

转型之路

Building Blocks For The Future

2013

年度报告摘要
Annual Report Abstract

(Stock Code: SH601601, HK02601)

中国太平洋保险(集团)股份有限公司
China Pacific Insurance (Group) Co., Ltd.
(A joint stock company incorporated in the People's Republic of China with limited liability)

 中国太平洋保险
China Pacific Insurance

Cautionary Statements:

Forward-looking statements included in this report, including future plans and development strategies, do not constitute a guarantee of the Company to investors. Investors shall be aware of the risks of investment.

You are advised to exercise caution.

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Operation Overview

CPIC is a leading integrated insurance group in the PRC, providing, through our nationwide marketing network and diversified service platform, a broad range of risk solutions, investment and wealth management and asset management services to about 80 million customers throughout the country.

Unit: in RMB million

GWP – CPIC Life 95,101
GWP – CPIC Property 81,744
Group operating income ^{note1}

193,137

Total assets

723,533

Net profit – CPIC Life 6,219
Net profit – CPIC Property 2,622
Group net profit attributable to equity holders of the parent

9,261

Group equity attributable to equity holders of the parent

98,968

Group basic earnings per share attributable to equity holders of the parent

RMB 1.02

Group weighted average return on equity attributable to equity holders of the parent

9.5%

Annual cash dividend ^{note2}

RMB 0.40 / share

Solvency margin ratio

CPIC Life 191%
CPIC Property 162%
Group

283%

Note: 1. Based on PRC GAAP.
2. Subject to the approval of the shareholders' meeting.

Unit: RMB million

Indicators	As at 31 December 2013/ for the period between January and December in 2013	As at 31 December 2012/ for the period between January and December in 2012	Changes(%)
Key value indicators			
Embedded value of the Group	144,378	135,280	6.7
Value of in-force business ^{note 1}	62,422	49,043	27.3
Net assets of the Group ^{note 2}	98,968	96,177	2.9
New business value of life insurance	7,499	7,060	6.2
New business margin of life insurance (%)	20.7	17.8	2.9pt
Combined ratio of CPIC Property (%)	99.5	95.8	3.7pt
Growth rate of investments' net asset value (%)	4.3	5.6	(1.3pt)
Key operating indicators			
Gross written premiums	176,923	163,228	8.4
CPIC Life	95,101	93,461	1.8
CPIC Property	81,744	69,697	17.3
Market share			
CPIC Life (%)	8.9	9.4	(0.5pt)
CPIC Property (%)	12.6	12.6	-
Number of Group customers (in thousand) ^{note 3}	78,973	76,207	3.6
Average number of insurance policies per customer	1.49	1.46	2.1
Monthly average agent number (in thousand)	286	274	4.4
Monthly average first-year gross written premiums per agent (RMB)	3,795	3,573	6.2
Total investment yield (%)	5.0	3.3	1.7pt
Net investment yield (%)	5.0	4.9	0.1pt
Third-party assets under management	79,840	52,096	53.3
Third-party assets under management by CPIC AMC	44,038	28,355	55.3
Assets under investment management by Changjiang Pension	35,802	23,741	50.8
Key financial indicators			
Net Profit attributable to equity holders of the parent	9,261	5,077	82.4
CPIC Life	6,219	2,495	149.3
CPIC Property	2,622	2,659	(1.4)
Basic earnings per share(RMB) ^{note 2}	1.02	0.59	72.9
Net assets per sharenote(RMB) ^{note 2}	10.92	10.61	2.9
Solvency margin ratio (%)			
CPIC Group	283	312	(29pt)
CPIC Life	191	211	(20pt)
CPIC Property	162	188	(26pt)

Notes: 1. Based on Group's share of life's value of in-force business after solvency.

2. Attributable to equity holders of the parent.

3. The number of Group customers refers to the number of applicants and insureds who hold at least one insurance policy issued by one or any of CPIC subsidiaries as at the end of the period/year which has an insurance coverage period of not less than 365 days. In the event that the applicants and insureds are the same person, they shall be deemed as one customer.

In 2013, we persisted in the pursuit of sustained value growth and the focus on the core business of insurance and in the meantime pressed ahead with the transformation initiatives, delivering another year of overall value growth.

GROUP /

Sustained growth in Group value. As at the end of 2013, Group embedded value stood at RMB144.378 billion, an increase of 6.7% from the end of 2012. Of this, Group value of in-force business^{note 1} reached RMB62.422 billion, up 27.3% from the end of 2012. For the reporting period, our life business delivered RMB7.499 billion in new business value, up 6.2%, with a compound average growth rate of 7.1% in the previous 3 years.

Sound financial results. In 2013, we recorded operating revenues^{note 2} of RMB193.137 billion, up 12.6%, of which GWP accounted for RMB176.923 billion, up 8.4%. Net profits^{note 3} rose by 82.4% to RMB9.261 billion, with earnings per share^{note 3} reaching RMB1.02, up 72.9%. Net assets^{note 3} totalled RMB98.968 billion, a growth of 2.9% and the average weighted return on equity^{note 3} stood at 9.5%, 3.4pt higher than in 2012.

Solid Increase in assets under management. As of the end of 2013, our total AuM increased by 9.9% to RMB746.639 billion, of which, in-house AuM stood at RMB666.799 billion, up 6.3% and third-party AuM RMB79.840 billion, up 53.3%.

LIFE INSURANCE /

Sustained growth in life NBV

- > The NBV of our life business grew by 6.2% and reached RMB7.499 billion with a 3-year average compound growth of 7.1% while the NBV margin^{note 4}, at 20.7%, increased by 2.9pt.
- > The NBV from agency was RMB6.160 billion, accounting for 82.2% of the total and up 3.5pt. First year premium from the channel amounted RMB12.976 billion, a growth of 10.4%, with a 3-year average compound growth of 13.2%. Average number of agents in 2013 was 286,000, up 4.4%. First year premium per agent per month reached RMB 3,795, up 6.2%.
- > Regular premium business represented 45.4% of the total first year premium and the share was 40.6% in 2012. In bancassurance, high-margin RP business garnered RMB1.544 billion, up 32.8%^{note 5} and helping the channel's NBV growth turn positive.

PROPERTY & CASUALTY INSURANCE /

Rapid property and casualty insurance top-line growth with underwriting profits

- > Our property and casualty insurance business ^{note 6} reported GWPs of RMB81.822 billion, up 17.3%, with a combined ratio of 99.5%, rising 3.8pt.
- > CPIC Property achieved GWPs of RMB63.849 billion from its auto business, up 17.5%, and RMB17.895 billion from its non-auto segment, up 16.5%, with the growth rate 8.9pt higher than in 2012.
- > CPIC Property recorded RMB16.672 billion in GWPs from direct sales (telemarketing and online sales) and cross-selling, up 28.7%, accounting for 20.4% of its total, up 1.8pt.

