



Development of the Marine Market in China

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1. China's Economic Development

- GDP
- Trade
- Infrastructure

2. China's Legal & Policy Development

3. Chinese Marine Insurance Market

- Cargo
- Hull

4. China - a Challenging Market

1. China's Economic Development

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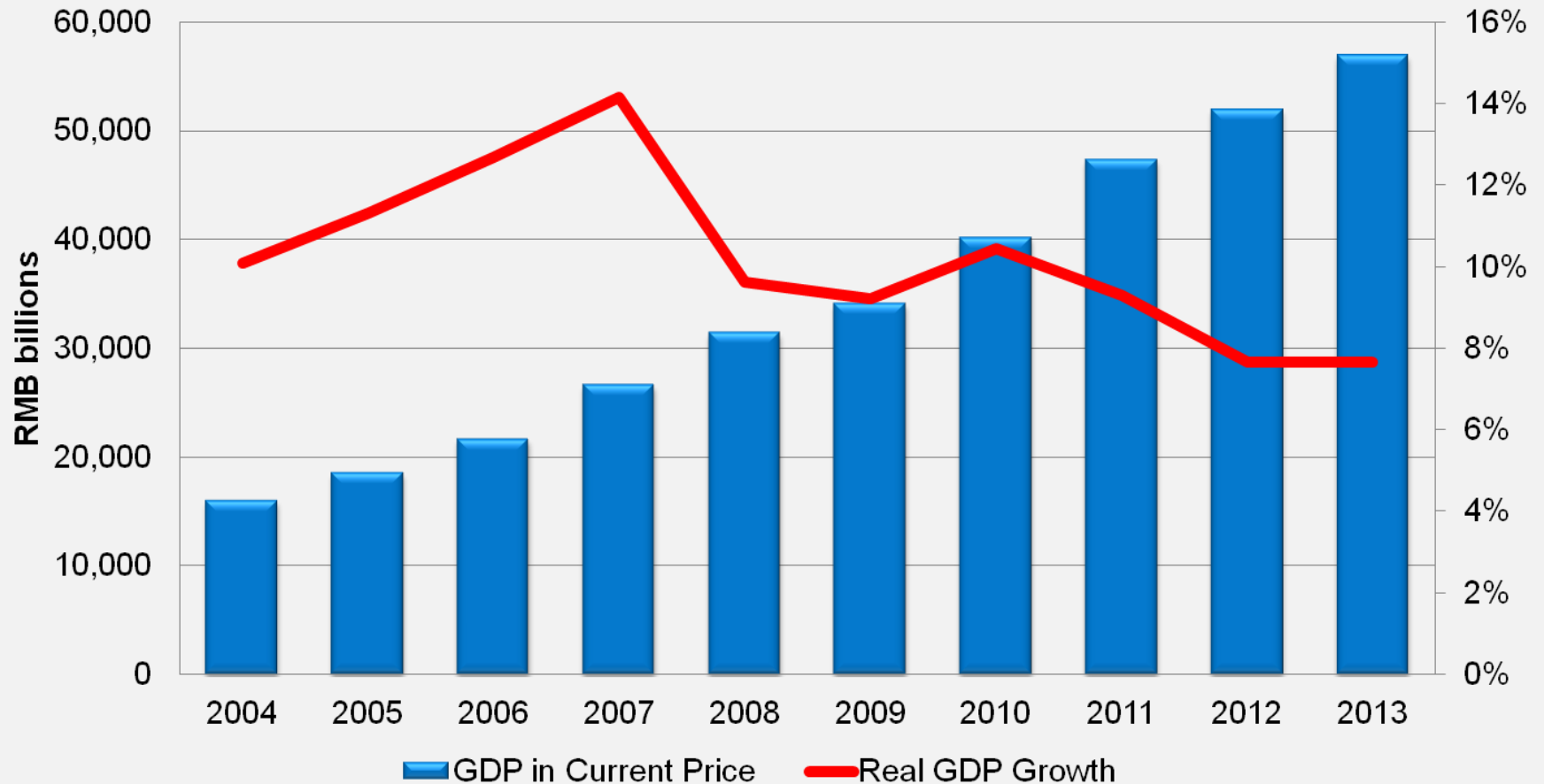
2. China's Legal & Policy Development

