

Regulation Administration of Insurance Companies

保险公司管理规定

Article 1

These regulations are formulated in accordance with the *Insurance Law of the People's Republic of China* (hereinafter referred to as “*Insurance Law*”) and the *Company Law of the People's Republic of China* (hereinafter referred to as “*Company Law*”), for the purpose of strengthening the supervision and administration of insurance companies, maintaining a normal order in the insurance market, protecting the legitimate rights and interests of the insured, and promoting healthy development of the insurance sector.

Article 2

The China Insurance Regulatory Commission (hereinafter referred to as “CIRC”) is authorized by laws and the State Council to perform general supervision and administration over insurance companies.

The local branch offices of CIRC exercise functions and powers within the authorization scope of CIRC.

Article 3

An insurance company hereof refers to a legally registered commercial insurance company incorporated with the approval of insurance regulators.

Branches of an insurance company hereof refer to business operating institutions and marketing service institutions legally established by an insurance company, including branch companies, central sub-branch companies, sub-branch companies, sales centers, and sales service centers.

An insurance institution hereof refers to an insurance company or one of its branches.

Chapter II Insurance Institutions Section I Establishment of Institutions

Article 4

Establishment of an insurance institution shall be approved by CIRC.

No entity or individual shall directly or indirectly operate commercial insurance business within the territory of People's Republic of China without CIRC's approval.

Article 5

Establishment of an insurance company shall comply with the following principles:

- (1) Abiding by laws and regulations;
- (2) In line with State macro-economic policies and insurance sector development strategies;
- (3) In the interest of fair competition and healthy development of the insurance sector.

Article 6

Establishment of an insurance company shall satisfy the following requirements:

- (1) The investors are qualified and the equity structure is reasonable;
- (2) Articles of association are in accordance with *Insurance Law* and *Company Law*;
- (3) Minimum registered capital is RMB 200 million of paid-up currency;
- (4) Senior managerial personnel shall satisfy the duty qualifications stipulated by CIRC;
- (5) The organization structure and governance system are complete and sound;
- (6) Business sites and office facilities meet the needs of business development.

Article 7

To establish an insurance company, the applicant shall submit a written application to CIRC with the following documents in triplicate:

- (1) Application letter for establishment, containing name, registered capital and scope of business of the proposed company, etc;
- (2) Feasibility study report, including business development plan, draft articles of association, business management strategies, etc;
- (3) Preparation plan;
- (4) Investors' share subscriptions agreement and certificates of the approval of their boards of directors or of their regulatory authorities;
- (5) Investors' business licenses or other background materials, balance sheet and profit and loss statements of the previous year audited by certified public accountants;
- (6) Name list of the head(s) of the preparation team recognized by the investors, the proposed Chairman of the Board, the proposed General Manager, and the recognition certificates of the people in the name list;
- (7) Other documents and materials required by CIRC.

Article 8

CIRC shall review the establishment application of an insurance company and decide whether or not to grant approval within 6 months after receiving the complete application documents. If CIRC decides not to approve the application, it shall state reasons in a written document to the applicant.

Article 9

During the review period CIRC shall remind the investors of the investment risks of insurance business. CIRC shall listen to the proposed chairman of the board and the proposed general manager on the company's market development strategy, business expansion plan and internal control system, and take these into the consideration of whether or not to approve.

Article 10

After an approval is granted, the applicant shall complete the preparation of establishing the insurance company within 1 year. If, for a justifiable reason, the deadline fails to be met, the preparation period may be extended by 3 months with the approval of CIRC. The approval document shall automatically become invalid if the extended deadline is still not observed.

The institution at the preparation stage shall not conduct any insurance business.

In principle, an insurance company shall not change its investors during the preparation period. In the event that changes are made without the approval of CIRC, the original approval document shall automatically become invalid.

