

**CPIC (SH601601, HK02601, LSE CPIC)**
**Stock Data (ending Jul. 31, 2021)**

Total equity base (in million)	9, 620
A-share	6, 845
H-share	2, 775
Total Cap (in RMB million)	228, 633
A-share	178, 108
H-share (in HKD million)	60, 779
6-month highest/lowest	
A-share (in RMB)	44. 01/25. 85
H-share (in HKD)	39. 20/21. 35
GDR(in USD)	34. 32/22. 50

**IR Calendar**

August 31, 2021

2021 Interim Results Announcement

Call Conference

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**Premium Income (Unit: in RMB million)**

	Jan.- Jul.	Changes	Jul.	Changes
<b>P&amp;C</b>	93, 722	5. 41%	11, 914	-0. 58%
<b>Life</b>	151, 264	1. 83%	9, 886	-3. 04%

## Regulatory Updates

### ● CBIRC cracks down on irregularities in Internet insurance

CBIRC recently issued The Circular on Rectifying Irregularities in Internet Insurance, which requires insurance firms to fully cover their business partners, key issues and business processes.

The campaign focuses on product management, sales management, claims management and data security, seeking to address issues mainly in 5 areas. First is mis-selling, including misrepresentation, partial disclosure to customers in insurance application and withholding underwriting information; second is compulsory bundling and dishonestly-induced sales, such as imposing product bundles, inducing sales or policy renewals through spurious means; third is incompliance and imprudence in business operation, like unlicensed business operation, breach of laws and regulations, irrationally high expense and commission levels, imprudent business management; fourth is lack of customer privacy protection, such as improper collection of user information, cyber-security risk; fifth is other common issues raised by the public.

### ● CBIRC releases Exposure Draft of new rules on non-life reserves

The Exposure Draft aligns regulations on non-life insurance reserves with accounting standards and solvency regulations so that there will be a clearer and consistent framework for insurance companies in reserve evaluation and management. The draft systematically reviewed and built on previously-released regulatory documents, policies and formulated a complete set of rules on basic data management, retrospective analysis, spreadsheets and reporting of reserves. The document also seeks to close the loopholes in current regulatory regime, which, for example, lacks clear stipulations on internal control, oversight, and legal liabilities. This may give rise to issues like arbitrary adjustment of reserves.

### ● CBIRC optimizes supervision of reinsurance business

On July 29, CBIRC issued the amended Administrative Provisions on Reinsurance, which stipulates that reinsurance business can only be handled by headquarters of primary insurance companies, and unless otherwise specified, branch offices shall not conduct such business. According to the document, insurance companies shall establish an independent department for reinsurance, staffed with at least 3 professionals who are independent from those handling direct business if ceded-in insurance premiums exceed RMB100mn in the previous year, and at least 5 professionals when premiums exceed RMB300mn; set up complete business management rules and an independent IT module for reinsurance, connected automatically with the finance system so that reinsurance and direct insurance business can be managed separately; formulate reasonable, detailed annual business plan for

reinsurance.

## Industry Info

### ● Insurance association solicits public opinions on motor insurance of new energy vehicles

On August 4, the Insurance Association of China released the 2021 Exposure Draft of Terms & Clauses of Commercial Motor Insurance for New Energy Vehicles and the 2021 Exposure Draft of Template Terms & Clauses of Personal Accident Insurance for New Energy Vehicle Drivers and Passengers.

The documents clarified the definition of “new energy vehicles”, which include hybrid plug-in (extended range included) motor vehicles, electric vehicles and fuel battery vehicles; expanded the scope of coverage, which includes motor vehicle body, electric drive, batteries, electric control and self-combustion, but excludes battery attenuation. Terms of riders provide more niche-market cover, such as insurable software and charging poles, with customized value-added services.

### ● 257,600 insurance claims settled with payment of 4.014bn so far in He’nan flooding

As of August 10, insurance companies in He’nan Province, which was recently hit by heavy rains, received a total of 501,400 claims, with losses estimated to be RMB11.449bn. Of this, the proportion of settled cases and settled amounts reached 51.38% and 35.06% respectively.

By business lines, there were 11,500 claims for agricultural insurance, with loss estimated to be RMB492mn. Of this, 8,618 cases have been settled, paying out RMB313mn to 77,900 rural households; automobile insurance received 238,100 claims, with losses estimated to be RMB6.39bn. Of this, 13,500 cases have been settled, paying out RMB3.263bn in claims.

### ● Steep increase in volume of insurance debt investment plans

Statistics released by China Insurance Asset Management Association indicate that as the main channel for insurance funds to support the real economy, a total of 234 debt investment plans, equity investment plans and insurance PE funds were registered in the first half of 2021, up 48.10% from the level in the first half of 2020, raising a total of RMB488.427bn, a growth of 50.98%.

By products, there were 227 debt investment plans, an increase of 54.42%, which raised RMB457.855bn, a growth of 82.4%; 3 equity investment plans, the same as that for the first half of last year, which involved an amount of RMB4.07bn, up 68.18%; 4 insurance PE funds, down by 50.00%, which raised RMB26.502bn, a decrease of 62.25%.

## Company News

### ● CPIC Fortune Global ranking jumps to 158th

On August 2, Fortune Global 500 for 2021 was released. CPIC, with an operating revenue of USD61.186bn in 2020, was listed for the 11th consecutive year, ranking 158, a jump of 35 places from 2020.

As of the end of 2020, total assets of CPIC amounted to RMB1.77 trillion, an increase of 15.9% from the end of 2019; Group number of customers totaled 147mn, a growth of 8.91mn from the end of 2019; gross written premiums reached RMB362.064bn, up 4.2%.

### ● CPIC wins top rating for information disclosure by SSE for 8th successive year

Recently, Shanghai Stock Exchange (SSE) released the results of its 2020-2021 Information Disclosure Assessment of Listed Companies, at which CPIC was rated A, marking the 8th consecutive year of top rating since SSE introduced the mechanism 8 years ago. Currently there are 1,639 firms listed on the main segment of SSE, and approximately 10% of them won A rating for 3 years on end.

### ● CPIC Life launches term CI product

Launched on August 1, the product, known as Wuyoubao, mainly caters for the younger-generation customer segment. It not only covers against 120 critical illnesses, but also death and full disability. As a term CI product, it offers high level of protection for relatively low premiums, thus could well be the first long-term insurance policy for youths when they reach adulthood. It allows for flexible mode of payment, namely, 5,10, or 20 years, or till 60 years of the insured, with the insurance period till 60 or 70 years of the insured. Age of the insured is between 18 and 45 years, waiting period 90 days and basic SA RMB10,000, with a minimum SA of RMB50,000 and an annual premium of RMB800 for insurance application.