tool. The risk is being transferred from the insured (one who is buying insurance) to the insurer (the company which is selling insurance) on the payment of consideration called as the premium. This is an important financial product and is designed to take care of the interests of the insured in case a loss happens. The loss can be of life, health, assets. There are broadly two branches of insurance – Life and non-Life. While the life insurance is to take care of the needs of individuals and families in case of decease of their near and dear ones, the non-Life or general insurance products are to indemnify the financial loss to the assets due to an accidental loss. Worldwide, insurance forms the backbone of the financial sector and the economy. The insurance companies are usually cash rich and they hold the funds for investment in the various sectors of the economy. The objective of this paper is to study the Chinese insurance market scenario – the history of the Chinese insurance industry, the size of the insurance companies, the insurance penetration levels, the major players in both Life and Non Life (General) Insurance, and the broad regulatory environment and also make a comparison with the Indian insurance market on these broad parameters. The paper will also draw light on the common challenges, the possible synergies, collaboration and points of convergence that may benefit the insurance industry of both the countries. This study may be beneficial to understand and assess the broad contours of the insurance industry in China and India from a comparative and analytical perspective.

Table 1 – Snapshot of insurance penetration in India and China (2017)

Penetration (premium as percent of GDP)	**World**	**China**	**India**
Life	3.33	2.68	2.76
Non-Life	2.8	1.89	0.93
Overall	6.13	4.57	3.69

Source: Swiss Re (2017) report

The above table shows a comparison of insurance penetration of India and China benchmarked against global average. India's Life insurance penetration is about 2.76%, a little more than China's 2.68% against global life insurance penetration. However, India's non-life insurance market grossly penetrated with penetration level almost half of China and 1/3rd of global average. India presently ranks 15th in the world in terms of non-life insurance markets and accounts for only about 1% of the non-life insurance premium underwritten globally.

Scope of the study

The paper is based on secondary research by means of studying the industry statistics and reports by industry bodies, regulators, think tanks, global insurance operators, market leaders. Insurance is a very important financial services industry and is a pillar or support system for the entire economy of a country, it is important to study the insurance industries of the countries to get a fair idea about how the assets of a country is protected. Insurance is an important financial product and is designed to take care of the interests of the insured in case a loss happens. The loss can be of life, health as well as assets. There are broadly two branches of insurance – Life and non-Life. While the life insurance is to take care of the needs of individuals and families in case of decease of their near and dear ones, the non-Life or general insurance products are to indemnify the financial loss to the assets due to an accidental loss.

Conventionally, the insurance companies play a big role in the economic development of the nations. As insurance is a very important financial services industry and is a pillar or support system for the entire economy and risk management of a country. The insurance penetration of a country which is the premium underwritten as percentage of GDP is a measure of the maturity of insurance markets across the world. While the insurance penetration in developed markets are higher than developing markets, however the Chinese market is fast catching up with global trends and Indian market which is comparatively in a much nascent state of development is also making rapid strides. China and India together having almost 40 per cent of the world population and an underserved insurance market, has a huge growth potential in this sector.

The paper is based on practical insights from the global insurance industry and then drilling down to the insurance industries in the rapidly developing market of India and China. The size of the insurance industry of a country is in a way a proxy of the financial services industry as a whole and is also a pointer to the maturity of the market. Therefore, in this paper, the study and review of the worldwide data of regulators and think tanks forms an important part of the analysis. The Chinese market is a rapidly growing market. With rapid industrialization in China and also in India and the growth of financial markets in both the countries the need for increase in insurance penetration is widely being acknowledged. The initiatives taken by the government in increasing penetration are also discussed based on the reports of regulators of both the countries. The size of market, penetration levels, etc. is important areas of discussion and gives insight into the overall position of the industry. Another important aspect closely linked to these parameters is the players in the market and their relative positions in the industry. The players in the Chinese and Indian markets are being enumerated based on regulatory data.

The history and evolution of the insurance industry in both the countries is another important factor. The modern concept of insurance was first developed in Europe in the late 1600s when the first insurance companies were set up to provide cover for fire and marine risks, as well as early life insurance policies. Driven by industrial expansion, international trade and growing wealth, the benefits of insurance were quickly recognized, and the practice spread rapidly to the Americas and then Asia. The changes in the regulatory structure, liberalization of the insurance industry are but the other issues. The paper also discusses on the regulations that are in vogue in governance of insurance industries. The entry – exit regulations, product filing, capital requirements, intermediaries' regulation, licensing requirements, corporate governance, etc are the other important parameters of discussion.

Then on discussing the health and robustness of industry structure there is the need to study the supervisory framework, the solvency requirements, the compulsory products, and the various regulator appointed market bodies and pools. In this study reference is also being made to reports by global reinsurer like Swiss Re, Munich Re and their reports on the global insurance industry. The paper has attempted to study the broad structural framework of the insurance industries of India and China and give a broad understanding of where the industries of the two countries stand in terms of size, penetration levels, regulatory framework, the operation of the industries, product innovation, maturity solvency etc and also give a comparative dimension. The collaboration between the two countries can help in reaching the goals of achieving higher penetration, bring in synergies and provide stability and support to the economy at large.

At the end, there is a summing up based on the study drawing references to major takeaways on the challenges faced by the industries and the common synergies and scope for collaboration and co-operation. Insurance like banking is a regulated industry. It is one of the broad pillars of the financial services industry on which the economy stands or rather it forms a support structure for the economy. Both the Chinese and Indian insurance industries are having a steady growth since liberalization of these sectors. In advanced economies, insurance supports the economy in a big way both in terms of risk protection and coverage and also in terms of funding infrastructural growth and supporting the industry as well as society. The Indian or Chinese insurance industries are yet to reach that stage of maturity.

Since, a point to point comprehensive comparative study of the potentially the world's largest insurance markets of China and India is quite rare, this paper may be of interest not only to insurance professionals but also economists, diplomats, policy makers and anybody who has interest in the economic affairs of these two countries. As this is an industry analysis and not a wide economic and social science based analysis, the reports by industry bodies, regulators, think tanks, global insurance operators, market leaders etc. are more important and should be analysed to put things in perspective and get a global trend.

History of insurance in China and parallels in India

Chinese traders in the third millennia BC were some of the very first practitioners of risk diversification, dividing their wares between vessels to limit losses. But like many other countries in the Asia-Pacific region, China was first introduced to the modern concept of insurance by foreign traders in the early 1800s. The launch of the Great Leap Forward, the campaign led by Chinese Communist Party Chairman Mao Zedong, significantly reduced the role of insurance in China, in the 1980s. The Ministry of Finance ruled that insurance as an independent industry had no place in a communist society, and the PICC was effectively closed. Despite the closure of the PICC, commercial insurance did manage to survive in a few parts of China.