ASSET MANAGEMENT /

Steady Growth of Investment Income

- > We registered an investment income of RMB31.582 billion from our in-house asset management, up 70.5%. Total investment yield reached 5.0%, up 1.7pt. Net investment income amounted to RMB31.408 billion, an increase of 16.9%, with a net investment yield of 5.0%, up 0.1pt. The investments' net asset value rose 4.3%, with the growth rate down 1.3pt.
- > We achieved a fee income of RMB223 million on third-party asset management, jumping 72.9%.
- > CPIC AMC issued 15 investment plans in infrastructure and real estate, raising a total of RMB22.950 billion.
- > Changjiang Pension's AuM reached RMB35.802 billion, rising 50.8%.

Notes:

1. Based on Group's share of life's value of in-force business after solvency.
2. Based on PRC GAAP.
3. Attributable to equity holders of the parent.
4. NBV margin = NBV/annualized first year premiums.
5. Based on restatement of figures in 2012.
6. This includes both CPIC Property and CPIC HK.



Chairman's Statement

Dear shareholders:

In the past year, the environment in which we operated was complex and challenging. The recovery of the world economy was full of twists and turns. In China, there were mounting downward pressure on its economic growth, with tighter liquidity on the market. A particular challenge for the insurance industry was the high frequency of natural disasters in 2013, from the devastating earthquake in Lushan of Sichuan in the west to typhoons in the east; from the spell of drought in the south to floods in the north. In the financial services sector, there were many emerging trends and dynamics. As the interest rate liberalization gathered pace, boundaries between different sectors of financial services began to blur, with increasing competitions between banks, securities companies, trust firms and insurers. Another force which no one can afford to overlook is the rise of internet-based finance, which is not just a distribution channel. Its DNA promises to reshape consumers' behaviours and overhaul the entire business model of the traditional financial services industry.

In spite of the many challenges listed above, we are still optimistic about the prospects of this business. There are opportunities, only that we have to change to capture them. There is huge potential demand for protection coverage in health and elderly care. As social wealth accumulates, demand is increasing fast for wealth management services, where insurance companies can definitely play a part, particularly given the regulatory change which has propelled the asset management industry into an era of cross-over and insurers' focus on the matching of assets and liabilities. There is also an opportunity to use mobile internet technologies to lower our costs, drive efficiency, improve customer interfaces and innovate business models. Besides, the market-oriented regulatory approach makes it possible for insurance companies to differentiate, refine and innovate in their strategies and operations.

In the past year, we adhered to the basics, i.e. focusing on the core business of insurance and pursuing sustainable value growth, while refining our market strategies in response to a changing environment. On the other hand, **we forged ahead with transformation initiatives founded on a "customer demand" approach. This, in turn, delivered better-than-expected results, as are set out below.**

Solid value growth. As of the end of 2013, Group embedded value amounted to RMB144.378 billion, up 6.7%, with Group value of in-force business^{note 1} reaching RMB62.422 billion, up 27.3%. For the reporting period, we delivered RMB7.499 billion in NBV of our life business, an increase of 6.2%, with a 3-year compound average growth of 7.1%. **Sound financial results.** We recorded operating revenues^{note 2} of RMB193.137 billion, up 12.6%. Of this, gross written premiums amounted to RMB176.923 billion, 8.4% higher than in 2012. Net profits rose by 82.4% to RMB9.261 billion, with earnings per share of RMB1.02, up 72.9%. Group net assets stood at RMB98.968 billion, an increase of 2.9% from the beginning of the year. Average weighted return on equity was 9.5%, 3.4pt higher. Solvency margin ratio reached 283%, indicating a strong capital position. Continued gains reflected our ability to create new business value, as measured by the following indicators. First year premium per agent per month reached RMB3,795, up 6.2%. Monthly average number of agents hit 286,000, up 4.4% and the share of regular premium business reached 80.5%. Property and casualty insurance combined ratio, at 99.5%, rose steeply. **Steady growth in Group assets under management (AuM),** which stood at RMB746.639 billion as of the end of 2013, up 9.9%. Of this, our in-house AuM hit RMB666.799 billion, up 6.3% from the end of 2012. Total investment yield was 5.0%, with the investments' net asset value increased by 4.3%. In term of

Notes:

1. Based on Group's share of life's value of in-force business after solvency.

2. Based on PRC GAAP.

third-party asset management, total assets under management increased 53.3% from the end of 2012 to RMB79.840 billion, with a management fee income of RMB223 million, up 72.9%.

As part of our transformation efforts, we introduced a host of initiatives intending to both address current issues and deliver long-term benefits, and have chalked up some initial success.

First, we undertook to improve the customer data collection and analysis system.

The approach is to access customer information via multiple touch points, and in doing so, continually enhancing a sophisticated and integrated customer data platform. Twenty-nine such touch points were identified involving 15 steps of 4 major work processes such as sales, underwriting, claims and other post-sale services. Besides, a mechanism was put in place to regularly update customer data. We also work closely with third parties to obtain complimentary information about customers' behaviours. With effective data treatment, as of the end of 2013, there were nearly 79 million customers in our database with relatively reliable information, up 66.2% from the end of 2010.

Secondly, based on insights derived from customer data, we can offer products or services catering for different customer segments.

On the life side, we launched a cancer product "shouhu ankang" (meaning the guardian of your health) for young and middle-aged white collar workers, the first of its kind on the market. It encompasses prevention, treatment and protection, generating RMB97 million in gross written premiums (GWPs). On the property and casualty insurance side, to tap the potential of small-and-medium-sized enterprises, we launched a niche insurance solution with flexible sector-specific portfolios ("Cai Fu U Bao"), which realized RMB153 million in GWPs in 2013 and adding 9,701 to our list of SME clients. Our asset managers developed an innovative asset management product ("Wen Jian Number One") to meet our clients' needs in liquidity management, with a daily average balance of RMB3.439 billion. In response to rising demand for old-age provisions and care, Changjiang Pension, one of our subsidiaries, launched 3 pension fund products, the first of their kind on the market, with assets under investment amounting to almost RMB6 billion.

Thirdly, with the advances of internet and mobile technologies, we strived to optimize interfaces with customers, both virtual and physical, and promote effective interaction.

We launched our e-commerce B2C platforms – CPIC Online. Now 39 products and 78 service items are available on line thanks to such platforms, as well as mobile and social media applications, and third party partnerships. For off-line interfaces, we made continuous efforts to improve both our brick-and-mortar outlets and sales force. With consolidation of resources, we can now provide one-stop services covering both life and property and casualty business in some of our outlets. On the back of sales force segmentation, we also seek to foster a team of financial planners catering for mid-and-high-end customers. In the meantime, we re-engineered our O2O process, so that we can attract potential customer online, who then will be referred by our call centre to our agents for further assistance.

Fourthly, we actively employ mobile internet technologies to drive operational efficiency and enhance customer's experience.

