



# **Pursue High-Quality Development with Value-Oriented Transformation**

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# Technology Presentation





# Welcome Speech





# The year 2020 is extraordinary and unprecedented.

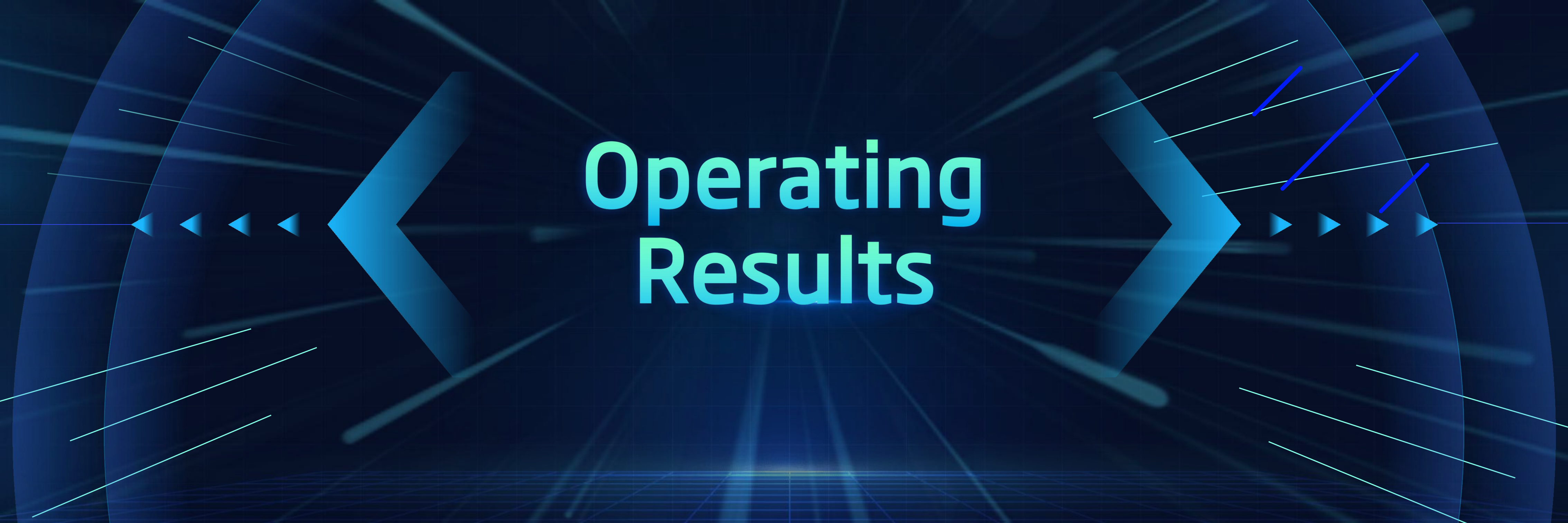
## Being Persistent

- Persist in the fundamental goal of high-quality development
- Persist in the core demand of customer-oriented operation
- Persist in the basic philosophy of operational compliance
- Persist in the key path of transformational innovation

## “Being the Best & Leading the industry”

- The Best in customer experience
- The Best in business quality
- The Best in risk management
- Becoming the leader in promoting healthy and steady development of China's insurance industry