Up until the early 1980s, the PICC was the only insurance company operating in China and maintaining reinsurance links with insurance companies abroad. The monopoly enjoyed by the PICC came to an end when Ping An Insurance Company of China, a new domestic insurer, gained regulatory approval and was established in 1988. It was soon followed by other new players, including AIG, which returned to the market in 1992 after becoming the first foreign insurer to be granted a license. The changes in the insurance sector during the 1980s reflected the government's realization that the centralized state enterprise approach needed to be complemented with the more flexible business structure of joint-stock ownership. In the 1990s the market went on to enjoy a dynamic period of growth and development. For example, the China Insurance Regulatory Commission (CIRC) was established around this time (in 1998) to oversee the industry, replacing the People's Bank as regulator.

Before China joined the WTO, a number of foreign insurance companies were allowed to operate in Shanghai, Guangzhou, Shenzhen and Foshan only. After the 2001 accession, the cities of Dalian, Beijing, Chengdu, Chongqing, Fuzhou, Suzhou, Xiamen, Ningbo, Shenyang, Wuhan and Tianjin were added to the list on a timed schedule before the eventual lifting of all geographical restrictions. By 2002, foreign companies from eleven different countries held 22 licenses, with seven licenses for property-liability insurance and 15 for life insurance.

The early history of modern Insurance in India is somewhat obscure. The earliest references are traceable to the days of East India Company when policies on the life of its officers were issued in sterling currency by some British Companies established in India. Life Insurance in its existing form came to India from United Kingdom with the establishment of British firm Oriental Life Insurance Company in Calcutta in 1818 followed by Bombay Life Assurance Company in 1823. In 1850, Triton Insurance was the first non-life insurance company at Calcutta. In 1938, Insurance Act was passed. In 1950, Ranganathan Committee's recommendations to amend the Insurance Act, 1938 accepted and the act amended to establish the position of Controller of Insurance. The Life Insurance Corporation & General Insurance Council were established in 1956. In 1957, Reinsurance Corporation of India setup as India's First Reinsurance Company. In 1968, Ordinance passed to amend the Insurance Act to regulate/control non-Life Insurance, Tariff Advisory Committee (TAC) was formed. In 1971, General Insurance Emergency Provision Act was passed to take over the control of the non-life insurance industry. In 1972, General Insurance Industry was nationalized. In 1973, GIC was set up. In 1993, Malhotra Committee setup to explore and to recommend means to reintroduce an element of competition by withdrawing the exclusivity of LIC and GIC. In 1994, Malhotra Committee submits report. In 1997, Insurance Regulatory Authority (IRA restyled as IRDA) established and in the year 2000, the insurance industry in India was liberalized.

Size of the Insurance industry

China is one of the biggest success stories in the history of insurance. Having survived some tumultuous times, the Chinese market is now one of the most exciting and important in the world. It is currently on course to become the world's second largest insurance market behind the US. China began the herculean task of re-building its insurance market in the 1970s, initially through the state insurer, the People's Insurance Company of China. Following market liberalization, and with the active encouragement of the government, the Chinese insurance sector has blossomed into a vigorous and competitive marketplace.

Table 2 - Comparative snapshot of the Indian and Chinese insurance industries

	China (2018)		**India (2018)**	
	Life	**Non Life**	**Life**	**Non Life**
Premium	2700 Bn CNY (385 Bn USD)	1037 Bn CNY (148 Bn USD)	Rs.458809.44 Cr (61 Bn USD)	Rs.150662 Cr (20 Bn USD)
Growth over previous year	22.5%	12%	9.64%	17.6%
No of insurers	83	84	24	27
Largest Insurer	China Life	PICC P&C	Life Insurance Corporation of India Ltd	New India Assurance Co Ltd
Major Reinsurer	China Reinsurance Group Corp		General Insurance Corporation of India (GIC) Ltd	
Regulator	China Insurance Regulatory Commission (CIRC)		Insurance Regulatory and Development Authority (IRDA)	

GDP	CNY 744137 billion (10.63 Trillion USD)	Rs. 167.73 Lac Crs (2.244 Trillion USD)

The above table gives a glimpse of the size of the insurance industry in China in comparison to that in India. The insurance industry in China was 6-7 times the size of the Indian insurance industry while the GDP of China was almost 5 times that of India. Also the number of players in Chinese insurance industry was three times that of India as per the 2018 data[1]. However, both the countries need to catch up with the global penetration level or that of developed economies. Both the countries are exhibiting a steady growth rate but the pandemic might affect the growth and may result in decrease in growth rates at par with the global markets. Also considering that the markets are still in their early to middle stages of growth cycle there are various challenges that the industry faces in terms of increasing awareness levels, expertise, underwriting capacity constraints, gaps in products and insurance coverage, etc.

Products - Premiums and portfolio split for non-Life products

Chinese market

In 2016, the biggest line by far was motor (73.8% of total premiums), followed by agriculture (4.5%), guarantee and credit (4.2%), enterprise property (4.1%), liability (3.9%), short-term health (3.2%), and accident (2.7%). For first nine months of 2017, non-life insurance premiums grew by 14.5% in nominal terms[2].

Indian Market

In Indian market, The Motor business continued to be the largest general insurance segment with a share of 39.32 percent.

Table 3 - Product portfolio split in the Indian market

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[1] Please refer to the appendix for the list of insurers operating in China and India with the premium and market share for both Life and non-Life insurance industry

[2] Source-http://www.circ.gov.cn/web/site0/tab5179/info4088983.htm

PREMIUM (WITHIN INDIA) UNDERWRITTEN BY GENERAL AND HEALTH INSURERS SEGMENT-WISE (Rs crore)		
Segment	2016-17	2017-18
Fire Premium	9538.01	10780.7
Growth percentage	7.44%	7.16%
Marine	2917.47	2894.66
Growth percentage	2.28%	1.92%
Motor	50250.53	59246.11
Growth percentage	39.22%	39.32%
Others	65422.33	77740.65
Growth percentage	51.06%	51.60%
Total Premium	**128128.34**	**150662.13**

Source – IRDA Report 2017-18 [3]

Regulatory Environment

China

The China Insurance Regulatory Commission is the regulatory body of the insurance industry in China. The Insurance Law of the People's Republic of China was first issued in 1995 and has been amended four times: in October 2002, February 2009, August 2014 and most recently in April 2015. – The last amendment follows the principle of "liberalising the front, supervising the end" set by the State Council. It focuses on deregulation and innovation in insurance and also on insurers' asset management business.

