



深圳市标准技术研究院  
标准化应用研究所

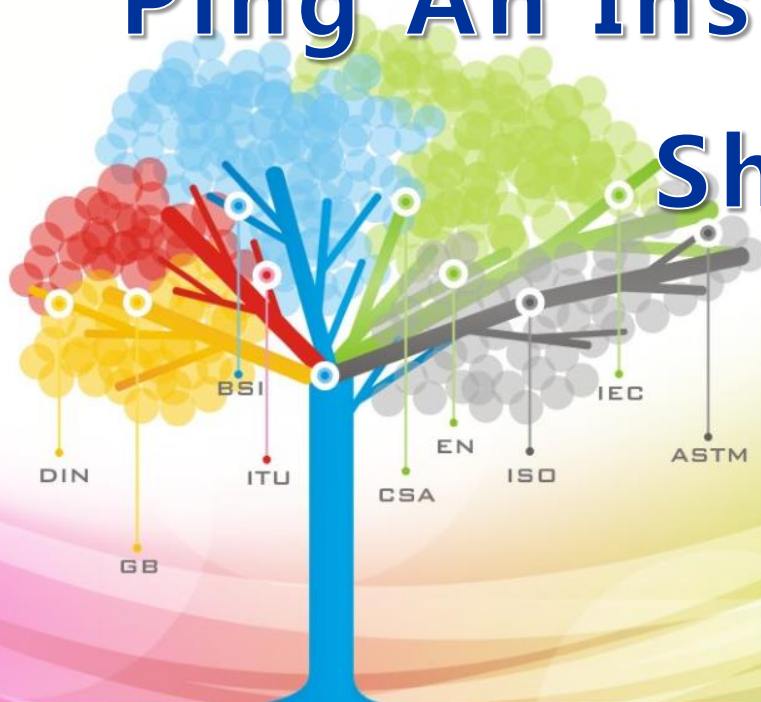
Standardization Application Research Centre of  
Shenzhen Institute of Standards and Technology

# Non-economic benefits of

## standards:

### Case study of

# Ping An Insurance Company, Shenzhen



Shenzhen Institute of Standards and  
Technology (China)

# Summary

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- **Background and objectives of the project**
- **Four steps in the assessment**
- **Conclusions**

# Background

## Objective

- Assess the non-economic benefits of **Ping An Property and Casualty Insurance Company of China, Ltd.**

## Approach

- ISO methodology

## Duration

- June - October 2013

# Four steps in the assessment

1

## Understand the value chain

- Clarify industry boundaries
- Understand the industry value chain
- Select assessment samples
- Analyze the company value chains

2

## Identify the impacts of standards

- Identify the functions that are most affected by standards
- Determine the standards used in the key functions

3

## Select the key operational indicators

- Identify the key value drivers
- Select the key operational indicators
- Describe specifically how standards affect each key operational indicators

4

## Quantify the benefits of standards

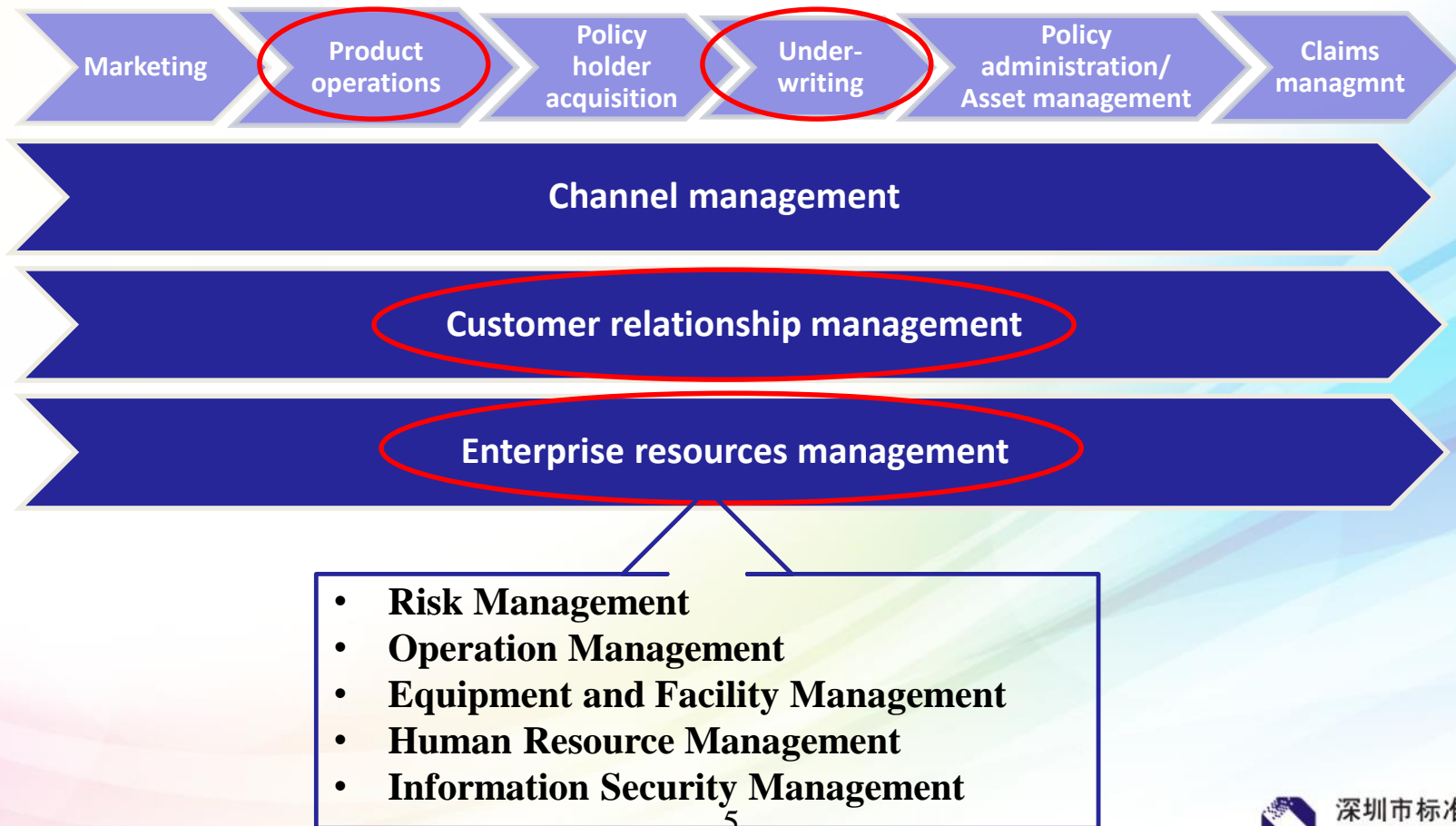
- Quantify the most important impacts of standards
- Calculate the non-economic benefits