Article 11

After preparation has been completed, the applicant shall submit to CIRC an application for operation with the following materials in triplicate:

- (1) Application letter for operation;
- (2) Memorandum of the general founding meeting;
- (3) Articles of association;
- (4) Names of shareholders and the proportion of share they hold respectively, capital verification issued by an institution of sound credit standing, a copy of the original bank receipt voucher evidencing payment of the registered capital;
- (5) Shareholders' business licenses or other background materials, and balance sheets and profit and loss statements of the previous year;
- (6) Resumes or other relevant certifying materials of the proposed senior managerial personnel, setting of company departments and composition of the employees, resumes and other certifying materials of actuaries concerned;
- (7) Certificates on ownership of or the right of using the business site;

- (8)3-year business blueprint and reinsurance plan;
- (9)Plan of insurance products to be provided;
- (10)Report on configuration of computing facilities and electronic network construction.

Article 12

CIRC shall decide whether or not to approve within 60 days after receiving the complete operation application documents. If CIRC decides to approve, it shall issue a license for conducting insurance business. If CIRC decides not to approve the application, it shall state reasons in a written document to the applicant.

The approved insurance company shall go through business registration formalities at the Administration for Industry and Commerce by presenting the approval document and license for conducting insurance business and accordingly obtain a business license from the authority before starting business.

Article 13

An insurance company may apply for establishing branches as needed according to business development.

An insurance company must establish a branch office to conduct business in any other province, autonomous region or municipality outside its locality. An insurance company may, in view of its practical needs, apply for establishing central sub-branch companies, sub-branch companies, sales centers or sales service centers.

Article 14

An insurance company established with the minimum capital, as stipulated in item (3), Article 6, shall add no less than RMB 20 million to its registered capital when applying for the first branch company in every other province, autonomous region, and municipality outside its locality.

When applying for establishment of a branch company, an insurance company need not increase its registered capital if it has already reached the amount stipulated in the preceding paragraph.

An insurance company, with a capital of no less than RMB 500 million and adequate solvency, need not increase the registered capital when applying for establishment of a branch company.

Article 15

An insurance company applying to set up a branch shall satisfy the following requirements:

- (1) Solvency margin is in accordance with the regulations of CIRC;
- (2) Internal control system is complete, sound, and without penalty records; no penalty records within the past 2 years for those companies with more than 2 years' operating history;
- (3) Senior managerial personnel of a branch shall have the duty qualifications stipulated by CIRC.

Article 16

To establish a branch, an insurance company shall submit a written application to CIRC with the following documents in triplicate:

- (1) Application letter for establishment;
- (2) Audited reports on its solvency status at the end of the previous year and the end of the previous quarter;
- (3) 3-year business development plan and market analysis for the branch to be established;
- (4) Resume(s) or other relevant certificates of the person(s) in charge of the preparation for establishing the branch.

Article 17

CIRC shall review the establishment application of a branch and decide whether or not to grant approval within 20 days after receiving the complete application documents. If CIRC decides not to approve the application, it shall state reasons in a written document to the applicant.

After approval is granted, the applicant shall complete the preparation within 6 months. If, for a justifiable reason, the deadline fails to be met, the preparation period of establishing the branch may be extended by 3 months with

the approval of CIRC. The approval document shall automatically become invalid if the extended deadline is still not observed.

The branch at preparation stage shall not conduct any insurance business.

Article 18

After the preparation for branch establishment has been completed, the applicant shall submit to CIRC an application for operation with the following materials in triplicate:

- (1) Application letter for operation;
- (2) Report on the fulfillment of preparation tasks;
- (3) Resumes or other relevant certifying materials of the proposed senior managerial personnel;
- (4) The certifying materials on ownership or the right of using the business site, statement of configuration of computing facilities and electronic network construction, internal organization setting and staff.

Article 19

CIRC shall decide whether or not to approve within 20 days after receiving the complete operation application documents. If CIRC decides to approve, it shall issue a license of the branch for conducting insurance business. If CIRC decides not to approve the application, it shall state reasons in a written document to the applicant. The approved insurance branch for opening business shall go through business registration formalities at the Administration for Industry and Commerce by presenting the approval document and insurance license and accordingly obtain business license from the authority before opening business.

Article 20

The review and administration of the qualifications of the senior managerial personnel of an insurance institution shall follow the relevant regulations of CIRC.

Article 21

An insurance company shall obtain the approval of CIRC to establish representative office(s) within Chinese territory. The representative office shall not conduct insurance operation.