Non-life insurance - Insurance laws

[3] 1. Figures in percentage indicate the ratio (in percent) of respective segment.
2. The above figures include premium of specialized insurers and Standalone Health Insurers
3. Others include Health, Personal Accident and Travel Insurance
In both the countries distribution is primarily driven by Direct channels, Agency force, Brokers, Bancassurance, online marketing, telemarketing

Licensing requirements (for domestic companies with less than 25% foreign ownership)

Insurance companies and branches are licensed either for life or non-life business. Composite insurers are not permitted in China. However, since 2003 non-life insurers have been allowed to write personal accident (PA) and short-term health insurance of up to 1 year. Before May 2013, the minimum capital requirement of insurance companies was governed by CIRC licensing guidelines. Each new branch requires a subsidiary to have minimum registered capital of no less than CNY 200 million (USD 29 million at the 2017 average exchange rate) fully paid-up in cash, plus CNY 20 million (USD 3 million). If the subsidiary's capital reaches CNY 500 million (USD 72 million), no further capital for opening new branches is required. In May 2013, the CIRC issued new guidelines on the business scope and minimum capital requirements for insurance companies. Insurance business was categorized into "basic" and "extended" groups. For non-life insurers, the basic category includes the following classes of business: motor, property, engineering, liability, marine hull/cargo/transport, and short-term accident and health. The extended category includes: agriculture, credit, special risks (aviation, nuclear) and investment-linked products. New insurers may apply to undertake basic business only. The minimum capital requirement is CNY 200 million (USD 29 million) for the first class of business, plus another CNY 200 million for one more basic class. An insurer can only apply for extended business after obtaining operating qualifications for three or more classes of basic business, and can only apply for one extended business class at a time. The interval between applications must be at least six months. There is no extra capital requirement for the extended classes. In July 2013, Ping An was recognized as the only Chinese "globally systemically important insurer" (GSII) by the International Association of Insurance Supervisors (IAIS) and the Financial Stability Board (FSB).Ping An is required to increase capital to meet higher loss absorbency targets by early 2019. In April 2016, the CIRC kicked off a project to identify "domestically-systemically important insurers" and to establish additional supervision measures with respect to capital management, cooperation governance and risk management for those insurers.

Licensing requirements (for foreign-invested companies)

A foreign applicant for an insurance license must meet the following criteria:

– have more than 30 years of experience in insurance;
– have total assets of at least USD 5 billion; and
– have a representative office in China for at least two years.

Foreign insurers were originally restricted to some cities but since December 2004, they have been allowed to apply for licenses across the country. The classification of business scope into "basic" and "extended" classes, and related minimum capital requirements, applies to foreign insurers also. Foreign insurers may denominate their capital in either CNY or freely convertible foreign currencies of equivalent value. Foreign investors are allowed to invest in domestic Chinese insurance companies with restrictions. Since June 2010, foreign investors must have total assets in excess of USD 2 billion and have had a credit rating of A or above from a recognized international credit rating agency (e.g., Moody's, Standard & Poor's and Fitch) for the three years prior to making the investment. Since August 2011, individual foreign investors can have a shareholding of more than 20% up to a maximum of 25%.

Market access for foreign insurers

Branches and wholly-owned foreign subsidiaries are allowed. Existing branches are encouraged to convert to wholly-owned subsidiaries. Foreign insurers have been permitted to sell compulsory motor third-party liability (CMTPL) insurance since 1 May 2012. Since 21 June 2013, the Cross-strait Agreement on Trade in Services allowed qualified Taiwanese insurers to engage in CMTPL business. On 1 March 2011, new and more stringent regulations were issued by the State Council for Representative Offices (RO) of foreign companies. The rules say foreign insurers should operate RO in China for at least two years before applying for an insurance license, and cannot conduct profit-generating business in that time. The RO should not employ more than four representatives (including the chief representative). As of March 2011 regulations, RO are no longer exempt from the Enterprise Income Tax (EIT) and have to pay profit tax at a rate of 11% of their expenses.

Supervisory requirements

Filing and approval authority:

– "Use and file" for all lines of business except policies involving social and public interests (eg, agricultural insurance), mandatory insurance (e.g., motor third-party liability), unit-linked products, long-term credit and bond insurance.
– Effective from August 2016, non-life insurance companies are required to file their new products on the self-registration platform in real time rather than filing with the CIRC within10 days of a product's launch. Under this system, all information of registered products will be fully disclosed to the public.
– Since May 2014, insurers with branches in the Shanghai Free Trade Zone have been able to access new marine insurance products approved by the Shanghai Marine Insurance Association.

Solvency control

The new solvency regime, known as the China Risk Oriented Solvency System (C-ROSS), was formally implemented by the CIRC in January 2016. The C-ROSS emphasizes insurers' own solvency management and has a three-pillar framework, namely quantitative capital requirements (Pillar I), qualitative capital requirements (Pillar II) and market conduct (Pillar III). Pillar I covers insurance risk for life and non-life business, market risk and credit risk. Pillar II includes unquantifiable risks and control risks, such as operational and reputational risk. Pillar III covers other risks (including the systemic risk of the whole market).

Three indicators need to be reported by insurers to the CIRC in their solvency reports: the "core solvency adequacy ratio" (the ratio of core capital to minimum capital); the "comprehensive solvency adequacy ratio" (the ratio of core capital plus supplementary capital to minimum capital); and the "integrated risk rating (IRR)", which ranges from A (highest rating) to D (lowest) based on both quantitative capital requirements (e.g., solvency ratio), and an evaluation of unquantifiable risks. The Solvency Aligned Risk Management Requirements and Assessment (SARMRA), which has been described as equivalent to the Own Risk and Solvency Assessment (ORSA) requirement of Solvency II was implemented in July 2016. SARMRA rewards insurers which have superior risk management capabilities with lower capital requirements. Insurers with a score above 80 (out of a maximum of 100), enjoy concessions on capital requirements. The average SARMRA score was 70.72 for 77 piloted non-life insurers in 2016, with six of those having a score above 80. On 6 September 2017, the CIRC released the interim report of solvency regulation for insurance industry. The comprehensive and core solvency adequacy ratios for the Chinese insurance sector overall were healthy in the first half of 2017, at 235% and 220%, respectively. For non-life insurers, the comprehensive solvency adequacy ratio was 253%, and the core Solvency adequacy ratio was 223%. On 20 October 2017, the CIRC launched the public consultation on C-ROSS II Phase II. The aim is to better regulate and rectify insurance management issues, and set higher solvency standards as follows: (1) core solvency ratio to be not less than 50%; (2) comprehensive solvency ratio to be not less than 100%; and (3) comprehensive rating to be not less than B.

Corporate Governance

Corporate governance and enterprise risk management are very important for the CIRC, with key requirements listed in various official documents. On 27 September 2017, the CIRC circulated the assessment results on corporate governance of insurance companies, based on four categories: (1) operation of shareholders' meeting, the board of directors, the board of supervisors, and management in corporate governance; (2) internal control mechanisms; (3) changes in shareholders and equity and relevant information disclosure; and (4) operations of the group and its subsidiaries.

For 130 domestic insurance entities (including 11 insurance groups, 53 non-life insurers, 3 reinsurers, 44 life insurers and 19 asset management companies), the regulatory average score was 79.74 out of 100. The score for non-life insurers and reinsurers was 79.30.

For 50 foreign insurers (including 22 non-life insurers, 27 life insurers and one reinsurer), and one asset management company, the regulatory average score was 85.06. The score for non-life insurers and reinsurers was 84.36.The CIRC wants to identify domestically systemically important insurers (D-SII), and enhance group supervision and corporate governance. On 25 May 2016, it collected data for rating D-SII from more than 10 insurance companies, including PICC (Group), China Life (Group), China Re (Group), Ping An (Group) and CPIC (Group).

