

# PICC P&C Risk Mitigation Service Exploration & Practices

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# Management Structure on Risk Mitigation Services

# Work Background



## Report to the 20th National Congress of the Communist Party of China

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- ▲ Enhance public safety governance. Follow the principles of putting safety first and placing emphasis on prevention, and an overall safety and emergency response framework will be established. The public safety system will be improved, and a shift will be driven in public safety governance toward a model of prevention.

## Opinions on Actively Developing Risk Mitigation Services in the Property and Casualty Insurance Industry

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- ▲ Widen areas on risk mitigation services
- ▲ Consolidate risk mitigation service foundation
- ▲ Offer risk mitigation services in accordance with laws
- ▲ Enhance organization and assurance on risk mitigation services



# Work Background

## Risk Mitigation Management

### Risk Equivalence Management

Risk transfer

Total social risks unchanged

Prevention beforehand, proactive intervention

Total social risks decreased

To enhance the risk-resistance capability and lower down risk costs for the society, an insurer invests funds, technology and people to proactively manage the risks of the insured subjects and to assist the insured in lowering down **occurrence probability of insurance accidents or lower down losses of accidents.**

# Management Structure on Risk Mitigation Services

## Product Supply



**Product unit departments such as motor vehicle insurance, commercial group insurance, agricultural insurance and individual non-auto insurance**

▲ Develop Insurance Products with Risk Mitigation Services

▲ Improve supply of insurance solutions based on contents in risk mitigation services

## Service Provision



### Risk Control Department

- ▲ Risk investigation before underwriting
- ▲ Non-Imminent-Disaster Mitigation Services after underwriting

Pre-underwriting

Being Insured



### Claims Department

- ▲ Offer risk mitigation services integrating prevention, rescue and claims reimbursement when disasters approach

Before Disaster

In Disaster

After Disaster



# Management Structure on Risk Mitigation Services





# “Wanxiangyun”, A Risk Mitigation Empowerment Platform





# “Wanxiangyun” Platform Illustration

为牢牢把握国家政策新机遇

# Collect Enormous Data, Build Smart Services



## Technology Analysis Platform

Identify and quantify  
customers' risks



## Operation-Supporting Platform

Provide meteorological info and IoT  
early-warning, directly serving  
customers



## Service Management Platform

Provide digital and online  
management, technological support  
and intelligent decision-making for  
specialized insurance areas such as  
motor vehicle insurance,  
agricultural insurance and  
commercial property insurance



# Core Service Capabilities of “Wanxiangyun” Platform



**Dynamic Risk  
Profiling**

Sketch customers' risk profiles dynamically by gathering internal and external data



**Disaster Risk  
Map**

Analyze spatial disparity of disaster risks comprehensively and enhance disaster risk recognition capabilities, enabling improvement of risk mitigation services



**Risk Control  
Early-Warning  
via Internet of  
Things (IoT)**

Monitor risk factors (water, fire, thunderbolt and dangerous behaviors) in real-time, helping customers to effectively prevent and lessen the occurrence of risk events



**Service  
Scenarios  
Empowerment**

Focus key service areas, use technologies to empower whole process of risk mitigation services

# Dynamic Risk Profiling

## Internal Data

Underwriting      Claims  
Monitoring Early-Warning      On-the-Spot Risk Investigation

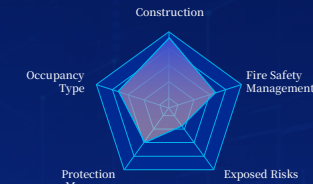
## External Data

Accident Investigation Report      Administration of Industry and Commerce  
Regulatory Punishments      Live Satellite Images  
Enterprise Relationship Diagram  
Litigation Info from Supreme People's Court      Public Opinions  
Historical Disaster Data  
Information on Untrustworthiness      High-Risk Industry Risks  
Information on Credit



## Risk Indices Analysis

### Fire disaster index

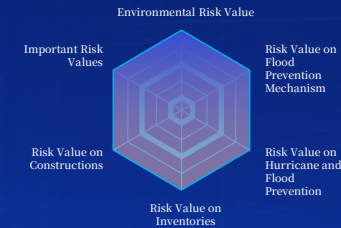


Overall score 65.68

#### Predominant risks

- Remove steel canopy to ensure an effective fire protection distance
- Transfer charging stations to safe outdoor areas
- Enterprises' fire protection mechanisms are inadequate and are recommended to have fire protection personnel

### Flooding risk index



Overall score 98.56

#### Fire safety inspection recommendations

- Pile less goods under drainage pipes
- Enhance maintenance on integrity of drainage pipes
- Clear street gutters/drainage wells prior to flooding season

### Safe Production Index



75.79

Important Risk

19%

Data Integrity

Moderately-high risk

Risk Level

Average

Data-updating Degree



# Dynamic Risk Profiling

## Internal Data

Underwriting  
Monitoring Early-  
Warning

Claims

**On-the-Spot Risk  
Investigation**

## External Data

**Accident Investigation  
Report**

Regulatory  
Punishments  
Administration of Industry  
and Commerce  
Live Satellite Images

**Enterprise Relationship  
Diagram**

Litigation Info from Supreme  
People's Court  
Public Opinions

**Historical Disaster Data**

Information on  
Untrustworthiness  
High-Risk Industry  
Risks  
Information on Credit

## Dynamic Risk Profiling Model

Meteorological  
Disaster Risk  
Index

Disaster Cause  
Identification &  
Categorization

Corporate  
Customers  
Risk Knowledge  
Diagram

Satellite  
Imagery  
Recognition

Penetration  
Recognition on  
Customers in  
Black/Grey  
Customer List

Claims  
Behavior  
Recognition

## Risk Profiling Labels

 Inherent risks

- Contain flammable materials
- Special risks in production processes
- No pads under stored goods
- No automatic fire-extinguishing system

 Safety Management Level

- Credentials of safety management personnel expired
- Inadequate safety management personnel
- Permits expired
- Potential risks of major accidents

 Corporate Credit

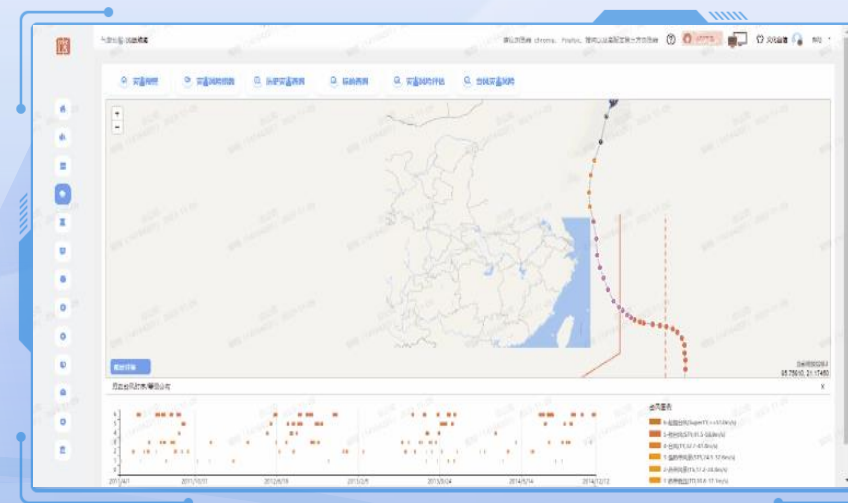
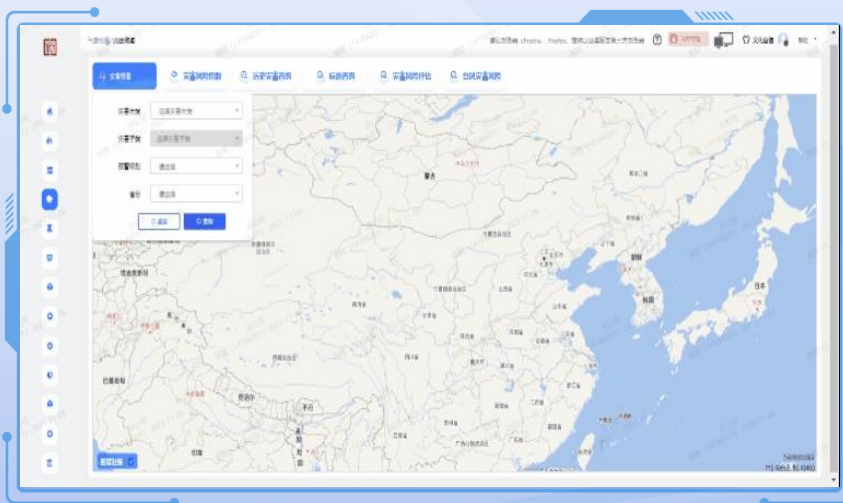
- Moderately-harsh punishments
- More punishments
- Moderately-large fines
- Dishonest judgment debtors

