



Introduction of the new SALI law

Tao Qian
Renmin University

Orlando, United States
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Statutory Automobile Liability Insurance

- **Agenda**

- Development of SALI
- Introduction to SALI law
- Rating of SALI
- Distinctions between SALI and commercial TPL

Statutory Automobile Liability Insurance

■ Development of SALI

| Date | Event |
|--------------------|--|
| 1999 | Statutory automobile liability insurance was listed on the legislation program |
| May 1st 2004 | Requiring all motor vehicles must be covered by SALI. In addition, owners of motor vehicles may buy voluntary TPL insurance on themselves. |
| March 28th 2006 | Automobile traffic accidents statutory liability insurance clause was promulgated |
| July 1st 2006 | SALI was promulgated formally and came into force on that day. |

Statutory Automobile Liability Insurance

- **Introduction of new SALI law**

- [Underwriting](#)
- [Loss payment](#)
- [Management of SALI](#)



Statutory Automobile Liability Insurance

■ Underwriting

- Coverage offered by 24 qualified domestic insurers
- Gross tariff premium
- Uniform premium on a countrywide basis
- Separate statutory reporting and operating mechanism
- Experience rating basis (BMS)
- Policy year



Statutory Automobile Liability Insurance

■ Payment

- Pay for BI, PD, Death

- Uniform liability Limit

- When the insured is at-fault

- For death 50,000RMB
- For medical expense 8,000RMB
- For property loss 2,000RMB

- When the insured is not at fault

- For death 10,000RMB
- For medical expense 1,600RMB
- For property loss 400RMB

- No deductible

- Establish the traffic accidents salvation fund



Statutory Automobile Liability Insurance

■ Management

- CIRC is in charge of the management
- Unqualified insurers
- The management of SALI is not sufficient
- Motorcycles not covered by SALI



Statutory Automobile Liability Insurance

- **Rating of SALI**
 - Rating factors
 - Usage
 - Number of seats
 - Tonnage
 - No premium discount allowed
 - BMS
 - Not clear yet

Statutory Automobile Liability Insurance

■ Comparison of Premium levels

■ SALI

| Number of seats | Premium |
|-----------------|---------|
| less than 6 | 1050 |
| more than 6 | 1100 |

■ Commercial TPL

| Number of seats | Premium for different insurance limit | | |
|-----------------|---------------------------------------|---------|---------|
| | 50,000 | 100,000 | 150,000 |
| less than 6 | 671 | 940 | 1060 |
| more than 6 | 573 | 803 | 906 |

Both tables are based on the private family use motors and the unit is RMB

Statutory Automobile Liability Insurance

- **Distinctions between SALI and commercial TPL**
 - Compulsory
 - No-fault coverage
 - Covered perils and exclusions
 - No-loss, no-profit
 - Different liability ,different limits
 - Uniform premium and renewal premium