Policyholders' protection fund (PPF)

A policyholders' protection fund (PPF) has been in operation since 1995. It is now managed by a non-profit state-owned enterprise, the China Insurance Security Fund Co. Ltd that was set up on 11 September 2008.In case of bankruptcy, the PPF will cover 100% of all unpaid claims under CNY 50 000. For unpaid claims over CNY 50 000, the PPF will cover 90% for personal and 80% for commercial policyholders.

Investment regulations

The key regulation on investment is the CIRC Circular issued in February 2014,7 which relaxed investment restrictions and divided all types of investment into five asset categories: liquid assets, fixed-income assets, equity assets, real estate assets and other financial assets (including asset-backed securities). In June 2015, the establishment of Insurance Investment Fund (IIF) was approved by the State Council, with an initial capital injection of CNY 300 billion. The IIF has been managed by the China Insurance Investment Company (CI-INV), which was founded in December 2015 with registered capital of CNY 1.2 billion. The IIF supports national strategic projects such as urban infrastructure construction, water conservation, transportation in central and western China, Public-Private-Partnerships (PPP) and the "One Belt One Road" initiative.

Mergers and acquisitions (M&A)

The regulation on Merger and Acquisitions of Insurance Companies, issued by the CIRC on 1 June 2014 was the first regulation ever allowing M&A activity within the insurance sector. Upon CIRC approval, investors in an M&A can apply for financing support such loans of no more than 50% of the total monetary value. Foreign investors in M&A of insurance companies in China should comply with the qualification requirements of regulations on Foreign Insurance Companies if, in some exceptional cases, their combined shareholding exceeds 25%.

Liberalization of motor insurance

Foreign insurers have been allowed to write compulsory motor third-party liability (CMTPL) business since 2012. The CIRC introduced the liberalization of voluntary motor rating nationwide on 1 July 2016. This followed a first test of liberalization in 6 localities that started on 1 June 2015, and a further batch of 12 localities on 1 January 2016. The new rating system incorporates the model clauses formulated by the Insurance Association of China (IAC). Non-life insurers can independently decide four risk factors to determine their premium rates: the vehicle factor, the underwriting factor, the channel factor, and the accident factor. The rating for vehicle factor is restricted to +/- 20% of the benchmark rates, +/-15% (+/-25% in Shenzhen) for the underwriting factor, +/-15% for the channel factor, and -40% to +100% for the accident factor.

The Shanghai Insurance Exchange (SHIE) and the China Residential Earthquake Insurance Pool (CREIP):

The SHIE officially opened on 12 June 2016. The aim is for SHIE to have four trading platforms: (1) a direct business exchange; (2) a reinsurance business exchange; (3) insurance asset management; and (4) other insurance products.

The SHIE is also the administrator of CREIP. The Pool was set up by 45 insurance companies in April 2015, and is the first national plan covering damages caused by earthquake of magnitude 4.7 and above. It also covers fires, tsunamis and subsidence or landslides following an earthquake. The basic sum insured is CNY 50 000 for urban dwellers and CNY 20 000 for rural residents. Cover will be available either on a stand-alone basis or as a household policy rider. Premiums will vary with location and construction-type.

The MOF will act as insurer of last resort through a special insurance reserve fund, to further ensure capacity beyond that provided by the CREIP and reinsurers.

Other controls

Non-life companies are required to establish an "unexpired liability reserve fund", an "outstanding loss reserve fund" and other liability reserve funds, as stipulated by the Administrative Measures on Non-life Insurance Reserves. As of 1 January 2017, the CIRC has prohibited non-life insurers from issuing investment-linked products

Compulsory insurance

Motor third-party liability

Nuclear liability.

Liability for marine oil pollution, injury to passengers and damage to their personal property.

Third-party liability for schools and travel agents.

Professional indemnity for insolvency practitioners, insurance agencies and brokers, and accounting firms (effective from 1 July 2015).
Compulsory environmental liability for the following industries: non-ferrous metal mining and smelting; lead battery manufacturing; leather and related products manufacturing; chemical and chemical products manufacturing.

Some other compulsory insurance classes are enforced in select municipalities and provinces. For example, in Beijing employers' liability and public liability insurance for industries with high exposures like mining, firework manufacturing, transport, construction and hazardous chemicals. In Jiangsu, elevator safety insurance is mandatory.

Life and health insurance - Insurance laws
The Regulation of Health Insurance and the Regulation of Pension Insurance Business govern the conduct of health and medical insurers. The CIRC released a draft of Regulation of Health Insurance for public consultation in late 2017. It focuses on healthcare management and potential cooperation with social medical insurance

Licensing requirements (for domestic companies with less than 25% foreign ownership)
Minimum capital requirements before May 2013 were governed by a guideline issued effective from 1 July 2011. A subsidiary must have minimum registered capital of no less than CNY 200 million (USD 29 million at 2017 average daily exchange rate) fully paid-up in cash, plus CNY 20 million (USD 3 million) to open a new branch. If the subsidiary's capital reaches CNY 500 million (USD 72 million), no further capital is required for new branches. In May 2013, the CIRC issued further rules on the business scope for insurers and minimum capital requirements. Insurance business was categorized into "basic" and "extended" groups, for life insurance:

The "basic" category includes the following classes of business: general (life insurance, annuity insurance), health, accident, participating and universal insurance.
– The "extended" category includes investment-linked insurance and variable annuities.
– New insurers may apply for basic business only.

The minimum capital requirement is CNY 200 million for the first class of business, and CNY 200 million for another one. If a company would like to write the first three classes of basic business plus one of participating or universal insurance, it must have capital of CNY 1 billion (USD 145 million). To write all five basic classes, it must have capital of CNY 1.5 billion (USD 217 million).

– An insurer shall not apply for a license for extended business before obtaining the operational qualifications for the first three classes of basic business (general, health and accident). It can only apply for a license for only one extended business at a time, and the interval between applications must be at least six months.

Specialized health and pension insurers are supervised by the Life Department of the CIRC and face the same licensing requirements as all other life insurers. Licensed pension insurers providing corporate annuities are allowed to operate nationwide.

In July 2013, Ping An was recognized as the only "globally systemically important insurer" (GSII) in China by the International Association of Insurance Supervisors (IAIS) and the Financial Stability Board (FSB). Ping An has to increase its capital to meet "higher loss absorbency" targets by early 2019. In April 2016, the CIRC kicked off a project to identify "domestically systemically important insurance companies", with the aim of identifying those insurance companies which need additional supervision with respect to capital requirements, corporate governance and risk management.

