

Content

Title :	Required Qualification and Directions for Life Insurance Companies to Engage in Foreign-currency Denominated Non-investment-linked Life Insurance Business Ch
Date :	2017.12.25
Legislative :	Amended on December 25, 2017
Content :	<p>7. When a life insurance company sells a foreign-currency denominated non-investment-linked life insurance product for the first time, it shall apply to the competent authority for approval by submitting documents evidencing that it meets the qualification requirements set out in Point 2 herein and in accordance with the Regulations Governing Pre-sale Procedures for Insurance Products.</p> <p>When a life insurance company submits an aforementioned insurance product for review and approval, it shall enclose relevant documents provided in the Regulations Governing Pre-sale Procedures for Insurance Products, and in addition, descriptions of accounting treatment for transactions in connection with the insurance product, specific foreign-currency assets and liabilities allocation plan and implementation method, and method for foreign-currency assets segmentation. The company shall also state in the insurance application form and policy provisions the method for collecting premiums, payment of remittance charges, disclosure of exchange rate risk and other relevant matters.</p> <p>When a life insurance company submits a RMB-denominated non-investment-linked life insurance product for review and approval, the description of foreign-currency assets and liabilities allocation plan and implementation enclosed according to the preceding paragraph shall contain at least the following particulars:</p> <p>(1) The objectives, strategies and methodologies for carrying out assets and liabilities allocation, major considerations for asset allocation, investment guidelines and asset allocation planning.</p> <p>(2) Expected rate of return on investment portfolio invested with new money (excluding existing assets), projected asset allocation ratios and expected returns on various classes of assets underlying that rate of return, and explanations of why the assumptions made for calculating the expected rate of return are reasonable, and correlation between the expected rate of return and the assumed pricing interest rate for the product.</p> <p>(3) Relevant risk control measures and mechanisms for risks of investable RMB assets, risks of matching RMB assets and liabilities and RMB funds backflow.</p> <p>(4) Appointed actuary shall issue a professional evaluation opinion on the feasibility of the proposed plans. The risk management department of the company shall subsequently follow up on the actual implementation of the plans. If it is found that the actual implementation deviates significantly from the original plans, the company's chief risk officer or an officer in comparable position shall promptly submit a written report and improvement plan to its chairperson and general manager.</p> <p>When a life insurance company sells RMB-denominated non-investment-linked life insurance products, the ratio of its total adjusted net capital to risk-based capital shall comply with Article 143-4 of the Insurance Act.</p>

Data Source : Financial Supervisory Commission Laws and Regulations Retrieving System