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China Insurance & Reinsurance

Steptoe & Johnson LLP has one of the world's largest insurance and reinsurance law practices, with more than 80 lawyers worldwide. Our clients include insurers, reinsurers, intermediaries, and other corporations from Asia, the United States, Bermuda, and Europe.

With insurance and reinsurance lawyers in China, the United States, and the European Union, Steptoe is well-placed to help the industry with China-related issues.

Getting into business in China

We advise insurers and reinsurers on doing business in China (both the mainland of the People's Republic of China and the Hong Kong Special Administrative Region). This includes providing general advice on the Chinese business environment as it relates to insurance and specific advice on all aspects of market entry, including establishing a representative office, investing in domestic Chinese insurance companies or foreign invested insurance companies, structuring employment contracts, and advising on tax exposure.

Drawing on many years of experience, our involvement ranges from providing clients with a comprehensive understanding of the legal and commercial environment, to negotiating joint ventures or investments in existing Chinese insurers and reinsurers, to setting up wholly-owned Chinese insurance and reinsurance companies. For example, we have:

- advised on the establishment of a domestic Chinese life insurance company in Beijing;
- advised on the establishment of property and casualty insurance and reinsurance entities in Shanghai and Beijing;
- assisted with the 22% investment by a foreign insurer in a property and casualty insurer located in Beijing; and
- advised on investment of foreign shareholders in a Chinese reinsurer.

Conducting business in China

For insurers and reinsurers who already have established operations in China, we provide help with Chinese insurance regulations, as well as more general laws, regulations, and practices which affect their operations. For example, we recently advised on the consequences of having exceeded the client's permitted scope of underwriting.

The firm has strong international experience of advising on regulatory issues, such as tax treaties, US Office of Foreign Assets Control sanctions, export controls, corruption, and anti-money laundering. In China, we have assisted

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with implementing Foreign Corrupt Practices Act compliance programs for insurers and advised on local bribery and anti-money laundering issues.

Advice on insurance and reinsurance agreements and structures

Chinese insurance risks are underwritten by insurers located in China, with certain risk being ceded to reinsurers located in mainland China or in offshore jurisdictions such as Hong Kong, Singapore, or elsewhere.

Step toe advises on the restrictions which apply to overseas reinsurers who wish to cover interests in risks located in China, including structured policies and fronting arrangements.

We also assist with underwriting and policy wording issues and have participated in drafting bilingual Export Product Liability and D&O wordings for use in the China market.

Claims and disputes

We advise on insurance and reinsurance claims. Steptoe's lawyers have conducted litigation of insurance claims and institutional and ad hoc reinsurance arbitrations in Hong Kong. We have also assisted with reinsurance disputes submitted for institutional arbitration in mainland China. Arbitration is gaining ground for resolution of insurance disputes in China, and one of our team members in China is on the panel of arbitrators of the Shanghai Arbitration Commission, which includes the Shanghai Court of Financial Arbitration. Our international insurance and reinsurance disputes practice is extremely strong, and we have advised reinsurers on potential exposure to liabilities arising in China (for example, for product liability risks).