For life, we were the first on the market to launch a smart tablet-based insurance platform, Shenxing Taibao. Now there are 72,000 such terminals in use, while the number was only 25,000 at the end of 2012. The system helped to reduce the policy issue turnaround from 7 days to 15 minutes and customers can take out a policy with us whenever and wherever they want, with great ease and convenience. Since the entire selling process is formalized and standardized on Shenxing Taibao, this will minimize the risk of mis-selling and help to boost agency productivity. Now almost all new policies from the agency channel are issued via this system. For property and casualty insurance, the 3G-based claims management system integrates on-site inspection and back-office loss adjustment, enabling us to do loss adjustment on

site within an average of 18 minutes. Now 75.6% of ordinary cases are processed on the system, benefitting 15.2 million customers.

In spite of these achievements, there were also areas which we did not look back on with satisfaction. In 2013, CPIC Property recorded a net profit of RMB2.622 billion. But the underwriting profit fell by 87.1%, with the combined ratio rising to 99.5%. Despite intensifying competitions and natural disasters which all exerted an upward pressure on the sector's profitability, it is also imperative for us to take effective steps, and in particular, enhancing the intensive management of motor insurance to improve the overall competitiveness of our property and casualty insurance business.

In the past three years, the 6th Board of Directors performed their duties with due diligence and all our employees worked hard, helping the Company deliver on its targets. In 2013, we elected a new board and formulated a blue-print for the future. In the next 3 years, we will continue to give first priority to sustainable value growth while striving for steady increase in our operating revenues. On the other hand, we'll follow through on our transformation initiatives centred on customers' needs. Another priority on our agenda is to put in place a development model underpinned by both underwriting and asset management.

Looking ahead, in 2014, macro-economic situation in China is yet complex and difficult. The insurance industry is still in a period of adjustment, with hopes as well as difficulties. We will persist in the valued-based business strategy and seek to identify opportunities amid challenges, pursue transformation via innovation and promote development on the basis of adjustment. On the life side, we will continue to focus on the agency channel and regular premium business to drive sustained value growth. For the property and casualty insurance side, we will further optimize cost structures to ensure underwriting profitability. For asset management, we will capitalize on the wave of investment deregulation and foster our own investment capabilities so that asset management can become a more meaningful source of our profits.

The year 2014 also marks a key step in the implementation of our transformation initiatives and the upgrade of the customer-centred business model. We will step up the roll-out of these initiatives, reengineer our business process and organization structure and put in place an efficient and responsive operational system which supports continuous improvement of products and services.

I am confident that under the stewardship of the new Board of Directors, we can go from strength to strength, continuing to deliver value for our shareholders while offering even better products and services to our clients.

Chairman



By order of the Board

China Pacific Insurance (Group) Co., Ltd.

28 March 2014



Honors

Group

- > Once again on the list of the Fortune Global 500, ranked 429th, up 21 places from 2012.
- > Ranked the 14th place on the league table of brand value in China by Interbrand, with our brand valued at 21.071 billion.
- > Chairman GAO Guofu was awarded the Business Leader of the Year and the Business Manager of the Year jointly presented by CBN, CEIBS and KPMG Management Consulting Co. Ltd.
- > Our Board of Directors won the award for the Board of Directors of the Year presented by the Hong Kong Institute of Directors, and Chairman GAO Guofu the Director of the Year award.
- > Our Board of Directors was awarded the Board of Directors of the Year during the Golden Roundtable Competition, and Chairman GAO Guofu the Chairman with Strategic Vision of the Year award.
- > Won the prize of Companies of Largest Market Capitalization in China Mainland by Asia Weekly.
- > Our Board of Directors was awarded the 6th Annual Best Board of Directors of Listed Companies Rankings in China by Money Week.
- > Won the Platinum Award on 2013 Vision Awards Annual Report Competition by LACP.

CPIC Life

- > Won the Life insurance Company of the Year award. Its cancer product, Shouhu Ankang, was awarded the Innovative Insurance Product of the Year.
- > Awarded the Service Innovation of the Year at the 6th Forum on Insurance Brand and Culture & the 8th Commendation Ceremony for Innovations in China's Insurance Industry. Its cancer product, Shouhu Ankang, was presented with the Health Product of the Year, with Jinyou Rensheng the Most Welcomed Product of the Year and Hongxiang Niannian Pension plan(participating) the Long-term Savings Product of the Year.

CPIC Property

- > Presented with the Risk Manager of the Year award, being the only insurance company from China's mainland to be nominated and the first insurance company from China's mainland to win this award.
- > Our programme "Using Construction Defects Insurance to Promote Shanghai's Housing Quality & Safety Management" was awarded the Innovation Prize of Financial Services in Shanghai of the first class, winning the prize for the insurance category for 4 years on end.

CPIC AMC & Changjiang Pension

- > CPIC AMC was awarded the Assest Manager of the Year by China Government Securities Depository Trust & Clearing Co. Ltd.
- > Changjiang Pension won the China's Manager of Enterprise Annuities of the Year by Asia Asset Mangement



2013 The Best Board Of
Listed Company Rankings In China
2013中国上市公司最佳董事会



金 圆 桌 奖
O U N D T A B L E



2013年最佳中国品牌价值
BEST CHINA BRANDS 2013



2013中国最佳商业领袖奖
CHINA BUSINESS LEADERS 2013



Effective Transformation

In 2013, we combined the implementation of market strategies with transformation initiatives centered on customers' needs, and delivered solid growth in revenue, value and profitability.

What we've achieved would have been impossible without the hard work of all our employees, from senior management to the sales force. Guided by a business philosophy that puts value first, they are doing their bit and creating value for the company and society at large. What follows is a snapshot of what they have been doing.

Continued Efforts to Empower Sales Force

In 2013, CPIC recorded a first year premium (FYP) income of RMB **12.976 billion** from the agency channel, up **10.4%**; monthly average number of agents reached **286,000**, a growth of **4.4%**; FYP per agent per month stood at **3,795**, increased by **6.2%**; agents sold on the average **1.28** new policies per month, **11.3%** higher than in 2012; product line-up was expanding, as the development of tailor-made products gathered pace.

In recent years, we stepped up the roll-out of transformation initiatives. Ms. LU Xiaomei, a top life agent, and her likes are beginning to see the benefits of the transformation.

- > Our product offerings have been expanding over the years. In 2013, we particularly focused on the development of tailor-made products. This made it easier for agents like Ms. LU to recommend suitable products to her customers. Besides, the roll-out of the targeted marketing initiative provided Ms. LU with more insights into her customers' needs, and helped to improve her customers' experience and loyalty.
- > We regularly revisit the rules on the management of agents and adopted a differentiated approach towards recruitment, giving stronger incentives to Ms. LU and her colleagues and helping to improve the retention.
- > Enhanced infrastructure management, resting on the 4 pillars of attendance, morning sessions, activities and training, went a long way to increase the solidarity and capability of Ms. LU's team.

