



Activity Title and Number: Study Assignment on Pensions and Health Insurance Supervision; A237-C1

Beneficiary: China Insurance Regulatory Commission (CIRC)

Location and Date: Belgium, Germany; 13-20 May 2014

Stakeholders: DG MARKT, European Insurance and Occupational Pensions Authority (EIOPA), Allianz, Ergo Life, DKV

Brief Activity Report

Relevance and Impact

In recent years, the Chinese government has taken significant steps to improve its pension and social security systems as well as medical insurance coverage. Measures to unify the social pension system were taken in March 2014 and basic medical insurance subsidies for rural and unemployed urban residents were raised to 320 RMB per person. Despite these measures, the scale and coverage of both pension and medical insurance remains limited. China's weak social safety net has contributed to a high private savings rate and low levels of consumption, undermining economic growth. Creating a unified pension and universal healthcare systems for both rural and urban areas would not only boost consumption and but also enable greater labour mobility. To support the reform efforts of the CIRC, EUCTPII organised a study assignment to inform and improve China's supervisory and regulatory framework by drawing on EU experience on pensions and health insurance. The assignment was conducted in Belgium and Germany. A series of meetings with DG MARKT, EIOPA and industry experts enabled the delegates to deepen their knowledge on Europe's health and pensions supervisory systems.

Activity Description

Facing an ageing population, Germany' has recently reformed its tax policies and as such provides a good model for China as it considers establishing a multi-level pension security system. Four officials from CIRC led by Mr. Huang Hong, Vice Chairman of the CIRC who is responsible for endowment, health insurance and insurance distribution channels participated in the study assignment. Delegates met with EIOPA and DG MARKT to discuss health and pension insurance as well as the Solvency II framework. The meetings with some of Germany's leading insurance groups (Ergo, DKV and Allianz) provided delegates with in-depth knowledge of Germany's health insurance market and insurance intermediary market. Additional information was also provided on the characteristics of Germany's pension system and commercial pension market.

Results and Dissemination

The study assignment provided:

- Chinese delegates with a reference framework for the CIRC as it considers reforming and re-designing China's pension and long-term care system;
- The delegation with concrete examples of how to encourage commercial companies in China to participate in the social security system in order to support the reinforcement of China's social safety net.