Article 22

An insurance company shall obtain the approval of CIRC to establish operating institution(s) or representative office(s) outside Chinese territory.

Section II Alteration of Institutions

Article 23

An insurance company shall obtain the approval of CIRC to make the following alterations:

- (1) Change of organization form;
- (2) Change of registered capital;
- (3) Splits and mergers;
- (4) Change of capital contributors or shareholders holding 10% or more of the shares;
- (5) Withdrawal of branches.

Article 24

An insurance company shall obtain the approval of CIRC to make the following alterations:

- (1) Change of name;
- (2) Amendment to the articles of association;
- (3) Adjustment of business scope;
- (4) Change of locale.

Article 25

An insurance company shall file with CIRC the following alterations for records:

- (1) Change of the shareholders with less than 10% of the whole equity, excluding publicly listed an insurance company;
- (2) Change of the branches' business site.

Article 26

An insurance company shall submit a written report to CIRC within 15 days after performing the following alterations:

- (1) Change of the names of the insurance company's shareholders, excluding publicly listed an insurance company;
- (2) Mergers of insurance company branches or alteration of their names.

Article 27

An insurance company shall state reasons to CIRC for withdrawing their branches, and submit the follow-up solutions for their business.

An insurance company shall bulletin its branches' consolidating or withdrawing, and inform the policyholders, the insured, or beneficiaries concerned of the details regarding payment of insurance premiums and payment of indemnity or insurance benefits in a written document.

The insurance license of withdrawn insurance company branch shall become automatically invalid from the date on which the withdrawal is approved, and be turned back within 15 days.

Article 28

An insurance company having changed contents recorded in the insurance license shall take the documents concerned and insurance license to change for a new license from the issuing authority within 1 month from the date the changes are approved, confirmed, filed or reported.

Section III Insurance License**Article 29**

An insurance license hereof refers to is an insurance company's or its branch's license for conducting insurance business.

An insurance license is a legal document issued by CIRC in accordance with related laws, permitting an insurance institution to operate insurance business, and certifying the legitimacy of its operation.

Article 30

CIRC designs, prints, issues, confiscates, withdraws or revokes an insurance license exclusively and in accordance with the law.

An insurance institution must not forge, alter, lease, lend, or transfer insurance license.

Article 31

An insurance institution shall put the insurance license at a prominent position in the business site, ready for examination.

Article 32

In the event that the insurance license is lost, an insurance institution shall announce the invalidation of the license in newspapers designated by CIRC and submit a statement to the issuing department and apply for a new one.

Section IV Termination and Liquidation

Article 33

An insurance company must set up a liquidation team to be dissolved. The liquidation team works under the supervision and guidance of CIRC.

If the insurance company is closed down according to law, CIRC shall form the liquidation team in time by organizing shareholders, authorities concerned and related professionals.

If the insurance company declares bankruptcy according to law, it is the legal responsibility of the People's Court to form a liquidation team.

Article 34

The liquidation team shall notify the debtors within 10 days and bulletin 3 times in newspapers designated by CIRC within 60 days after its formation. The content of bulletin must be confirmed by CIRC.

The liquidation team shall entrust the accounting firm and law firm of good credit standing to evaluate the assets and liabilities of the company.

Article 35

An insurance company to be dissolved according to its articles of association or the resolution of the shareholders' general meeting shall obtain the approval of CIRC and submit following documents in triplicate:

- (1) Application letter for dissolution;
- (2) Resolution of the general meeting of shareholders;
- (3) Liquidation organization and its director;
- (4) Liquidation procedure;
- (5) Creditor's rights and liabilities arrangement scheme;
- (6) Assets distribution plan and assets disposition scheme;
- (7) Other documents and materials required by CIRC.

Article 36

The dissolved or legally closed-down insurance company shall immediately stop receiving new business and shall turn in its insurance license.

Article 37

The dissolved or legally closed-down insurance company shall dispose of its assets via public auction, contract transfer, or other ways ratified by CIRC.

Article 38

An insurance company that has been dissolved, legally closed down, or declared bankrupt shall have its insurance contracts transferring scheme approved by CIRC.

