

Encyclopaedia of Prudential Solvency

Chapter 7: The Prudential Solvency Regime of China

Introduction

This chapter of the *Encyclopaedia of Prudential Solvency* examines the prudential solvency regime in China. This chapter explores the historical context to China's (re)insurance framework, which is key to understanding its position within the contemporary global (re)insurance market.

In this chapter, we explore how China's reinsurance industry was impacted by centralisation under the People's Insurance Company of China (PICC), and the subsequent economic reforms that heralded a transformational liberalisation, which allowed new domestic and foreign entrants to prosper. The chapter then goes into detail on the current legal and regulatory framework, focusing on the roles and responsibilities of the National Financial Regulatory Administration (NFRA), the People's Bank of China (PBOC) and the China Securities Regulatory Commission (CSRC), as well as the core legislation and regulatory rules that shape market conduct, prudential solvency and consumer protection.

The China Risk-Oriented Solvency System (C-ROSS) is a risk-based capital regime that has transformed the regulatory landscape for insurers and reinsurers operating in China. This chapter discusses the structure and key features of C-ROSS, including its three-pillar approach to quantitative capital requirements, qualitative supervisory standards and market discipline mechanisms. Lastly, recent initiatives aimed at promoting internationalisation and market stability coupled with ongoing reforms (such as the development of Shanghai as an international reinsurance hub) underscore China's commitment to aligning with global best practices, and fostering a resilient, competitive insurance sector that sits at the very top of the market in terms of value and output.

1. Background and Development of the Chinese Insurance Market

The Chinese insurance market has a relatively short history but has rapidly evolved to become the second-largest insurance market in the world.¹ Shortly after the People's Republic of China was founded in 1949, the Chinese government decided to centralise the insurance industry under the PICC, and all private insurers were consolidated into this state-owned group. The prevailing view at the time was that, within a collective economy, insurance was redundant. Payouts were seen as merely shifting funds from one part of the state to another. This led to a significant undermining of the insurance sector during the "Great Leap Forward" (1958-1962), an economic and social campaign led by the Chinese Communist Party. Most of the activities of PICC, the only insurance company, were closed during a 20-year suspension,² and even those which were not completely closed were downgraded.³

Following this, the Chinese government implemented the "reform and opening up" policy from 1978 onwards, with the State Council deciding to resume the insurance business in China. PICC's monopoly was broken in 1988 when the establishment of Ping An Insurance Company of China was approved.

China's accession to the World Trade Organisation (WTO) in 2001 further liberalised the market; the geographical barriers to trade significantly reduced and the Chinese insurance regulators adopted a more open approach.⁴ With China as a member of the WTO, foreign reinsurers were allowed to operate through joint ventures, branches and subsidiaries within the country. In addition, foreign equity restrictions in the broader insurance sector were gradually lifted, allowing foreign investors to hold increasing stakes in insurance companies, eventually permitting wholly foreign-owned subsidiaries.

¹ National Bureau of Economic Research (US), "[Chinese Insurance Markets: Developments and Prospects](#)," May 2023.

² PICC only resumed its independent business operation in 1979.

³ *Ibid.*

⁴ *Ibid.*

Despite its delayed start, China's insurance market has since grown at a remarkable pace — it is the second-largest insurance market globally today in terms of total premium volume, following only the United States.

By 2024, China's total insurance premium income had reached 5.7 trillion Chinese yuan (approximately US\$794 billion),⁵ representing an 11.15% year-on-year increase, and accounting for about 10% of global insurance activities. The market is predicted to become the largest market globally by the mid-2030s, driven by the country's vast population, favourable demographics and rapid economic development.

2. Regulatory Framework

Regulatory Authorities

In March 2023, the NFRA was established as part of the reform of the financial regulatory system of China. The NFRA is a member of the International Association of Insurance Supervisors (IAIS).

The NFRA became the primary regulatory agency responsible for overseeing the entire financial industry in China, except for the securities sector. The NFRA operates under the State Council, China's core administrative authority. Prior to the establishment of the NFRA, the insurance and reinsurance sector was supervised by the China Insurance Regulatory Commission (CIRC) and its successor, the China Banking and Insurance Regulatory Commission (CBIRC).

As the insurance regulatory authority, the main responsibilities of the NFRA include:

- Licensing and supervising insurance and reinsurance companies.
- Formulating regulations to ensure market stability and consumer protection.
- Monitoring solvency, market conduct and risk management.
- Enforcing compliance with laws and regulations.

