



Press Release

Improved data transparency and higher data standards key to sustainable natural catastrophe insurance in China

BEIJING, 10 August 2009 –International organisation CRESTA (Catastrophe Risk Evaluation and Standardizing Target Accumulations) announced today that over 100 insurance professionals from China and abroad gathered in Beijing last Friday to call for the insurance industry to adopt a new catastrophe zoning system and improve data transparency as a vital step to sustainable management of natural catastrophe risk management in China.

The event was co-organized by CRESTA, along with the National Disaster Reduction Centre of China (NDRCC), and international reinsurance companies Swiss Re and Munich Re . Additionally, the event is supported by the “Research and Demonstration Project for Risk Prevention Key Technology” of China.

CRESTA is an independent organization founded in 1977 by (re)insurance companies worldwide. It determines country-specific zones for the uniform aggregation and efficient exchange of insurance data. CRESTA zones are currently recognised and used in around 80 countries including China.

Early this year, CRESTA created new and more specific zones for China, to help improve the country’s natural catastrophe risk management through more effective data exchange among insurance market players.

At present, natural catastrophe data is often exchanged in an aggregated form on administrative, or provincial, basis in China, which is deemed inadequate for proper risk management. By adopting the new zoning system, which is similar to postal zones, insurers will be able to improve input into modelling and risk accumulation tools, and thus enhance their risk management. Aggregated data using the CRESTA zones is best suited for large portfolios with similar insurance coverages, and full details on a policy-by-policy basis is also essential, as required by the data standard newly published by the China Insurance Regulatory Commission (CIRC).

Yao Qinghai, one of the key leaders of the “Research and Demonstration Project for Risk Prevention Key Technology” of China, and Director of the CIRC Hubei Branch, introduced to the audience the new data standard of CIRC. He said, “this standard has laid a solid foundation for the insurance industry to improve risk management of natural catastrophe insurance, and for establishing a natural catastrophe insurance scheme for China.”

Fan Yida, Secretary General of the Expert Committee of the National Disaster Reduction Commission, and Chief Engineer of the NDRCC pointed out in his speech that “it is important to conduct research and set up data standards for insurance and risk management. NDRCC is working on establishing statistics standards on natural catastrophes.”

On behalf of CRESTA, Dr Junhua Zhou introduced the new CRESTA zoning system and its benefits to the industry.

Qing Zhang, General Manager of the reinsurance department of PICC P&C said during his speech that “improving data standards and transparency is of significant importance to the insurance industry in China and is also to the benefit of each player in this market.”

Besides the reinsurers Swiss Re and Munich Re, representatives from modelling firms and brokers, including RMS, Aon Benfield, Guy Carpenter and Willis, exchanged views with participants through presentations and panel discussions.

Notes to editors

About CRESTA

CRESTA was set up by the insurance industry in 1977 as an independent organisation for the technical management of natural hazard coverage.

CRESTA has set itself the aim of establishing a globally uniform system for the accumulation risk control of natural hazards - particularly earthquakes, storms and floods. Nowadays, widely accepted standards apply throughout the international insurance industry.

CRESTA is administered by the appropriate CRESTA office, which is presently located in Swiss Re premises and can be reached at:

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