Licensing requirements (for foreign-invested companies)

A foreign applicant must have more than 30 years of experience in the insurance business and total assets of at least USD 5 billion. The company will need to have operated a representative office in China for at least two years prior to submitting an application. A foreign insurer can only enter China's life market through a joint venture. Joint ventures are required to have a minimum registered capital of CNY 200 million. Foreign insurers may denominate their capital in either CNY or freely convertible foreign currencies of equivalent value. The Measures for the

Classified Administration of the Business Scope of Insurance Companies is applicable to foreign insurance companies

Market access for foreign insurers

Branches and wholly-owned foreign subsidiaries are not permitted (AIA is an exception). Foreign equity stakes of up to 50% in life insurance companies are permitted.

On 1 March 2011, new and more stringent regulations were issued by the State Council for Representative Offices (RO) of foreign companies. The rules say:

– Foreign insurers should operate RO in China for at least two years before applying for an insurance license, and cannot conduct profit-generating business in that time.

– The RO should not employ more than four representatives (including the chief representative).

– With the March 2011 regulations, RO are no longer exempt from the Enterprise Income Tax (EIT), and have to pay profit tax at a rate of 11% of their expenses.

Supervisory requirements

Filing and rate controls*:* The "use-and-file" rule is applied to all insurance products, except those of social and public interest, mandatory insurance and some select formats (eg, unit-linked products).The CIRC completed pricing reforms for the life sector in 2016. With the reform, insurers are free to set their own guaranteed interest rates up to 3.5% for universal life policies, and up to 3.0% for participating life policies. Higher rates need CIRC approval.

Solvency control: The CIRC formally implemented the new solvency regime, known as the China Risk Oriented Solvency System (C-ROSS), in January 2016. The C-ROSS has a three-pillar framework, namely quantitative capital requirements (Pillar I), qualitative capital requirements (Pillar II) and market conduct (Pillar III). Pillar I covers insurance risks for life and non-life business, and market and credit risks. Pillar II covers unquantifiable risks and control risks, including operational and reputational risk. Pillar III covers other risks, including systemic market risk. Insurers need to report three solvency indicators to the CIRC: the "core solvency adequacy ratio" (the ratio of core capital to minimum capital); the "comprehensive solvency adequacy ratio" (the ratio of core capital plus supplementary capital to minimum capital); and the "integrated risk rating (IRR)".27 The latter ranges from A (highest) to D (lowest) and is based on quantitative capital requirements (eg, solvency ratio) and an evaluation of unquantifiable risks.

The Solvency Aligned Risk Management Requirements and Assessment (SARMRA), which has been described as equivalent to the Own Risk and Solvency Assessment (ORSA) requirement of Solvency II, was implemented in July 2016. SARMRA rewards insurers with superior risk management capabilities with lower capital requirements. Insurers with a score of 80 and above (out of a maximum of 100) can enjoy such concessions. The average

SARMRA score was 76.35 for 72 piloted life insurers in 2016, and only 22 life insurers got scores above 80. On 6 September 2017, the CIRC released the interim report of solvency regulation for insurance industry. The comprehensive and core solvency adequacy ratios for the insurance sector overall were high in the first half of 2017, at 235% and 220%, respectively. For life insurers, the comprehensive solvency adequacy ratio was 229%, and the core solvency adequacy ratio was 216%. On 20 October 2017, the CIRC launched public consultation for C-ROSS Phase II. This aims to better regulate and rectify insurance management issues and set higher requirements including: (1) a core solvency ratio of no less than 50%; (2) a comprehensive solvency ratio of not less than 100%; and (3) a comprehensive rating of not less than B.

Corporate Governance

Corporate governance and enterprise risk management are very important for the CIRC, and it has a list of key requirements. On 27 September 2017, the CIRC circulated the assessment results on corporate governance of insurance companies, based on four categories of index with 151 sub-indicators: (1) operation of shareholders' meeting, board of directors, board of supervisors, and management in corporate governance; (2) internal control mechanisms; (3) changes in shareholders, equity and relevant information disclosure; and (4) operations on group and its subsidiaries

For 130 domestic insurance entities (including 11 insurance group, 53 non-life insurers, 3 reinsurers, 44 life insurers, and 19 asset management companies), the regulatory average score was 79.74 out of 100. The score for life insurers was 79.21. For 51 foreign insurance entities (including 22 non-life insurers, 27 life insurers, one reinsurer, and one AM company), the regulatory average score was 85.06, and the score for life insurers was 85.97.

The CIRC wants to identify "domestically systemically important insurers" and to enhance group supervision and corporate governance. On 25 May 2016, it started collecting data to determine which insurers are domestically systemically important. The insurers being rated are: PICC (Group), China Life (Group), Taiping Group, China Re (Group), Ping An (Group), CPIC (Group), China United Holding, Sunshine (Group), Taikang Life, New China Life, Huatai (Group), Anbang (Group), Fude Holding, Union Life, China Post Life, and Huaxia Life.

Policyholders' protection fund (PPF)

A policyholders' protection fund (PPF) has been in operation since 1995. It is now managed by a non-profit state-owned enterprise, the China Insurance Security Fund Co. Ltd, which was established on 11 September 2008. In case of bankruptcy, the PPF will cover 100% of all unpaid claims under CNY 50 000. For unpaid claims over that amount, the PPF will cover 90% of personal claims and 80% for commercial policyholders.

Investment regulations

The key regulation on investment is the Circular issued in February 2014, which at the same time relaxed investment restrictions and divided all types of investment into five asset categories: liquid assets, fixed-income assets, equity assets, real estate assets and other financial assets (including asset-backed securities). See Appendix I: insurance investment regulations. In June 2015, the establishment of an Insurance Investment Fund (IIF) was approved by the State Council, with an initial capital injection of CNY 300 billion. The IIF is managed by the China Insurance Investment Company (CIINV), founded in December 2015 in Shanghai with registration capital of CNY 1.2 billion. The IIF supports national strategic projects such as urban infrastructure construction, water conservation, transportation in central and western China, Public-Private-Partnership (PPP) projects, and the One Belt One Road initiative.

Merger and acquisitions (M&A)

The Regulation on Merger and Acquisition of Insurance Companies, issued by the CIRC on 1 June 2014, was the first regulation ever allowing M&A activity within the insurance sector. Upon CIRC approval, investors in the M&A can apply for financing support such as M&A loans of no more than 50% of the total monetary value. Foreign investors in M&A of insurance companies in China should comply with the qualification requirements of Regulations on Foreign Insurance Companies, if their combined shareholding exceeds 25%.

Insurance asset risk classifications

Insurance assets are classified into five categories: normal, of concern, secondary, suspicious and loss-making, of which the last three categories are collectively referred to as non-performing assets. Control on asset-liability management under challenging investment environments. On 3 December 2015, the CIRC issued the "Notice on the Relevant Issues of Strengthening Prudent Supervision on Asset Allocation of Insurance Companies" for L&H insurers. For certain insurers, the results of a stress test and asset allocation report should be submitted to the regulator semi-annually. Impacted insurers are: L&H insurance companies with average liability duration of less than 5 years, and with a ratio of investment in equity, real estate and other financial assets to total assets exceeding 20% as the end of the previous quarter; or

L&H insurers with ROE lower than the capital cost of insurance products for any one category of ordinary, participating and universal products.

