

**CPIC (SH601601, HK02601)**
**Stock Data ( ending Sep 30, 2015)**

Total equity base(in million)	9,062
A-share	6,287
H-share	2,775
Total Cap (in RMB million)	204,765
A-share	139,509
H-share (in HK dollar million)	79,504
9 month highest/lowest (in RMB)	
A-share	36.96/19.01
H-share (HK dollar)	44.1/25.55

**Investor Relation Calendar**

Oct 28-29,2015 Jefferies 5th Annual Asia Summit Hong Kong
Nov 2-4,2015 Bank of America Merrill Lynch 2015 China Conference Beijing
Nov.2-3,2015 Citi Greater China Conference Shenzhen
Nov 11-1,2015 Goldman Sachs China Conference 2015 Shanghai
Dec 1-2,2015 Credit Suisse APAC Financials Corporate Day Hong Kong

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**Premium Income (Unit: in RMB million)**

Indicator	Jan. to September	Changes	September	Changes
<b>Premium Income</b>				
-P&C	70,632	0.1%	7,987	(0.5%)
-Life	89,552	10.9%	9,343	5.0%

## Regulatory Updates

### ● NDRC and CIRC jointly issue guidelines boosting industry support for major infrastructure projects

The newly issued guideline calls for increased long-term funding of the country's major infrastructural projects by the insurance industry through the issuance of bonds, investment funds, investment schemes and asset-backed plans. It also encourages the industry to play a more important role in providing insurance cover for such projects, through, in particular, construction and engineering insurance, catastrophe insurance and reinsurance. The document is another step taken to implement the *Guo Shi Tiao*, or the Opinion to Accelerate the Development of Modern Insurance Industry by the State Council, and is conducive to expanding the service scope of the industry, as well as enhancing the sector's role in supporting economic growth through long-term funding and the provision of risk protection.

### ● Reform of participating insurance pricing officially kicked off

The pricing liberalization for participating insurance was officially introduced on Oct.1, 2015, marking the establishment of market-based pricing mechanisms for the entire life insurance sector following deregulation of traditional and universal products in August 2013 and February 2015 respectively.

The latest liberalization features a market-based pricing mechanism with safeguards to mitigate irrational competitions. The reserve evaluation rate is capped at 3%, and products with a guaranteed rate exceeding 3.5% shall be approved by the CIRC. The regulator raised the death benefit to 120% of paid-in premiums, and increased the minimum cash value by 20%. The reform also stipulates for strengthened and unified management of surplus and enhanced transparency in information disclosure.

The move is regarded as an important part of CIRC's market-based reform, and will improve consumer protection, and help with the long-term and healthy development of the industry. The reform breaks the pricing monopoly and will thus stimulate product innovation and differentiation. While the pricing power is handed back to insurers, the regulator will focus even more on supervision of risks, drawing clearer boundaries between market and government. The deregulation will also galvanise underperformers to improve management, thus enhancing the overall competitiveness of the industry. With requirement for higher minimum cash value and sum assured for deaths, the regulator sends a clear signal to the market that it encourages faster growth of risk protection products.

## Company Updates

### ● CPIC Life launches unit-linked product

In a bid to further diversify its product offerings and enhance its competitiveness, CPIC Life recently launched a unit-linked product distributed via internet. As the first unit-linked product in the history of the company, this product encapsulates protection and investment, and supports online purchase and redemption, and is distributed via the internet.

### ● CPIC Life drafts its first-ever morbidity tables

With the completion of its first-ever morbidity tables, the company became one of the few insurers in China with their own morbidity tables. The tables enable industry comparisons and as they are based on the company's own operational data, will facilitate product development and differentiation. In the context of rapid growth of China's health insurance, the tables will also boost customer segmentation and risk control.

### ● CPIC P&C boosts automobile extended warranty business

As part of its effort to boost its emerging liability lines, CPIC P/C recently upgraded its automobile extended warranty business. Customers can now access extended guarantee ranging from 1 to 2 years after purchasing extended warranty with car dealerships which signed contracts with CPIC. Under the new model, the insurance company serves both as an insurer and a extended service provider, with increased control of distribution channels, customers, pricing, and claims management. To date, 23 branch offices of CPIC P/C have signed agreements with 441 car dealers.

### ● CPIC P&C rolls out electronic policies for commercial auto insurance

Building on the success of the electronic policy pilot programme in 6 branch offices during the first of 2015, CPIC P/C has recently rolled out the programme to 23 branches such as Guangdong, Zhejiang, Jinagsu and Hebei provinces. Also up and running are some supportive projects such as OCR, which reads and stores customers' ID and driving licenses, Wechat payment and Chinapay, a mobile payment system. The company's official website now supports policy authentication.