Article 39

The shareholders of the insurance company to be dissolved shall not dispose the assets of the company or obtain any benefits from it until the insurance contracts liabilities have been liquidated.

Article 40

If the insurance company to be dissolved finds that its assets fail to satisfy its liabilities during the liquidation process, it shall submit a bankruptcy application, and the property liquidation and treatment of its creditor's rights and liabilities shall follow the legal bankruptcy procedures.

Section V Investment in Insurance Company

Article 41

Corporations or other organizations permitted by laws or administrative regulations are allowed to invest in an insurance company.

Article 42

Corporations investing in an insurance company shall satisfy the following requirements:

- (1) In accordance with the stipulations of laws and administrative regulations;
- (2) Investment funds are legal, and the performance is satisfactory;
- (3) Other requirements stipulated by CIRC on the principle of prudential supervision.

Article 43

Except for insurance holding companies and insurance companies approved by CIRC, individual corporation or any other organization (including their affiliates) investing in an insurance company shall not hold more than 20% of the whole equity.

Article 44

If the shareholders of an insurance company are affiliated, the company shall report the case to CIRC in a written document.

Article 45

Financial institutions outside Chinese territory, if in accordance with the stipulations of Article 42 hereof, with the approval of CIRC, may invest in an insurance company. The total proportion held by all foreign investors shall be less than 25% of the whole equity of the insurance company. If the total proportion held by all foreign investors is more than 25% of the whole equity of the insurance company, the insurance company shall comply with the relevant rules of the administration of foreign funded insurance companies.

Foreign shareholders investing in publicly listed insurance companies shall not be restricted by the stipulation of the previous paragraph.

Article 46

An insurance company listed on domestic stock exchange shall observe the shareholders' investment proportion limits as stipulated in Article 43 hereof.

Chapter III Insurance Operation

Article 47

With the confirmation of CIRC, a property insurance company may provide some or all of the following insurance services:

- (1) Property loss insurance;
- (2) Liability insurance;
- (3) Statutory liability insurance;
- (4) Credit insurance and guarantee insurance;
- (5) Agriculture insurance;
- (6) Other property insurance services;
- (7) Short-term health insurance and accident insurance;
- (8) Reinsurance for the above insurance services.

Article 48

With the confirmation of CIRC, a life insurance company may provide some or all of the following insurance services:

- (1) Accident insurance;
- (2) Health insurance;

- (3)Traditional life insurance;
- (4)Innovative life insurance products;
- (5)Traditional annuity insurance;
- (6)New annuity insurance products;
- (7)Other life insurance services;
- (8)Reinsurance for the above insurance services.

Article 49

An insurance company applying for extension of its business scope shall comply with CIRC's relevant regulations on registered capital, solvency requirement, etc.

Article 50

An insurance company operating foreign currency insurance business shall comply with the relevant regulations promulgated both by CIRC and by the State Administration of Foreign Exchange.

Article 51

Except for instances stipulated in Article 52 hereof, the branches of an insurance company shall not conduct business outside the domain of Provinces, Autonomous Regions and Municipalities.

Article 52

An insurance institution shall comply with CIRC's regulations on participating in co-insurance, insurance of large scale commercial risks or master policy business, and providing insurance service by Internet outside the domain of Provinces, Autonomous Regions and Municipalities.

Article 53

An insurance company shall determine the self-retained portion of insurance premium, and the self-retained liability arising from the possible damage caused by each risk unit in accordance with the law. The portion beyond the limits stipulated by laws and regulations shall be reinsured.

Article 54

An insurance company seeking cession for their business shall give priority to an insurance company located in China, given equal terms and conditions.

Article 55

An insurance institution shall by no means directly or indirectly compel policyholders to buy insurance.

Article 56

An insurance institution shall not entrust illegal insurance agents to develop business, shall not accept business introduced by illegal insurance brokers, or pay charges, commissions or other similar fees to any illegal insurance agent or broker.

Article 57

An insurance institution shall not fabricate or disperse false facts to damage the reputation of other insurance institutions.

Article 58

An insurance institution shall not induce policyholders or the insured to stop their insurance contracts with other insurance institutions.