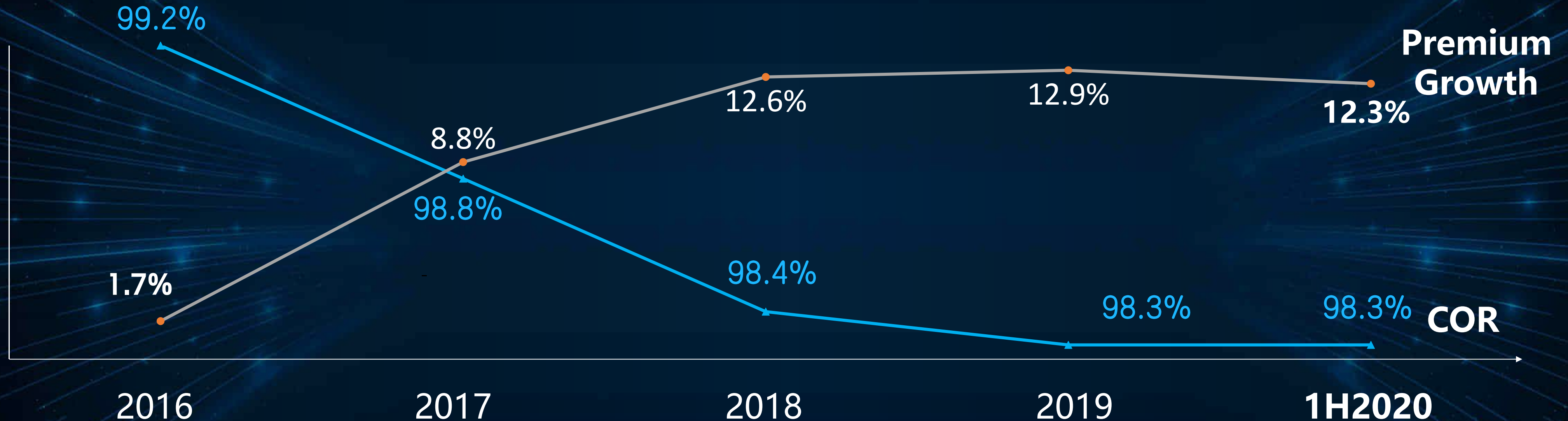


# Operating Results



# ( I ) Gradually generate a high-quality development momentum

Fast growth of premium income, continuous improvement in combined ratio



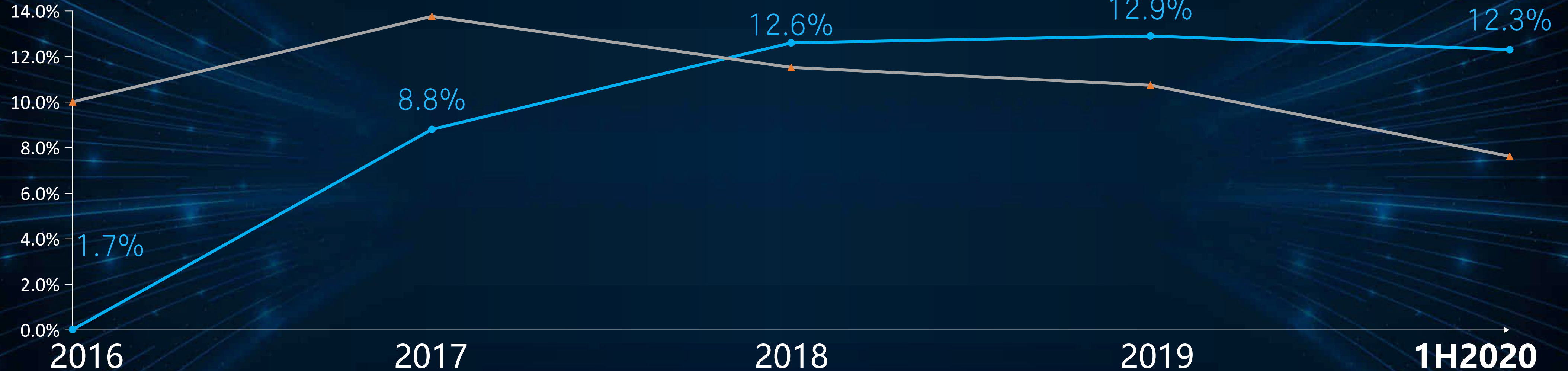
Note: References to CPIC P/C do not include Anxin Agricultural.



## ( II ) An industry leader in premium growth with a widening lead over the industry average

A widening lead in premium growth

—●— CPIC —▲— The industry



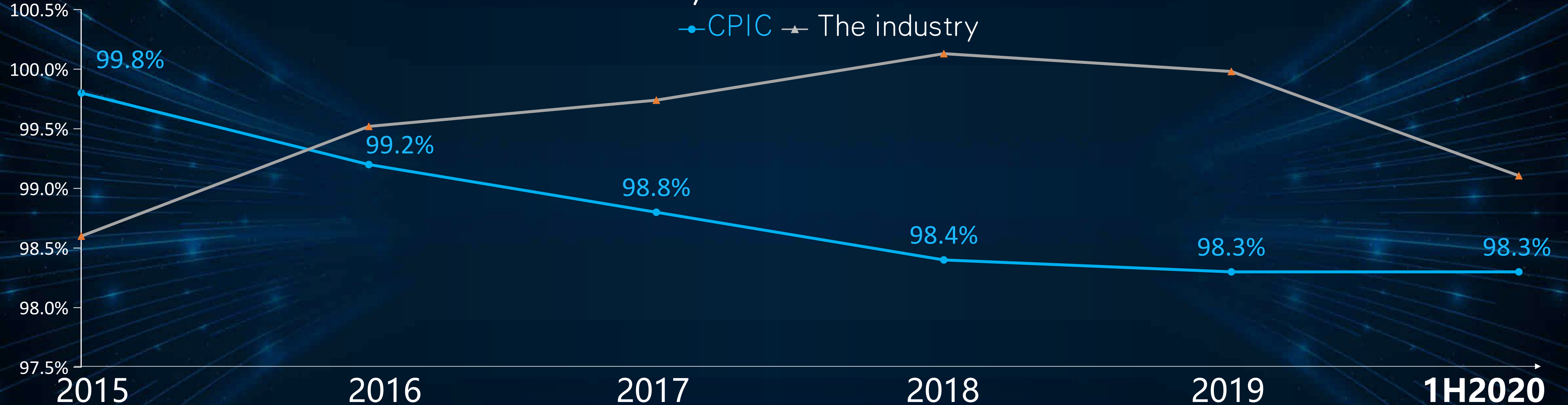
Note: The industry data above is for reference only.



