

Mainland China Predictions 2026

Financial liberalisation will accelerate insurance collaboration

Since March 2025, the National Financial Regulatory Administration of China has abolished the US\$2 billion total asset threshold for Hong Kong and Macau financial institutions investing in mainland insurers, signalling not only a new stage of opening-up but also a fresh source of momentum for the industry. Looking ahead to 2026, a broader spectrum of smaller Hong Kong and Macau institutions is expected to enter the market, bringing with them more diverse governance practices and innovative approaches. Cross-border collaboration, particularly within the Greater Bay Area, is set to gain pace in health, pension and green insurance, directly addressing the pressing societal needs of an ageing population and the green transition. Meanwhile, wider foreign participation is likely to elevate disclosure standards and strengthen governance frameworks, thereby enhancing public trust in the sector. Overall, this policy both widens the channel for overseas capital and conveys China's firm commitment to deepening financial liberalisation, with its social impact unfolding through cross-border integration, support for the real economy and improvements in public welfare.

Low-altitude economy insurance will expand

In 2025, major Chinese insurers launched products covering drones and other low-altitude aircraft, reflecting Beijing's policy drive to develop the 'low-altitude economy'. With strong regulatory support for drones, logistics applications, and urban air mobility, the insurance sector is moving quickly to roll out liability and property covers tailored to this emerging field. Likely claims scenarios include bodily injury to third parties, property damage in congested cities, and product liability linked to drone components or software systems. A systemic failure in air-traffic management could result in multiple simultaneous incidents, exposing reinsurers to concentrated, catastrophe-style losses. Going forward we expect litigation to test the scope of exclusions relating to 'experimental flight' activities, cyber-hacking, and other technology-driven risks. Courts may also face challenges in allocating liability where responsibility is split between operators, manufacturers, and system providers. The rapid expansion of this sector underscores both the opportunities for insurers to capture growth and the heightened legal and underwriting complexities that will shape market practice.

Catastrophe risk management will be digitised

In 2025, Ping An P&C launched the EagleX Global platform, integrating satellite imagery, risk mapping and AI-powered alerts. Its early success during the Beijing hailstorm demonstrates a shift in China's insurance sector from reactive compensation to proactive prevention. Looking ahead to 2026, such tools are set to become mainstream, enabling insurers to mobilise adjusters faster, cut disputes, and guide businesses and households to act early - whether closing factories or moving vehicles - to avoid losses at source. The impact reaches beyond claims efficiency: by reducing the need for extensive post-disaster reconstruction, EagleX also helps conserve resources and mitigate environmental damage, aligning with the broader push for green development. Reinsurers are likely to make these capabilities a precondition for capacity. Insurers, in turn, must strengthen governance through customer consent, encryption and deletion protocols. Those able to deliver a 'detect-decide-deploy' cycle within 24-48 hours will stand out not only on cost and client retention, but also on their environmental and social credentials.

Growth and openness will reshape China's insurance and reinsurance landscape

China's insurance market continues to demonstrate remarkable growth momentum. In 2024, nationwide premium income exceeded RMB5.7 trillion (US\$800.6 billion), representing an 11.5% year-on-year increase and underscoring the resilience of insurance demand despite broader economic pressures. Rising risk awareness among households and the expanding need for liability, health and property protection among corporates suggest that, by 2026, premium growth will continue to outpace the wider economy. At the same time, the rapid rise of the Shanghai International Reinsurance Exchange is reshaping the market landscape. By September 2025, 118 institutions had secured trading seats, including 28 foreign participants, highlighting its emergence as a hub for cross-border risk diversification and capital allocation. Looking ahead, regulatory innovation and real-time clearing mechanisms are expected to catalyse further co-operation between domestic and international players, cementing China's growing influence in the global reinsurance arena. For insurers worldwide, this represents both an entry point to the Chinese market and a strategic opportunity to enhance international risk management and collaboration.

Insurance law reform will gather pace in 2026

Under the State Council's 2025 Legislative Work Plan, the draft amendment to the Insurance Law has been listed as a key proposal to be submitted to the Standing Committee of the National People's Congress (NPC). The National Financial Regulatory Administration has likewise confirmed in recent public statements that the revision process is accelerating. Although the full draft has not yet been released for consultation on the official NPC website, industry debate has centred on two main themes: (1) strengthening capital requirements, solvency standards and corporate governance in line with a risk-based supervisory approach; and (2) elevating consumer protection by setting out stricter rules on product suitability, disclosure of exclusion clauses, claims settlement deadlines and transparency. In essence, this reform represents not only an upgrade of the 2015 version of the Insurance Law, but also a co-ordinated step alongside the Financial Law and the Financial Stability Law. Its ultimate aim is to reinforce systemic resilience while striking a more refined balance between insurers' operational flexibility and the protection of policyholders.


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