Article 59

An insurance institution shall not utilize the government or its departments, monopoly enterprises or organizations to squeeze out or obstruct other insurance institutions' business operation.

Article 60

An insurance institution shall not provide or promise to provide policyholders, the insured, beneficiaries, or other related party with insurance premium rake-offs or any other benefits in violation of laws or regulations.

Article 61

An insurance institution shall establish special customer service departments or consultation and complaint departments and publicize the hotline number for consultation and complaint.

An insurance institution shall seriously deal with the insurance complaints from policyholders, the insured, and beneficiaries, and inform them of the result in time.

Article 62

An insurance institution's business propaganda materials shall be objective, complete, and authentic, with its name, address and hotline for consultation and complaint.

Article 63

Insurance advertisements or business propaganda materials shall not predict uncertain insurance policy benefits such as the company's profits, policy dividend, or interest surplus refund.

An insurance institution shall not utilize advertising or any other propaganda means to provide misleading information on their insurance clauses and service quality, etc.

Article 64

An insurance institution shall clearly specify the exceptional liability or liability exemption, surrender, other charge deduction, cash value, hesitation period and so on in the insurance contract.

An insurance institution shall not partially compare the insurance clauses and premium rates with those of other institutions, or with interest rates on deposits of financial institutions.

Article 65

An insurance institution shall supervise the behavior of their insurance agents and immediately stop or correct any misconduct or behavior in violation of laws and regulations.

An insurance institution shall take the legal responsibility for their insurance agents' false statement and misleading behavior during business development that are detrimental to the interests of the insured.

Article 66

An insurance company shall establish such systems as controlling and managing affiliated deals. An insurance company shall report their affiliated deals to CIRC, according to relevant regulations, within 15 days after the transaction.

The affiliated deals mentioned in the preceding paragraph are those between an insurance company and their affiliated entities as follows:

- (1) Reinsurance ceding or assuming business;
- (2) Asset management, guarantee and agency business;
- (3) Buying and selling of fixed assets and transfer of creditor's rights and liabilities.

Enterprises in any of the following relations with an insurance company shall be deemed as affiliated to that company:

- (1) There is a control relationship between the two, in terms of equity and investment;
- (2) Both are controlled by a third party in terms of equity and investment;
- (3) The enterprise is directly controlled by senior managerial personnel of the insurance company, or their close family members.

Senior managerial personnel of the insurance company or their close family members shall be deemed as affiliated to the insurance company.

Article 67

An insurance company shall establish and improve corporate governance, strengthen internal management, and set up a strict internal control system.

Article 68

To be publicly listed, an insurance company shall obtain the Regulatory Comment Letter of CIRC.

Chapter IV Insurance Clauses and Premium Rates**Article 69**

The insurance clauses and premium rates that an insurance company adopts shall be approved by CIRC or filed with CIRC for record in accordance with the law.

Article 70

The clauses and insurance premium rates of the following insurance varieties shall be approved by CIRC.

- (1) Products for compulsory insurance according to laws and regulations;
- (2) Newly developed life insurance products;
- (3) Other insurance products that CIRC deems to be related to the public interests.

CIRC compiles and adjusts the catalogue of insurance products subject to approval.

Article 71

Clauses and premium rates adopted by an insurance company for insurance products except those stipulated in the preceding article shall be filed with CIRC for record.

Article 72

CIRC shall adhere to the principle of protecting public interests and preventing improper competition when approving or filing the insurance clauses and premium rates.

CIRC can require an insurance company to revise or stop using the insurance clauses and premium rates in the following cases:

- (1) Violation of laws and administrative regulations or CIRC's prohibition regulations;
- (2) Violation of relevant state fiscal and financial policies;
- (3) Damaging the public interests;
- (4) Content is obviously unfair or causes price monopoly, which infringes upon the legitimate rights and interests of the policyholders, the insured, or the beneficiaries,
- (5) Improper clause design, premium rate fixing, or assumed interest rate, which may jeopardize the solvency of the insurance company;
- (6) Other requirements imposed by CIRC on the principle of prudential supervision and administration.