# ( III ) Lead the industry with sustained improvement of combined ratio

Industry leader in combined ratio

—●— CPIC —▲— The industry

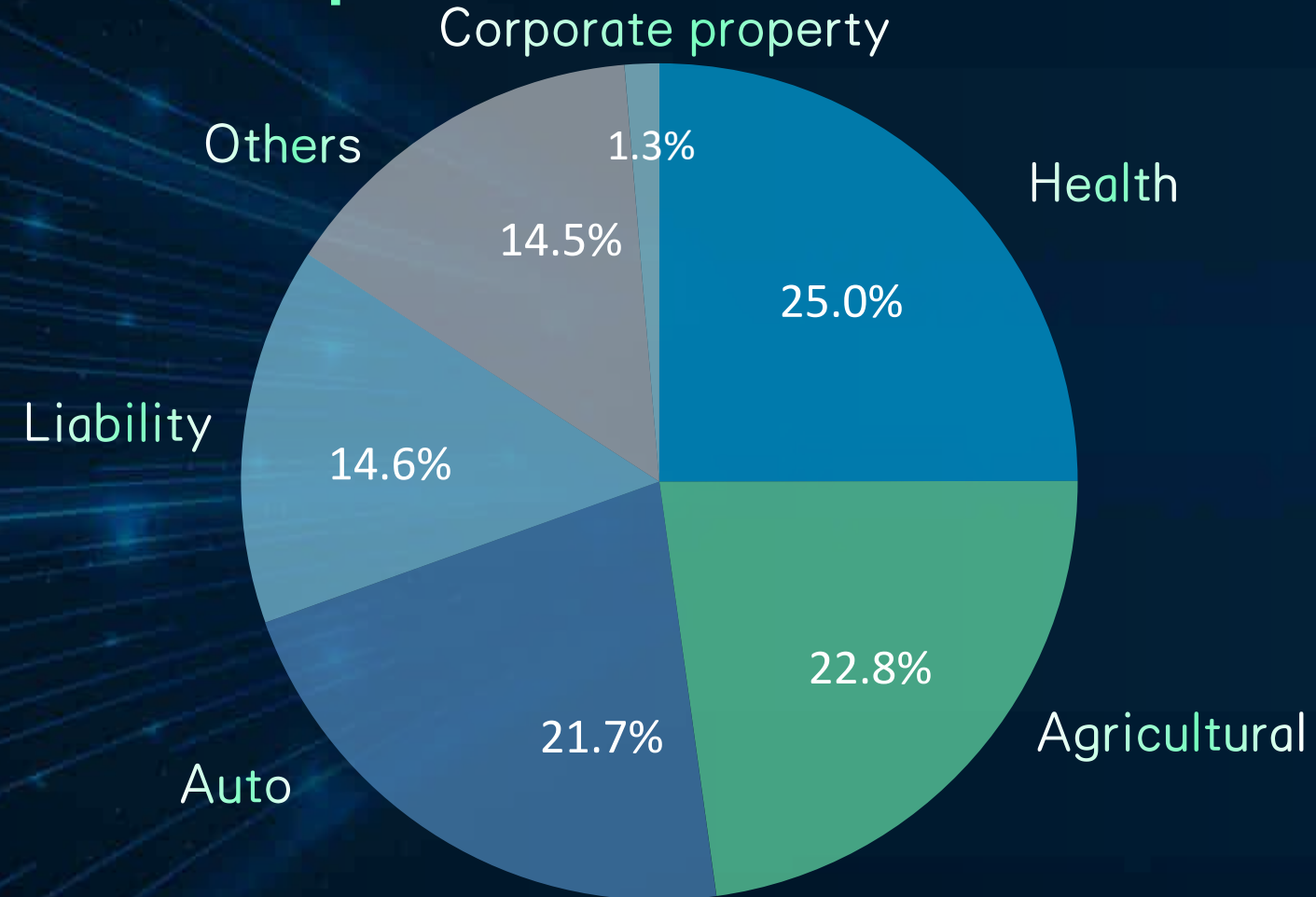


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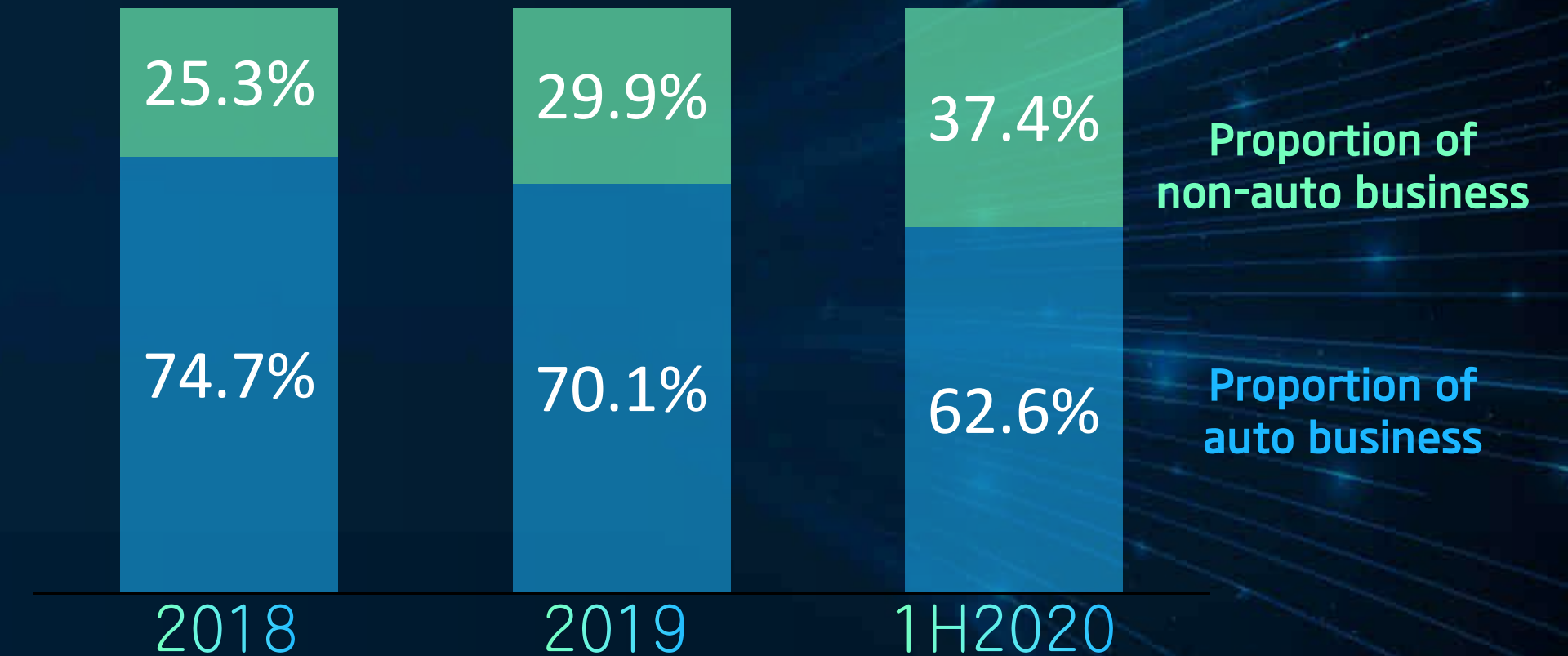


