

## China's first disaster cover launched

### Special report: Reconstruction After Earthquake



China Life, China's largest life insurer, has launched the country's first accident insurance policy, in part, to address the increased insurance demand after the earthquake in Sichuan.

(File Photo)

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BEIJING, June 14 -- China Life, China's largest life insurer, has launched the country's first accident insurance policy, in part, to address the increased insurance demand after the earthquake in Sichuan.

It will cover six types of natural disasters, including earthquakes, floods, tsunamis, typhoons, mudslides and landslides.

"This trial is to help people transfer risks through commercial means," said Wan Feng, president of China Life.

Compared with other accident insurance policies, the premium rate for this new type policy is much lower, the company said. Usually, people need to pay 200 yuan premium for common accident insurance covering 100,000 liabilities. But for the catastrophe accident policy covering the same amount, people need only pay 65 yuan. The rate, however, could differ in different regions, according to the group.

"We will firstly launch the product in some catastrophe-hit areas such as Sichuan, Zhejiang and Hainan," said Shirley Shao, chief actuary of China Life.

She said that the company would also look to join hands with reinsurance companies to spread risks due to the concentration of risks in particular regions.

According to statistics from the China Insurance Regulatory Commission, the country's insurance industry has paid 303 million yuan for 249,000 claims up until June 11, of which 169 million yuan went to life insurance and 133 million yuan went to property and casualty insurance.

By June 11, China Life received 13,181 claims, and the company is expected to pay 230 million yuan for the Sichuan earthquake, said Wan.

"Our overall payment may finally exceed 300 million yuan as time passes by, but it is not going to dent our profits too much, given our rapidly growing premium this year," he added.

China Life has seen a more than 40 percent jump in the premium income for the first quarter, and Wan said the company will also maintain rapid growth in the second quarter.

"The overall premium growth for this year will largely exceed our target," Wan added.

Insurance companies' quick claim settlement after the earthquake sparked the public's awareness and interest in buying policies.

Zhang Lin, a 28-year-old company executive in Ningbo, Zhejiang province, said she was quite

interested in the new policy as Ningbo is often hit by typhoons in the summer.

However, given the current situation, earthquakes are not generally included in the insurance liabilities for household property insurance. Even for commercial property insurance, enterprises have to buy an independent rider to cover earthquake risks.

(Source: China Daily)