Article 73

To alter the insurance clauses and premium rates that have been approved by or filed with CIRC, an insurance company shall re-submit them for approval by or filing with CIRC.

An insurance company may reach a complementary agreement on special matters with the counter-party when signing a specific insurance contract, but the cases in items (1)-(6) in the second paragraph of the preceding article shall not be allowed.

Article 74

An insurance company should determine pricing factors including the assumed interest rates of long-term life insurance policies in accordance with CIRC's relevant regulations.

Article 75

An insurance company shall actively develop insurance products catering to the social demands and strive to make innovations in products and services.

The language of insurance clauses and premium rates of an insurance company shall be clear, definite, and easy to understand.

Article 76

Insurance associations may issue model texts of property or life insurance clauses.

Insurance associations may, in view of practical needs, promulgate guiding insurance premium rates.

Chapter V Insurance Funds and Insurance Company's Solvency**Article 77**

An insurance company shall legally put aside guarantee funds. An insurance company shall not use or dispose of the guarantee funds on their own unless for the purpose of paying off debts during liquidation.

Article 78

An insurance company shall legally put aside insurance protection funds, which shall be centrally managed and planned as a whole in accordance with CIRC's relevant regulations.

Article 79

An insurance company shall put aside, according to relevant regulations of CIRC, insurance liability reserves, which must be authentic and adequate.

Article 80

The utilization of insurance funds shall be confined to:

- (1) Bank deposits;
- (2) Buying and selling of government bonds;
- (3) Buying and selling of financial bonds;
- (4) Buying and selling of corporate bonds;
- (5) Buying and selling of securities investment funds.
- (6) Other ways stipulated by the State Council.

The specific ways that an insurance company invests the insurance funds and the proportions on investing products and ascertained minimum credit ratings of specific investments shall be in accordance with the relevant regulations of CIRC.

Article 81

Domestic insurance companies' overseas fund management activities shall comply with relevant prescriptions of the State.

Article 82

An insurance company may establish insurance assets management companies, and entrust them to manage its insurance funds.

Article 83

An insurance company shall, on the principle of protecting the interests of the insured and guaranteeing solvency, operate steadily to ensure that the actual solvency margin is no less than the minimum standard margin at any time.

Article 84

An insurance company's actual solvency margin shall be the balance of recognized assets minus recognized liabilities.

The confirmation, computation, and reporting of recognized assets and liabilities shall comply with the relevant regulations of CIRC.

Article 85

An insurance company's minimum solvency margin standard shall be subject to the stipulation and adjustment of CIRC.

Article 86

An insurance company with actual solvency margin below the minimum standard shall take effective measures to improve its insolvency positions. They shall also report to CIRC on relevant improvement plans, concrete measures, and final results.

Article 87

An insurance company's solvency adequacy rate shall be the actual solvency margin divided by the minimum solvency margin. CIRC may rank those companies with solvency adequacy rate below 100% as key objects for regulation, and accordingly take the following regulatory measures:

- (1) For companies with solvency adequacy rate above 70%, CIRC may require them to bring forward an improvement plan and satisfy the minimum solvency standard within a time limit. If the deadline fails to be met, CIRC may take such regulatory measures as requiring them to increase their capital, charging them to buy reinsurance, and restricting their business scope, dividend distribution to shareholders, fixed asset purchase, operating expense, and growth of branches, etc, until the minimum solvency margin requirement is satisfied;
- (2) For companies with solvency adequacy rates between 30% and 70%, besides the measures mentioned above, CIRC may take such regulatory measures as charging them to auction the bad assets, transfer insurance business, restrict senior managerial personnel's salaries and duty consumption level, restrict commercial advertising, adjust funds management, stop developing new business, etc.
- (3) For companies with solvency adequacy rates below 30%, besides the measures mentioned above, CIRC may legally take over the management of the company.

Chapter VI Supervision and Inspection

Article 88

CIRC bases its supervision and administration of insurance companies on the combination of solvency regulation and market behavior regulation.

An insurance company shall be under the supervision and administration-of CIRC in accordance with law.

Article 89

CIRC shall supervise and administrate an insurance institution by both on-site and off-site means.

