

Insurer Analysis: Executive summary

China Life



State Owned Life insurer enters digital era



www.e-chinalife.com



What it offers?

- O2O based financial services
- SaaS based pricing + retainer fee for training

How is it different?

- As China's biggest life insurer, China Life has access to 1.6 million agents and a database of 303m customers

Management team

- Executives
 - Wang Bin
 - Su Hengxuan
 - Li Minguan

Tech deployed

- Cloud solutions
- Advanced analytics
- AI underwriting

Funding, revenue, client and scale

- 1.8m in their distribution network, including agents, direct sales and bancassurance channel
- 303m long-term individual, group life insurance policies, annuity contracts and long-term health insurance policies in force
- Market Cap: US\$125bn (as at 31 Dec 2019)

What to look out for

- O2O lead generation features
- Expansion to SEA and renewed focus on combining agents with cross and up-selling abilities

China Life is trying to leverage its brand recognition outside China

Further info [About China Life \(Chinese\)](#) [China Fortune - China Life \(Chinese\)](#) [China Life - Fact Sheet \(Dec 2019\)](#) [China Life Digital Development \(Chinese\)](#)

TDI Point of view

China Life is at a crucial juncture in its history. As the best recognized life insurer in China, it has the opportunity to quickly replicate some of the innovations introduced by Ping An, AIA and Taikang Life.

Insurer Analysis: Assessment framework

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Company overview

As China's biggest and best-known life insurer, China Life has the upper hand against dozens of other life insurers in China

Current position / Development stage

- China Life previously attempted to establish an internet business unit but were unable to meet the targets set

Operational effectiveness

- From 20 Jan to 30 Apr 2020, they have processed 4.8m paperless applications, accounting for 99.6% of its total, an increase of 3.3% from same period last year
- Its app has received 55.8m logins and handled close to 20m self-service request from its clients

Business potential

- China Life has stepped up its digitization efforts during Covid-19 period
- They have established their Singapore office in 2015 and are looking to expand further into ASEAN countries

Competitive position

- State owned status gives it guaranteed access to policy holders and favorable regulatory treatment.

People

- China Life has a staff strength of 102,297 (2019)
- Distribution network with 1.6m agents, 65,500 sales representatives and 166,000 in bancassurance

Insurer Analysis: SWOT

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Strengths

- As a state-owned insurer, China Life has been given access to public health data that enables it to identify instances of overcharging at public hospitals

Opportunities

- Making public healthcare data readily available to insurers, thereby improving accuracy of emerging tech such as advanced analytics, and allowing tasks previously outsourced to TPAs to be brought in-house through automation.
- Although state-owned life insurers are rarely noted for innovation, they are often first to benefit from government data initiatives

Weaknesses

- Although China Life can leverage its offline assets, such as the agency force, government connection and brand recognition, it is also encumbered by those very same assets

Threats

- As China continues to relax the ownership rules for foreign life insurers, China Life and other state-owned life insurers will see increasing competition. The fact that the next phase of insurance will be fought almost entirely online makes it more difficult

Insurer Analysis: China Life app

China Life's claims processing experience is considered one of the most sophisticated in the industry.

After users upload a claim, China Life can authenticate it based on its particularly deep access to government-held records.

Although China Life can pay claims faster than Taikang, it continues to pay a % of claims that are considered overcharged.