A portrait of Ms. LU Xiaomei, a middle-aged woman with short, dark, curly hair and glasses. She is smiling and wearing a bright red leather jacket over a black top and a black scarf. She is holding a black folder or book in front of her. A red handbag is visible on her right side. The background is a blurred, modern building facade.

Ms. LU Xiaomei

Agent & Sales Director,
Nanjing, Jiangsu Province,
CPIC Life

Ms. LU has been working with CPIC for 18 years and now has over 4,000 customers. She is highly successful in up-selling. In fact, she up-sold successfully to all her customers with claims experience. She recommends products to her customers not only because they are easy to sell.



△

On the back of our targeted marketing initiative, our agents can better understand customers' needs and sell the right products to the right people.

▷

"The product shouhu ankang is the first niche insurance solution for cancer. It was developed based on the real needs of our customers and encapsulates prevention, treatment and protection. That was indeed customer orientation writ large."



The targeted marketing initiative was embraced universally in CPIC. Meanwhile, we beefed up the development of tailor-made products, helping to expand our product line-up.

Targeted Marketing: Providing Products or Services That Best Meet Customers' Needs

"As China's economy grows, so do the affordability and public awareness of insurance. Besides, CPIC is a highly recognized brand in Jiangsu, which makes it easier for us to approach potential customers. The company also has a relatively extensive product line-up, which enables us to recommend flexible portfolios to our customers. For more sophisticated customers, the company's strong back office support can provide diverse services and options, helping with up-selling."

In the past, before she sat down with her customers, Ms. LU had to collect as much information about them as possible, which could be very time-consuming. But now, with the implementation of the targeted marketing initiative, she can better and more easily understand her customers' needs and feels more comfortable in making product proposals. For example, our local office once organized a gathering for her, where Ms. LU thanked her customers for their support and explored opportunities of up-selling. The event proved to be highly successful, and was the first of its kind in CPIC Life's Jiangsu office. It marked the emergence of an innovative model where sales activities are combined with the company's effective leads support. Ms. LU says: "This initiative is just like a beacon of light, helping me better navigate the unknown waters."

The product line-up spans the full life cycle of our customers, manifest in its positioning of "covering the four seasons of life, with sound protection and real happiness". There are diverse product suites like "rensheng" (meaning life), "niannian" (meaning year after year), "bao" (meaning protect) and "ankang" (meaning safety and healthy), covering life, pension, PA and health products. Ms. LU says: "Our products, centered on protection with flexible combinations stretching across the entire life cycle of our customers from their childhood to their late years, can give real happiness to our customers."

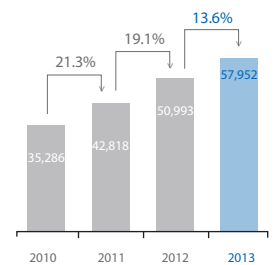
Ms. LU's motto is to offer products that best fit with customers' needs. And she has our extensive product line-up behind her. The jin product suite, focusing on risk protection, and the hong suite, skewed towards long-term savings, were developed based on our profound insights into people's needs. They are upgraded regularly and have helped Ms. LU acquire an increasing number of customers. In 2013, we launched a tailor-made cancer product, shouhu ankang, which was very well received upon its release. "This product is the first of its kind on the market, encapsulating prevention, treatment and protection. That was customer orientation writ large."

Ms. LU's motto is aligned with our vision of becoming an insurer that can be there with its customers through their life's journey. She has a long-term view on selling insurance and treats her customers as family or friends. She often says to her customers: "Whenever you have any problems, come to me." On the back of our strong back office platform, Ms. LU offers a wide range of quality services such as inquiry, underwriting, policy issuance, claims management and other post-sale services.

Ms. LU has been working with CPIC for 18 years and now has over 4,000 customers. She is highly successful in up-selling. In fact, she up-sold successfully to all her customers with claims experience.

GWP FROM THE AGENCY
CHANNEL AND GROWTH
RATES

Unit: in millions RMB yuan



In 2013, our agency channel achieved a FYP income of RMB 12.976 billion, up 10.4%. Average agency headcount per month reached 286,000, up 4.4%.



◁
For Ms. LU, the differentiated approach towards recruitment is definitely more effective than before. Productivity of new recruits has been higher, and since most of them were recruited by either managers or experienced high-performing agents, there has been better coaching and therefore, better retention.

Revamping Regulations to Drive Healthy Agency Expansion

“Revised regulations on the management of agents provides stronger incentives for top agents to advance their career paths, helping with the retention of productive agents. The company has been pushing forward a differentiated approach towards recruitment, which injects new vitality into the entire sales force, and my team, for one, has been growing healthily.”

In 2013, we revised regulations on the management of agents, focusing more resources on career advancement. Besides, we rationalized certain KPIs to put career development on a more steady footing. Under new rules, Ms. LU can offer more targeted coaching for agents with advancement potential. She says: “The new regulation indeed gave us the shot in the arm we’ve all been expecting. Moreover, with promotion and publicity from the company, it really made a splash among us, creating even stronger incentives for us to pursue career advancement.” In Ms. LU’s team alone, there were 4 agents advancing to supervisors in 2013.

Ms. LU has been managing teams for many years, and knows only too well how important the quality and retention of new recruits are to a life insurance company. In recent years, our recruitment campaigns began to focus on productivity, age, activity volume, and the participation of managers and experienced high-performing agents, which can be defined as a differentiated approach. The productivity of new recruits is higher, and since most of them were recruited by either managers or experienced agents, there is better coaching and therefore, better retentions. Ms. LU says: “With new recruits on board, the whole team’s development is set on an even more secure and steady footing, giving us even more confidence in fulfilling our KPIs.”



△
Ms. LU coaching recruits with more career development potential under the newly revised agency management regulations.

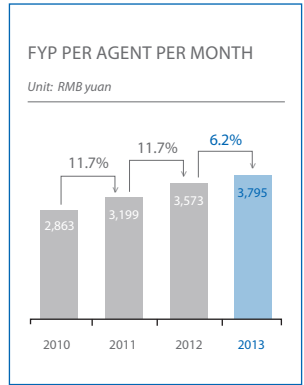
By the end of 2013, there were 125 agents in Ms. LU’s team, with 4 of them advancing to supervisors in 2013.

As of the end of 2013, FYP per agent per month stood at **3,795**, up **6.2%**.

Enhancing Infrastructure Management Driving Productivity

“The company’s infrastructure management initiatives in morning sessions, activities, attendance and training have delivered huge benefits, lifting my team’s morale and boosting productivity.”

In recent years, we’ve been pushing these initiatives to enhance the infrastructure of agency management. They are by no means quick fixes. But we are confident that in time they will make a big difference. “My team is following these instructions closely, like coming to the work-site as required, attending morning sessions where, for one thing, product knowledge is shared, and paying 6 visits per day. Over time, they formed good sales habits, improved their skills and ultimately acquired a lot of customers. The company also devised a tailor-made training system for new recruits which has proved very useful in team development and productivity improvement, as it helps new agents make sales, which is essential to their retention and career advancement.”