India

The Insurance Regulatory and Development Authority (IRDA) is the regulatory authority for insurance business in India. Insurance Act- 1938 - The act applies to all insurers transacting insurance business subject to exceptions, restriction and limitations as specified by the central government. Important provisions in the law are Registration, Accounts and returns, Investments, Limitation in expenses of management, Solvency margin, Prohibition of rebates, Powers of investigation, Licensing of agents, Licensing of brokers, Advance payment of premium, Tariff advisory committee. The amended IRDA Act of 1999 deals with liberalisation and globalization and Establishment of authority by central government.

The Power of authority is to regulate, promote and ensure orderly growth of insurance business, Issue certificate of registration, prepare code of conduct, protect policyholder interest, efficiency in business, call for information, Manner of investment and accounts, Resolve disputes

. According the new provision minimum requirement of paid up capital is to be Rs 100 crore for life and general insurance business. The maximum foreign holding cannot be more than 49% as per the latest amended regulation.

Compulsory Insurances in India

There are certain compulsory insurances driven by the various acts as follows:

- Motor vehicle Act, 1988 – Motor Third party liability insurance
- Workmen's compensation act,1923 – Workmen compensation policy
- Employee's state insurance Act, 1948
- Public liability Act, 1991 – Public Liability Act policy

Solvency Requirement for Indian Insurers

Every insurer is required to maintain a Required Solvency Margin as per Section 64VA of the Insurance Act, 1938. Every insurer shall maintain an excess of the value of assets over the amount of liabilities of not less than an amount stipulated by the IRDAI, which is referred to as a Required Solvency Margin. The IRDAI (Assets, Liabilities and Solvency Margin of Life Insurance Business) Regulations, 2016 and the IRDAI (Assets, Liabilities and Solvency Margin of General Insurance Business) Regulations, 2016 describe in detail the method of computation of the Required Solvency Margin.

Life Insurers: In the case of life insurers, the minimum Required Solvency Margin is rupees fifty crore (Rupees One hundred crore in the case of reinsurer) and arrived at in the manner specified by the Authority. The Insurance Laws (Amendment) Act, 2015 specifies a level of solvency margin known as control level of solvency, on the breach of which, the Authority shall direct the insurer to submit a financial plan indicating a plan of action to correct the deficiency within a specified period not exceeding six months. At the end of March 2018, all 24 life insurers complied with the stipulated solvency ratio of 1.5.

General and Health Insurers: As at 31st March 2018, all 27-private sector general insurers (including the standalone health Insurers) have complied with the stipulated Solvency Ratio of 1.50. The national re-insurer, General Insurance Corporation of India, reported a solvency ratio of 1.70 On 31st March, 2018

Insurance Pools

Terrorism Pool: The Indian Market Terrorism Risk Insurance Pool was formed with the initiative of all general insurance companies in India in April 2002; after terrorism cover was withdrawn by international reinsurers post 9/11 incident. The Pool has thus completed 16 years of successful operation. All Indian general insurance companies, State Government of Gujarat and GIC Re are members of the Pool. The Pool is administered by GIC Re. The Pool is applicable to insurance of terrorism risk covered under property insurance policies, including cover to dwellings and fixed assets in multiple locations. The limit of indemnity per location has been enhanced to Rs. 2000 crore w.e.f. 1st April 2017, from Rs. 1500 crore. The Pool's premium income for 2017-18 is Rs. 516.18 crore as against to Rs. 503.67 crore in 2016-17. The claims paid by the Pool during 2017-18 are Rs. 22.26 crore. No major losses are reported to the Pool during 2017-18.

Nuclear Pool: The enactment of Civil Liability for Nuclear Damage Act, 2010 mandates protection of unknown and potentially catastrophic risk arising out of nuclear event. Generally, nuclear perils are excluded from conventional insurance covers as it requires a large insurance capacity. Therefore, to protect the liability arising out of nuclear perils, Indian Nuclear Insurance Pool (INIP) was formed in 2015.

Common Challenges and Scope for Collaboration

The Chinese market is bigger than that of India but still it has not reached the required scale and sophistication as that of the advanced markets. Also, the penetration of insurance market in India, especially for non-life insurance is very low. The spread and depth of the insurance sector in both China and India are much lower than Western or developed countries. This is a challenge also considering the fact that both the countries are exposed to vagaries of climate change, cyclones, earthquakes, floods on one hand and lack of social security on the other. Developing countries find it difficult to deal with terrorism, nuclear accidents, catastrophic perils, agricultural crop failure, weather insurance unemployment, situations like Covid crisis, etc. So, there is scope and need for product innovation catering to the needs of personal protection like pension, life insurance, health insurance, loss of income products as well as products dealing with catastrophic exposures and to build up reinsurance capacity for protection of large assets taking into consideration the economic growth and industrialization of both the countries.

Thus, the two countries can collaborate on these areas in terms of experience sharing of their countries given similar size of population and the economic, social and political life of both countries being at the fulcrum of the growth curve. The bigger insurance players in both the countries can enter or invest in each other's insurance industry to know the industry better and bring in synergy in operation that may be mutually beneficial. The reinsurers and insurers in both countries can pool in, form joint collaborative funds for major risks, design products keeping in view the needs of both the countries and devise risk management strategies. Also, there can be collaboration in technology, sharing of claim experience, underwriting experience, etc. There can be establishment of collaborative think tanks under the guidance of the regulators of both countries.

China also off late happened to be India's largest trading partner. Insurance is a great tool to augment free trade and commerce taking care of the risk management aspect of the business. The two countries can together build up robust collaboration to extend insurance protection to the trading community of both the countries at large.

Conclusion

In both the countries, there is the need to catch up with the global penetration level of that of developed economies. Both the countries are exhibiting a steady growth rate but the pandemic might affect the growth and may result in decrease in growth rates at par with the global markets. In 2019, as international economic and trade frictions escalated, the world's major economies slowed down due to weakened momentum. Growth in the Chinese insurance market remained within a reasonable range owing to supply-side reforms and structural upgrades, providing a favorable market environment for the insurance industry. For insurance business, the “Health China” strategy has raised people’s awareness of health and old-age care, posing long-term opportunities for the insurance industry. Life insurers will enjoy more opportunities as health care reforms continue and new policies on people’s livelihood, welfare and security are implemented. In addition, huge opportunities for property and casualty insurers will arise from emerging insurance demands and advanced technology applications in the insurance industry.

The Indian general insurance market also took a huge hit due to the pandemic. In spite of being one of the fastest developing insurance markets in the world, followed by the COVID crisis, it had been largely year of negative growth. The general insurance industry has registered an overall growth rate of 3.58%. The health insurance premium is showing growth in the face of the pandemic. All the other business lines are registering de- growth. Due to slackening of business activities, the commercial segments of business like property, motor, marine are suffering and so also the life segment due to the lesser dispensable income, etc. In the Life insurance sector also there is contraction of first year premium by about 6% till August 2020 with all major companies having de-grown during this period.

