

**CPIC (SH601601, HK02601, LSE CPIC)**
**Stock Data (ending Sept. 30, 2021)**

Total equity base (in million)	9, 620
A-share	6, 845
H-share	2, 775
Total Cap (in RMB million)	238, 959
A-share	185, 774
H-share (in HKD million)	64, 248
6-month highest/lowest	
A-share (in RMB)	36. 69/25. 59
H-share (in HKD)	30. 12/21. 35
GDR(in USD)	28. 88/20. 10

**IR Calendar**
**Contents**
**● Regulatory Updates**

CBIRC issues Provisional Regulations on Supervision of Substantial Shareholders of Banking and Insurance Institutions

CBIRC issues Guiding Opinions on Diversifying Supply of Life/Health Insurance Products

**● Industry Info**

Insurers receives 3,477 claims in Shanxi flooding  
 Mixed trends in growth of P/C Internet insurance business

**● Company News**

CPIC launches tailor-made group high-end medical insurance for the Greater Bay Area

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

	Jan.- Sept.	Changes	Sept.	Changes
<b>P&amp;C</b>	117, 952	2. 92%	12, 775	-7. 02%
<b>Life</b>	181, 726	-0. 61%	15, 336	-5. 55%

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## Regulatory Updates

### ● CBIRC issues Provisional Regulations on Supervision of Substantial Shareholders of Banking and Insurance Institutions

In the acquisition of shares, the document requires the use of substantial shareholders' own money, and an honest, transparent shareholding structure, with enhanced regulation of cross-shareholding and share pledge. In governance, it sets out explicit stipulations on conduct of substantial shareholders, like "supporting independent governance of insurance companies" and prohibited from interference, exercising their rights in voting and nomination in full compliance with laws and regulations. In related party transactions, the document specifies the code of conduct for substantial shareholders, sets forth types of "improper" RPTs and the obligation of substantial shareholders in transaction management and documentation filing. Besides, it explicitly stipulates on responsibilities and obligations of substantial shareholders in compliance with regulatory rules, cooperation with regulator in risk handling, information filing, publicity management, capital injection and consultation in shareholder rights.

### ● CBIRC issues Guiding Opinions on Diversifying Supply of Life/Health Insurance Products

The Opinion mainly focuses on two areas. One is diversification of the supply of life/health insurance products. The regulator supports insurance firms in shouldering their social responsibilities and providing "suitable and effective" affordable insurance products; innovating various types of pension products, and exploring alignment of insurance benefits in long-term care and risk protection, withdrawal of annuity funds with elderly care and retirement communities; based on long-term health protection, increasing level of protection on CI insurance, supporting integration of health insurance and health management; raising caps on age of the insured, providing reasonable cover for the elderly people with prior or chronic conditions, improving protection against congenital heart diseases of children and rare illnesses; expanding insurance cover for those in new business types or trades, or in informal employment, encouraging development of regional life/health products for differentiated medical and personal accident cover.

On the other hand, the document seeks to effectively enhance the supply capabilities of life/health products. It calls for increased responsibility of insurance companies in optimizing product development processes, exploring differentiated management so as to improve the quality of supply; stepping up digital transitioning to support the development of products under various scenarios while following actuarial principles; enhancing industry infrastructure, exploring formulation of mortality/morbidity tables based on risk segmentation of cohorts of people; reforming product supervision mechanism, establishing automated product approval systems and registration management entities, and leveraging third-party service in

product supervision, improving the use of IT to enhance effectiveness of supervision, stepping up the role of local offices of the regulator to enhance coordination of headquarters and branches, preventing “false or spurious innovation” to protect consumer interests.

## Industry Info

### ● Insurers receives 3,477 claims in Shanxi flooding

On Oct. 10, the Department of Emergency Response of Shanxi Province indicated that the recent flooding affected 1.76mn people in 76 counties of 11 cities of the province, of which 120,100 people were evacuated. The flooding also affected about 190,000 hectares of farmland, caused 17,000 houses to collapse. According to incomplete statistics of the insurance association of the province, as of Oct. 8, property and casualty insurance companies had received 3,477 claims, with motor vehicle loss estimated to be RMB16.00mn, and property losses RMB47.93mn. Life/health insurance companies had confirmed 6 deaths, with expected payment of RMB640,000.

### ● Mixed trends in growth of P/C Internet insurance business

On September 30, the Insurance Association of China released a research report on China’s P/C Internet business for the first half of 2021, which shows that premium income from intermediaries amounted to RMB21.4bn, accounting for 45% of total Internet premiums, rising 13pt from the end of 2020; proprietary platforms of insurance firms RMB10.4bn, representing 22%, down by 2pt from the end of 2020; induction business (business from third-party Internet platforms, and business referred to proprietary platforms of insurance firms by insurance personnel) RMB15.0bn, with a share of 32%, falling by 10pt from the end of 2020. On the other hand, visits to independent apps and WeChat follows both amounted to 200mn in the first half of 2021, a growth of 16% and 11% versus the same period of last year, a big slowdown from the average growth between 2018 and 2020.

## Company News

### ● CPIC launches tailor-made group high-end medical insurance for the Greater Bay Area

On September 26, to implement the Group strategy on Greater Bay Area, CPIC P/C, CPIC Life and CPIC Health worked together and developed a tailor-made medical insurance product for high net worth customers of the region, known as Yuexiang Wanqu. The plan overcame the barriers of health care systems between China’s mainland, Hong Kong and Macao and is able to provide better and more convenient service for customers, with sum assured up to RMB10mn, direct payment for designated care providers, enhanced customer experience and privacy protection, 24-hour hotline, drug delivery for chronic illnesses and access to Traditional Chinese Medicine.