 Regulatory Supervision

- Key production business units under work safety supervision, administration and oversight
- Behaviors violating laws and regulations on work safety
- Administrative punishments

# Disaster Risk Map

## Disaster Risk Map



Disaster Risk  
Index



Level-based  
Disaster Early-  
Warning



Historical  
Disaster Analysis



Disaster Loss  
Assessment



Disaster Loss  
Review

**20** Years  
Historical Disaster  
Analysis

**33** Categories  
Disaster Risk Index

**16** Categories  
Disaster Level-Based  
Early-Warning



# IoT Risk Control Early-Warning

## Real-Time Monitoring

## Early-Warning Processing



Model  
Calculation

Gather  
IoT Data



Projects



Meteorology



Offshore Wind  
Power



biochemical  
monitoring



Cities



Warehousing



Transportation



Enterprise  
Investigation



# Service Scenarios Empowerment

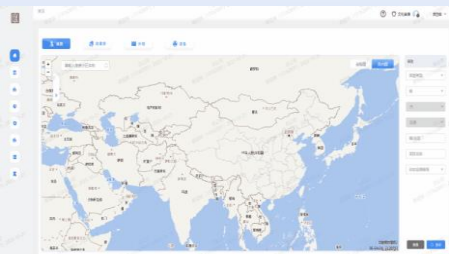
► Service Process  
Going Online

► Service Template  
Going Digital

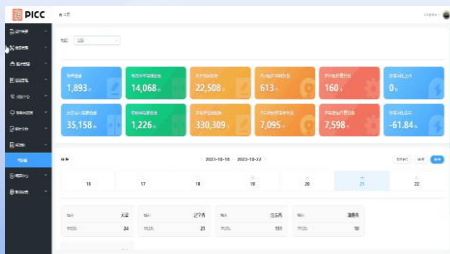
► Service Decision-  
making Going Smart



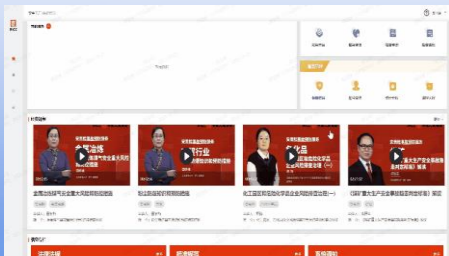
Farmland  
Care



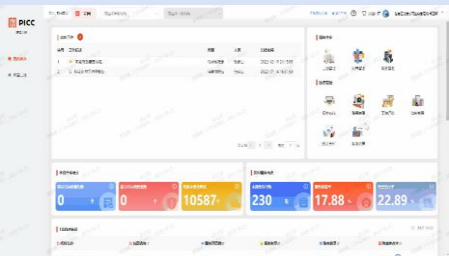
Property  
Keeper



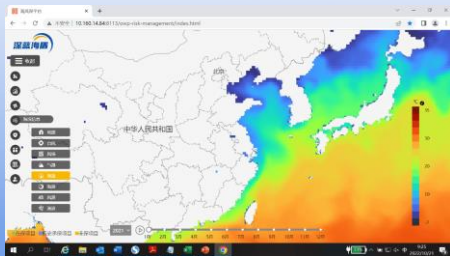
Elevator  
Guard



Safe  
Factory



Smart  
Construction  
n Site



Offshore  
Drilling  
Guard



Safe  
Campus



Intelligent  
Park



Intelligent  
Travel



# **Risk Mitigation Service Practices Before Underwriting and Being Insured**



# Full-Quantity Risk Investigation on Corporate Businesses Prior to Underwriting

## Service Categorization



Digital Risk Investigation



Standard Risk Investigation



Professional Risk Investigation

## Service Implementation

Set up professional team

Full-time risk control personnel

Part-time risk control personnel

Third-party Institutions

Third-party Experts

Conduct operation coordination

Service Plan

Operation Coordination

Index Monitoring

Quality Assessment

Accomplish Investigation Service

▲Hidden Risks Review

▲Fire Disaster Risk Inspection

▲Natural Disaster Review

▲Dangerous Factor Analysis

▲Risk Factor Analysis

▲Risk Inspection during Flooding Season

▲Production Environment Assessment

▲Management Level Assessment

▲Risk Assessment on corporate customer

▲Review Hidden Risks in Accidents

▲Review Hidden Risks in Accidents

▲Risk Management Recommendations

“Wanxiangyun” Platform



# Full-Quantity Risk Investigation on Corporate Businesses Prior to Underwriting

Identify Customers'  
Hidden Safety Risks



Hidden Risk  
Remediation Proposal

Outdoor fire hydrant blocked

No smoking section

Flammable materials close to  
electric power distribution cabinet

Hazardous operations

Multiple case records on accidents

## Fire Disaster

Hidden High Risks & Dangers

## Accidents

Business Risks

A stack of white documents with blue and red text, representing a risk investigation report. The top document is titled '危险公司安全风险数分析报告' (Risk Analysis Report of Dangerous Company).

危险公司安全风险数分析报告			
基本信息		报告日期	
企业名称	危险公司	报告编号	危险报告
报告人姓名	张三	报告日期	2023年10月10日
报告人职位	安全经理	报告地点	危险公司
报告人电话	13800138000	报告人邮箱	zhangsan@danger.com
报告人地址	北京市朝阳区	报告人邮编	100000
一、调查背景			
调查目的	识别危险公司存在的风险	调查范围	危险公司
调查方法	现场调查、访谈、查阅资料	调查人员	张三
调查时间	2023年10月10日	调查地点	危险公司
二、调查内容			
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# Full-Quantity Risk Investigation on Corporate Businesses Prior to Underwriting

## Identity Customers' Underwriting Risks



## Pre-Underwriting risk investigation report

Subjects Susceptible to Typhoon with Higher Intensity Class Measured by Longitude and Latitude

