

# Chinese insurance experts discuss future trends



The 15th China Rendezvous marked its return after a three-year hiatus when it was held in Beijing on 1 December. This year's theme, 'Embracing the New Era of Excellence – The Future Map for Insurance' highlights the potential of China's insurance industry, the world's second-largest insurance market.

By Vincent Liu Liang



The 15th China Rendezvous featured a main forum for comprehensive discussions and designated negotiation areas for one-on-one dialogues, fostering engagement and strategic exchanges among industry leaders. Over 280 delegates registered for the morning and afternoon sessions, with the majority attending both.

## China's insurance and reinsurance markets

AM Best Asia-Pacific director of analytics James Chan, offered insightful perspectives on the stability of China's property insurance market. The agency's market outlook for this sector is 'Stable'. Factors driving market trends over the next 12 months included the current and expected economic conditions, the policy environment and potential shifts in it, as well as market competition and emerging trends.

Mr Chan highlighted China's macroeconomic situation and forecast, noting a rapid rebound in the post-pandemic economy. However, challenges persist in the investment market, leading to

weakened confidence. In particular, the real estate sector continues to face liquidity and other pressures bringing a degree of uncertainty to future economic growth.

Leading insurance companies in China are maintaining their competitive edge. Motor insurance is regaining growth momentum, with new-energy vehicle (NEV) insurance seeing fresh developments.

In non-auto insurance business, significant growth is forecast in health insurance. Agricultural insurance also shows promise, underpinned by policy support and the strategic importance of this branch in ensuring stability in the agricultural sector.

Potential factors that could alter the reinsurance market's outlook include economic recovery falling short of expectations. Intensified competition on the underwriting side, coupled with declining returns on investments, could continue to impair profitability. However, more prudent underwriting strategies and improved investment returns could lead to profitability improvements.

## Wealth management and bancassurance innovation

HSBC Life Insurance China CEO Hu Min highlighted the



Mr James Chan

company's response to changing market dynamics by seizing opportunities in wealth management. The firm is innovating the bancassurance distribution model. This includes developing strategies for sales, roles, responsibilities and performance metrics.



Mr Hu Min

Mr Hu said that HSBC Life Insurance China has demonstrated remarkable growth in 2023 to date, with total premium income and new single premium income witnessing significant increases. As a wholly-owned subsidiary of HSBC in mainland China, the company has received strong support from the group, evidenced by two capital injections for long-term, stable growth.

HSBC Life Insurance is also actively integrating into HSBC's broader wealth management framework, planning innovations in pension finance, green finance, digital technology and health, and leveraging HSBC Group's international advantages.

### Risk management strategies in BRI

China Re P&C general manager of the management office of China Belt and Road Reinsurance Pool and the Belt & Road Initiative Business Department Frances Zhou Xiaoni spoke of addressing heightened overseas risks and enhancing the protection of China's overseas interests.



Ms Frances Zhou Xiaoni

She emphasised the escalating frequency of extreme and unusual natural disasters, the rapid transformation within the industry with weak resistance to risks, growing global geopolitical tensions and specific risks to Chinese overseas business interests, particularly in some Belt and Road countries where targeted terrorist attacks against Chinese assets have occurred.

Additionally, she pointed out the risks posed by the food crisis, economic slowdown, inflation, currency exchange fluctuations and supply chain risks.

In response to these challenges, the insurance industry is leveraging its strengths to offer diversified risk protection and product innovation. This includes the development of international project guarantee insurance services and single-project professional liability insurance services to support China's 'going global' strategy.

Furthermore, Ms Zhou highlighted the role of the BRI community in supporting Chinese enterprises. The community comprises 23 major domestic property insurance and reinsurance companies, including large Chinese-funded property insurance companies, state-owned enterprises with insurance backgrounds, specialised reinsurance companies, and foreign companies.

### (Re)insurance trends and opportunities

Oliver Wyman partner Jia Jingwei delivered an insightful analysis on evolving trends and burgeoning opportunities within China's reinsurance market, broadening the scope to encompass insurance and reinsurance markets throughout Asia. He discussed the sustained growth yet value challenges in Asia's life insurance sector, and the robust expansion in non-life insurance, emphasizing the significance of new risks and emerging customer demographics.



Mr Jia Jingwei

Mr Jia also drew comparisons between cities in Asian and international reinsurance markets. Despite improvements at a macro level across Asia since 2023, he noted ongoing instabilities. Following earlier lenient policies, inflation rates are stabilizing, and the foreign exchange markets are experiencing consolidation.

Waterdrop co-founder Yang Guang, in his industry address, highlighted the role of large-scale AI models in advancing the high-quality transformation of insurance services. Emphasising that embracing new technology is an inevitable trend in the insurance



Mr Yang Guang

sector, he underscored the enhanced value that insurance intermediaries should bring.

Renmin University of China's School of Information vice dean and Institute for Smart Senior Care China director Zuo Meiyun shared his insights on the rise of smart senior care and opportunities for the insurance sector.

Cheche Technology founder and CEO Zhang Lei focused on the new era of intelligent insurance in the wake of the NEV revolution.

Swiss Re China former president John Chen put forward five cyclical regulatory moves for the P&C industry. Sinosoft chairman and president Zuo Chun elaborated on the flywheel model in the insurance business.



Mr Zuo Meiyun



Mr Zhang Lei



Mr John Chen

### Panel discussions

There were three panel discussions during the event. In the first discussion, Boston Consulting Group managing director and partner Yamin Groninger; Fanhua co-chairman and CSO Ben Lin; and Professor Zuo Meiyun discussed life insurance, intermediary transformation and future wellness.

In the second panel session, Cheche Technology vice president Xu Jianping, Aioi Nissay Dowa Insurance China chief representative Nakagawa Yusuke and University of International Business and Economics, Beijing Institute of Insurance vice president Xie Yuantao, accompanied by Capital University of Economics and Business associate professor Li Wenzhong talked about NEV insurance development in China.

In the third, Professor Xie Yuantao, Zuo Chun, Yang Guang, and Baozhunniu Insurance (BZN) founder and CEO Carol Chao discussed tech-driven digitalisation.

The 15th China Rendezvous was organised by Asia Insurance Review and sponsored by HSBC Life Insurance and AM Best. ■