Article 90

CIRC may list those institutions with the following cases as key inspection objects:

- (1) Serious violation of laws and regulations;
- (2) Inadequate solvency;
- (3) Abnormal financial condition;
- (4) Reports, statements, documents or materials submitted proved to be false;
- (5) Other situations that CIRC deems necessary to emphatically examine.

Article 91

CIRC's on-site inspection of an insurance institution involves some or all of the following issues:

- (1) Whether the approval or filing procedures regarding the establishment and alteration of the institutions are complete;
- (2) Whether the contents of presented materials are in line with the facts;
- (3) Whether the capital and various reserves are authentic and adequate;

- (4) Whether solvency is adequate;
- (5) Whether the fund management is legal;
- (6) Whether business operation and financial conditions are good, and whether the financial statements are complete and authentic;
- (7) Whether the insurance clauses and premium rates in use have been submitted for approval or filing in accordance with regulations;
- (8) Whether the business interactions with insurance intermediaries comply with laws and regulations;
- (9) Whether the formalities of the appointment or alteration of senior managerial personnel are complete;
- (10) Whether the relevant matters stipulated as reporting after the event have been timely reported;
- (11) Other matters that CIRC deems necessary to examine.

Article 92

An insurance institution shall cooperate with CIRC in the on-site inspection, and provide relevant documents and materials as required by CIRC.

Article 93

CIRC shall dispatch at least 2 inspectors for on-site inspection, and the inspectors shall present their relevant certificates and inspection notification. To entrust such intermediaries as accounting firms to perform inspection, CIRC shall provide a written trust document.

Article 94

An insurance institution shall timely submit business operation reports, actuarial reports, financial accounting reports, solvency reports, and relevant regulatory reports and statements, according to regulations.

Article 95

The statements and reports that an insurance institution submits to CIRC shall be complete, authentic and accurate.

Article 96

An insurance institution's business operation reports, financial accounting reports, solvency reports and other relevant reports and statements shall be signed by the corporate representative or the general manager. The annual financial report and solvency report shall be audited by certified public accountant. An insurance institution's actuarial report shall be signed by the actuary recognized by CIRC. The insurance branches' reports and statements shall bear the signature of the person-in-charge and stamp of the branches.

Article 97

The material resolutions of the shareholders' meeting and the board of directors shall be reported to CIRC within 30 days after the conclusion of the resolutions.

Article 98

CIRC may require an insurance institution to explain the material matters concerning insurance business operation and risk management by speaking to or inquiring the senior managerial personnel, according to the needs of regulation and administration.

Article 99

Where an insurance institution or their staffs violate these regulations, CIRC shall give the institution or the staffs a warning, order it(them) to make corrections, and impose administrative punishment according to relevant laws and regulations. Those suspicious of crimes shall be handed over to jurisdiction authorities for their criminal responsibilities.

Chapter VII Supplementary Provisions

Article 100

These regulations shall apply to foreign-funded insurance companies and reinsurance companies. The issues otherwise stipulated in laws, administrative regulations or the regulations of CIRC shall be governed by the stipulations therein.

Article 101

These regulations shall, mutatis mutandis, apply to public-policy-oriented insurance companies such as Export Credit Insurances Company before relevant regulations are promulgated by the State authorities.

Article 102

The statements and materials that an insurance institution submits to CIRC shall be in Chinese. If the original copy is in a foreign language, a Chinese copy shall be attached. Should any discrepancy in meaning exist between the two copies, the Chinese copy shall be deemed as accurate.

Article 103

The periods hereof, except those denominated in years or months, are counted in working days, excluding weekends and public holidays.

Article 104

These regulations are subject to the interpretation of CIRC.

Article 105

These regulations shall be effective as of June 15, 2004, and the *Regulations on the Administration of Insurance Companies* (CIRC Issue NO.2[2000]) issued by CIRC on January 3rd, 2000 and the *Resolution on Amendment to Relevant Articles in Regulations on the Administration of Insurance Companies* (CIRC Ordinance NO.3[2002]) issued by CIRC on March 15th, 2002 shall be repealed simultaneously.

End.