The PBOC, China's central bank, coordinates with the NFRA to implement macroprudential policies and proposals to address cross-sector financial risks. If an insurer is listed or engages in capital market activities, it may also be subject to supervision by the CSRC.

Primary Sources of Insurance Law

The core legislation governing the insurance sector in China is the *Insurance Law of the People's Republic of China*,⁶ (Insurance Law) which was first enacted in June 1995 and has since been amended numerous times. In addition to the Insurance Law, the regulator has issued and continues to issue a large number of regulatory rules regulating all kinds of matters relating to the establishment, operation and insolvency of insurance institutions.

For foreign investors, the *Regulations on the Administration of Foreign-Invested Insurance Companies*⁷ and its implementing rules are particularly important. These set out requirements for market access, ownership structure, business scope, and ongoing compliance obligations applicable to foreign-funded insurers in China.

⁵ Yicai Global, "China's Insurance Premium Income Rose 5.7% in 2024," February 2025.

⁶ Insurance Law of the People's Republic of China 1995.

⁷ [Regulations of the People's Republic of China on Administration of Foreign-funded Insurance Companies 2002.](#)

3. Market Access and Licensing Requirements

General Restrictions

Insurance Business

Insurers and reinsurers are typically permitted to conduct only those insurance and related businesses that have been authorised by the NFRA.

An insurer is prohibited from simultaneously engaging in both personal insurance and property insurance. Nevertheless, with NFRA approval, a property insurance company may also offer short-term health insurance and accidental injury insurance.

Reinsurance Business

There are no explicit restrictions on ceding risks to foreign reinsurers; however, note the mandatory restrictions referred to in section 5.

Fronting is also not expressly forbidden. The NFRA does not have explicit regulations addressing fronting, aside from certain limitations related to reinsurance. To remain compliant with Chinese law, it is advisable for fronting companies to retain a minimum of 1% to 5% of the risk.

Formation and Licensing of Insurance and Reinsurance Companies

Foreign reinsurers in China primarily operate through branch offices rather than as locally incorporated subsidiaries. The reasons for this are two-fold: China permits and facilitates branch-based operations for reinsurers, and the nature of reinsurance business typically involves fewer retail-facing activities and lower local operational demands compared to primary insurance. Therefore, a branch-based model for foreign reinsurers is both a regulatory preference, and more cost-efficient and administratively straightforward.

To establish a foreign insurance or reinsurance branch office in China, the following requirements must be met:

- Shareholders must have a good operational and financial record.
- There are specific asset and profitability requirements depending on the size of each shareholder's stake and whether the company is domestic or foreign-owned.
- Foreign insurance and reinsurance branches must have a minimum operating fund of 200 million Chinese yuan (approximately US\$27.8 million), fully paid in monetary form. Foreign comprehensive reinsurance branches (covering both life and non-life) require at least 300 million Chinese yuan (approximately US\$41.8 million).⁸

The NFRA approval process is a two-stage process — preliminary approval, then a year to complete preparations, followed by a final application for a business licence.

Foreign-owned insurers and reinsurers follow a similar process and investor qualification requirement. For example, foreign-owned insurers and reinsurers are required to hold total assets of greater than US\$5 billion in the year prior to their application.⁹

⁸ China Law Vision, "Registration Process for overseas reinsurers in China," July 2025.

⁹ Regulation of the People's Republic of China on the Administration of Foreign-Funded Insurance Companies (2019 Amendment).

Foreign Investment and Market Access

China's insurance market is now fully open to foreign investment, with no cap on foreign ownership in life, non-life or reinsurance companies. This is a recent development, as prior to 2020, foreign life insurers were only allowed to own a maximum 50% stake in a joint venture with a Chinese partner of their choice. A different regulatory approach was adopted for the non-life insurance sector, where foreign non-life insurers have been permitted to establish wholly foreign-owned subsidiaries in China since 2003.¹⁰

Despite the openness, there are still several restrictions that act as barriers to entry, including that:

- Foreign investors must invest via insurance operating companies, insurance holding companies, branches of reinsurance companies, or other financial institutions.
- There are asset and profitability requirements, such as the US\$5 billion asset threshold.¹¹
- The home jurisdiction of the foreign investor must have a sound insurance regulatory system, and the investor must demonstrate it is subject to effective supervision by the relevant authority in its home country.
- The foreign investor must meet the solvency standards of its home jurisdiction, and Chinese authorities may require evidence of compliance.