## ( IV ) Diversified product mix with increasing contribution from non-auto business

**Growth Attribution by products in 1H 2020**



**Increasing premium contribution from non-auto sector**

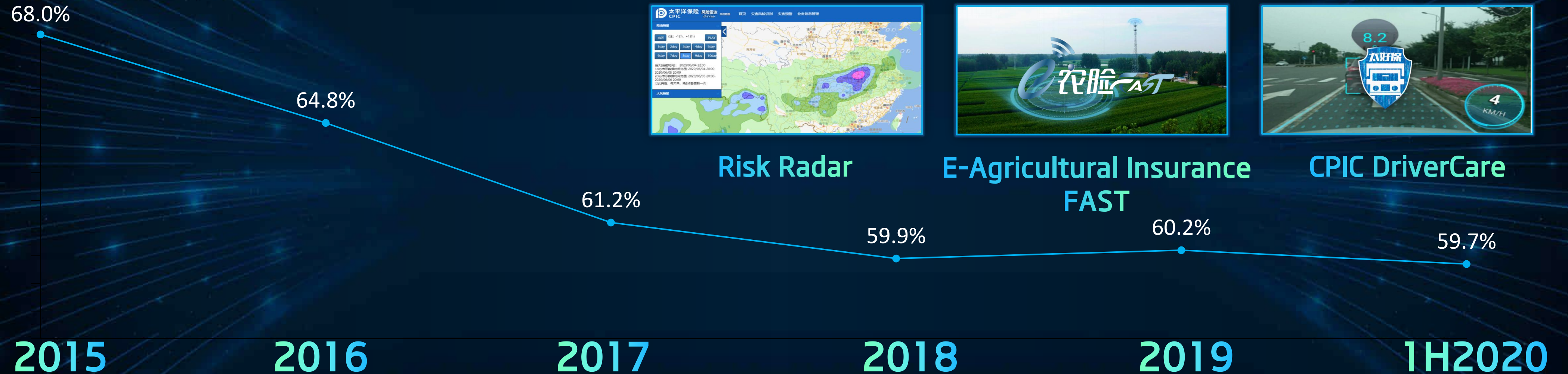


Note: Agricultural insurance is included in non-auto insurance.



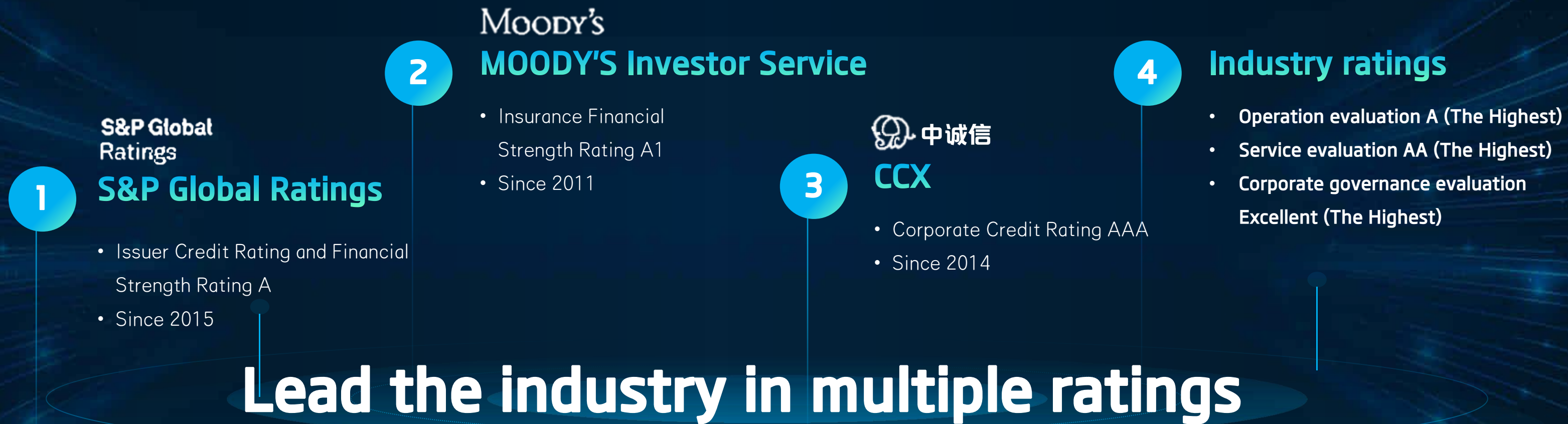
# (V) Empower risk management with technology, achieve continuous improvement in overall business quality

Drops in loss ratio with continuous improvement in business quality





## ( VI ) Leader in industry ratings and external evaluations





# ( VI ) Leader in industry ratings and external evaluations



## Transformation innovation

### Comprehensive strength

- 2020 China's Top 10 P&C Insurance Companies
- 2018 China's Insurance Company with Outstanding Contribution in Service Quality Improvement