Management initiatives in attendance, morning sessions, activities and training are not quick fixes. But as long as they sink in, they can make a big impact.




Infrastructure management needs patience and persistency. But over time, it'll pay off. It helped Ms. LU's team acquire **20,000** customers, with FYP per agent per month in 2013 exceeding RMB **12,000**.

Tapping the Potential of Non-auto Business

In 2013, we^{note} achieved a premium income of RMB **17.895 billion** for non-auto P/C business, up **16.5%**, representing **21.9%** of the total P/C GWP.

As part of our transformation effort in recent years, we focused on the capability-building of our own employees to boost the development of non-auto insurance. CPIC P/C's Suzhou branch is a case in point. Its non-auto team pursued bold reforms and restructuring which were centered on customers' needs, and sharpened its competitiveness.

- > With realignment of resources, the team consolidated its leading position in major corporate clients, and delivered both volume and value amid increasing market competitions;
- > In response to market changes, the team rigorously explored new growth drivers;
- > Our Suzhou office continuously pushed forward the restructuring of non-auto sales teams, aiming to foster a professional and high quality team.



NON-AUTO TEAM, SUZHOU, CPIC P/C

Mr. WU Xiaogang, along with the non-auto business of our Suzhou office, is well known for its top-notch service and expertise, providing insurance solutions to companies both at home and abroad.

Realignment of resources to solidify advantage in major corporate clients

“Unlike smaller companies, big corporate clients tend to pay more attention to insurers’ underwriting capacity and risk management. This is exactly where our strengths lie.”

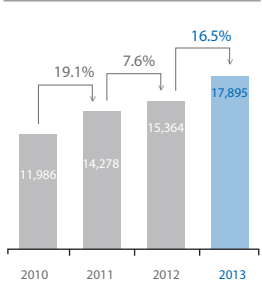
In 2013, we introduced a host of measures to cement our leading position in corporate clients, and in particular, major corporate clients. What we did included team-building, the promotion of centralized management for brokers, and the realignment of resources across the entire organization.

The non-auto team of our Suzhou branch made continuous efforts to refine the sales model for major corporate clients. On the back of its strong underwriting capacity, risk management expertise and customer service, our Suzhou office secured a big advantage over its competitors in local market.

Take Suzhou’s subway as an example. For many times in the past 10 years, our Suzhou office served as the lead insurer for this project thanks to its insurance expertise and overall competitiveness. When the project first started, the branch focused on the collection of market intelligence and worked closely with experts from our head office. During the bidding process, they paid close attention to every detail in the preparation of the proposal and fully demonstrated their strengths in insurance expertise and customer service. In follow-up services, they adhered to high standards and provided a wide range of services from technical support to co-ordination and emergency response. They were responsive to customers’ requests and offered other value-added services such as project oversight, timeline management and if necessary, additional insurance solutions. Their services and professionalism were well recognized by their customers, paving the way for future cooperation.

NON-AUTO GWP AND ITS GROWTH RATE

unit: RMB yuan, in millions



On the back of its strong underwriting capacity, risk management expertise and customer service, our Suzhou office secured an unassailable lead in local market.

In 2013, we reported a GWP of RMB **2.767 billion** for liability insurance, up **21.0%**. Other emerging business lines such as agricultural insurance and credit/surety were also gaining momentum.



Our Suzhou branch closely follows the developments of government policies to identify opportunities in non-auto business.

Closely Following the Developments of Government Policies to Identify Opportunities in Non-auto Business

“There have been a lot of changes in the non-auto sector in recent years. It’s imperative for us to monitor such developments and respond to changing market needs so as to capture new growth opportunities.”

In 2013, the Chinese government unveiled a flurry of policies to boost people’s well-being. We closely tracked these developments and designed new products to tap the potential of non-auto sector and, in the meantime, serve China’s social and economic development.

In Suzhou, based on our understanding of local realities in terms of economic growth drivers and industry mix, we identified liability, agricultural, and bundled products for residential communities and small-and-medium-sized businesses as the leverage to tap the “blue ocean” of non-auto business. Capitalizing on our transformation initiatives, our Suzhou branch has successfully become a trail-blazer in product and service innovation, securing a strong foothold in local market.

> Mandatory liability insurance: the first on the market

In response to governments’ pilot programs for compulsory liability insurance in environment protection and health care, our Suzhou branch became the first on the local market to offer such products, helping our customers spread risks and delivering social benefits.

In 2013, we wrote agricultural business in Changshu, Wujiang and Taicang, three county-level townships in Suzhou, with a premium of RMB **38.39 million**, up **35%**.

To tap the potential of small-and-medium-sized enterprises, we launched a niche insurance solution with flexible sector-specific portfolios, which realized RMB **153 million** in GWPs in 2013 and adding **9,701** to our list of SME clients.

> New liability products: win for all

Insurance, for one thing, serves as a "social stabilizer". Our Suzhou office closely tracked the trends of the services industry and designed products that delivered multiple benefits in terms of profitability, public good and our brand name. An example. In the context of rapid development of the elderly care industry, it launched a series of niche-market liability products on elderly care facilities, which were very well received. The liability product on home-based care facilities was the first of its kind in China.

> Agricultural insurance and other rural-related products: a market leader

Our Suzhou branch is committed to tapping the local market for agricultural insurance. In 2013, it wrote agricultural business in Changshu, Wujiang and Taicang, three county-level townships, with a GWP of RMB38.39 million, up 35%.

> Insurance package for communities

We launched an insurance package for Suzhou's local urban dwellers which integrates home-owners' and personal accident to provide cover against life's uncertainties and risks. In 2013, we wrote such business either all by ourselves or as the lead insurer in many districts of Suzhou, generating a premium income of RMB13 million, No. 1 in local market.

> Insurance solutions for small-and-medium-sized enterprises (SME): upgrade of customer experience

To seize opportunities in SMEs and sustain our value growth, we introduced an initiative devoted to this market segment, in hope of working out a viable business model for SMEs in distribution, products and processes. In April, 2013, we launched a new insurance solution with flexible product portfolios for SMEs in Suzhou covering sectors such as retail & wholesale, manufacturing, hospitality & catering services and warehouse & storage. We redesigned application forms and product brochures, organized sales campaigns, and promoted cross-selling. Thanks to these measures, we have pulled off "an upgrade": shifting away from merely selling a product, or making a quotation to fully understanding customers' needs and offering a suitable package of products. By the end of 2013, our Suzhou office had acquired over 700 SMEs, over 40% of which were first-time buyers. Total premium hit RMB12 million.