Multiple Typhoon Early-Warnings Issued to Areas Operated in

Poor Drainage Channels

Related to Enterprises on Black List

Restrictions on High-Level Consumption

Land Collateral Record

Violations of Laws and Regulations about Work Safety

### Abnormal Operation

Business risks

### Credit risks

Corporate Credit

### Typhoon

Natural Disaster Risks

### Inadequate Safety Management

Safety Management Level





# Post-Underwriting risk mitigation services



# Case 1

## “Offshore Windpower Risk Mitigation Insurance Technology Platform” assists green energy development



Sum insured served

RMB 300 Bn+



Wind Power Projects

184



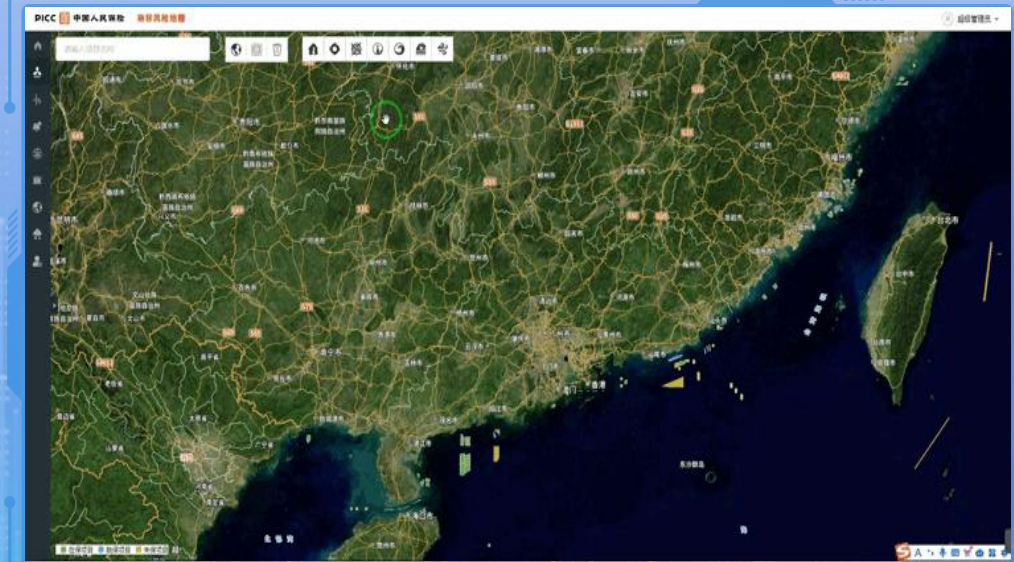
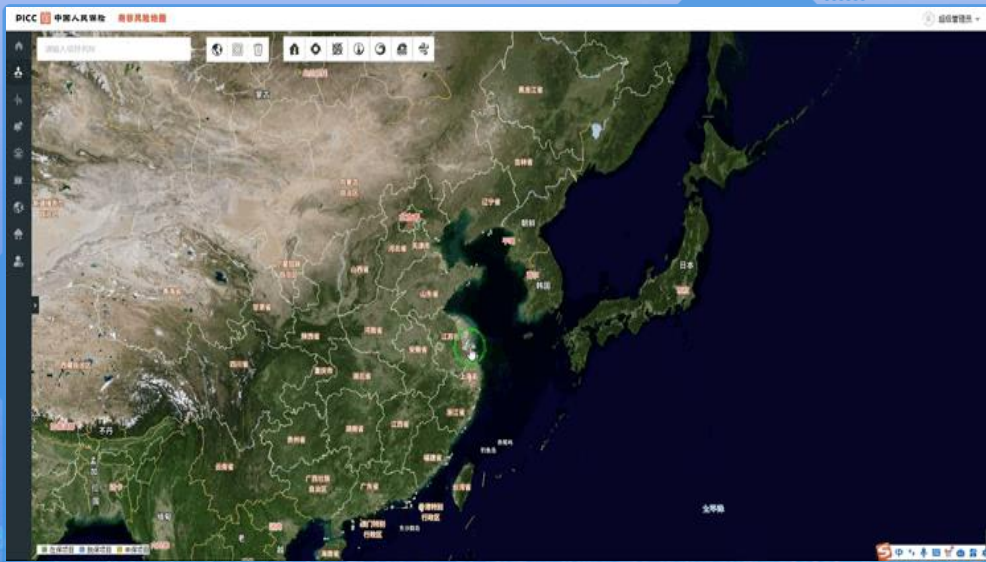
Group Customers Served

19



Early-Warning Services

23 times





# Case 2 Risk mitigation on “Internet of Vehicles”, serving the transport sector



Heavy-load trucks covered

334,100

Risk Early-Warning

By identifying high-risky driving behaviors, high-risky intersections, and a section of highway affected by bad weather, give notifications in real-time to interview. Customer service representatives intervene highest-risk events via telephone calls to lower down accident occurrence probability.

Dangerous Roads

Drowsy Driving

Very Bad Weather

Detection on speedy driving



Dangerous Driving Warnings Issued

23.45 Mn Times



Corrections

19.79 Mn Times



# Case 3

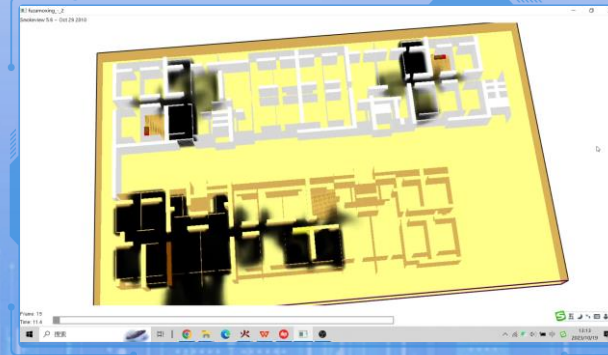
## “Jidianyan” empowers fire disaster risk mitigation

Carry out "Concentration Eye" fire deduction & simulation model training based on characteristics such as air tightness, burning speed, and smoke diffusion, simulate the spread of fire and smoke in the factory, and guide the safety design of the factory and the deployment of fire protection facilities, so as to effectively prevent fires when they occur and to cut off the burning path and quickly control the fire.

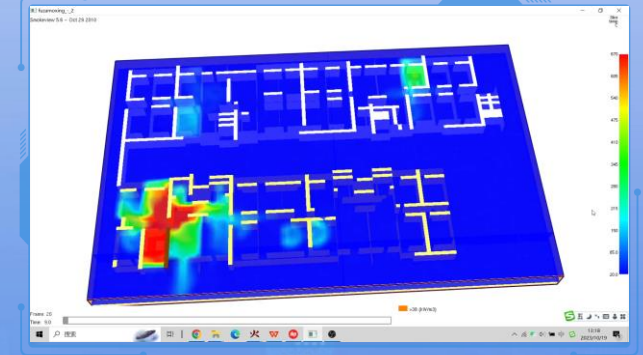
### Fire Deduction & Simulation Model



Factory Space Modeling



Simulation of spread of  
fire and smoke



Simulation on fire  
temperature



# People's Insurance Serves People

# Risk Mitigation Services From Claims Perspective



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# Risk Mitigation on Significant Natural Disasters

PICC resolutely implements the instructions of General Secretary Xi Jinping about flood prevention and disaster relief work by adopting a new business model featuring “insurance + risk mitigation services + technology”. Claims risk mitigation management focuses on four components of “**Protection, Prevention, Relief, and Reimbursement**” which refer to loss prevention prior to disasters, relief offering during disasters, speedy reimbursement after disasters, and risk feedback.



**Time precision**



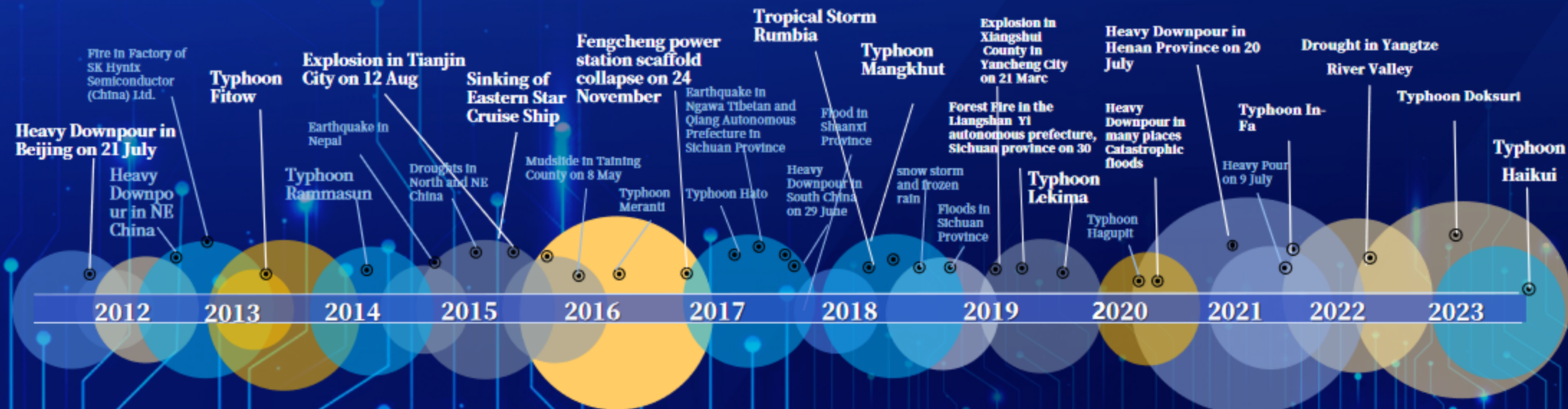
**Subject matter precision**



**Disasters affect accuracy of assessment**



**Effective, targeted and accurate loss-prevention measures**





Conduct contingency actual-combating simulation covering various disasters, scenarios, and insurance categories and develop **36** provincial-level specialized teams for catastrophe contingency claims.