4. The China Risk-Oriented Solvency System (C-ROSS)

Overview and Structure

Following the worldwide move towards risk-oriented solvency regulation, in 2016, the CIRC (predecessor to the NFRA) launched C-ROSS, which introduced a risk-based capital solvency regime for insurers in China. This represented a shift from simple compliance-based capital requirements to a sophisticated, risk-based approach that emphasises the actual risk profile and management quality of insurers.

Subsequently, Phase II of C-ROSS, or C-ROSS II, was officially launched in the first quarter of 2022, with the transition period extended to the end of 2025.

C-ROSS is structured around three main pillars:^{12 13}

- **Pillar 1: Quantitative Capital Requirements:** Pillar 1 sets out the minimum capital that insurers must hold, calculated based on a comprehensive assessment of risk exposures, including insurance risk, market risk and credit risk. C-ROSS prescribes pre-defined weights for these capitalised risks, with additional buffers for other systematic risks that may arise. The quantitative capital requirements under Pillar 1 mainly include five components:

1. **Quantitative capital requirements**, which specifically include:

- i. Insurance risk capital requirements;
- ii. Market risk capital requirements;
- iii. Credit risk capital requirements;
- iv. Macroprudential regulatory capital requirements, which propose capital requirements for procyclical risks, risks of systemically important institutions and other related risks; and

¹⁰ Allbright Law, "CBIRC amended Implementation Rules for Regulations on Foreign-funded Insurance Companies," March 2021.

¹¹ Regulation of the People's Republic of China on the Administration of Foreign-Funded Insurance Companies (2019 Amendment).

¹² Lloyd's, "Update: China Risk Oriented Solvency System (C-ROSS)," September 2014.

¹³ The Geneva Association, "C-ROSS: A Major Reform of China's Insurance Regulatory System," June 2015.

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- v. Regulatory capital requirements, which are capital adjustment requirements for certain businesses or insurance companies based on industry development, market regulation and specific risk management levels within a given time period.
2. **Actual capital assessment standards**, which are the standards and recognition criteria for the asset and liability assessment of insurance companies.
 3. **Capital classification**, which involves the classification of an insurance company's actual capital, specifying the standards and characteristics of different types of capital.
 4. **Dynamic solvency testing**, which involves forecasting and evaluating an insurance company's solvency status over a period of time under basic and adverse scenarios.
 5. **Regulatory measures**, which include the supervisory interventions that regulatory authorities may take for insurance companies that do not meet the quantitative capital requirements, based on different situations.¹⁴
- **Pillar 2: Qualitative Supervisory Requirements:** Pillar 2 addresses four types of uncapitalised risks that are difficult to quantify: operational risk, strategic risk, reputational risk and liquidity risk. Insurers are required to have robust risk management frameworks and internal controls, with the board of directors bearing ultimate responsibility for risk oversight. The NFRA conducts regular and ad hoc assessments of insurers' risk management practices and requires remedial actions if weaknesses are identified.
- The qualitative regulatory requirements under Pillar 2 are designed to address risks that are difficult to measure quantitatively and therefore necessitate the use of qualitative supervisory tools. Pillar 2 consists of four components:
1. **Integrated risk rating**, which involves the regulatory authority's comprehensive evaluation of the insurance company's overall solvency risk level, combining the quantitative assessment of measurable risks from Pillar 1 and the qualitative assessment of difficult-to-quantify risks (including operational risk, strategic risk, reputational risk and liquidity risk) from Pillar 2.
 2. **Risk management requirements and assessment**, where the regulatory authority sets specific requirements for the insurance company's risk management, such as governance structure, internal controls, management framework and processes, and evaluates the insurance company's risk management capabilities and risk status.
 3. **Supervisory inspections and analysis**, which involve on-site inspections and off-site analysis of the insurance company's solvency status.
 4. **Application of supervisory measures**, which include the supervisory interventions that regulatory authorities may take for insurance companies that do not meet the qualitative regulatory requirements, depending on the specific circumstances.¹⁵
- **Pillar 3: Market Discipline Mechanism:** Pillar 3 aims to enhance transparency and market discipline through disclosure requirements and external oversight.