Also considering that the markets are still in their early to middle stages of growth cycle there are various challenges that the industry faces in terms of increasing awareness levels, expertise, underwriting capacity constraints, gaps in products and insurance coverage, etc.

The opening up of the insurance industry in both the countries had with it a number of agendas such as increasing awareness and penetration levels, coming of foreign investments, foreign players bringing in more expertise, new product innovation, etc. Although some of these requirements have been met still the industry in both the countries face a lot of challenges in terms of Penetration level lower than global average, comparatively newer market, product innovation and expertise, profitability, etc.

The paper has attempted to study the broad structural framework of the insurance industries of India and China and give a broad understanding of where the industries of the two countries stand in terms of size, penetration levels, regulatory framework, the operation of the industries, product innovation, maturity solvency etc and also give a comparative dimension. The paper has also tried to bring out an observation of the challenges that the insurance industries of both the countries face and how the countries can collaborate in terms of experience sharing, forming joint action groups, investment on each other's' country, etc. The collaboration between the two countries can help in reaching the goals of achieving higher penetration, bring in synergies and provide stability and support to the economy at large.

Insurance is at the end of the day a long-term game. Both profitability of the industry penetration needs long term investment of capital as well as increasing education and awareness. Also in present day technology in terms of Fintech are also shaping the contours of the industry in terms of innovation, product, sophistication, etc that will enrich the industry. So, there is scope for improvement in all these points for the insurance industries of both the countries.

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able 1 - Non-life insurance companies in China

omestic insurer	Direct premiums	Market share
	CNY m	%
ICC	261 633.0	33.47%
ing An	157 507.0	20.15%
hina Pacific	76 955.9	9.84%
hina Life P&C	47 826.8	6.12%
hina United	30 604.6	3.92%
hina Continental	27 527.5	3.52%
unshine P&C	24 527.3	3.14%
ai Ping	15 931.2	2.04%
inosure	11 716.2	1.50%
ianan	10 569.3	1.35%
inoSafe	8 343.0	1.07%
ingda P&C	7 091.7	0.91%
ong An	6 855.6	0.88%
uatai	5 910.5	0.76%
nbang	5 183.7	0.66%
lltrust	4 950.6	0.63%
uoyuan Agricultural	4 336.7	0.55%
n Hua Agricultural	4 202.3	0.54%
hongAn online P&C	4 167.5	0.53%
OC Insurance	4 080.9	0.52%
king P&C	3 730.5	0.48%
inghe P&C	3 122.2	0.40%
unlight Agricultural	3 054.7	0.39%
u Bang	3 008.9	0.38%
ncheng	2 975.6	0.38%
ohai P&C	2 766.4	0.35%
heshang P&C	2 646.0	0.34%

Foreign insurer / JV	Direct premiums	Market share
	CNY m	%
AXA Tianping	5 979.6	0.76%
Groupama-AVIC	1 425.8	0.18%
AIG	1 117.4	0.14%
Liberty Mutual	1 113.7	0.14%
Allianz	771	0.10%
Cathay P&C	766.5	0.10%
Fubong P&C	718.1	0.09%
Samsung	635.9	0.08%
Generali P&C	447.2	0.06%
Tokio Marine	401.1	0.05%
Zurich	385.3	0.05%
Mitsui Sumitomo	349.6	0.04%
Chubb	346.3	0.04%
Sompo Japan	280.1	0.04%
Starr P&C	152.2	0.02%
Swiss Re CorSo	112.6	0.01%
Hyundai	89.9	0.01%
LIG	87.7	0.01%
Nipponkoa	47.7	0.01%
Aioi	43.1	0.01%
XL Insurance (China)	28.9	0.00%
Lloyd's	6.9	0.00%

inda P&C	2 314.2	0.30%
hang An Property & iability	2 289.3	0.29%
PI	2 154.4	0.28%
ınde P&C	1 491.8	0.19%
eibu Gulf P&C	1 472.5	0.19%
K.on Insurance	1 271.4	0.16%
ai Shan P&C	1 046.0	0.13%
ntai P&C	1 023.6	0.13%
uahai P&C	992.6	0.13%
hina Coal P&C	972.2	0.12%
hongyuan gricultural	918.8	0.12%
rtrust Insurance	917	0.12%
uanong	894.5	0.11%
nxin Agricultural	826.7	0.11%
hengtai P&C	701.4	0.09%
An Insurance	657.4	0.08%
anzhao P&C	628.8	0.08%
hangjiang P&C	604.2	0.08%
hina Railway Captive	516.1	0.07%
etro-China Captive	469.1	0.06%
in'an Auto	382.6	0.05%
injiang Qianhai nited P&C	373.7	0.05%
nswern P&C	368	0.05%
engbang Property	345.5	0.04%
omolangma P&C	305.2	0.04%
aixia Goldenbridge ısurance	270.2	0.03%

honglu P&C	243.9	0.03%
OSCO Captive	176.6	0.02%
ulong Property isurance	138	0.02%
onghai Shipping isurance	123.2	0.02%
inshine Yurong C&G	97.7	0.01%
nion P&C	73.7	0.01%
CB P&C	50.8	0.01%
iblic Mutual	43.2	0.01%
ero Mutual	1.1	0.00%

	Direct premiums	Market share
	CNY m	%
omestic total	766 380.8	98.04%
oreign/JV total	15 306.5	1.96%
rand total	781 687.3	
op five market share		73.50%
op ten market share		85.05%

ource: CIRC website

able 2- Life and health insurance companies

omestic isurer	Direct premiums*	Market share	Foreign insurer / JV	Direct premiums	Market share
	CNY m	%		CNY m	%
hina Life**	449 989.0	19.88%	ICBC-AXA	35 922.5	1.59%
ing An Life	297 907.1	13.16%	Ever Grande Life	21 991.9	0.97%
nbang Life	189 303.8	8.36%	AIA	15 330.1	0.68%

hina Pacific ife	153 345.5	6.77%
ai Kang	101 741.1	4.49%
ICC Life	98 146.7	4.34%
aiping	97 757.8	4.32%
ew China Life	89 840.3	3.97%
uaxia Life	74 194.7	3.28%
ino-Life	71 124.5	3.14%
ınlight Life	42 381.4	1.87%
ian An Life	41 470.0	1.83%
uohua Life	40 330.9	1.78%
hina Post Life	37 838.0	1.67%
exie Health	35 971.8	1.59%
ian Hai Life	28 620.9	1.26%
eon Life	26 513.4	1.17%
CB-Life	25 073.4	1.11%
ınkang Life	22 729.8	1.00%
BC Life	22 531.8	1.00%
nion Life	19 980.7	0.88%