### Actual- combating rehearsal



Rehearsal on  
auto insurance  
in Nanchang  
City in Jiangxi  
Province on 8  
June



### Capability review



Catastrophe  
Rehearsal in  
Wuhan City,  
Hubei Province  
on 5 May

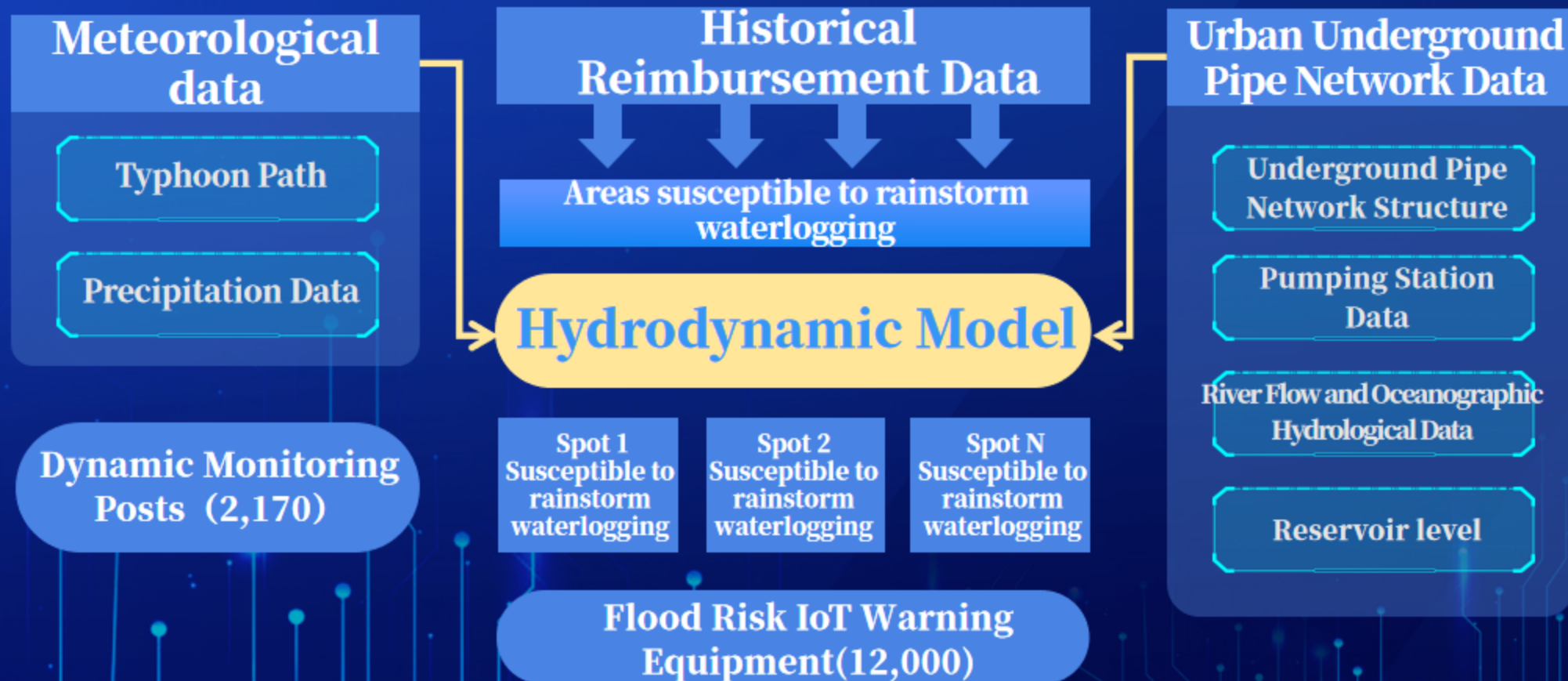


### Government- Enterprise interaction



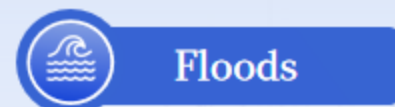
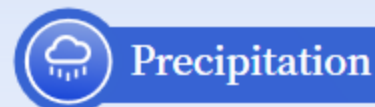
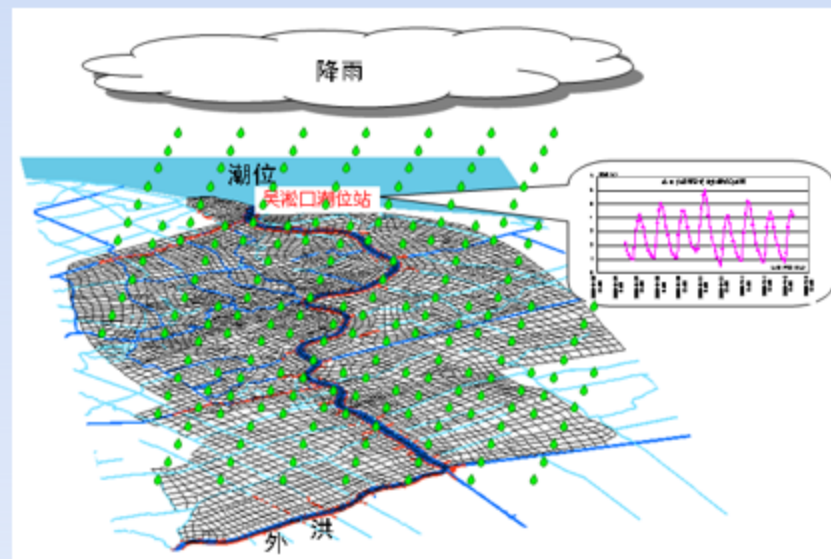
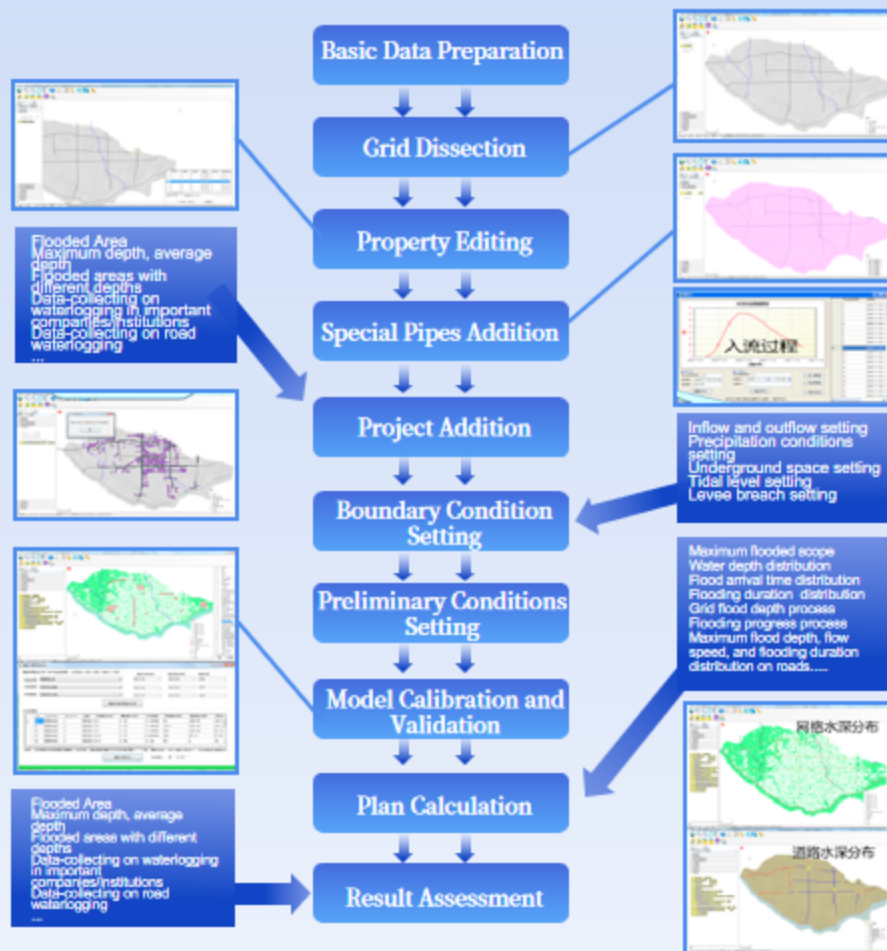
**Risk Mitigation Management Practices  
on Urban Rainstorm Waterlogging:**

Urban rainstorm waterlogging diagram based on multi-space information &  
Application model with real-time monitoring data





