

China's insurance premium up by 27.5% in 2016

China's insurance premium income reached 3.09 trillion yuan (US\$457 billion) in 2016, overtaking Japan and the UK to become the second largest market after the U.S., according to the 2016-2017 Insurance Industry Risk Management Report, released by EY, a global service firm and one of the "Big Four" accounting firms, in Beijing on July 18.

The insurance revenue witnessed a year-on-year increase of 27.5 percent and accounted for nearly half of the world's total.

The EY report said life insurance was the main driver of growth.

The premium income of life insurance companies climbed 31.72 percent to hit 1.74 trillion yuan (US\$257 billion), largely due to people increasingly preparing for old age.

In addition, China's health insurance market has also witnessed fast growth in the last four years, up 67.71 percent to over 404.2 billion yuan (US\$59.7 billion) in 2016, an indication of people's enhanced awareness of health guarantees and an increased number of diversified insurance products, said the report.

The report also analyzed the challenges and risks the insurance companies face including disruption from stricter supervision, a slowing economy which may not grow enough to significantly boost insurance sales and higher financial market risk.