3. Chinese Marine Insurance Market

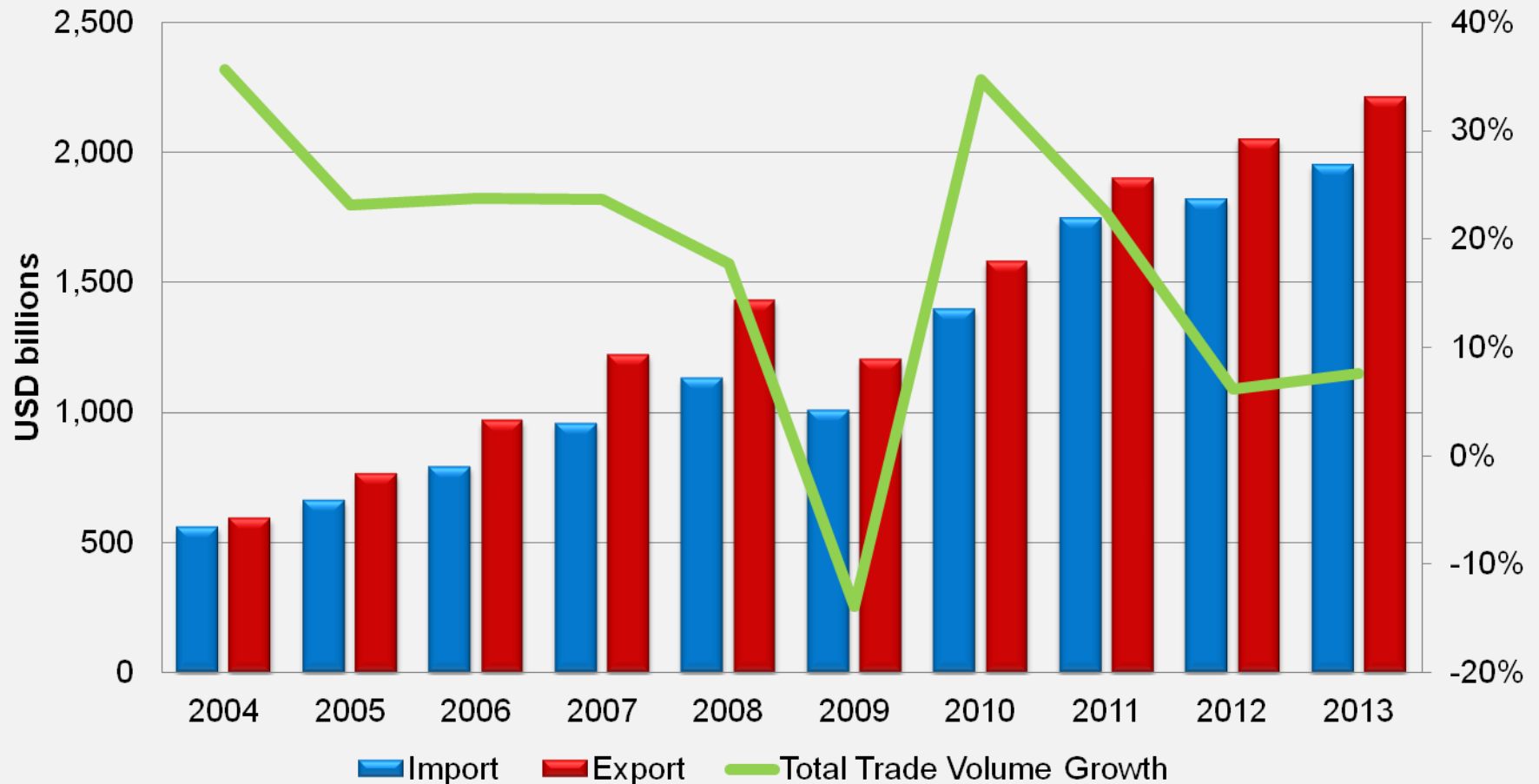
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4. China - a Challenging Market

Chinese GDP Growth 2004 - 2013



China's Foreign Trade 2004 - 2013



Source: National Bureau of Statistics of China

Length of Transport Routes ('000 km)

	2004	2013	Growth Rate
Railways	74	103	40%
Highways	1,870	4,356	133%
Inland Waterways	123	126	2%

Transportation Units

	2004	2013	Growth Rate
Trucks ('000 units)	6,407	14,195	122%
Trucks Capacity (million tons)	28	96	243%
Transport Vessels ('000 units)	167	173	4%
Vessels Capacity (million tons)	86	244	184%

Total Freight Traffic (billion tons)

	2004	2013	Growth Rate
Railways	2.5	3.9	56%
Highways	12.5	35.5	184%
Waterways	1.9	4.9	158%

Total Freight Ton-kilometer (billion tons – km)

	2004	2013	Growth Rate
Railways	1,929	2,917	51%
Highways	784	6,711	756%
Waterways	4,143	8,652	109%

Port Activity

	2004	2013	Growth Rate
Port Mooring Place	35,108	31,760	-10%
10'000 ton class port	944	2,001	112%
Container Port Traffic (millions TEU)	62	190	206%

