

Insurers urged to pay indemnities to snow-disaster victims timely

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China's insurance regulator on Monday stressed that no insurance firms were allowed to reject, delay or cut short compensations for snow-disaster victims without good reason.

The latest meteorological forecast showed that the weather would improve in the next few days, but the compensation work has just started, said Wu Dingfu, head of the China Insurance Regulatory Commission (CIRC).

"The follow-up work is still very arduous. Insurance companies must make full preparation and keep a good mood to embrace future challenges," Wu said.

He urged local insurance firms to streamline compensation procedures for disaster-related claims and pay customers immediately if the claimed amount was small.

He also ordered insurance companies to pay indemnities in advance to the industries key to the disaster-relief work.

So far, worst-hit Hunan Province in central China has reported a total indemnity claim of more than three billion yuan (\$416.7 million), and major insurers, including China Life, Ping An and China Pacific Insurance, have paid an indemnity of 40 million yuan in advance.

Insurers in central China's Hubei Province have received claims of more than 400 million yuan, including claims for the loss of 6,288 fertile sows. The insurers have paid about a quarter of the claims, including 6.28 million yuan to local pig breeders.

The rising pork price kept driving up China's inflation rate last year, and the government then started helping farmers insure their pigs to encourage them to raise more pigs and improve the pork supply.

No pork shortage resulting from the disastrous snow has been reported yet.

Wu Yan, president of the People's Insurance Company of China (PICC), revealed on Monday that his company had paid a total of 309 million yuan in indemnities so far, with more than 50 million yuan given to Hunan.

The money was mainly used to compensate vehicle owners, power departments, people with their houses destroyed by the snow and pig breeders, Wu said.

Persistent snow since mid-January, the worst in 50 years in central, eastern and southern China, has led to death, structural collapse, blackouts, accidents, transport problems and livestock and crop destruction.

The snow havoc has hit 19 provinces, toppled 223,000 homes and damaged another 862,000, according to the Ministry of Civil Affairs.

The ministry said almost 7.8 million people had been affected and at least 60 people had been killed.