

SPECIAL REPORT NO.

Shanghai, China.

November 2, 1933

(City)

(Country)

(Date)

Subject: Life Insurance Questionnaire.

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Submitted by: A. Viola Smith.

Trade Commissioner.

(Name)

FOREIGN SERVICE (Type)

179734

The field of life insurance in China and the organization and activities of companies operating has not materially changed since the very excellent resume made by Assistant Trade Commissioner Paul F. Kope, in a memorandum addressed to the Commercial Law Division on November 29, 1932.

Of twenty seven companies in Shanghai believed to be writing life insurance in some form or degree, to whom an individual letter was addressed requesting information outlined in the Life Insurance Questionnaire, fifteen companies responded. Of this number one company (Caldar, Marshall & Co., Ltd.) does not undertake the writing of life insurance in China; two companies (North British & Mercantile Insurance Co., Ltd. and Phoenix Assurance Co., Ltd.) do not insure Chinese lives and transact only a small business in those of foreigners or renewal of policies issued in England; two companies (Royal Insurance Co. and Commercial Union Assurance Company, Ltd.) stated that their life insurance business in China was very small; one company (Compagnie Francaise d'Assurances) discontinued writing life insurance at the end of last year, the business in force (France 38,500.) being reinsured in full locally and consequently appearing on the statements of other companies reports; while two of the largest companies writing insurance in the China Field (Sun Life Assurance Co. of Canada and the Manufacturers Life Insurance Co.) responded that

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NOT FOR PUBLICATION



Company Reporting	Both Domestic & Foreign Business.			On lives of residents in China.		
	Legal Reserves.	Total L. Currency.	F. Currency.	Legal Reserves.	Total.	
					Local C.	Foreign C.
Sincere Life Assurance Co.	-----	Ch.\$ 5,695,600	-----	-----	-----	-----
Tai Shan Insurance Co.	-----	Ch.\$ 423,042.	-----	(Amount in force small as only started business Sept. 21, 1932.)		
<b>II. GROSS AMOUNT OF NEW LIFE INSURANCE BUSINESS DURING 1932.</b>						
Asia Life Insurance Co., Inc.	U.S.\$ 3,422,204.	Ch.\$ 6,222,685.	U.S.\$ 2,061,607.	U.S.\$ 1,453,404.	Ch.\$ 6,103,186.	U.S.\$ 102,140.
China United Assurance Society Ltd.	-----	Sh.\$ 4,581,898.	-----	-----	Sh.\$ 4,672,498.	-----
Nippon Life Insurance Co.	-----	-----	¥ 907,000.	-----	-----	-----
Sincere Life Assurance Co.	-- Not Stated --					

The Teikoku Life Insurance Company submits the following:

	<u>(a) Manchukuo</u>	
	<u>No. of Policies</u>	<u>Amount</u>
New Business	684	Yen 1,934,000
Insurance in Force end 1932	4,300	Yen 8,943,935.
	<u>(b) China.</u>	
New Business	184	Yen 572,500
Insurance in force	1,042	Yen 3,790,598.

The above figures represent policy-holders under the management of the agencies of the company in either Manchukuo or China respectively, taking into consideration at the same time, the residents in respective regions who pay renewal premiums direct to the home office in Tokyo.

III. Insurance Legislation:

There are no regulations governing the entrance or setting up any requirements regarding life insurance companies operating in China. The Chinese Government has promulgated an insurance law governing practically all types of insurance, but it has so far not been made effective. Various reports upon this subject made by Assistant Trade Commissioner Kops during 1933 give a good resume of the existing situation.

IV. sources of Information:

- (a) None.
- (b) None
- (c) "The China Clipper", a publication devoted to insurance was amalgamated with "Commercial Asia" during 1933.

The China Life Insurance Institute, 17 The Bund, Shanghai, China, has been making efforts to influence local life underwriters to give their figures as to the amount of business in force in China, but they have met with meager success, as this Institute is fostered by one of the leading insurance groups, and competitors are reluctant to submit their figures to the Institute.

The Director thereof states that the Institute is interested primarily in the propagation of the beneficial aspects of the general institution of life insurance and its functions are mainly of an educational nature.

The 1933 edition of the "China Year Book" reprints an article by Don K. King which appeared in Commercial Asia February 1933, reviewing Insurance in China in 1932. The following quotations re life insurance are taken therefrom:

"Only two new companies were launched during 1932. The Tai Shan Insurance Co., a Sino-foreign concern, including Chinese, British, French

and American insurance interests, began operations in August. Chartered under the laws of the National Government of China, the company started business with a fully paid up capital of Chinese \$1,000,000. All lines of insurance, including life, are being written. ~~\*\*\*\*\*~~ Early in the year, the Confederation Life Assurance Co., one of the most important Canadian life companies, entered the China field with headquarters in Shanghai and agencies in Canton, Hong Kong, Hankow, Tientsin, Peiping, Harbin, Chefoo and Weihaiwei. Its China manager reports progress exceeding early expectations.

"As in the previous year, leading British companies continued to abandon the writing of business in Manchuria, those withdrawing from that territory during the year being the Commercial Union group and Jardine, Matheson & Co., both among the pioneers of insurance in Manchuria. There is a growing feeling amongst underwriters that Manchuria under Japanese domination will not be a healthy field for companies of other nationalities.

"Life insurance continued to make great strides throughout China and although no figures are available it is believed that 1932 production exceeded that of any previous year, despite the handicap of low silver and the world-wide depression. Plans of the Chinese Government for the establishment of a nation-wide insurance system within the Chinese General Post Office are understood to have made considerable advance during the year, although the scheme has not yet come into fruition.

"Two developments of interest to life insurance men were the inauguration of special courses dealing with insurance by the downtown School of Commerce of the University of Shanghai, and the formation of the China Life Insurance Institute, an institution designed to publicize life insurance and its benefits amongst the Chinese, which is headed by Mr. Samuel H. Chang, former Director of Intelligence and Publicity of the Foreign Office."

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Approved for Transmission:

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