Focusing on the needs of SMEs, we launched a niche insurance solution on a trial basis in Suzhou covering retail & wholesale, manufacturing, hospitality & catering services and warehouse & storage.



Our Suzhou office promotes a closer interaction between claims and sales so that the sales team can be more versatile, offering comprehensive services.



Exploring Team Restructuring to Promote Capability-building

“Non-auto business requires different sets of skills and expertise and can be very demanding for the sales team. Therefore, we give priority to capacity-building and enhanced management.”

> Restructuring team management

First, our Suzhou office centralized the management of local sales teams in resource allocation and performance evaluation, with a clear understanding of all team members’ backgrounds, like education, knowledge mix and work experience, so that sales resources can be better aligned with business opportunities. Second, in terms of infrastructure-building, it issued new regulations on team management, formalizing career development paths and promoting merit-based competitions. This move has been warmly welcomed by its sales teams, as they have now a better understanding of their career paths and more opportunities of advancement. Besides, thanks to centralized resource-allocation, they now get more back office technical support, helping with business.

> Campaigns injecting vitality

To promote knowledge transfer and dissemination amongst sales teams, our Suzhou branch organized sales contests to boost the overall sales capability. Such contests helped sales teams to identify their areas of specialization, providing stronger motivation and promoting sales across the board, i.e. from both corporate clients and individuals.

> Enhancing sales capability

Which cannot be possible without continued efforts in training. In Suzhou, our non-auto sales teams actively participate in various training programs such as morning sessions, regular meetings, and lectures given by both in-house and external experts. Besides, our Suzhou office promotes closer interaction between sales and claims, so that its sales team can become a versatile insurance adviser, offering comprehensive services and adding more value to their customers.

Innovations in alternative investment and capacity-building in third-party asset management

By the end of 2013, our asset management arm had issued **30** asset management products, amounting to RMB**65.750 billion**. For debt investment plans alone, there were as many as **15** in 2013, **1.2** times the combined total between 2007 and 2012, and raising RMB**22.950 billion**, up **113.5%**. We for the first time issued **2** non-debt investment plans, equity and project-asset-backed each, raising in total RMB**2.050 billion**.

These helped with our net investment return which stood at **5.0%** as of the end of 2013.

As CIRC deregulates the investment channels for insurance companies, our alternative investment team, headed by Mr. SU Gang, seized the opportunity and is pioneering business innovations, which covered all the main areas of investment recently opened up.

- > Pursuing diversity in underlying assets and deal structures, our alternative investment team successfully expanded their product offerings and contributed to our overall value growth.
- > Our asset management subsidiary gives priority to team-building and people empowerment, with clear definitions of duties and responsibilities and diversity in skills. Our alternative investment team strives to balance between business development, product distribution and post-sale administration. On the one hand, they seek to attract more third-party funding, and on the other hand, making efforts to improve post-sale infrastructure management and client services.
- > We believe that compliance and risk management is an integral part of alternative investment. Compliance and risk management people are involved throughout the entire investment cycle from project initiation, project review to product design and post-sale administration to ensure full compliance and effective control of medium-to-long-term risks.

Alternative Investment, CPIC Asset Management

Mr. SU Gang watched over the establishment of 5 professional teams for debt, equity, real estate, sales and project administration. Mr. SU and his colleagues are pioneering innovations in alternative investment and hope they could make a difference.



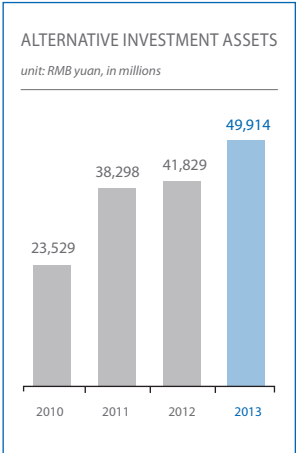
Leveraging Underlying Assets for Alternative Investment to Drive Sustained Value Growth in AuM

On the back of a vast pool of underlying assets with diverse yield patterns and risk profiles, we've diversified the investment income both geographically and by sector. Geographically, our alternative investment covers 13 provinces in China. By sector, it stretches across a wide range of industries: transport, energy, urban construction, environmental protection, financial services, logistics, commercial property, affordable housing, land reserves and residential community resettlements. In term of deal structure, it supports equity, debt and real estate, with flexible design and portfolios.

Debt investment plans stand out among mid-to-long-term fixed income instruments as an asset class offering more attractive yields. As of the end of 2013, our total exposure to it was RMB34.545 billion, up 21.9%. Its share of our in-house AuM stood at 5.2%, up 0.7pt. The plans not only extended asset durations but helped to boost NII as well.

Real estate as an asset class is an international norm of asset allocation. With continued efforts to improve management, we successfully raised the occupancy rate of the properties we currently hold, generating a steady increase in rental income, and in turn, the investment return for real estate rose from 6.1% in 2012 to 7.1% in 2013. We also tried to plan ahead and searched for properties with medium to long term growth potential as "stand-by" investments.

Apart from real estate, we innovated and launched a project-asset-backed equity investment plan in 2013, the first of its kind in China, and in collaboration with our peers, issued successfully an infrastructure-related equity investment plan. These two products helped us generate investment income for the first time in equity-based asset management products.



We innovated and launched a "project-asset-backed equity investment plan" in 2013, the first of its kind in China; and in collaboration with our peers, issued successfully an "infrastructure-related equity investment plan". These two products help us generate investment income for the first time from equity-based asset management products.



By the end of 2013, our alternative investment management arm had issued **30** alternative asset management products, amounting to **RMB65.750 billion**.

For debt investment plans alone, there were as many as **15** in 2013, **1.2** times the combined total between 2007 and 2012, and raising **RMB22.950 billion**, up **113.5%**.

We for the first time issued **2** non-debt investment plans in 2013, equity and project-asset-backed each, raising in total **RMB2.050 billion**. These helped with our net investment return.



In asset management we focus on team-building and people development, leveraging recruitment and training to enhance our employees' skills and competence. There is also a succession plan to minimize disruption. Now there are 35 people on the technical track in the alternative investment BU, with a clear definition of responsibilities and a wide array of expertise.

Capitalizing on the Restructuring of Alternative Investment to Build Capability and Capture Opportunities in Third-party Asset Management

Alternative investment was restructured into a business unit (BU) in late 2011. After over a year's adjustments to its working mechanisms, it began to demonstrate its investment capabilities and competitive edge. The unit's internal organization structure also helped. There are 3 professional investment teams for debt, equity and real estate respectively, coupled by 2 project administration teams for real estate and equity/debt each. There are also 4 expert panels and 2 product decision-making bodies. The structure underpins and drives the entire cycle of alternative investment, making it efficient and competitive.

Our asset management subsidiary attaches great importance to team-building and people development, leveraging recruitment and training to enhance employees' skills and competence. There is also a succession plan to minimize disruption. Now there are 35 people on the technical track in this BU, with a clear definition of responsibilities and a wide array of expertise.

