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Thank you for the kind introduction. It is a distinct honor to be here in Beijing for the 2nd China-U.S. Insurance Summit.

This is my 14th visit to your country. I was last here in 2013 when I addressed students at Peking University, one of the great educational institutions of the world.

Your country admires and supports higher education. So does the United States, and so does the American Council of Life Insurers where I serve as President and CEO. In fact, ACLI provides financial support to Chinese insurance scholars. I'd like to recognize those students who are with us today.

- Shu, Chuo Chin
- Jiang, Shao Fey
- Chian, Yan Hong
- Liu, Shu Yen
- Lee, Yun Chi

China is the perfect location to discuss global insurance issues. China is one of the world's fastest growing insurance markets. Four years ago, China was the world's 8th largest insurance market. Today, you are the world's fourth largest insurance market. Last year, insurance premiums paid by your citizens rose 17 percent. Your country will likely become the world's 2nd largest insurance market by 2025.

Insurance in China has a bright future, in part because you have thousands of years of insurance experience.

China pioneered insurance risk management. About 5,000 years ago, Chinese merchants relied on sailors to transport their goods on dangerous waters. Shipwrecks were common, often resulting in total losses for the merchants.

So the Chinese merchants came up with a way to reduce their shipping risks. They managed risk by evenly distributing each merchant's goods among many ships.

Managing risk ... insurance companies still do that today...5,000 years after the concept was introduced here in China.

The Global Federation represents the interests of 40 regional and national insurance associations around the world. Our members have a significant share of the \$30 trillion in total insurance assets worldwide.

The Global Federation was founded at the request of the International Association of Insurance Supervisors. In developing international insurance standards, the IAIS needed the perspectives of the insurance industry.

We work to speak with one voice. Increasingly, many policymakers around the world look to the Global Federation for its insights in writing sensible and appropriate insurance standards.

I believe one reason the Global Federation is effective is that we remind policymakers that insurance companies do noble work:

- Insurance companies protect individuals, families and communities.
- Insurance companies make world-wide investments that serve to raise standards of living and create employment.
- Insurance companies help communities rebuild after catastrophes.
- Insurance companies provide peace of mind and financial security to retirees.

Our role is vital. But we must never take our work for granted – or assume that others fully understand it.

Let me share one example of how the Global Federation advocates our industry's value in helping both governments and people. The Global Federation works closely with the G-20, which are the heads of state and finance ministers of the world's major nations.

As you know, the Turkish government held the presidency for the 2015 work plan of the G-20. Earlier this year, the G-20's business advisory group, the B-20, released draft policy recommendations related to long-term investments in infrastructure.

The initial recommendations focused on the banking industry as a significant source of capital for infrastructure investment. No mention was made of insurers and private pension providers.

At the request of the Turkish government, the Global Federation helped organize a G-20 event in Turkey. This event emphasized the vital role that insurers have in the world's economy. We provide stable long-term investment by buying long-term bonds. We showed how the bonds life insurers in the U.S. purchase today have an average maturity of over 18 years. These bonds finance economic growth, develop infrastructure, and build hospitals and schools.

We told representatives of the G-20 nations that the laws and regulations for insurers should support insurers and private pension providers as long-term investors in national economies.

Our outreach to the B-20 and G-20 is producing results. It is fair to say that these leaders better understand and appreciate insurers and private pension providers' as long-term investors. Now they value our work. In fact, the G-20 leaders have instructed its own Financial Stability Board to factor into their work the economic role played by insurers.

Now, China is preparing to assume the presidency of the G-20. The Global Federation is planning to visit China next year, just as we visited the Turkish presidency this year. We hope to discuss how the insurance industry can help China and other G-20 nations achieve economic growth and build job creation.

We humbly and respectfully suggest that the Chinese G-20 presidency keep the longstanding G-20 goals of infrastructure investment and financial inclusion.

Financial inclusion means working to provide benefits of growth and prosperity to all segments of society. Insurers wholeheartedly support inclusiveness. In fact, the Global Federation has a working group focused on financial inclusion. This group promotes the delivery of insurance and risk protection products to disadvantaged and low-income sectors of society.

Micro-insurance is a specific example of financial inclusion.

Micro-insurance helps the poor. It is an affordable way to cover a range of risks, such as death, disability and property damages.

Consider a farmer in an undeveloped country working a small parcel of land. A flood, a drought, or perhaps the loss of a team of oxen can cause great economic harm. Without insurance, the farmer risks his life's savings when calamity strikes. With insurance, that farmer transfers risk to an insurance company and is able to plant crops next season, even after a catastrophic loss.

Micro-insurance can introduce our products to the world's three billion citizens who are currently underinsured or uninsured. Financial inclusion needs to remain a G-20 goal.

We also hope that China will lead the G-20 on the issue of aging societies and retirement security. Global populations are aging rapidly. The number of people worldwide over the age of 65 will more than double by 2050. And many governments are feeling the heavy stresses of supporting their elderly populations. New solutions are required ... solutions that require partnerships between the private and public sectors so that a dignified retirement is achievable for everyone. The issue of retirement security is consistent with China's culture of treating its elders with dignity.

My point is simple. Anybody can identify problems. Not everyone can offer solutions. Insurers do. Insurers offer solutions to many of the world's greatest problems. Natural catastrophes, aging populations and decaying infrastructure need solutions that insurers can provide.

Governments around the world see these same trends. Insurers offer innovative solutions that augment government safety nets. Our innovations, our creativity, our outreach is needed now more than ever.

My vision is for leaders in China and, in fact, around the world, to view insurers as problem solvers. Citizens around the world will benefit from this partnership. A healthy and sustainable insurance industry is essential so that governments can concentrate on helping those with the greatest needs.

Insurers are willing to be partners and problem solvers. The significance of this second China-U.S. Insurance Summit is that there is mutual interest in strengthening partnerships and problem solving.

Thank you.