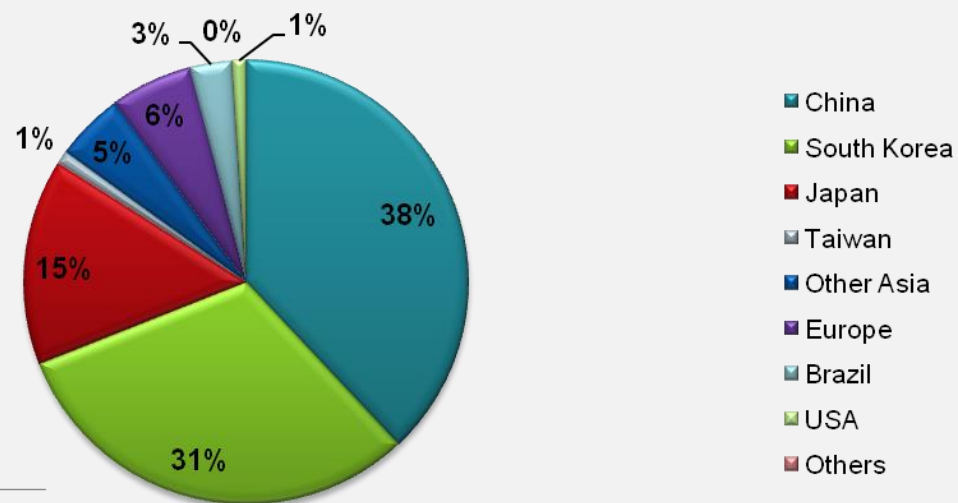


Source: Ministry of Transport of the PRC

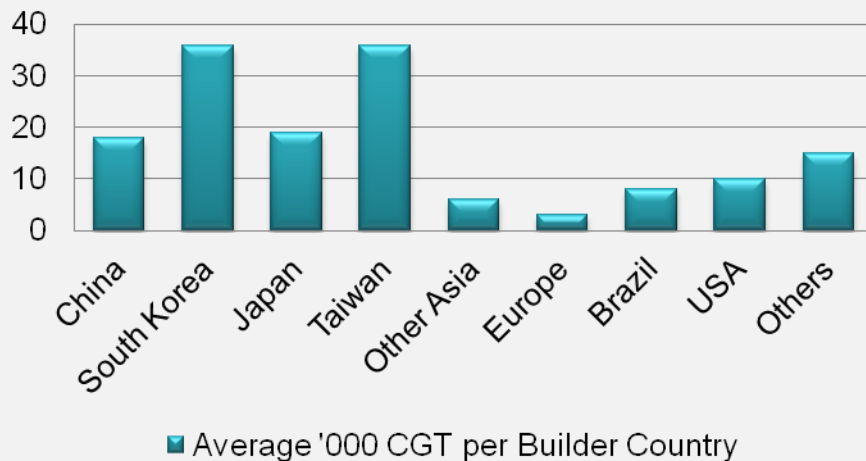
Largest Container Ports Worldwide 2013



Global Orderbook by Region of Build (by tons) 2013



Average '000 CGT per Builder Country 2013



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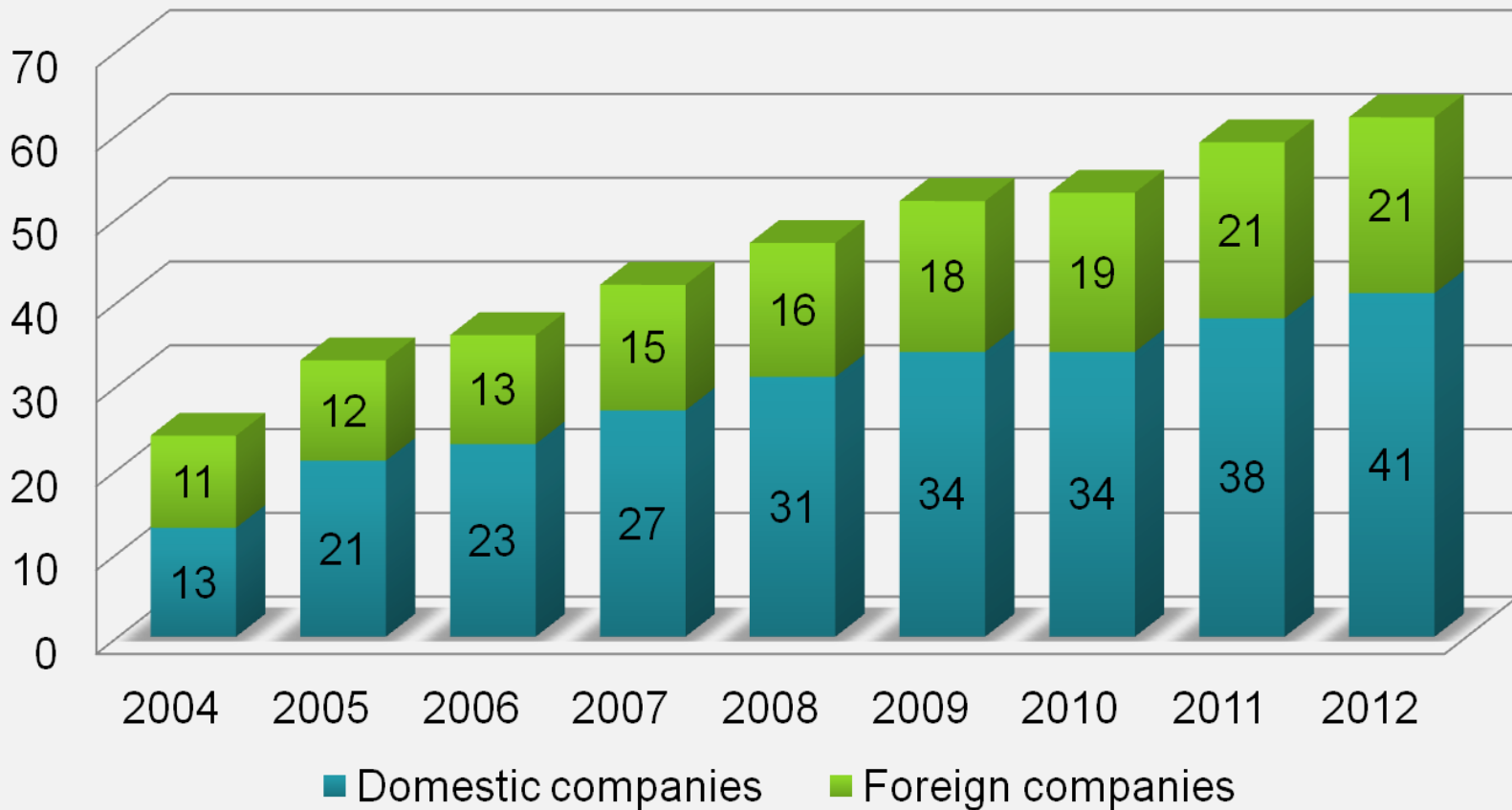
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4. China - a Challenging Market

- 2001 China joined the World Trade Organization (WTO) and agreed to extend equal treatment to foreign insurance companies over a period of three years.
- 2006 The compulsory cession to China Reinsurance Company was totally abolished.
- 2009 Chinese State Council set Shanghai as international financial and shipping centre by 2020 by providing tax incentive to insurance of ocean-going hull, container, import and export cargo.

- 2010 Compulsory “Oil Pollution Insurance” for vessels carrying polluting hazardous cargo and any vessels over 1,000 gross tons is required to meet the requirement of Chinese Maritime Law, 1992 CLC Convention and Bunkers Convention.
- 2013 The framework of the China Risk Oriented Solvency System (or C-ROSS) was set to improve solvency supervision system of insurance industry.
- 2013 First on-line insurer to sell Marine Cargo insurance was approved.