### Nanjing City Risk Map for Areas Susceptible to Rainstorm Waterlogging

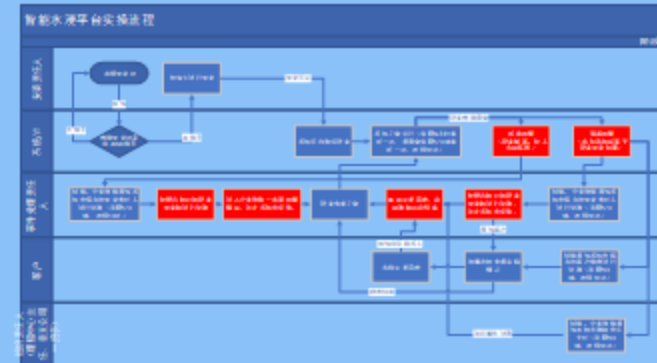
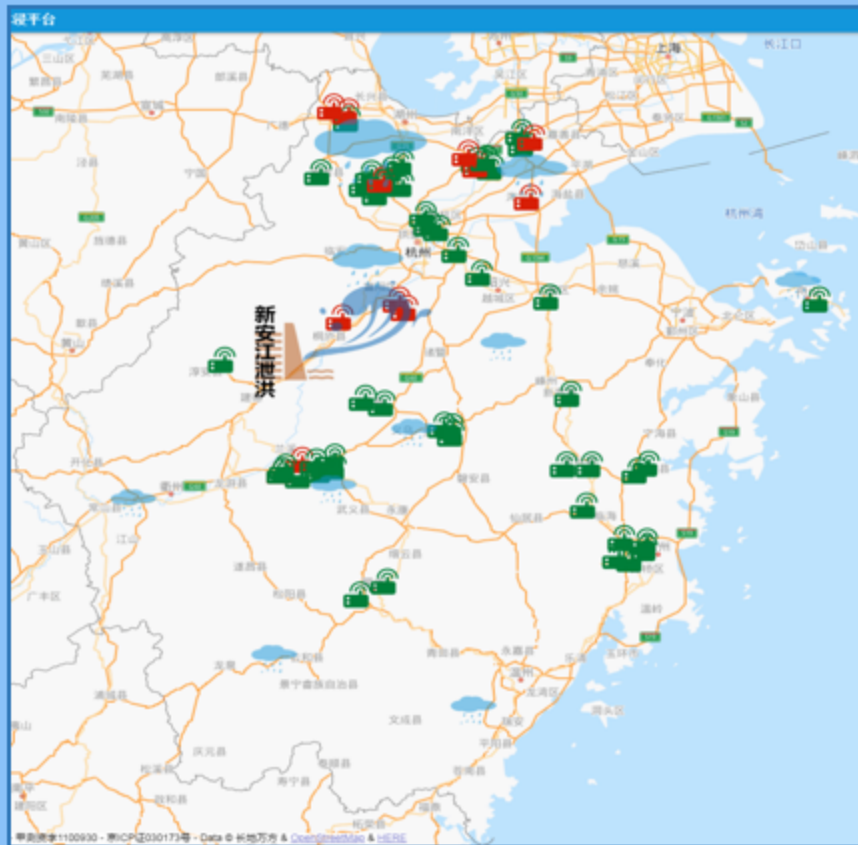


### Wuhan City Risk Map for Areas Susceptible to Rainstorm Waterlogging





# Zhejiang Province Risk Map for Areas Susceptible to Rainstorm Waterlogging



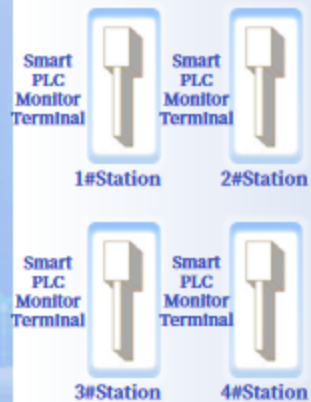
### Flood Risk IoT Warning Equipment and Monitoring Model

Waterlogging information automatic collection devices can monitor depth of waterlogging in real-time. System consists of a centralized monitor system, monitoring stations, and mobile monitoring terminals.

#### Terminal



#### Areas Under Monitoring



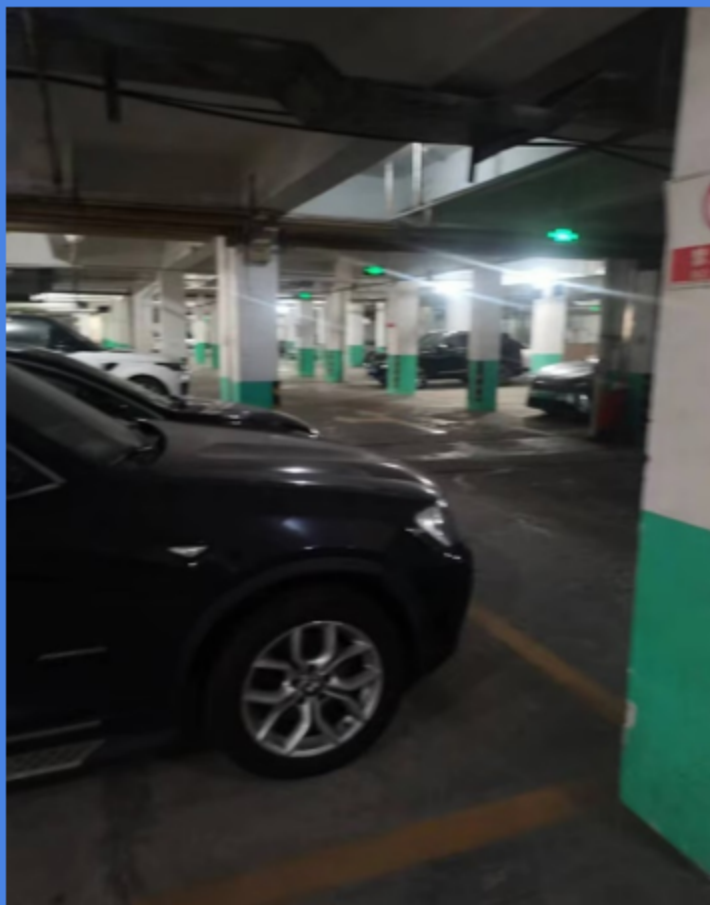
#### Command Monitoring Center



Signal Switch  
Device



A true case in Xiamen City on using Flood Risk IoT  
Warning Equipment



**Actual-combating results:** Prior to the landing of Typhoon Doksuri, innovatively use Flood Risk IoT Warning Equipment and “Road Sweeper” (a special tool) on risk prevention. Assets worthy of more than RMB 1 billion are transferred. Comparing to the losses suffered from Typhoon Meranti in 2016, a total loss reduction of about **RMB 500 million** are

### Case: Typhoon pre-disaster precaution in Xiamen City



**129** vehicles  
transferred



**4800** vehicles transferred  
with notification alerts from  
“Road Sweeper”





### Guangdong Province case:

Five typhoons of Typhoon Talim, Typhoon Doksuri, Typhoon Saola, Typhoon Haikui, and Storm Sanba. Relief staff dispatched **5,132 times**. **2,481 spots** with hidden waterlogging risks patrolled. **4,105 enterprises** inspected. **869 customers** in storage and industrial park areas assisted. Investigation vehicles dispatched **1,432 times**. UAVs flew **323 times**. High-risk parking lots checked/guarded **591 times**. **10,390 short messages** sent.

### Fujian Province Case:

**22107 hectares** of early-season rice for total sum assured of **RMB 165 Mn**. Around **67 hectares** of vineyard of ripe grapes., and more than **53 hectares** of fruit trees for total sum assured of **RMB 12 Mn**. Estimated loss reduction of **RMB 58 million**.



# Catastrophe Panorama :

Before

In

After

Near **5000** road rescue vehicles were mobilized

Near **1500** investigation vehicles were used

**567** ambulance cars were mobilized across provinces, forcefully supporting vehicle support work in places such as Beijing City, Hebei Province, Xiamen City, and Fujian Province.