- China Insurance Ark Award 2020

### Products and services

- Entitled as Quality Service Organisation by China Insurance Service Innovation Summit 2020
- 2019 China Inclusive Finance Product Innovation Typical Case Award
- 2019 China Insurance Industry Technology Innovation List, Outstanding Customer Service Insurance Company
- 2017 Innovative Insurance Product Excellence Award

### Technological empowerment

- E-Agricultural Insurance won the 2020 China Insurance Ark Award for Technology Progress
- E-Agricultural Insurance won the Potential Project Award of the 2019 World Artificial Intelligence Innovation Competition
- The Company entered the 2019 China Insurance Industry Technology Innovation List

### Social responsibility

- National Poverty Alleviation Award, Organisational Innovation Award
- Annual Award for Excellent Social Responsibility Case

**Honors and awards  
in 5 areas**



# Transformation Results



Constructing  
systematic  
transformation to  
ensure value-oriented  
development



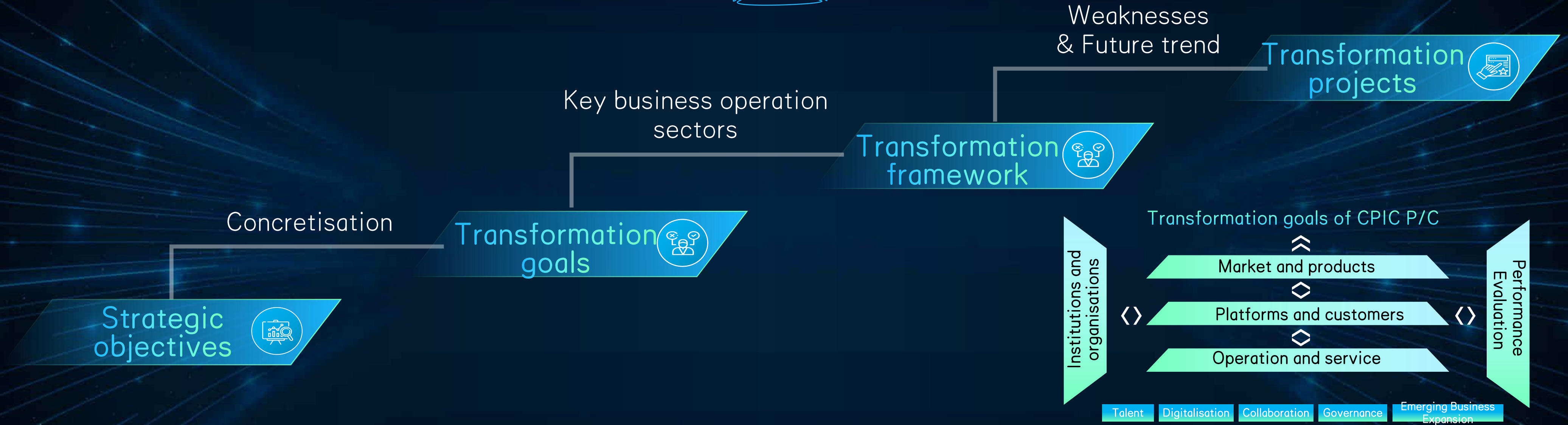
Promoting  
transformation to  
foster new growth  
engines



Deepening integrated  
transformation to  
accelerate  
development capacity  
building



# 1. Transformation design: objective-driving, system designing, content focusing





## 2. Transformation construction: carry out systematic transformation to generate more value

### Systematic transformation

Covers 10 key sectors in the operation of CPIC P/C



### Innovation-oriented transformation

Rebuilds the business model of CPIC P/C

### Technology-based transformation

Multiple technological achievement portfolios

### Customer-oriented transformation achievements

Showcases the transformation achievements from user's perspective



# Transformation Results



Constructing systematic transformation to ensure value-oriented development



Promoting transformation to foster new growth engines



Deepening integrated transformation to accelerate development capacity building



# 1. Improve operation of high-quality customers and refine resource allocation to reinforce auto insurance as the foundation of the overall business operation in the process of marketization

## Model transition

### Operational model transition

- Management: Establish renewal business management mechanism
- Channels: Set up digital direct sales channel
- Products: Set up “Auto+Non-auto” customer-segmented sales mode

## Capacity building

### Pricing capability

- Differentiated pricing in regions
- Enriched pricing parameters and data

### Customer service capability

- Offer policy-life cycle customer care
- Differentiated value-added services
- Explore the combination of “Products + Services”

### Risk management capability

- Develop and apply CPIC Credit
- Establish the proactive risk management system- CPIC DriverCare