By promoting public information disclosure and enhancing transparency, market discipline is harnessed to address risks that are challenging to manage using the traditional regulatory approaches of Pillars 1 and 2. Pillar 3 tools include: (1) requirements for insurers to publicly disclose information related to their solvency, (2) the establishment of a sustainable two-way communication mechanism between the regulator and market participants, and (3) the issuance of ratings for insurers by credit-rating agencies.

¹⁴ Notice of the China Insurance Regulatory Commission on Promulgation of the Overall Framework of China's Second Generation of Solvency Supervision System (Bao Jian Fa [2013] No. 42), CIRC.

¹⁵ *Ibid.*

Solvency Assessment and Regulatory Measures

Under the C-ROSS framework, the NFRA reviews insurance companies every quarter and gives each a solvency risk rating — A, B, C or D — with A being of satisfactory risk and D indicating the highest level of risk. These ratings are determined by considering factors like the company's core and comprehensive solvency ratios, along with a range of other indicators.

The NFRA will take regulatory measures against insurance companies with:

- Core solvency ratios lower than 50%.
- Comprehensive solvency ratios lower than 100%.
- Solvency risk rating lower than B.

Regulatory measures may include requiring capital increases, restricting business activities and limiting profit distributions. Persistent or severe deficiencies can lead to regulatory takeover, restructuring or even bankruptcy proceedings.

For context, in 2024, insurance companies in China recorded an average core solvency ratio of 139.1% and an average comprehensive solvency ratio of 199.4%.¹⁶ Reinsurance companies generally report higher solvency ratios, with average core and comprehensive solvency ratios of 221.2% and 254.2%, respectively.

Key Features and Innovations of C-ROSS II

The transition period for C-ROSS II will be complete by the end of 2025, and the new regime is expected to strengthen insurers' capital bases and cater to the changing macroeconomic environment in China and the world.¹⁷

Some highlights include the introduction of the following:

- **Look-through approach for complex structured products:** A detailed investigation of underlying assets is conducted to ascertain suitable risk charges. If assets cannot be "looked through," punitive capital requirements are applied.
- **Morbidity trend risk factor:** Addresses the risk of deteriorating health conditions, particularly within critical illness insurance products.

5. Regulatory Requirements for Reinsurance

Overarching Principles

Cedants are obligated to act with prudence and the utmost good faith¹⁸ when undertaking reinsurance business.

Cedants are also required to notify the reinsurer in writing and without delay of any significant information that could influence the pricing and terms the reinsurance agreement. Once the reinsurance contract is in place, the cedant must promptly provide the reinsurer with the following details:

- Major claims.
- Indemnity reserves.

¹⁶Insurance Asia, "China insurance assets rise 13.9% to \$5.03t in Q4 2024," June 2025.

¹⁷Fitch Rating, "C-ROSS Phase 2 Strengthens Chinese Insurers' Credit Profiles," January 2022

¹⁸Article 5, Provisions on the Administration of Reinsurance Business.

- Any other information that could substantially affect the reinsurer's solvency calculations, reserve provisions or expected claims.¹⁹

Life and Non-Life Split

Reinsurance activities are divided into life reinsurance and non-life reinsurance.

With the approval of the NFRA, a reinsurance company may engage in the following types of business:

- Life reinsurance, which encompasses reinsurance business within China, retrocession business within China and international reinsurance operations.
- Non-life reinsurance, which also covers reinsurance business within China, retrocession business within China and international reinsurance operations.
- The company may choose to conduct all or only some of the above business activities at the same time.

(Article 4, Provisions on the Establishment of Reinsurance Companies 2002).²⁰

Reinsurance Contractual Freedom and Mandatory Restrictions

Chinese law generally allows the parties considerable freedom to agree on the terms of reinsurance contracts. In China, both facultative reinsurance and treaty reinsurance are widely used. However, there are certain mandatory restrictions, particularly around the proportion of risk that a reinsurer can assume in specific types of reinsurance arrangements.

For example, when a direct insurer cedes property insurance business through proportional reinsurance, the total share ceded to a single reinsurer for each risk unit cannot exceed 80% of the insured amount or the liability limit assumed by the cedant under the direct insurance contract. This restriction does not apply to aviation and spaceflight insurance, nuclear insurance, oil insurance or credit insurance (Article 19, Provisions on the Administration of Reinsurance Business).²¹

Each insurer is obliged to retain risk within parameters that are commensurate with its financial strength and business volume. These regulatory limits are designed to ensure prudent risk distribution and maintain the overall stability of the insurance sector.