**40,000** rescue missions

**28** rescue records per vehicle per day

**280** protection sites used

Rescue vehicles arrived at disaster-ridden areas within **24 hours**

**100%** rescue on all vehicles meeting rescue conditions





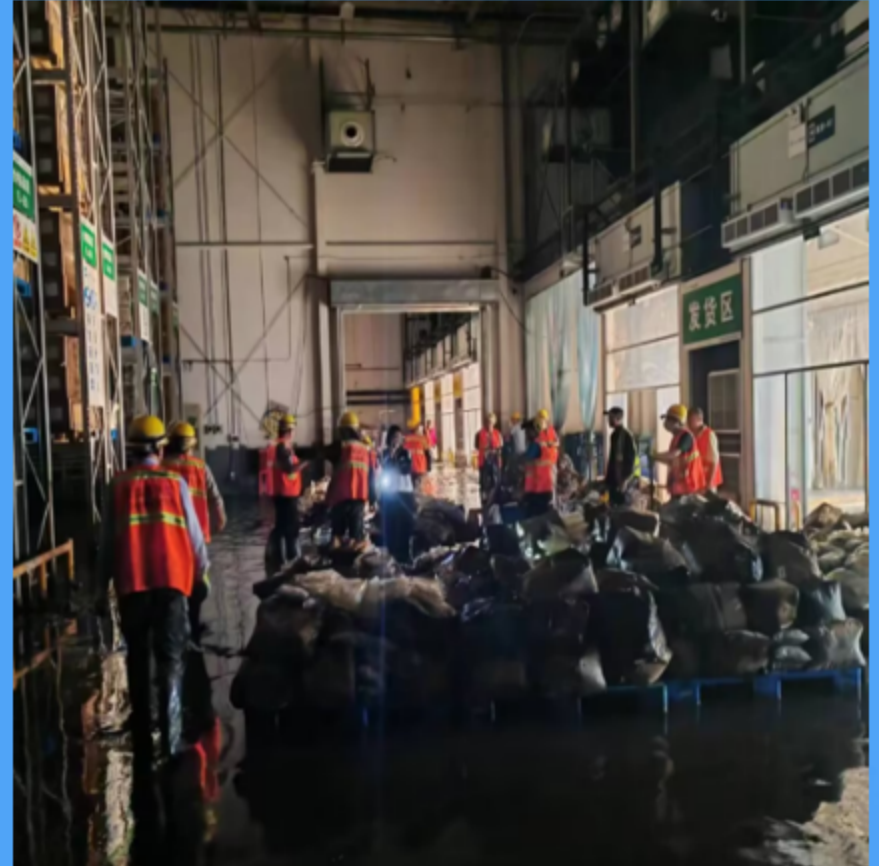
## Catastrophe Panorama :

Before

In

After

During rainstorm by Typhoon Doksuri, one Beijing-based company suffered losses on inventory goods. PICC proactively coordinated third parties in mobilizing 10+ tank pumpers in assisting the customer to pump the waterlogged area.



# Catastrophe Panorama :

Before

In

After

During catastrophes, PICC P&C offers “Four Quick Services” , referring to **Quick Rescue, Quick Assessment, Quick Repair, Quick Claims Reimbursement**, avoiding loss increase and improving customer experience.

Automatic loss assessment, loss verification and claims reimbursement calculation via RPA

Add full automatic claims reimbursement covering loss assessment, loss verification, loss calculation, and claims reimbursement verification



Loss Assessment   Loss Verification   Claims   Reimbursement Calculation



**1,241**  
Cases Processed



Save Human Efforts  
**52 People**  
Per day

Rural House One-stop Claims Reimbursement





In line with requirements of Central Committee of Communist Party of China, the State Council and National Financial Regulatory Administration, PICC P&C sticks to the principles of “special solutions on special events and speedy solutions on speedy events”. Claims reimbursements are made on a need and speed basis with reasonable upfront payment made sometimes, helping the affected general public and enterprises to resume production and life as fast as possible.

### Claims Reimbursement on Wheat in Places including Henan Province for Continuous Rain

With the continuous rain disaster on wheat, PICC P&C fought for 10 days completing claims reimbursements for affected areas, forcefully supporting rush harvesting and drying and shouldering the responsibility of protecting the “Barn Area in Central Plains of China”.

#### 中国共产党

##### 感谢信

中国人民财产保险股份有限公司：

7月27日至8月2日，受台风“杜苏芮”影响，我省遭受了历史罕见的特大暴雨洪灾。习近平总书记对灾情极为牵挂，多次作出重要指示，并主持召开中共中央政治局常委会会议，研究部署防汛抗洪救灾和灾后恢复重建工作，为我们提供了强大政治引领、科学行动指南。在以习近平总书记为核心的党中央坚强领导下，在中国人民财产保险股份有限公司的大力支持下，河北省委、省人民政府带领全省广大干部群众团结奋战，及时启动应急响应，全力投入抗洪救灾，果断扩大转移群众范围，稳妥处置了一系列重大险情，防汛抗洪救灾斗争取得重大阶段性成果，目前正在积极推进灾后恢复重建工作。

守望相助共克时艰，危难时刻更显真情。在我省防汛抗洪救灾过程中，贵公司简化理赔流程和手续，开辟“绿色通道”，快速推进理赔查勘和赔付工作，助力受灾地区 and 人民群众的灾后重建和恢复生产，并为我省应急救援人员

捐赠团体意外险等保险，有效减轻了灾区人民和救援人员的后顾之忧，充分体现了金融央企的责任和担当。在此，河北省委、省人民政府和7400多万人民，向贵公司表示衷心的感谢，致以崇高的敬意！

当前，全省上下正深入学习贯彻习近平总书记视察河北重要讲话和关于防汛抗洪救灾工作重要指示精神，一体推进灾后恢复重建和高质量发展各项工作，衷心希望贵公司一如既往地关心支持河北，帮助我们加快建设经济强省、美丽河北，奋力谱写中国式现代化河北篇章。

— 2 —





## Underwriting: 3,352 Risk Feedback Recommendations



**To Customers: 824,00** risk reports provided



**To Government:** Near **60** times of risk mitigation management recommendations reported



**Disaster claims reimbursement is only one classic scenario for PICC P&C in comprehensively implementing the new business model featuring “Insurance Risk Mitigation Services + Technology” . Risk mitigation services empowered by technology will make claims reimbursement more considerate. Implementation of this new business model will have customers experience a sense of acquisition, help our company to develop a new momentum on high-quality development, delivers results on claims reimbursement and losses reduction incorporated in our financial statements, gaining wide recognition among investors.**

# People's Insurance Serves People



# Technological Empowerment Enhances Service Offering Risk Mitigation Consolidates Food Security

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1

# PICC Agricultural Insurance Business Development



(i)

## PICC implements national policies for boosting agriculture and benefiting farmers comprehensively



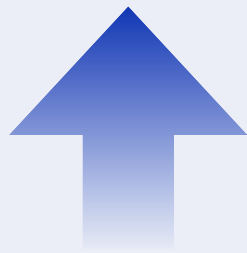
In recent years, our Company has been implementing General Secretary Xi Jinping's important guidance on “Agricultural insurance businesses must be developed well” thoroughly, carrying out risk mitigation service requirement put forward by National Financial Regulatory Administration, focusing on PICC Group's “Eight Strategic Services”, and concretely playing the role as a member in the big state-owned groups and the main force in insurance industry to intensify efforts to develop agricultural insurance, to enhance risk mitigation services, to ensure a stable and safe supply of grain and major agricultural products comprehensively, and to proactively contribute to rural revitalization and the buildup of China's strength in agriculture.

(ii)

## PICC agricultural insurance summary

### 2007-2022 Agricultural Insurance Premium

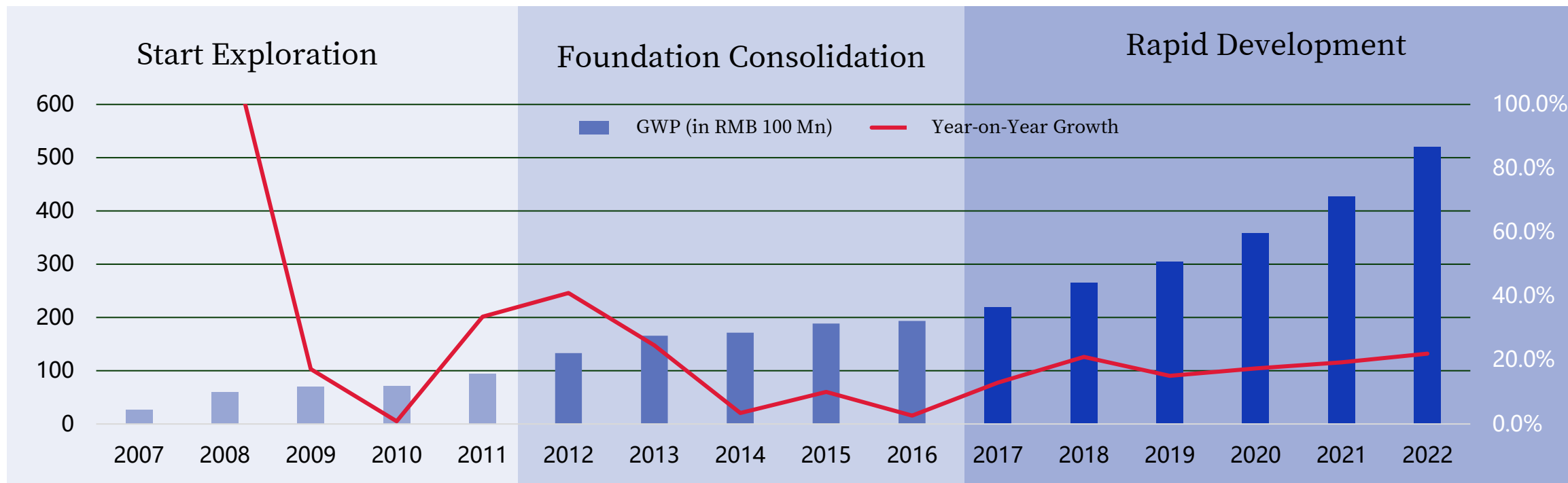
From RMB 2.7 Bn  
To RMB 52.1 Bn



### Premium CAGR

20.3%

Accumulative number of insured agricultural insurance customers (rural household) is **1.6 billion times**.