Apart from acquiring high-quality underlying assets, sales is also indispensable. To diversify the sources of funding beyond our in-house money, we need a strong sales team and a big customer base. In 2013, a priority of the sales team was to enhance its infrastructure, namely, staffing, training and re-definition of responsibilities. Another priority was post-sale information service, and it was made clear that information on the distribution of investment income is the responsibility of the sales team. This improved the communication between our sales teams and their principals. We also put in place a mechanism of "a single responsible person for sales" for all projects, so that sales can be involved in the product development stage, making sure that the distribution part is aligned with the pricing and deal structure.

In 2013, our investment subsidiary convened a number of meetings for beneficiaries in alternative investment, fulfilling its duties conscientiously in information disclosure, funds disbursement and income distribution; it further refined the matrix-based management model underpinned by a combination of on-site project management and supervision from the investment teams. In the meantime, compliance, risk management and internal credit-rating lent full support.



We convened a number of meetings for beneficiaries in alternative investment.

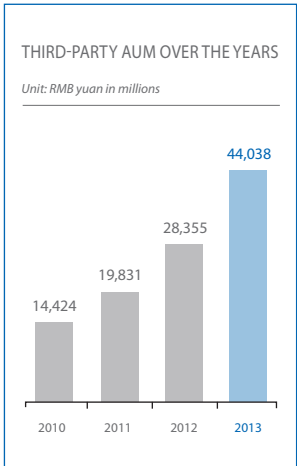


Enhancing Infrastructure in Alternative Investment to Ensure Compliance and Effective Control of Medium-to-long-term Risks

In post-sale management, we involve both project management teams and investment teams. Such an arrangement helps to ensure compliance and fend off major risks. The investment income has always been distributed on time and in full. The borrowers are running normally, without any significant warning or volatility.

For post-sale management, we persist in and keep fine-tuning the matrix-based model underpinned by a combination of both “on-site” project management teams and “back-office” investment teams, with a clear definition of duties and responsibilities. This will be an on-going process.

Compliance and risk management have always been high on our agenda. We believe they should be involved in every step of the alternative business: from project initiation through project review to product decisions. Heads of investment teams and those executing the investment are also required to enhance day-to-day communication with compliance and risk management to ensure effective internal controls throughout the whole investment cycle.



▷ Compliance and risk management have always been high on our agenda. We believe they should be involved in every step of the alternative business: from project initiation through project review to product decisions.



Rapid Development of Direct Sales on the Back of Improved Operational Efficiency

In 2013, we reported a premium income of RMB **13.528 billion** from direct sales (internet and telemarketing) of auto business, up **30.6%**. As of the end of 2013, direct sales accounted for **16.5%** of total P&C premium, up **1.6pt.**

The overall target of our transformation initiatives is to better understand customers' needs through improved interfaces, and ultimately enhance their experience with us. As these initiatives gain traction, Ms. ZHOU Qianqian, a top telemarketing (TM) sales representative, and her team are beginning to benefit.

- > We use "multiple touch-points" for customer access. This enabled Ms. ZHOU and her colleagues to better understand what their customers really want. The number of marketable customers increased. Data mining and smart decision-making system also helped. With customers' trust, it is now easier to achieve up-selling.
- > Bearing in mind customers' needs, we tried to identify the key levers or steps in our communication with them and then transformed these findings into a standardized selling process for all TM representatives, which helped to boost the productivity of Ms. ZHOU and her team.
- > Our management of direct sales is value-based. We regularly revisit and update the policy on performance evaluation and this, combined with differentiated valued-added services not only improved our operational efficiency but also offered strong incentives for Ms. ZHOU and her team.

A close-up portrait of a woman with dark hair, wearing a headset, looking slightly to the left. The background is blurred, showing other people in a similar setting.

Ms. ZHOU Qianqian

Senior Sales Manager,
Shenzhen, CPIC Online
Services

Ms. ZHOU is relatively new with us. She joined CPIC a year and a half ago. She gives first priority to customers' needs whenever she talks with them. She says: "you can only earn customers' trust when you put yourself into your customers' shoes, understanding what they want and recommending products that really suit their needs."

Multiple Touch-points and Customer Profiling Helping to Match Needs and Products

In the age of internet, the emergence of new technologies like cloud computing, search engines and big data have considerably expanded and facilitated our access to information. We strive to combine these emerging trends with traditional marketing methods and employ multiple touch points, such as telephone, websites, micro-blog, we-chat and mobile terminals to access potential customers; we also rolled out the initiatives of customer profiling and data mining to offer our sales representatives useful insights into their customers, helping them to match needs and products.

Ms. ZHOU was once a bit reluctant before she made calls to potential customers. First, many times her call was never answered; second, even when customers picked up the phone, their patience would soon wear out and they would hang up on her, because Ms. ZHOU was following a script and getting to know customers could be a very time-consuming and long-winding process. But now, with multiple touch points and customers profiling, things are different. Communication with customers was made much easier. The number of both marketable customers and interested customers grows. Ms. ZHOU says: "Customer profiling makes us more comfortable communicating with customers."



In 2013, Ms. ZHOU's average time on call was **12,454** seconds, which was about **6** hours. In the past 1.5 years, she has accumulated **614** customers, with a premium income of **RMB2.6 million**.



With multiple touch-points and customers profiling, the number of marketable customers grows, and so does the number of interested customers.





Ms. ZHOU on a training program on how to plan and structure communication with potential customers.



A Standardized Sales Process Based on Customer Insights Effectively Enhanced Sales Capabilities

One objective of our transformation is to enhance customers' experience. To this end, one thing we did was to organize a special taskforce charged with reviewing the entire process of communication with customers, identifying the key steps and levers and the timing for the delivery of such steps. These best practices would then be duplicated across the entire organization to ensure that each customer lead is closely tracked and customers' requests can be met in a timely manner.

Ms. ZHOU also attended an in-house training program on communication management and the standardized sales process, which equipped her with necessary skills and knowledge on customers communication, like when to make a follow-up call when a customer's policy is expiring; what to say for the first call and how to plan the next steps; and how to project an image of financial planner instead of merely a salesperson. Ms. ZHOU says: "we were not just given a tool, but also taught how to use it to make selling easier and our customers more comfortable. CPIC commits itself to be with its customers all along their life's journey. We delivered on that promise."

In 2013, Ms. ZHOU's success ratio was **5.8%**, up **4.2pt.**

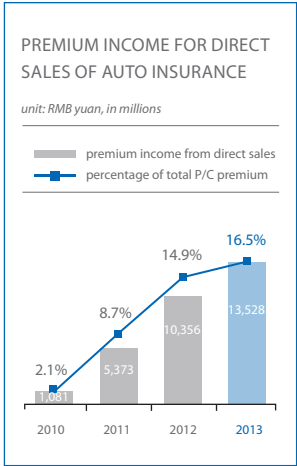
Higher Operational Efficiency to Drive Value Growth

Since 2012, we've been promoting a sales model based on differentiation, i.e., matching different strategies and value-added services with different customer segments. We continuously revisited and updated our compensation policy, making sure one's income is tied to their value contribution. We also strived to foster a favorable culture based on meritocracy and healthy competition.