### Cost control capability

- Establish the resource allocation mechanism based on the correlation of sales expenses and claim costs
- Technological empowerment in sales, claims settlement and operation to reduce cost and improve efficiency

Retain high-quality customers  
Refine resource allocation



# 1. Improve operation of high-quality customers and refine resource allocation to reinforce auto insurance as the foundation of the overall business operation in the process of marketization

Lowering  
Price

## Operational model transition

- Management: Refine the renewal business management mechanism
- Channels: Build up channel integration mechanism
- Products: Improve the integration of “Auto+Non-auto” business model

Increasing  
protection

## Pricing capability

- Customer-oriented pricing
- Actuarial and marketized pricing mechanism

## Risk management capability

- Enhance the application of big data in pricing
- Promote the proactive risk management system- CPIC DriverCare

Improving  
quality

## Customer service capability

- Establish “4+N” value-added service system, broaden car owner value chain

## Cost control capability

- Upgrade the resource allocation mechanism based on the correlation of sales expenses and claim costs
- Improve centralized operation with technological empowerment

Convert  
challenges  
into  
opportunities

Reform in both  
compulsory and  
commercial  
sectors

Simultaneously  
launched  
nationwide



## 2. Follow the economic trend, enhance risk management capability to give full play to the non-auto business as the "pillar" of transformation

Domestic circulation--Upgrade of individual consumption

- Travel, health care, consumption, education and other key sectors

Domestic circulation--Transformation of social governance

- Government-sponsored health insurance
- Government-sponsored liability insurance

International circulation--Overseas business opportunities

- Partners of "Belt and Road Initiative" business
- China International Import Expo, China International Fair for Trade in Services

Closely follow the economic trend

Emerging business areas

Domestic circulation  
+  
International circulation

Optimize the structure of incremental business



## 2. Follow the trend of economic factors, enhance risk management capability to give full play to the non-auto business as the "pillar" of transformation

**Business expense-Claim costs matching**

Promote two linkages and two mechanisms

- two linkages
- two mechanisms

**Business quality monitoring**

Establish a regular business quality monitoring mechanism

- Business quality review mechanism
- Classified development strategy

**Comprehensive Risk Management System**

**Risk management and control**

Establish risk management system

- Whole-process risk investigation
- Rules + tools
- Data + System

Enhance risk management capability

Improve market competitiveness



### 3. Seize policy opportunities for agricultural insurance, continuously enhance innovation, and position agricultural insurance as the main growth engine in the new cycle

#### Policy opportunities

- "Guiding Opinions on Accelerating High-quality Development of Agricultural Insurance" by Ministry of Finance, Ministry of Agriculture and Rural Affairs, CBIRC, National Forestry and Grassland Administration

#### New strategic platforms

##### Government platform

- The state level
- The provincial level

##### Major Accounts platform

- Strategic customer system
- Breakthrough in acquiring major accounts

#### New model of Think tank

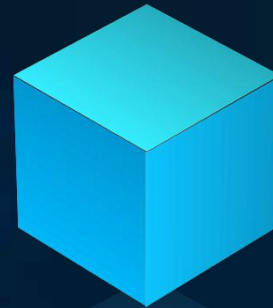
- Establishment of Tai An Institute of Agricultural Insurance
- Agriculture industry innovation projects research
- Specialized program research

**Seize external policy opportunities**



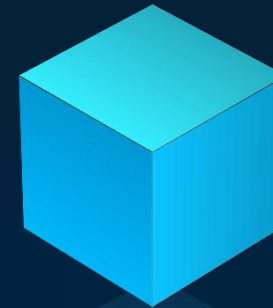
### 3. Seize policy opportunities for agricultural insurance, continuously enhance innovation, and position agricultural insurance as the main growth engine in the new cycle

#### Product Provision Innovation



- Develop a complete suite of products
- Innovate "Insurance + Futures" and other "Agricultural insurance+" products

#### Technological Innovation



- Sales, development and research of products at the same time
- Upgraded E-agricultural insurance from Version 1.0 to 5.0, and released "CPIC E-Agricultural Insurance FAST"
- Full application of 5G, Internet of things, AI, blockchain and other technology

#### Risk Management Upgrade



- Livestock insurance cost control
  - New technology application
  - Accurate underwriting
  - Self-assistant claim settlement
- Policy cost model application of agricultural insurance