Registration and Qualification of Reinsurers²²

The NFRA places significant emphasis on the qualifications of participating reinsurers. Importantly, any reinsurance company — whether domestic or foreign — that wishes to transact with a Chinese cedant must first register in a dedicated system established by the CIRC. This system has been administered by the Shanghai Insurance Exchange since February 2018.

Obtaining registration as an overseas reinsurer in China involves satisfying (1) the initial qualification requirements; as well as (2) preparation of supporting documents and (3) meeting ongoing compliance obligations.

¹⁹ Article 15, *ibid.*

²⁰ NFRA, "Provisions on the Establishment of Reinsurance Companies," May 2005.

²¹ NFRA, "China Banking and Insurance Regulatory Commission (CBIRC) issued the revised 'Regulations on the Administration of Reinsurance Business,'" July 2021.

²² China Law Vision, "Registration Process for overseas reinsurers in China," July 2025.

Reinsurers must provide accurate and complete information during registration. Any institution that intentionally hides information or provides false information will be excluded from the effective lists and placed on a blacklist. Blacklisted companies are prohibited from conducting reinsurance business in the Chinese market.²³

Although the registration procedure itself is relatively clear, maintaining an active status within the registration system requires timely and consistent renewals (every three months). Upon successful registration, the reinsurer is included on the system's active list, thereby becoming eligible to accept cessions from Chinese insurance companies.

(1) The initial qualification requirements

As part of this process, reinsurers must submit detailed information on their solvency, credit rating, financial strength and other relevant matters, set out below

- **Financial strength:** A financial strength rating of at least S&P A- (or equivalent from Moody's, A.M. Best or Fitch).

This financial strength requirement only applies to the chief treaty reinsurance receiver or the reinsurance receiver with the largest share in the treaty reinsurance. Other reinsurance receivers in the treaty reinsurance shall meet a financial strength rating of at least S&P BBB (or equivalent from Moody's, A.M. Best or Fitch).

- **Capital requirements:** Minimum actual capital plus reserves of RMB 200 million (or equivalent in other currencies).
- **Solvency compliance:** Compliance with solvency requirements in their home jurisdiction.
- **Regulatory record:** No major legal or regulatory violations in the past two years.

(2) Preparation of supporting documents.

Qualified overseas reinsurers are required to compile and provide a comprehensive set of documents and information, which typically includes the following:

- The reinsurer's full company name, registered address and contact information.
- A copy of the business licence or equivalent official registration certificate.
- An operating permit or authorisation issued by the insurance regulatory authority in the reinsurer's home jurisdiction.
- Audited financial statements for the preceding three fiscal years.
- Information regarding principal or major shareholders (top three shareholders).
- Financial strength ratings (while not mandatory, submission is encouraged).
- The total amount of the registered capital and capital reserves.
- Official documentation from the home regulator attesting to the reinsurer's solvency status and ongoing regulatory compliance.
- Information and data concerning any reinsurance business previously ceded from China, if applicable.
- Settlement bank account details.

²³ Chapter 28, Paragraph 4.4.5, "[Research Handbook on International Insurance Law and Regulation](#)," Lloyd's of London, December 2023.

(3) Ongoing compliance obligations

Registered reinsurers are subject to the following ongoing compliance requirements:

- Registration renewals are required on a quarterly basis, with renewals to be completed every three months.
- Essential documents — including audited annual financial statements and evidence of continued regulatory compliance — must be updated and submitted each year.
- Data relating to reinsurance business activities must be refreshed and reported every quarter.
- Any material developments, such as solvency concerns, major corporate restructuring or regulatory interventions, must be reported to the relevant authorities within 15 days of occurrence.

Effective Lists

Based on the assessment in (1) and (2) above, each reinsurer is classified by the NFRA.

The registration system maintains several “effective lists” for different categories, including treaty leaders, other treaty reinsurers, facultative reinsurers, and reinsurance brokers. Only reinsurers included in these lists are eligible for selection by Chinese cedants.

Collateral Requirements

Chinese law does not require a reinsurer to post collateral in a reinsurance transaction. However, under the C-ROSS solvency regime, there are important implications for Chinese insurers ceding business to overseas reinsurers that are not licensed in China. In these cases, unless the overseas reinsurer provides collateral, the Chinese cedant will receive reduced solvency credit for the reinsurance arrangement compared to what it would receive if the business were ceded to a locally licensed reinsurer.

