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## State Council approves insurance law revision draft

China's State Council, the country's Cabinet, on Friday approved the revision draft of the insurance law to step up efforts for market supervision and boost the industry's healthy development.

The State Council agreed at an executive meeting presided by Premier Wen Jiabao that as the industry landscape was changing with new problems occurring, it was necessary to revise the current insurance law.

"This will help to better regulate insurers' business conduct, prevent and control risks and protect insureds' interests," said the meeting.

The revision added some supplementary provisions to the industry's basic system as well as some self-regulation items and beefed up the market watchdog's supervision responsibilities and management means, without revealing more details.

The meeting agreed the draft would be submitted to the Standing Committee of the National People's Congress (NPC) for review after further revisions.

China's insurance industry has witnessed fast development in recent years, with its premium income rising to 561.79 billion yuan (\$82.09 billion) in the first half, up 51 percent over the same period last year.

The total assets of the Chinese insurance industry topped 3.02 trillion yuan by June, against 2.9 trillion yuan by the end of last year.

The meeting also agreed on revisions of the current regulations on the management of foreign exchange. This was to facilitate trade and investment activities, strike an international payments balance and to strengthen cross-border capital flow.

The revised regulation would be promulgated and take effect after further revisions, the meeting said.

The meeting reviewed and agreed on the draft provisions on the declaration of concentration of business operators.

"Taking control over other business operators through merger, acquiring shares or assets is closely related to the fair market order. Controlling the business operators' concentrations is a key element of the anti-monopoly law," the meeting said.

China's first anti-monopoly law took effect on Friday, a milestone in its efforts in promoting a fair competition market and cracking down on monopolies.

The draft provisions would be promulgated and put into effect after further revisions.

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