(ii)

# PICC agricultural insurance summary

## Underwriting Coverage



Businesses Cover  
**All Provinces in China**



**28,000,014 hectares** of food crops underwritten, accounting for **near 30% of three staple grains acreage**



**250 Mn** pigs (head) underwritten, accounting for **35%** of all slaughtered fatten hogs annually



**70,666,702 hectares** of forests underwritten, accounting for **>30%** of area of woods in China

## Market share



2022 Agricultural Insurance Market Share

**42.7%**



Food Crop Insurance

**644 counties in 14 Provinces**  
Secured full-cost insurance and planting income insurance on three staple grains



Protect two cores:  
Seeds & Land

- Seed production insurance offered in 28 Provincial-level branches
- **Innovatively developed** products such as fertility protection insurance product, chemical fertilizer and pesticides application reduction insurance product

(iii)

## Agricultural insurance risk mitigation services brings about great significance



Drought, floods, typhoon, hail, damage from chilling temperature, and plant disease and pests are perennial agricultural disasters in China and there are big differences among regions.



In 2022, the disaster-stricken areas of crops reached **12,000,006 hectares**, exceeding **7%** of total grain seeded area.



**Agricultural insurance** plays important roles in areas such as ensuring food security and promoting the modernization of agriculture industry.



For an insurer, **reducing losses from disasters and damages equals increasing economic benefits.**  
A stitch in time saves nine.



2

# PICC Agricultural Insurance Risk Mitigation Service Practices

# PICC Agricultural Insurance Risk Mitigation Service Practices



Promote Intelligent Disaster Prevention, Technology Guidance, and Closed-loop Management and ensure **“major disasters not necessarily lead to big losses”**.



# PICC Agricultural Insurance Risk Mitigation Service Practices

## (i) Intelligent Disaster Prevention: **Whole process of digital risk mitigation service system for rice**

Develop a digital disaster prevention and loss reduction service platform for rice and construct a **risk mitigation service system** that **knows farming seasons**, enhances farming activities, and optimizes farming services.



Insurance

Technology

Farming  
Services



# PICC Agricultural Insurance Risk Mitigation Service Practices

## Whole process of digital risk mitigation service system for rice

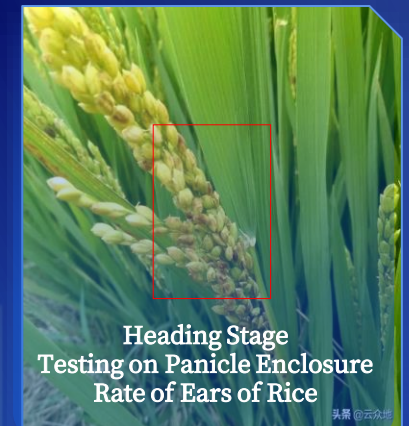
Integrate all links under **farming seasons, farming activities and farming services** organically, significantly improving efficiency and results of disaster prevention and loss reduction.





## (1) Know farming seasons

## Quantitative Monitoring Indicators on Rice Growth



### Heading Stage Testing on Panicle Enclosure Rate of Ears of Rice



## Testing on Rice False Smut

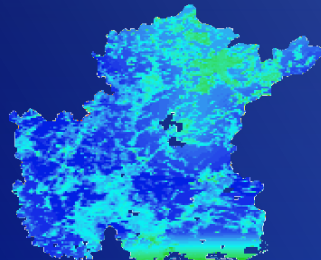


# PICC Agricultural Insurance Risk Mitigation Service Practices

## (2) Enhance farming activities

Construct AI intelligent model to monitor those crops affected by disasters dynamically and to trigger risk early-warnings. After that, experts from different areas interpret and analyze the early-warning results and put forward scientific and reasonable **recommendations on farming activities**.

### Multi-source data collection



Weather: Satellite remote-sensing



Air: UAV patrol



Land: Land Monitoring

### Intelligent Model Inspection



Early detection on abnormal growth



Early prevention and treatment on plant diseases and pests.



Early sensing on meteorological risks.

### Targeted Treatment

### Level-based Diagnosis

#### Crop Spraying



#### Pest Control



#### Fertilizer Application



#### Cropping



#### Soil Treatment



#### Irrigation





# PICC Agricultural Insurance Risk Mitigation Service Practices

## (3) Optimize farming services

Send notification messages about disaster or damage information and farming activity recommendations to farmers, agricultural materials enterprises and farming service providers. Have professional personnel implement disaster and loss prevention measures accurately and efficiently. Ensure an early sensing of disaster damage risks and an early preparation for disaster and loss prevention.



Monitoring through aerospace technology and surface observation  
Realize whole-process custody on crop growth

Agricultural machinery services  
Ensure timely and smooth harvesting

Prior to landing of Typhoon Talim  
Rush harvesting through agricultural machinery



# PICC Agricultural Insurance Risk Mitigation Service Practices

## Disaster Prevention and Loss Reduction on Case of Typhoon Talim

### Pre-Disaster Early-Warning

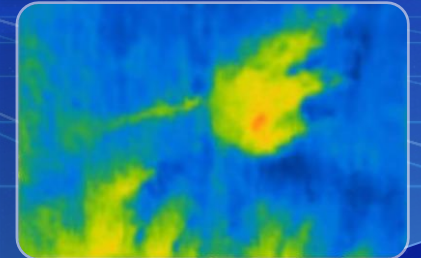
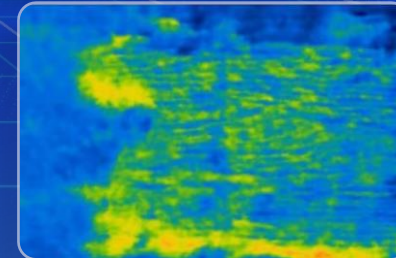
- 110,000 early-warning messages
- 110 flights of UAV
- 4,214 person times dispatched in total

### Loss Evaluation

- Pre- and post-disaster remote-sensing images comparison
- Speedy and accurate evaluation on disaster-stricken areas and extent of damage of rice

### Post-Disaster Rush Harvesting

- >RMB 10 Mn saved
- 318,600 farmers benefited





# PICC Agricultural Insurance Risk Mitigation Service Practices

## Prominent results on Guangdong Province' s integrated system of “Protection+Prevention+Relief+Claims”

Rice Disaster Prevention and Loss  
Reduction Service Centers

15

All set



Rice Disaster Prevention and  
Loss Reduction Projects

183

Accessible for farmers



Disaster Prevention  
Funds Investment

RMB 26.90 Mn

Agricultural materials  
and farming service



Loss Reduction and  
Benefits Increase

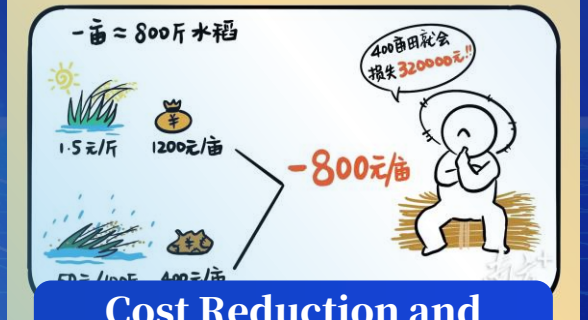
RMB 110 Mn

Help farmers increase income



这支“应急队”，为农民挽回了多少损失？我为老乡算笔账

首页收录 TOP, 热文榜十佳



Cost Reduction and  
Benefits Increase

# PICC Agricultural Insurance Risk Mitigation Service Practices

## (ii) Technology guidance: “Aquaculture Insurance Assistant”, an aquaculture risk early-warning system

- “Water maintenance prior to fish- farming”
- Firstly research and develop an online water quality intelligent monitoring early-warning system:
  - IoT+mobile monitoring devices
  - Collect data on water quality in real-time
  - Embed analysis on underlying big data model
  - Intelligent identification of abnormal water quality
  - Send alerts on risk early-warning
  - Adopt measures on disaster prevention and loss reduction
  - Lower down death probability of freshwater fish





# PICC Agricultural Insurance Risk Mitigation Service Practices



Water Quality  
Monitoring Device



HD Camera on  
Tripod Head



Aquaculture  
Monitoring Platform



Fish Pond Water Quality  
Monitoring WeChat Mini Program

Once the results of indicators such as dissolved oxygen and water temperature are detected as Abnormal, fisher farmers get alerts in the first place. Meanwhile, devices for increasing oxygen level are triggered jointly for rapidly improving water quality and preventing death of large quantities of the subject matters.



