

Reply of China Insurance Regulatory Commission on Relevant Issues concerning the Understanding of Article 27 of the Insurance Law

(No. 249 [2008] of China Insurance Regulatory Commission)

The Insurance Regulatory Bureau of Dalian:

Your Request for Instructions on Whether the Court's Understanding of Article 27 of the Insurance Law is Correct (No. 70 [2008] of the Insurance Regulatory Bureau of Dalian) has been received. Upon deliberation, we hereby reply as follows:

With regard to the understanding of the time limit of "two years" and "five years" provided for in Article 27 of the Insurance Law, the basic viewpoints of the Municipal People's Court of

Dalian is tenable. The time limit specified in Article 27 of the Insurance Law is the time limit for the insured or beneficiaries to claim compensation of insurance payment against the insurers on the basis of the insurance contracts, which belongs to the extinctive prescription of claims in legal theory, and is different from the limitation of action for requesting people's courts to protect civil rights as provided for in the General Principles of the Civil Law. And the two do not conflict with each other and have their own independent legal effect.

The above opinions are for your reference.

China Insurance Regulatory Commission

August 25, 2008