To address this, overseas reinsurers can provide collateral, typically in the form of either:

1. **Bank deposit collateral:** Funds must be placed with an eligible Chinese commercial bank and remain fully accessible to the ceding insurer. These funds cannot be returned to the reinsurer’s account within one quarter of the deposit date unless the underlying reinsurance contract has already been settled.

OR

2. **Standby letters of credit:** Must be issued or confirmed by a bank that meets NFRA’s criteria, ensuring that the collateral is reliable and can be drawn upon if needed.

This framework is designed to protect the financial position of Chinese insurers and ensure that reinsurance recoverables are secure, particularly when dealing with offshore counterparties.

6. Reserves²⁴

Insurance and reinsurance companies are required to set aside and maintain the following: (1) a range of liability reserves, such as unearned premium reserves, outstanding claims reserves and any other reserves mandated by the NFRA; (2) a guarantee fund; and (3) an insurance protection fund.

²⁴ Chapter 28, Paragraph 4.6, *ibid.*

7. Investments²⁵

Insurance companies are generally permitted to invest their funds in bank deposits, bonds, listed company stocks, equity investments, investment funds, real estate, equity and other methods approved by the State Council. The NFRA regulates these investments by setting specific criteria for each investment channel and requiring insurance companies to verify the qualifications of investment targets (for example, the target company for investment might have to have good internal systems and controls and no major compliance breaches in the previous three years). There are also quantitative limits on how much can be invested in each category, such as a cap on investments in nonlisted company equities (which cannot exceed 10% to 50% of the total assets of an insurance company in the preceding quarter, depending on its comprehensive solvency ratio).²⁶

Additionally, insurance companies are prohibited from certain investments, including depositing funds with nonbanking financial institutions, purchasing stocks under special treatment or delisting risk warnings, investing in enterprises or real estate that do not comply with national industrial policies, directly engaging in developing and constructing real estate, and using investment assets to provide guarantees or loans (with limited exceptions for policy-pledged loans).

8. Recent Developments and Market Initiatives

In recent years, the Chinese government has continued to make significant efforts to support the development of the reinsurance industry. In 2024, the total assets of reinsurance companies in China reached 827.9 billion Chinese yuan (approximately US\$116 billion), demonstrating more than 10% year-on-year growth.

Key recent initiatives include:

- **Shanghai as an international reinsurance hub:** In 2024, the NFRA and the Shanghai Municipal People's Government jointly issued guidelines to accelerate Shanghai's development as an international reinsurance hub. These guidelines support the establishment of specialised reinsurance businesses, insurance brokers, and their branches or subsidiaries in the Lin-gang Special Area.²⁷
- **Shanghai International Reinsurance Registration and Trading Centre:** Established in the No. 1 financial hub in China during October 2024, this Trading Centre allows both domestic and foreign reinsurance company branches to establish reinsurance operation centres in Shanghai, offering incentives and support policies for institutions in areas such as establishment and capital increases.²⁸
- **Market openness and new entrants:** In October 2024, the NFRA also approved the establishment of a new property and casualty insurance company jointly founded by a partnership of Chinese and European multinational corporations. On the same day, it granted approval for a large US financial services company to set up an insurance asset management company in Beijing, marking another step forward in China's ongoing efforts to further open up its insurance market.

These initiatives are expected to sustain the strong growth momentum of China's reinsurance sector and enhance its competitiveness and influence as an international reinsurance hub.

²⁵ Chapter 28, Paragraph 4.5.4, *ibid.*

²⁶ Article 2 of the Notice of the National Administration of Financial Regulation on Adjusting the Regulatory Proportion of Equity Assets of Insurance Funds (jin gui (2025) No. 12), NFRA

²⁷ Chambers and Partners, "Insurance & Reinsurance 2025: China Trends and Developments," January 2025.

²⁸ *Ibid.*

Conclusion

The Chinese prudential solvency regulatory framework for insurance and reinsurance is characterised by its robust, risk-based approach under C-ROSS, comprehensive regulatory oversight and increasing openness to foreign investment. Recent reforms, including the establishment of the NFRA and the development of international reinsurance hubs, underscore China's commitment to aligning with global best practices and fostering a competitive, stable market environment.

The ongoing enhancements to capital requirements, risk management standards and market access are expected to further strengthen the sector's resilience and international influence. As China continues to refine its regulatory regime and promote innovation, its insurance and reinsurance markets are well-positioned for sustained growth and a leading role in the global financial landscape.

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