Chinese Insurance Market Structure



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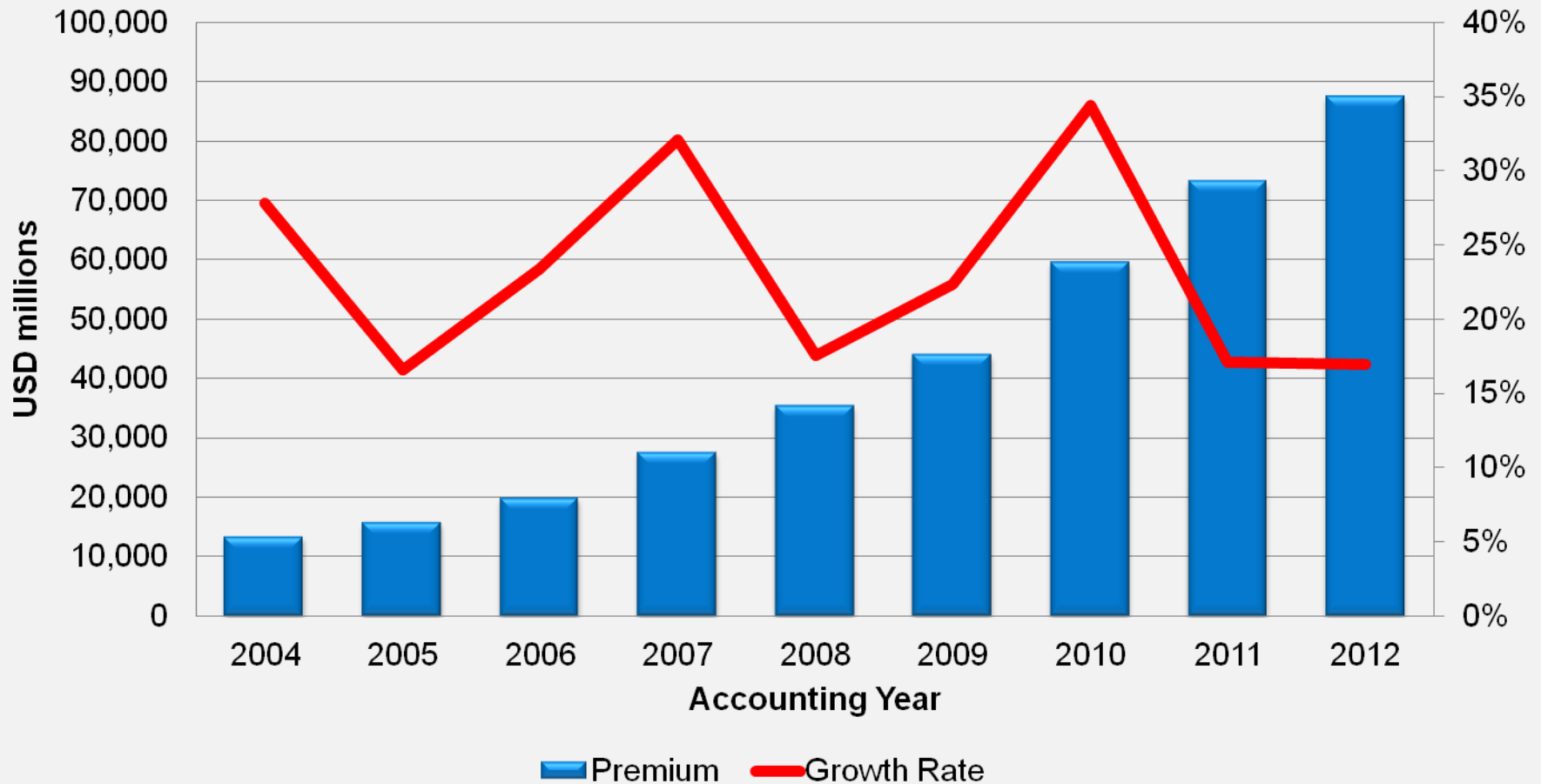
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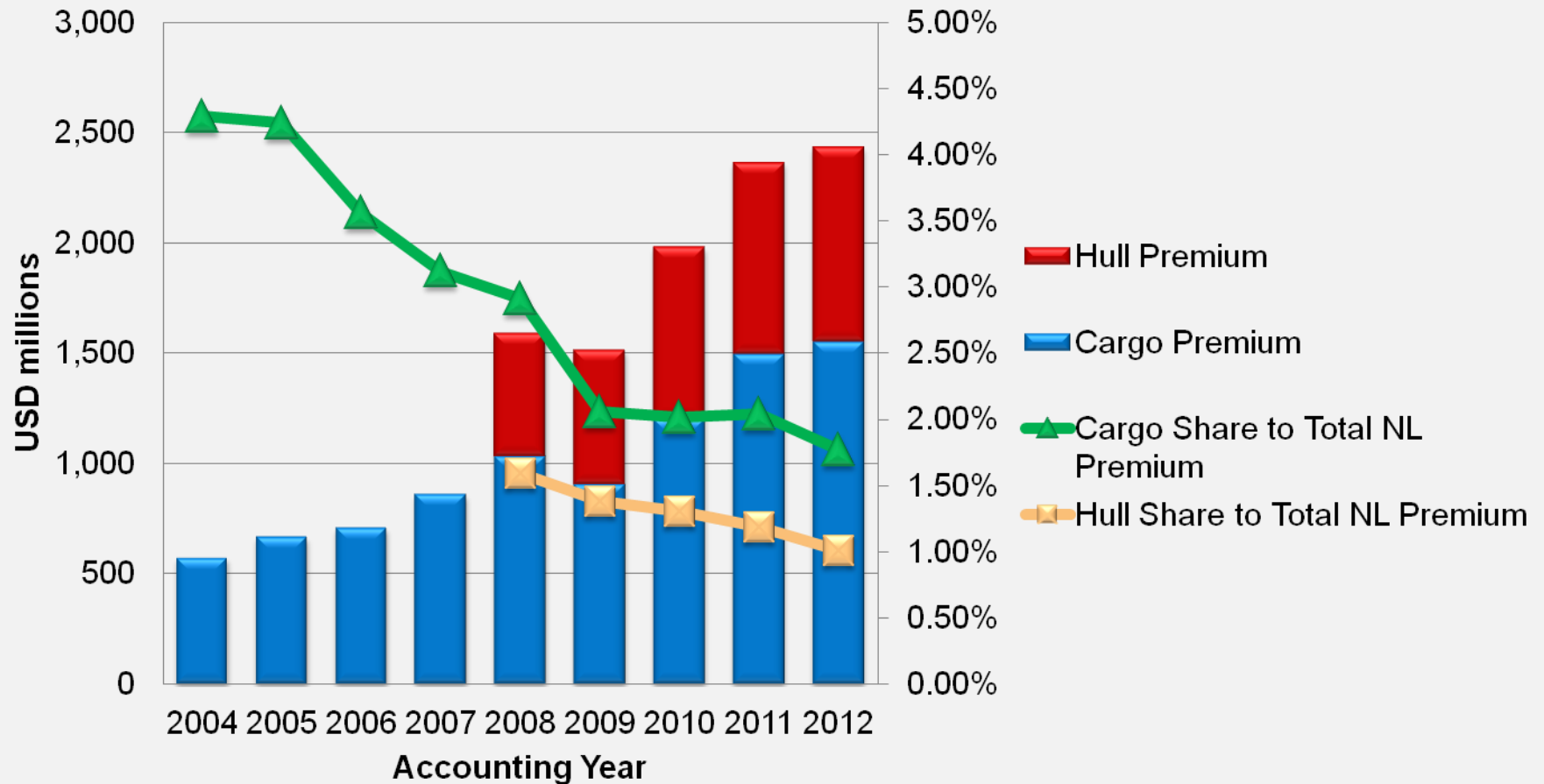
Chinese Non-life Insurance Premium



