

CIRC allows 2 more commercial banks to sell insurance policies

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BEIJING, July 24 (Xinhua)— The Bank of China and China Minsheng Banking Corp. have been given go-ahead to sell insurance policies, the China Insurance Regulatory Commission (CIRC) confirmed on Thursday.

The two commercial banks join the mainland's Industrial and Commercial Bank of China and China Construction Bank, and Hong Kong's Hangseng Bank and Bank of East Asia on the list of banks providing insurance.

Insurance premiums through bancassurance channels grew 153 percent in the first half, accounting for more than half of the total premiums from life insurance.

"Bancassurance is expected to grow much more rapidly as more commercial banks are permitted to sell insurance products," said Wang Xiaogang, an analyst with Orient Securities Company Ltd.

But the CIRC has warned against the risks instability that an unduly fast growing investment-oriented insurance sector might incur, including the weakening of insurance companies, uncertain investment risks, and the possible mass withdrawal of insurance funds.

Insurance premiums amounted to 561.79 billion yuan (80.3 billion U.S. dollars) nationwide in the first half of this year, a growth of 51 percent over the same period of last year. The total included 431.86 billion yuan in life insurance, up 64 percent. Of the life insurance premiums, 79 percent came from investment-oriented policies, up 0.9 of a percentage point, according to the CIRC.

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