Starting in 2012, we began to focus on differentiation for the sales of auto insurance. We set up a model for the projection of claims pay-out; we differentiated marketing strategies and value-added services based on customer segmentation; we sifted through customer data to identify factors of success, both vehicle-specific and driver-specific, which were then fed into a model to calculate chances of an outbound call's success. These insights were then combined with customer leads. This initiative helped Ms. ZHOU and her team to improve their customer mix, boosting their value contribution.

We also revamped rules on compensation, adding details on bonus calculation, which is tied to factors like business quality and input and output ratio. On corporate culture, we strived to foster an enabling environment which could boost our employees' engagement and sense of ownership, lifting morale, promoting healthy competitions and offering strong incentives.

In a short space of one year and a half, Ms. ZHOU already became a senior sales manager, which is a bit unusual for people of her age. She says: "I'm grateful for the company's value-driven management approach."



▷ a sales model based on differentiation, i.e., matching strategies and value-added services with different customer segments; continuously revisiting and updating the rules on compensation, making sure one's income is tied to their value contribution.



Innovation in Technology Bringing Convenience to Customers

With innovative technologies and management tools, we seek to bring convenience and ease to our customers and win their trust.

In response to the advances of technologies, internet, big data and social networks have all become part of our tool-kit to optimize processes and improve customer service. The extensive application of such innovative technologies not only served to boost the operational efficiency, but delivered tangible benefits to our customers as well.

- > There are in total 72,000 Shenxing Taobao terminals in use, covering the entire agency channel and reducing the policy issue turnaround from 7 days to 15 minutes.
- > With the help of over 5,000 terminals of 3G-based claims management system for auto insurance, now for ordinary cases, loss adjustment takes on the average 18 minutes, and all field claims inspectors are now equipped with the system.
- > Our e-commerce B2C platform, www.ecpic.com.cn, has accumulated over 3.32 million members by the end of 2013, with a monthly average traffic of 9.29 million visits, up 95%, Now 39 products of 7 categories are available on line thanks to such platforms which also support 78 service items of 5 categories.



Internet-driven Transformation Initiatives

Internet has exerted a profound influence on consumers' behaviors, prompting a major shift in the distribution model of insurance companies. With the help of such new technologies, we constantly enhance customers' experience.

There are in total **72,000** Shenxing Taibao terminals in use, covering the entire agency channel and reducing the policy issue turnaround from 7 days to **15** minutes.

Shenxing Taibao, strong sales support

For agents, the system is an integration of multiple functions such as proposal drafting, premium rates enquiry, electronic signatures and claim settlement. It is also a scalable platform where customized distribution or recruitment apps can be installed.

The extensive use of Shenxing Taibao leverages our strong IT platform and helps our agents to better explain our products and projects an image of professionalism and reliability. This boosts our brand name, making it easier for our agents to earn customers' trust and make the deal. "It's not just a tool of distribution, but also a tool of recruitment. It's not just a thought, but has become realities. There are growing examples of its successful applications." The view was echoed by many agents who are using and benefitting from Shenxing Taibao.

Apart from sales and recruitment, Shenxing Taibao also flexed its muscle in training and daily management of the agency force. Our branch offices can easily up-load curriculum and learning materials onto the platform for agents' self-learning and information browsing. The system also supports instant messaging services like wechat. Cost-effective, efficient and easy-to-use, it has become a platform for information-sharing, learning, management and business tracking, and tremendously facilitated our agents' communication with their customers.

▷ *Shenxing Taibao cannot only customize insurance solutions in response to customers' needs, but also supports electronic signatures, making the entire process paperless and minimizing the risk of mis-selling.*



With the help of over **5,000** terminals of 3G-based fast track claims management system for auto insurance, now for ordinary cases, loss adjustment takes on the average **18** minutes, and all field claims inspectors are now equipped with the system.



On the P/C side, the application of 3G-based fast track claims system streamline the process, shortening turnaround and helped to optimize the service model.

The 3G-Based Fast Track Claims System: An Experience of Ease, Efficiency and Convenience

Enhanced claims service helped with renewal ratio for commercial car insurance which reached 62.4% as of the end of 2013, up 0.5pt.

Customers' experience has always been a priority when we handle claims. The use of the 3G-Based fast track claims system enabled us to reengineer the whole process so that field inspection and back office loss adjustment can run in parallel. With this innovation, the average loss adjustment only takes 18 minutes, and can be as short as 8 minutes. This shortens the entire claims turnaround and saves customer's time. We further built on this new system and launched programs, like "no paper document requirement", "electronic documents" and "collection of documents at doorsteps" in a bid to further streamline the claims process and improve customers' experience.

The 3G-based system enables real-time transmission of visual, connecting accident sites and our back office functions. In such a way the professional loss-adjustment skills can be transferred to the site of accidents and our field inspectors can access real-time our back office quotation management system for car parts. In the meantime, the system supports legacy data mining and can effectively detect frauds, further boosting our overall risk management.

“A lot of my customers, upon receiving the claims payments, indicated that they would renew their insurance with us the next year. Their first-hand experience with our claims system speaks volumes of the value we add to our customers.”

The use of new technologies allowed our claims managers to focus on team-building and capacity-building so that they can handle more difficult cases. At the same time, enhanced customers experience leads to customers’ trust and sustained improvement of customer loyalty.



A lot of our car insurance customers, having tried our 3G-based claims system, indicate that they would renew their contracts with us the next year.



Our e-commerce B2C platform, www.ecpic.com.cn, had accumulated over **3.32 million** members by the end of 2013, with a monthly average traffic of **9.29 million** visits, up **95%**. Now **39** products of 7 categories are available on line thanks to such platforms which also support **78** service items of 5 categories.



CPIC Online Services seeks to build a 3-dimensional platform for customer access on the back of an insurance portal, a lifestyle portal and mobile e-commerce apps.



Our E-commerce B2C Platform, www.ecpic.com.cn, A One-stop Service Platform

We made continuous efforts to extend our e-commerce product line-up. Now there are 39 products from 7 categories on offer, covering auto insurance, tourism visas, personal accident, home-owners', juvenile, wealth management and health. Besides, our e-commerce platform integrates both life and non-life services and supports 78 service items of 5 categories from policy inquiry to value-added services.

With insights from big data analysis, we have been able to optimize products and work flows to enhance our ability to acquire customers online. We've also put together a "generalist" call center to serve customers from multiple touch-points, e.g. our website, micro-blog and wechat to promote online and off-line integration. With this we can deliver on our promise: be there for our customers no matter when or where they want.

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