

Three-year action plan for promoting high-quality development of the property insurance industry (2020–2022)

I. GENERAL REQUIREMENTS

1. Guiding principles

Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, we will fully implement the spirit of the 19th National Congress of the Communist Party of China and the second, third, and fourth plenary sessions of the 19th CPC Central Committee. In accordance with the decisions and plans of the CPC Central Committee and the State Council, we will adhere to the general principle of seeking progress while maintaining stability, uphold the new development philosophy, take supply-side structural reform as the main line, and take reform and opening-up as the driving force. We will steadily advance reforms in key areas, continuously improve the quality and efficiency of the property insurance industry in

supporting the "six stabilities" and "six guarantees" and serving the real economy, wage a tough battle to prevent and defuse financial risks, and promote the high-quality development of the property insurance industry.

(ii) Basic principles

--We will continue to focus on risk protection. We will actively play the role of the economy as a shock absorber and society as a stabilizer, focus on major strategies, and serve the real economy.

--Give priority to scientific and technological innovation. We will accelerate the integration of scientific and technological innovation with the development of the property insurance industry, promote the transformation of the development model, and stimulate the vitality of market innovation.

--Continuing to deepen reform and opening up. We will advance supply-side structural reform in key areas, open wider to the outside world, and promote international cooperation.

--We will continue to strengthen comprehensive oversight. We will strengthen oversight of institutions, with emphasis on functional and

behavioral oversight, and ensure that systemic risks do not occur.

(iii) Overall objectives

By 2022, the property insurance industry maintained steady and rapid growth, with enhanced protection levels, improved service capabilities, and strengthened capital strength. The sector achieved compliance with solvency adequacy ratio standards and maintained comprehensive risk ratings above Class B, fostering a well-structured, fully functional, scientifically governed, and orderly competitive property insurance market system. Property insurance products and services expanded their reach across various sectors of social production and daily life, significantly broadening coverage. These products became essential tools for corporate risk management and household risk protection, while also serving as effective instruments for government to improve public services and strengthen social governance. The industry demonstrated remarkable progress in risk resolution and regulatory capacity enhancement.

2. The transformation of the industry to refinement, technology and modernization

(4) Accelerate Industry Transformation and Upgrading. Promote the industry's transition from a vehicle insurance-centric model to balanced development of both vehicle and non-vehicle insurance, shift from sales-driven to product-service-driven operations, and upgrade from traditional economic compensation to risk management and value-added services. Encourage innovative developments in internet insurance, mutual insurance, and self-insurance to stimulate high-quality growth momentum. Drive property insurance companies toward specialized and refined development, improve business models, deepen market penetration in niche segments, develop diversified products, drive service innovation, and build an ecosystem service system centered around insurance.

(5) Advancing Digital Technology Capabilities. Support property insurance companies in developing digital transformation strategies, increasing technological investments and intellectual support to build modern insurance enterprises with technological empowerment advantages. Encourage insurers to leverage big data, cloud computing, blockchain, and artificial intelligence to

modernize traditional insurance operational processes, enhancing digitalization, online integration, and intelligent capabilities. By 2022

By the end of the year, the online penetration rate in key business areas will exceed 80%. Property insurance companies are encouraged to enhance their core competitiveness in risk pricing, customer segmentation, and fraud prevention through digital upgrades to their risk management capabilities.

(6) Enhancing Corporate Governance. We will organically integrate Party leadership with modern enterprise systems to advance the modernization of property insurance companies governance structures and capabilities. This includes strengthening capital reserves, improving equity management, regulating shareholder conduct and related-party transactions, and ensuring more transparent and compliant corporate governance operations. Property insurers will be held accountable for their primary responsibilities, with the establishment of a modern governance framework featuring effective board performance, standardized executive responsibilities, and robust supervisory oversight. A scientifically

designed performance evaluation system will be refined to create incentive mechanisms and regulatory constraints conducive to high-quality development.

3. The ability of insurance services to serve the national economy and peoples livelihood has been steadily enhanced

(7) Serving the implementation of major national strategies. Enhance the quality and level of property insurance services for the Belt and Road Initiative, actively align with the risk protection needs of major national strategies such as the coordinated development of the Beijing-Tianjin-Hebei region, the development of the Yangtze River Economic Belt, the construction of the Guangdong-Hong Kong-Macao Greater Bay Area, the integrated development of the Yangtze River Delta region, the ecological protection and high-quality development of the Yellow River Basin, and the construction of the Hainan Free Trade Port. Explore the provision of comprehensive risk management and financial services for key projects to effectively support regional economic coordination.

(8) Support the development of social governance systems. In line with national requirements for modernizing social governance,

we will actively promote the growth of liability insurance and surety insurance. The property insurance industry should play a supportive role in areas such as pollution control, workplace safety, food and drug safety, campus security, medical disputes, construction quality, and public health emergencies, thereby facilitating the implementation of national policies and optimizing governance mechanisms. We encourage the development of health insurance and

We will promote the integrated development of health management to better serve the peoples needs for high-quality living and health protection. We will improve the catastrophic insurance system, promote legislation on catastrophic insurance, explore the securitization of catastrophic insurance, and improve emergency response to disaster and accident insurance to serve the national disaster relief system.