BoComm Life	12 596.2	0.56%
CIGNA & CMC	9 386.3	0.41%
Citic-Prudential	9 036.7	0.40%
Metlife	7 246.5	0.32%
Generali-China Life	7 161.9	0.32%
Aviva Cofco	5 956.8	0.26%
Manulife-Sinochem	4 998.1	0.22%
Huatai Life	3 559.2	0.16%
BOB-Cardif Life	3 193.7	0.14%
Allianz	3 065.7	0.14%
BOC-SAMSUNG Life	3 017.8	0.13%
AEGON CNOOC	2 114.8	0.09%
Heng An Standard	2 079.3	0.09%
PKU Founder Life	1 676.8	0.07%
Ping An Health	1 657.5	0.07%
GWCS Life	1 240.5	0.05%
Lujiazui Cathy Life	1 163.0	0.05%
HSBC Life	966.5	0.04%

ICC Health	17 820.9	0.79%
appy Life	17 689.4	0.78%
ing An nnuity	14 361.1	0.63%
inatay Life	9 956.1	0.44%
Iin Sheng	9 142.5	0.40%
hujiang Life	8 976.7	0.40%
i An Life	8 141.7	0.36%
hanghai Life	6 036.5	0.27%
hina Life Run ff	5 368.9	0.24%
Xiang Life	5 186.1	0.23%
oochow Life	4 999.0	0.22%
aikang Pension	4 594.4	0.20%
unlife- verbright	4 575.2	0.20%
reat Wall Life	4 073.7	0.18%
aiping Pension	3 814.6	0.17%
ohai Life	3 554.3	0.16%
hongRong Life	3 168.0	0.14%
ing Dai Tai He	2 961.9	0.13%
ong Kang Life	2 718.2	0.12%
unlun Health	1 242.0	0.05%
nbang Pension	765.6	0.03%
uolian Life	733.1	0.03%

King Dragon Life	692.3	0.03%
Pramerica Fosun Life	452.5	0.02%
Sino-Korea Life	366.9	0.02%
ERGO Life	318.7	0.01%
Old Mutual-Guodian	268.6	0.01%
Shin Kong & HNA Life	74	0.00%
Sino-French Life	0.2	0.00%

rust Mutual ife	359.5	0.02%
engqin Life	309	0.01%
hina Life ısurance	291.5	0.01%
uagui Life	243.5	0.01%
ino-Conflux ife	227.3	0.01%
lerchants enhe Life	212.3	0.01%
PIC Allianz ealth	121.6	0.01%
osun Health	33.9	0.00%
etai Life	29.4	0.00%
ixin Life	1.9	0.00%
hina Life ension	0	0.00%
hang Jiang ension	0	0.00%
ew China ension	0	0.00%

	Direct premiums*	Market share
omestic total*	2 108 502.6	93.13%
oreign/JV total	155 535.0	6.87%
rand total	2 264 037.6	
op five market share*		52.90%
op ten market share		71.94%

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Appendix

Table 3 - Indian Non Life Insurers

S.No.	**INSURER**	**Premium (Rs. Cr)**	**MARKET SHARE UPTO the Month Of March, 2018 (%)**
		2017-18	
1	The New India Assurance Company Limited	22,718.76	15.08
2	United India Insurance Company Limited	17,429.95	11.57
3	National Insurance Company Limited	16,193.55	10.75
4	ICICI Lombard General Insurance Company Limited	12,356.85	8.20
5	The Oriental Insurance Company Limited	11,452.05	7.60
6	Bajaj Allianz General Insurance Company Limited	9,445.22	6.27
7	HDFC Ergo General insurance Company Limited	7,289.97	4.84
8	IFFCO Tokio General Insurance Company Limited	5,631.89	3.74
9	Tata AIG General Insurance Company Limited	5,435.92	3.61

10	Reliance General Insurance Company Limited	5,069.08	3.36
11	Cholamandalam MS General Insurance Company Limited	4,102.48	2.72
12	SBI General Insurance Company Limited	3,544.20	2.35
13	Royal Sundaram General Insurance Company Limited	2,623.44	1.74
14	Universal Sompo General Insurance Company Limited	2,310.86	1.53
15	Shriram General Insurance Company Limited	2,100.76	1.39
16	Future Generali India Insurance Company Limited	1,906.38	1.27
17	Bharti AXA General Insurance Company Limited	1,753.58	1.16
18	Liberty General Insurance Limited	816.53	0.54
19	Magma HDI General Insurance Company Limited	526.69	0.35
20	Kotak Mahindra General Insurance Company Limited	185.39	0.12
21	DHFL General Insurance Limited	141.08	0.09
22	Go Digit General Insurance Limited	93.74	0.06
23	Raheja QBE General Insurance Company Limited	83.45	0.06
24	Acko General Insurance Limited	0.92	-

25	Edelweiss General Insurance Company Limited	1.30	-
	Total	133,214.04	88.40
	Standalone health insurers		
1	Aditya Birla	243.17	0.16
2	Apollo Munich	1,717.51	1.14
3	CignaTTK	346.40	0.23
4	Max Bupa	754.47	0.50
5	Religare	1,091.61	0.72
6	Star Health	4,161.11	2.76
	Total	8,314.27	5.51
	Specialized Insurers		
1	AIC	7,893.39	5.24
2	ECGC	1,240.42	0.82
	Total	9,133.81	6.06
	Grand Total	**150,662**	**100**

Source: IRDA website

Table 4 - Indian Life Insurance companies

	Life Insurer		
S.No.	**INSURER**	**Premium (Rs. Cr)** **2017-18**	**MARKET SHARE UPTO the Month Of March, 2018 (%)**
1	LIC	318,223.21	69.36%
2	ICICI Prudential	27,068.77	5.90%

3	SBI Life	25,354.19	5.53%
4	HDFC Standard	23,564.41	5.14%
5	Max Life	12,500.89	2.72%
6	Bajaj Allianz	7,578.37	1.65%
7	Kotak Mahindra	6,598.67	1.44%
8	Aditya Birla Sun Life	5,903.00	1.29%
9	Tata AIA	4,162.95	0.91%
10	Reliance Nippon	4,069.37	0.89%
11	PNB Metlife	3,953.51	0.86%
12	Canara HSBC	2,781.06	0.61%
13	Exide Life	2,531.89	0.55%
14	IndiaFirst	2,309.01	0.50%
15	DHFL Pramerica	1,844.46	0.40%
16	IDBI Federal	1,783.24	0.39%
17	Star Union Dai-ichi	1,783.01	0.39%
18	Bharti AXA	1,684.39	0.37%
19	Shriram Life	1,497.04	0.33%
20	Aviva	1,344.22	0.29%
21	Future Generali	992.29	0.22%
22	Edelweiss Tokio	638.26	0.14%
23	Aegon Life	531.21	0.12%
24	Sahara	112.03	0.02%
	Total	**458,809**	**100%**

Source: IRDA website

Table 5 – Leading Reinsurance companies of India and China

Country	China	India
Company	China Re	GIC Re
GWP	$11,564	$6,582
Global Rank	7th	11th

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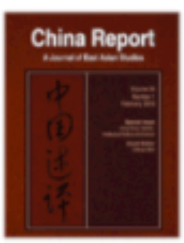

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