# PICC Agricultural Insurance Risk Mitigation Service Practices



Purely taking **Jiangsu Province** as an illustration, more than **RMB 100 million** of losses could be reduced should this platform be applied on all underwritten fish farmers in this province.



# PICC Agricultural Insurance Risk Mitigation Service Practices

## (iii) Closed-loop management:Blockchain-based source-tracing safety service platform on animal source food.

- **Characteristics on pig industry:** People' s life depend on food and pork brings security to people' s life. Pork accounts for more than **60%** of both meat production and meat consumption in China.

Sizable Breeding

Involved Many Farmers

Vast Space

Long Production Chain

- **Pig insurance:** An important measure for ensuring stable production and supply of pigs and promoting modernization development of pig industry.
- Key to a sustainable development of pig insurance business is to **ensure numbers of the enrolled and the claims reimbursed are authentic and accurate.**

Industry Scale

**RMB  
1.7trillion**  
**Main source for  
farmers**

% in total output  
value of agriculture

**16%**  
**No.1 in  
agricultural sector**

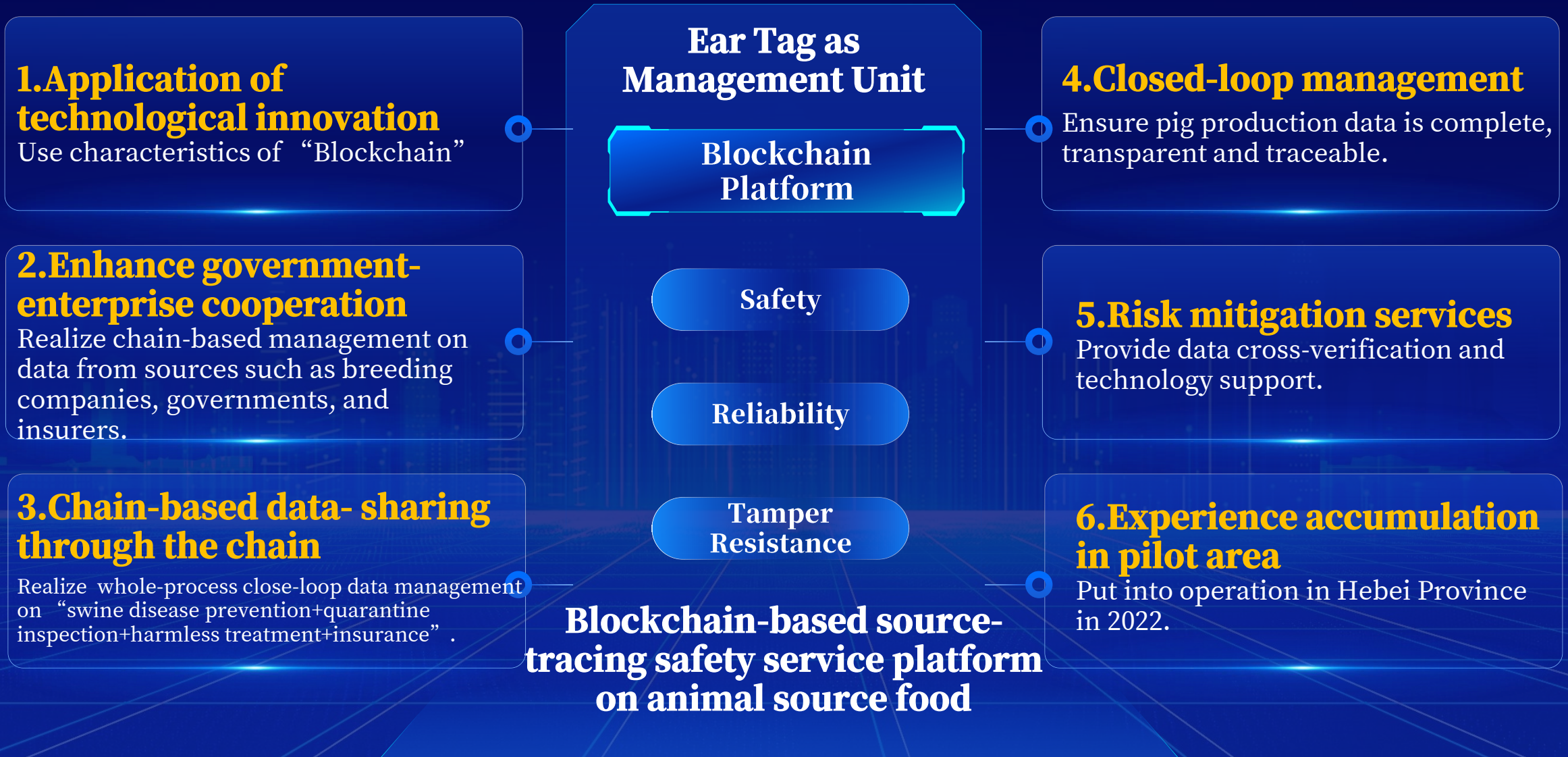
Number of  
slaughtered fattened  
hogs in 2022

**700 Mn heads**  
**Overall stable**

Number of live hogs  
in 2022

**453 Mn heads**  
**Overall stable  
productivity**

# PICC Agricultural Insurance Risk Mitigation Service Practices





# PICC Agricultural Insurance Risk Mitigation Service Practices



**Realize a chain-based closed-loop management and cross-verification on government industry production data and insurance business data.**

## Underwriting

Number of the underwriting = Number of ear tags

## Claim

Number of the claims reimbursed = Number of dead pigs under harmless treatment

## Closed-loop Management

Number of inspected live pigs for slaughter + number of dead pigs under harmless treatment = Number of ear tags

# PICC Agricultural Insurance Risk Mitigation Service Practices





# PICC Agricultural Insurance Risk Mitigation Service Practices

## Upgrading achievement in three aspects

Upgrade from “Reimbursements Afterwards” to **“Loss prevention beforehand”**,  
from “Equivalent-risk management” to **“Decreased-risk management”**,  
from “Pure Reimbursement” to **“Whole process management”**



In Jilin Province, satellite remote-sensing and UAV are used for disaster damage assessment



In Gansu Province, hail-suppression rocket bomb is used for weather modification.



In Hunan Province, large rice farmers get help on pumping irrigation.



3

# PICC Agricultural Insurance Risk Mitigation Service Outlook



# PICC Agricultural Insurance Risk Mitigation Service Outlook



## Efficiently stabilize agricultural insurance performance

Realize the transition from post-disaster passive compensation to pre- and in-disaster active management, extending the service chain and value chain of agricultural insurance, and consolidating competitive edges of the company on agricultural insurance continuously.



## Significantly decrease production losses

Use rigorous and scientific insurance claims procedure to construct an economic compensation mechanism featuring ‘precision dip irrigation of financial offering’ , improving efficiency of the allocation of fiscal subsidies and stabilizing farmers’ revenue.



## Better serve national strategy

Lower down the impact of natural disasters on agricultural production and forcefully support grain harvests in China by setting up an all-angle and all-time risk line of defense and proactively integrating into national agriculture disaster prevention and reduction system.

**Vast World of Agriculture  
and Countryside**

**Brilliant Future on  
Rural Revitalization**





# People's Insurance Serves People