(9) **Safeguarding National Economic Development.** We will advance high-quality agricultural insurance development by continuously expanding coverage, diversifying product offerings, and raising premium standards. Pilot programs for full-cost insurance and income insurance for key agricultural products will be implemented to enhance service quality for agriculture, rural areas, and farmers. Technology and patent insurance will be developed to support the transformation of strategic emerging industries and advanced manufacturing, while facilitating the construction and application of new infrastructure like 5G. Export credit

insurance and domestic trade credit insurance will be expanded, with property insurers encouraged to offer business interruption and delayed cancellation insurance services. These measures will provide credit enhancement support for enterprises across industrial chains, thereby boosting financing access for small, medium, and micro businesses as well as private enterprises.

Fourth, the level of opening-up and international influence of the industry have been continuously improved

(10) Expand the opening-up of the property insurance industry. Implement major measures for financial sector liberalization, ensuring consistent treatment for domestic and foreign entities under the principle of internal-external consistency. Guide foreign-funded insurance companies to optimize their branch networks, rationally expand their operations, and orderly broaden their business scope. Support qualified overseas financial institutions in investing in domestic property insurers and reinsurers, introducing advanced business models, management expertise, and financial services to enhance market vitality and competitiveness.

(11) Support property insurance companies in going global. Encourage property insurance companies to increase insurance services and insurance capital support for Belt and Road projects, and simplify the approval process. Support qualified Chinese insurance institutions in orderly development overseas, focusing on the Belt and Road Initiative, to enhance overseas financial services and international competitiveness.

We will support insurance companies in strengthening international exchanges and cooperation and expanding the international influence of Chinas insurance industry.

(12) Accelerate the development of the reinsurance market. Promote the expansion of reinsurance market entities by encouraging qualified property insurance companies to establish specialized reinsurance functional institutions, thereby enhancing underwriting capacity and service capabilities while improving the reinsurance market system. Support foreign reinsurance companies in increasing investment to strengthen risk management services and provide technical support for product development. Enhance the functions of the Shanghai Lujiazui International Reinsurance Conference Exchange Mechanism and advance the construction of a reinsurance center.

V. Forming regulatory policies, systems and mechanisms that focus on high-quality development

(13) Deepen reform to stimulate the vitality of high-quality development. Steadily advance the

comprehensive reform of auto insurance, improve the compulsory traffic insurance system, and establish a market-oriented mechanism for the formation of commercial auto insurance clauses and rates.

Establish China Agricultural Reinsurance Company, promote the institutional reform of the fishery mutual insurance system, effectively implement agricultural insurance reform and product supervision reform, and ensure that the reform makes progress and achieves results. Deepen the reform of regulatory responsibilities, optimize the regulatory responsibility system, unify regulatory standards, and leverage the synergy between upper and lower levels.

(14) Prevent and resolve risks to foster a high-quality development environment. Establish and improve risk monitoring and early warning mechanisms, with continuous risk analysis and assessment. Refine emergency response plans, optimize risk management processes and systems, and enhance regulatory foresight. Strengthen supervision of innovative financial operations to prevent cross-sector financial product risks. Improve risk monitoring mechanisms for financing credit insurance and financing guarantee insurance,

ensuring overall industry risk remains under control while effectively addressing individual case risks.

(15) Strengthen market supervision and regulate the order of high-quality development. Strengthen the linkage between off-site supervision and on-site investigation, and strengthen the supervision and inspection of illegal activities

By strengthening penalties and implementing targeted measures, we aim to effectively address market irregularities and foster a transparent, fair, and orderly environment conducive to the industrys high-quality development. We will refine the market access system, which prioritizes professionalism, focuses on solvency and service capabilities, and is grounded in risk management, while exploring the establishment of a market exit mechanism.

(16) Addressing institutional gaps to strengthen the foundation for high-quality development. Enhance regulatory framework development by eliminating oversight gaps and refining off-site supervision mechanisms. Establish benchmark actuarial standards for commercial auto insurance and agricultural insurance, while revising regulations governing reserve management, policy rate administration, and reinsurance operations. Develop product innovation safeguards to resolve systemic deficiencies. Guide the industry to enhance risk-based pricing capabilities and product development, advance the construction of

foundational industry databases, and improve core infrastructure systems.

(17) Enhance Regulatory Quality and Effectiveness to Strengthen High-Quality Development. Strengthen institutional oversight by exploring differentiated regulatory policies. Focus on functional supervision to further optimize institutional mechanisms. Promote the organic integration of institutional and functional supervision, striving to build a comprehensive regulatory system covering the entire process. Actively utilize modern technologies to enrich regulatory tools, further advancing the refinement and scientific approach of regulatory work. Enhance regulatory capabilities and integrity by continuously improving risk identification, resolution, and law-based governance. Cultivate a high-caliber, professional regulatory team characterized by loyalty, integrity, and accountability to safeguard the achievements of high-quality development.

VI. Organizing and Implementing

All banking and insurance regulatory bureaus, property insurance companies and reinsurance companies should fully and accurately assess the situation and requirements, continue to promote relevant work, study and formulate supporting measures in light of the actual conditions of their respective regions and companies, clarify the division of responsibilities and schedule, and ensure

All work has been carried out in place. We should strengthen communication and coordination, grasp the intensity and rhythm, coordinate resources from various parties, pool all kinds of forces, and strive to promote the high-quality development of the property insurance industry.