

On the implementation of the

Decision on Compulsory Property Insurance and Compulsory Passenger Insurance

(Promulgated by the GAC of the Central People's Government on February 3, 1951)

1. In order to protect state property from loss due to unexpected disasters and to ensure that passengers who suffer accidental injuries receive compensation, it is decided to implement compulsory insurance for the property of state organs, state-owned enterprises, and cooperatives at or above the county level (or district level or above in cities), as well as for passengers traveling by train, ship, or airplane.

Second, the People's Insurance Company of China will be designated as the legal authority responsible for administering compulsory insurance. In addition to paying fees and compensation according to regulations, the People's Insurance Company of China will implement proactive disaster prevention measures and be responsible for regularly inspecting and providing guidance on disaster prevention equipment for insured units. Each insured unit will be required to accept these recommendations and actively improve its disaster prevention equipment. The People's Insurance Company of China will also allocate a portion of its premium income to specifically support improvements in public firefighting equipment and transportation safety facilities in cities.

3. Insurance expenses incurred by state agencies, state-owned enterprises, and cooperatives may be included in their budgets for reimbursement or calculated as costs. Passenger accident insurance will be purchased by the competent authorities of railways, ships, and aircraft. Following the promulgation of this Decision, if any state property that is eligible for insurance is not insured and suffers a disaster resulting in no compensation, the responsible persons of the relevant departments will be severely disciplined.

4. Various insurance regulations and insurance premium rates shall be formulated by the People's Insurance Company of China and implemented after approval by the Finance and Economics Committee.