*Growth rate calculation based on premium in RMB

Source: China Insurance Yearbook

Chinese Marine Insurance Market Premium

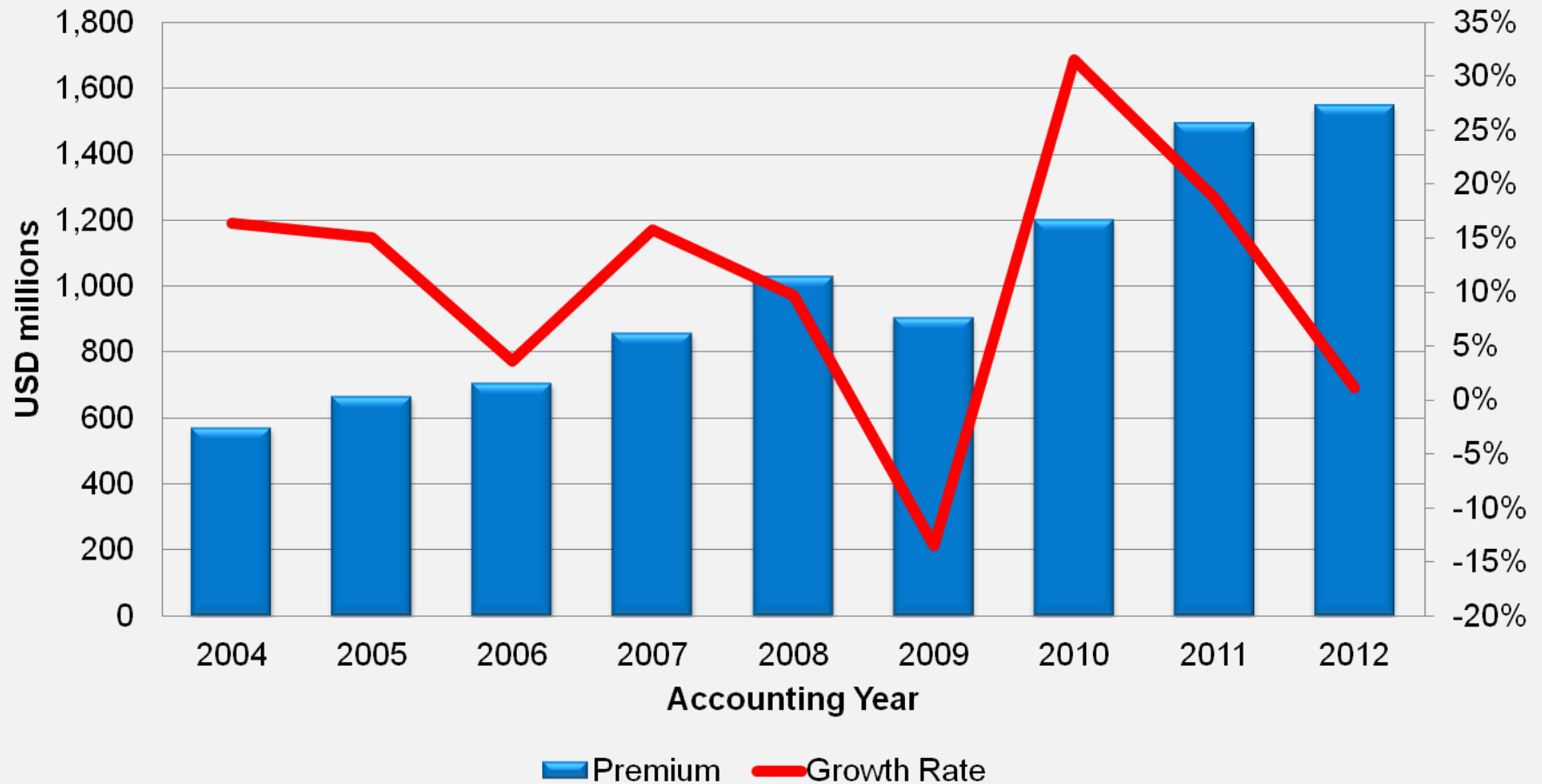


*Official Hull insurance data was not available before 2008

^ Share calculation based on premium in RMB

Source: China Insurance Yearbook

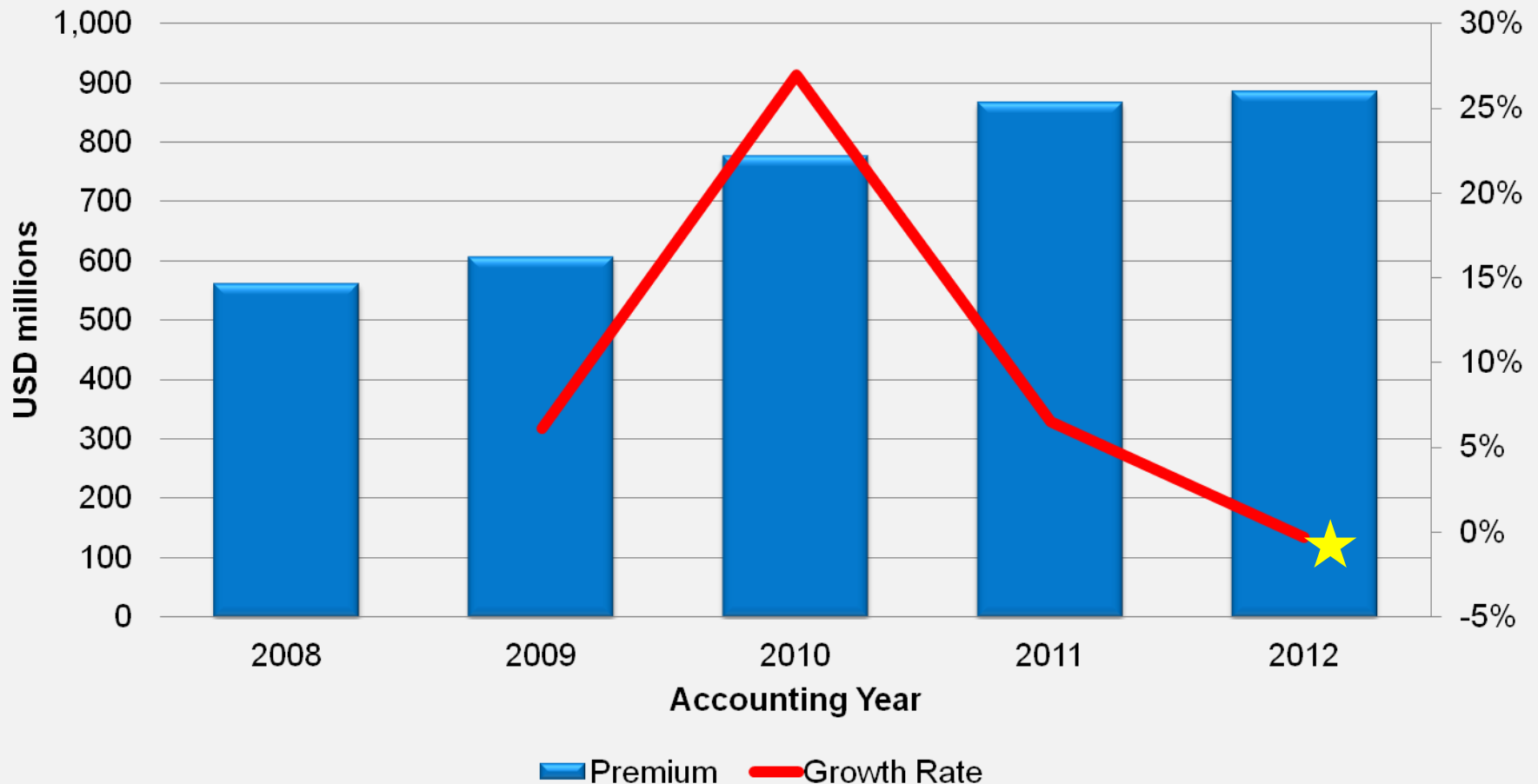
Chinese Cargo Insurance Premium



*Growth rate calculation based on premium in RMB

Source: China Insurance Yearbook

Chinese Hull Insurance Premium

