

Official: Shanghai to be the center for insurance innovation

The China Insurance Regulatory Commission (CIRC) signed a memorandum with the Shanghai municipal government Friday to build the country's financial hub into a center for insurance innovation as well as technology research and development.

The CIRC, or China's top insurance regulator, would launch pilot programs in Shanghai concerning insurance fund usage, said commission chairman Wu Dingfu.

"We will initiate more trial insurance policies in Shanghai in preparation for future application on a national scale," Wu said.

At present, the CIRC is mulling over a plan to introduce a new endowment insurance type to Shanghai residents that collect the premium before income tax is deducted.

This is compared with the current endowment insurance policy which requires individuals to pay the premium after turning in income tax.

The new product will rule the endowment insurance out of income tax and thus help individuals save money.

Once taken into action, the trial program would have immeasurable influence on China's social security system as it encourage people to purchase endowment insurance for a more secured later life, according to Wu.

The CIRC also pledged to support the development of shipping insurance to contribute to Shanghai's ambition to develop into an international shipping center.

The State Council, or the Cabinet, unveiled a detailed plan at the end of April aimed at building Shanghai into a global financial center and shipping hub by 2020.

Source: Xinhua
