

GLOSSARY

The glossary contains explanations of certain terms and definitions used in this prospectus in connection with us and our business. The terms and their meanings may not correspond to standard industry meaning or usage of these terms.

“actual capital”	The difference between admitted assets and admitted liabilities. Admitted assets and admitted liabilities are calculated in accordance with a series of criteria prescribed by the CIRC to assess the solvency margin ratio of an insurance company
“adjusted net worth”	The market value of assets at the valuation date, after appropriate allowance for tax, in excess of the assets backing the policy reserves on the statutory basis and other liabilities of the life insurance business, plus the equity value (according to PRC GAAP) of other activities
“ancillary agent”	An insurance agent that, in addition to its own business, acts as an agent for insurance companies to conduct insurance business and collects insurance premiums within its authorization. Examples of ancillary agents include banks and PSB, among others
“annuity”	A life insurance under which the periodic payment of benefits is conditioned upon the survival of the insured and made on pre-determined time intervals
“average cost per claim method”	An evaluation method for estimating outstanding claims liabilities with respect to future claims based on the ultimate number of claims and the average amount of claim payment for each accident year which are estimated according to historical claim data
“Bornhuetter-Ferguson method”	An evaluation method for estimating outstanding claims liabilities based on payment for the claims paid and reported claims as well as their expected development in the future
“case by case method”	A method of determining the claims liabilities for reported but not settled claims. Each outstanding claim is assessed case by case to arrive at an estimate of the total payments to be made
“cash surrender value”	The amount available to a policyholder on the surrender of a long-term life insurance policy
“cede”	When an insurer reinsures its insurance risk with other insurers, it “cedes” business
“cession ratio”	The ratio of premiums ceded to reinsurers to gross written premiums or the ratio of insured amount ceded to reinsurers to the amount of insured risk assumed
“chain ladder method”	An outstanding claims liabilities valuation method that projects future claims based on historical development patterns of paid or incurred claims, where the claims data are generally organized by accident year for direct insurers

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“claim”	A demand made by an insured person or the beneficiary of an insurance policy in respect of a loss which may come within the cover provided on the sum insured by the policy
“claims adjuster”	An individual or an entity that determines insurance liabilities and the amount of claim payments, based on its review of claim materials
“commission”	A payment to an agent or broker by an insurance company for service in respect of a sale or maintenance of an insurance product
“embedded value”	The sum of the adjusted net worth and the value of in-force business after deduction of the cost arising from holding the required capital
“endowment life insurance”	Life insurance under which the payment of benefits is conditioned both upon death and survival within the coverage period
“facultative reinsurance”	A reinsurance arrangement covering a single risk as opposed to a treaty arrangement
“gross written premiums” or “GWP”	The amount charged on insurance policies issued or reinsured by an insurer for a given period, without deduction for premiums ceded to reinsurers
“gross premium income”	The insurance premium income based on the statistics from the CIRC
“in-force policy”	A policy that has not been terminated by death, maturity, surrender or otherwise
“life insurance”	All insurance business operated by a life insurance company, such as life, annuity, health and accident insurance, except where the context otherwise requires
“long-term life insurance policies”	Life insurance policies which are greater than twelve months in duration, are not subject to unilateral changes in the contract terms and require the performance of various functions and services (including but not limited to insurance protection) throughout the duration of the policy terms
“minimum capital”	The amount of capital required of an insurance company in order to deal with the adverse effect of asset risks, insurance risks and other risks on its solvency, as derived from calculation prescribed by the CIRC
“morbidity”	Incidence rates of disease of a particular population, varying by such parameters as age, gender and duration of disability

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"mortality"	Rates of death, varying by parameters such as age, gender and health, used in pricing and valuation for future policyholder benefits
"net premiums earned"	Net written premiums less the change in unearned premium liabilities for short term contracts
"net written premiums"	Gross written premiums for a given period less premiums ceded to reinsurers during such period
"non-participating life insurance policy"	Life insurance policy under which the policyholder has no right to share the distributable surplus of the insurer
"participating life insurance policy"	Life insurance policy under which the policyholder is eligible to share the distributable surplus of the insurer through policyholder dividends
"premium"	Payment received on insurance policies issued by an insurance company
"regular premium products"	An insurance product with regular periodic premium payments
"reinsurance"	The practice of sharing or spreading of an insured risk of an insurer, or the reinsurer, by ceding part of the risk to another insurer, or the reinsurer
"reversionary bonus participating products"	Insurance products in which dividends are distributed by way of increases to sum insured
"share premium"	Paid-in capital in addition to issued and paid-up nominal share capital
"single premium products"	Insurance products with a single one-off premium payment
"statutory reserve"	The regulatory reserve calculated in accordance with the relevant CIRC regulations and used for solvency calculation and embedded value assessment
"surrender"	The termination of a life insurance policy at the request of the policyholder after which the policyholder receives the cash surrender value, if any, of the contract
"term life insurance"	Life insurance under which the payment of benefits is conditioned upon death, with a policy duration of a defined period
"treaty reinsurance"	Reinsurance that a reinsurer is obligated to accept, subject to conditions set out in a treaty
"underwriting"	The process of examining and classifying insurance risks, in order to decide whether to accept such risks and the conditions on which the risks should be accepted

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"unit-linked insurance"	A life insurance policy that provides insurance protection feature together with at least one investment account of asset value
"universal life insurance"	A life insurance product that provides insurance protection feature as well as guaranteed minimum investment return
"value of in-force business"	The present value of the projected after-tax statutory profits emerging in the future from the current life insurance business in force less the cost arising from holding the required capital to support the in-force business
"value of new business"	The present value, measured at point of sale, of projected after-tax statutory profits emerging in the future from new life insurance business sold in the period less the cost of holding required capital to support this business
"whole life insurance"	Life insurance under which the payment of benefits is conditioned upon death, with a policy duration of the insured's entire life