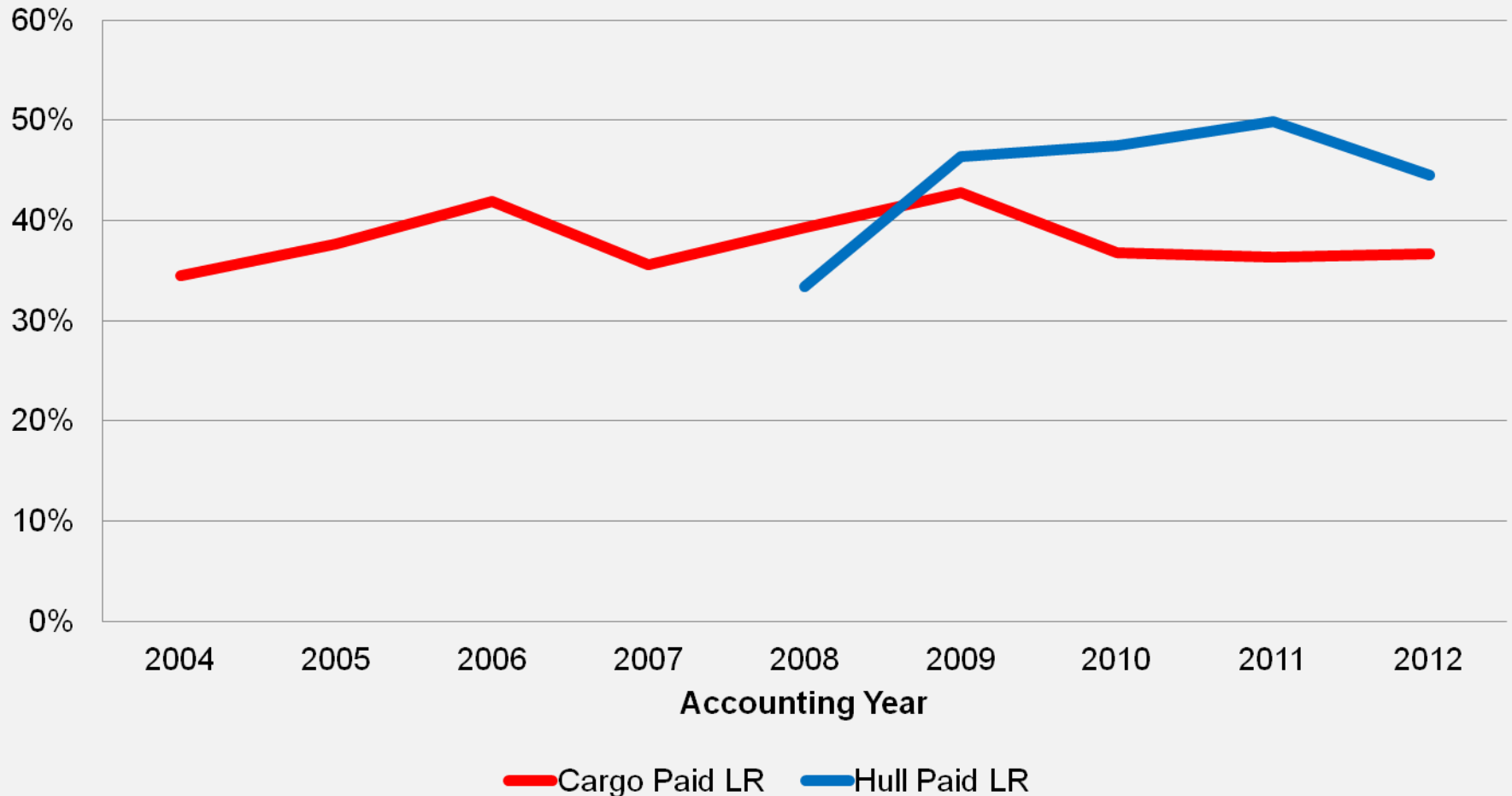


*Official Hull insurance data was not available before 2008

^Growth rate calculation based on premium in RMB

Source: China Insurance Yearbook

China's Marine Insurance Performance

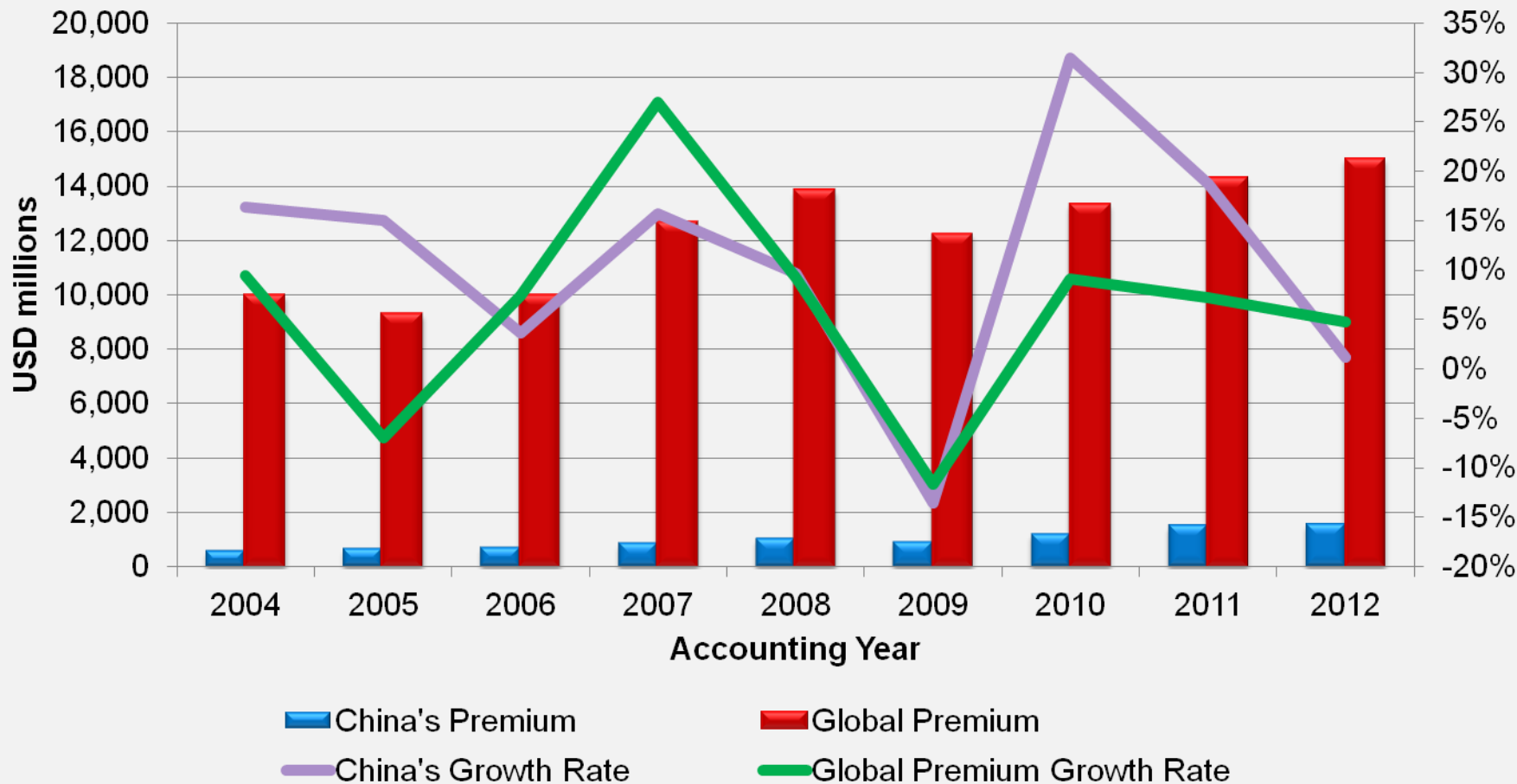


*Official loss reserve data was not available

^Official Hull insurance data was not available before 2008

Source: China Insurance Yearbook

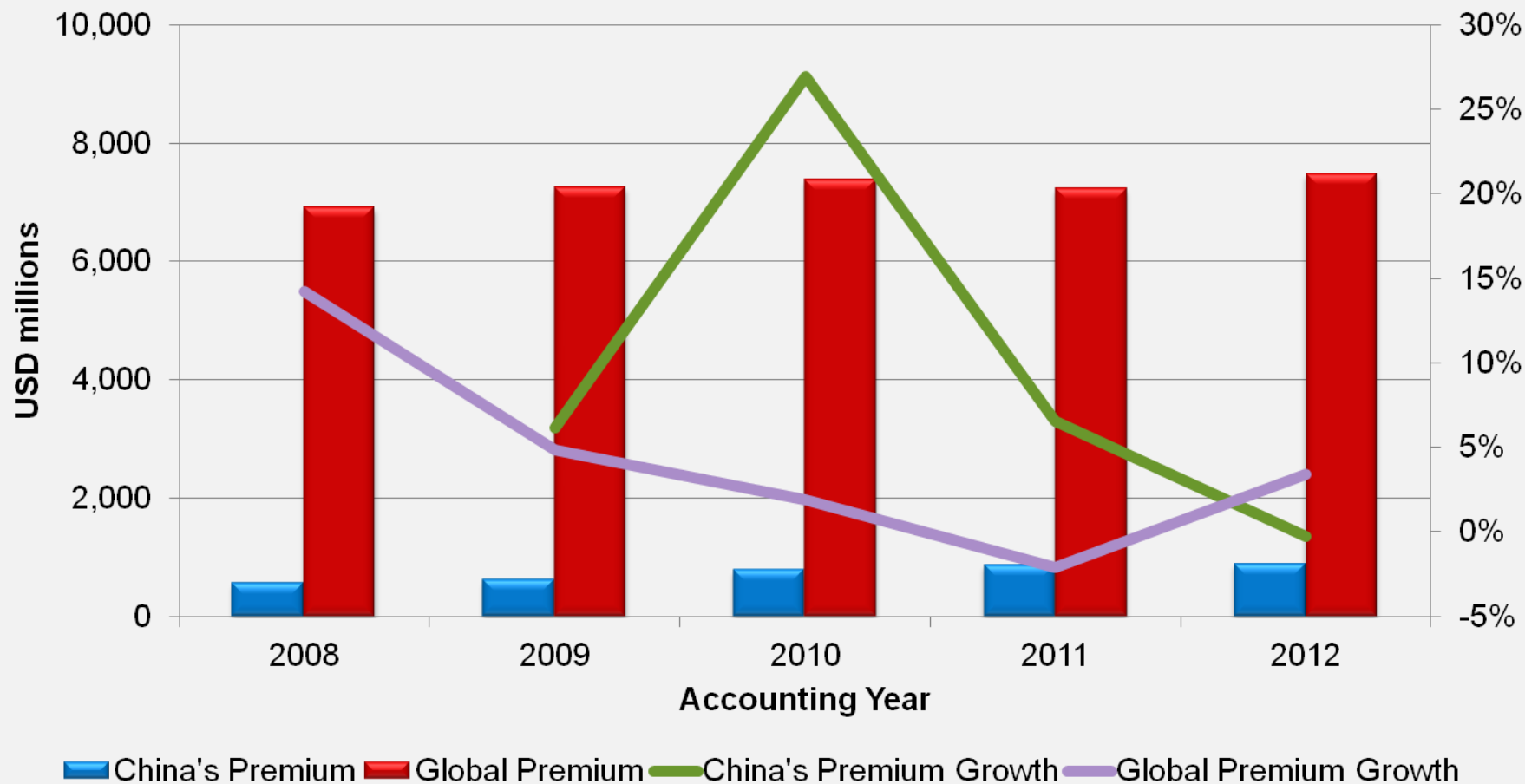
China vs. Global Cargo Insurance



* China's premium has been excluded from Global Premium

Source: China Insurance Yearbook
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China vs. Global Hull Insurance



* Official Hull Insurance Data was not available in China before 2008

^ China's Premium has been excluded from Global Premium

Source: China Insurance Yearbook
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1. The marine market growth rate in China has slowed down. A negative growth was experienced in 2013.
2. More energy business resulted from more investment in local and overseas energy sectors
3. Increasing number of insurance entities
4. Keen international and domestic competition with focus on rate cutting
5. Increasing incurred loss ratio
6. Higher acquisition cost

7. More bargaining power from insureds

8. Government policies

9. Higher demand for expertise and professionalism

Thank you for your attention !

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