**Continuously enhance internal innovation capability**



# Transformation Results



Constructing systematic transformation to ensure value-oriented development



Promoting transformation to foster new growth engines



Deepening integrated transformation to accelerate development capacity building



# 1. Improve customer-oriented operation to stabilize business operation



Individual  
customer



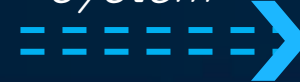
Auto  
insurance  
customers

*Online + offline  
integration*



Digitalisation  
of customer  
information

*One  
customer –  
one account  
system*



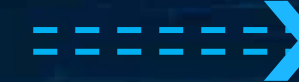
Standardization  
of customer  
information

*Information  
analysis*



Customer  
insight

*Accurate renewal plans  
Integration of Auto and  
Non-auto business  
Scene expansion*



Number of customers+  
Customer retention+  
Customer value+



# 1. Improve customer-oriented operation to stabilize business operation

Corporate customer

## Customer-segmented business model

Adjust organisational structure to build a customer-segmented business model

## Region-based business model

Regional breakthrough projects

Corporate customer platform

- Collection of corporate customer data
- Insights of corporate customer



## 2. Create new growth drivers with regional breakthroughs

### Build up momentum

### Expanding influence

### Organisational Support



#### Nation-wide

Create the "1+3+N" pattern with three major regions as the centre

##### Development Centre

Operating income

Operating profit

Highest of the Company

##### Competence Centre

- Beijing-Tianjin-Hebei: ability to allocate the capital's resources
- The Yangtze River Delta: technology-led professional capability to integrate regional resources
- Guangdong, Hong Kong and Macau: customer-oriented cross-regional collaboration capabilities

#### Provincial-level

Create the "1+1+N" pattern with provincial capitals as the centre

##### Development Centre

Operating income

Operating profit

Highest in the provinces

##### Competence Centre

Institutions in provincial capitals: professional capabilities adapted to the development of the province



#### Headquarters

Establish an information and resource sharing platform



#### Headquarters

Establish a data and technical standard system





### 3. Improve operational efficiency with technological empowerment



Customer



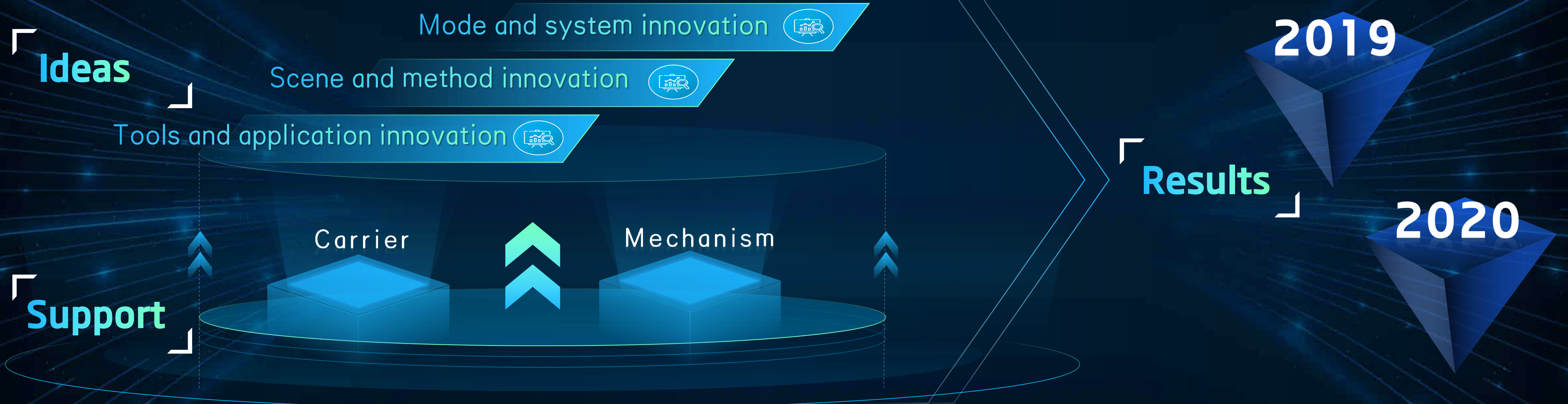
Partner



Enterprise



#### 4. Create new momentum with innovative mechanism







# Closing Speech





**Persist in promoting  
transformation**

**Persist in benchmarking  
against top-notch insurers**

**Persist in risk management**

**Persist in technological  
empowerment**



**Big data**

**AI**

**Decision-making**

**Internet of  
things**

**Blockchain**





Q & A

平时注入一滴水，难时拥有太平洋