

Several Statistical Problems on the Production Development of Property Insurance in China

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1. Statistics plays an important role in developing productions of property insurance

Insurance statistics, as a part of social economic statistics, is used to explore the law of the development of insurance and subsequently get a deeper impression on it by analyzing the overall characteristics and relationship of all kinds of insurance quantities.

Rating, the core of developing insurance production, must abide by four principles. Respectively they are fair and reasonable; promising to pay; relative steady; and avoiding damages. Fairness means that the insurance charges of insurants should be shared in according with the degree of risk of the subject-matter insured, that is, the greater risk, the higher rating and more charges; the smaller risk, the lower rating and less charges. To be reasonable, we must classify the rating in a rational way while carrying out fairness principle. Promising to pay requires that rating should assure the insurer of having the corresponding capability of paying with the undertaking. Relative stability means that the rating can't be changed in a fairly long time. The above-mentioned regulations must be abided by in rating, and apart from this, great, accurate materials, and the professional statistical knowledge are necessary.

2. The present situation of the development of property insurance by statistics in China

2.1 Characteristics and problems on branches of current property insurance

The domestic companies all pay attention to some developed branches such as auto (motor vehicle) insurance, business property insurance, transit insurance and so on. These branches have occupied 90% of all property insurances, while the others, including the liability insurance, bond insurance, credit insurance, and so forth, are only of 10%. The latter are relatively few though with good prospect. However, the traditional insurance branches have such disadvantages as follows:

1) Traditional insurance branches are in a large part, so the settlement rate is relatively high. For example, a certain sub branch in Shandong province, the premium income rate from vehicle coverage and property insurance is 80%. Such a high rate is due to both of them are traditional branches, which are easy to be accepted by insurants because the life insurance companies have a long history with widely propaganda. Meanwhile, the two branches both may write in a prospecting way, however, the risk is so relatively intensive that the settlement rate may be too high.

2) The proportion of the spread branches is comparatively small, and the settlement is accordingly low. Most of the spread lines come out newly with little propaganda, so the insurants would not choose them. And that the subject matters are so extensive that it is difficult for the field

representatives to write a prospect. Thus the proportion is only 20%.

3) In the insurance market, the old lines own a high rate of occupancy and acquisitive cost. After renewing and exploring for many years, most subject matters are insured in some old lines such as vehicle insurance, business property insurance and so on. Intensive writing has resulted in the violent competition, thus the prospecting cost is correspondingly higher and also the insureds are expecting much on the insurance claim, which leads to the higher settlement rate.

2.2 The present situation of the development of new branches

2.2.1 Great quantity with improper branches in sales

We should admit that we have made great effort in developing our national property insurance business. In the light of the statistics, since 1980, from which we resume the domestic insurance business, there have been more than one hundred insurance clauses recorded to the supervising department. Only in 1980, the number of regional insurance clause was about 1500, which is very considerable. However, the efficient supplies are rather limited. Actually there are only a dozen of branches are developed among those insurance agreements registered.

2.2.2 The irrational standards for performance and lack of propping up new branches

At present, the evaluation on performance of insurance companies is limited to amounts of premium income. All property insurance companies will measure the performance of the sub companies based on the yearly premium income and subsequently decide on the income distribution for the staff. This certainly leads to the businessmen are only in pursuit of the premium income and ignores the benefits of the whole company.

3. Several statistical issues existed in the production development of property insurance in China

First, lacking of fundamental information. To develop new insurance lines, it is necessary to obtain information on loss in history concerning insurance subject matter. Our whole statistical work is far behind others, and the relevant businesses haven't for sure made statistics in details on those information. Second, lacking of professional actuarial talents. It is true that there are no special majors for training actuaries in colleges too.

In brief, all of the property insurance companies should pay highly attention to statistical work in developing the property insurance productions and it is better to make it as a fundamental basis while establishing their strategies to meet the developing needs in insurance market.

LA SITUATION ACTUELLE DE L'EXPLOITATION DES PRODUITS D'ASSURANCE EN CHINE MONTRÉE PAR LES STATISTIQUES

1. Le nombre limité des produits d'assurance offerts par les compagnies d'assurance sur la propriété ne peut pas satisfaire aux différentes demandes des clients. Les assurances traditionnelles occupent une place importante et le taux d'indemnisation est relativement élevé.
2. Les nouvelles assurances occupent une place peu importante et le taux d'indemnisation est relativement bas. Les assurances traditionnelles tiennent une place importante sur le marché, ce qui demande un investissement important pour développer le marché.
3. De nombreuses assurances ont été exploitées, mais peu sont les assurances adaptées à la vente.

4. Les critères des exploits ne sont pas raisonnables Il manque de soutien aux nouvelles assurances.