中国平安  
PING AN OF CHINA  
专业·价值

# Step 1: Analyze the value chain

## Value chain (simplified):



# Step 2: *Select key value drivers*

Value Driver	Description
Provide customers with sustainable financial services	Guarantee business consistency of financial services through risk management to meet client's long term benefits
Ensure quality of products and services	Provide clients with a high quality of financial services, handle claims, complaints and disputes effectively and efficiently to improve the satisfaction of clients and build a better relationship with them
Ensure security of client information	Ensure security of client information through sophisticated information security management systems
Ensure good occupational health and career development for employees	Focus on the mental and physical health of employees, create a good working environment and provide them with professional career training
Ensure efficient energy saving	Manage energy reduction, reduce energy consumption and carbon emissions, help enterprises to achieve energy conservation and emission reductions

# Step 2: *Determine the scope of the assessment*

Value Driver	Related Business Function
Provide customers with sustainable financial services	Enterprise resource management--Operation management
	Enterprise resource management--Risk management
Ensure the quality of products and services	Customer relationship management--Customer service
	Product operations
	Underwriting
Ensure security of client information	Enterprise resource management--Information security management
Good occupational health and career development for employees	Enterprise resource management--Human resource management
Energy Saving with more efficiency	Enterprise resource management--Equipment and facility management
	Product operations

# Step 3: Identify key standards (1)

Activities	Standards	Description
Business continuity management	ISO 22301:2012	Societal security -- Business continuity management systems --- Requirements
IT service continuity management	GB/T 20988-2007	Information security technology—Disaster recovery specifications for information systems
Risk management	ISO 31000:2009 GB/T 24353-2009	Risk Management -- Principles and guidelines
	ISO/IEC 31010:2009 GB/T 27921-2011	Risk Management -- Risk assessment techniques
Catastrophe insurance	JR/T0054-2009	Codes of data collection of catastrophe insurance
Reinsurance management	JR/T0036-2007	Codes of data collection of reinsurance
Standard client service management	ISO 10001:2007 GB/T 19010-2009	Quality management -- Customer satisfaction -- Guidelines for codes of conduct for organizations
Customer complaints handling	ISO 10002:2007 GB/T 19012-2008	Organization management. Customer satisfaction. Guidelines for complaints handling in organizations
Transaction fairness management		
Loss control and loss prevention	JR/T0053-2009	Automobile insurance data exchange regulation
Friendly service management		



# Step 3: *Identify key standards (2)*

Activities	Standards	Description
Information security management	ISO 27002-2005	Information technology - Security techniques - Code of practice for information security management
Occupational health safety management and training	GB/T 28002-2011	Occupational health and safety management systems - Guidelines for the implementation
	GB/T 28001-2011	Occupational health and safety management systems - Requirements
	GBZ 188-2007	Technical specifications for occupational health surveillance
Energy products and equipment management	GB/T 2589-2008	General principles for calculation of the comprehensive energy consumption
	GB/T 3485-1998	Technical guides for evaluating the rationality of electricity usage in industrial enterprise
Green insurance	GB/T 15316-2009	General principles for monitoring and testing of energy conservation
	GB/T 6422-2009	Testing guide for energy consumption of equipment

# Step 3: *Select key operational indicators (1)*

Related activities	Operational indicators
Business continuity management	Rate of recognition of potential disruptive events
	Business recovery time
IT service continuity management	System availability
	Calamity tolerance ability
Risk management	Conclusions of internal controlling audits by external reviewers
	Solvency margin ratio
Catastrophe insurance management	Solvency margin ratio
Reinsurance management	Efficiency and quality of reinsurance processing
Standard client service management	Customer satisfaction
Deal with customer complaints	Fast handle the complaint

# Step 3: *Select key operational indicators (2)*

Related activities	Operational indicators
Transaction fairness management	Coverage of auto insurance centralized trading
Disaster prevention and derogation	Auto insurance loss frequentness
Friendly service management	Self-service correction rate Self-service underwriting passing rate
Information security management	Graded protection assessment Information security knowledge course accomplishments
Occupational health safety management and training	Rate of injuries and absences Number of comprehensive welfare insurance plans Total growth rate in the number of trainees
Energy products and equipment management	Energy consumption
Green insurance	Number of cases of insurances against environmental pollution and liability

# Step 4: Quantify the impact (1)

Business Functions	Related activities	Operational indicators	The change of the indicators	Impact of standards
Enterprise Resource Management-Operations Management	Business continuity management	Important recognition rate for disruptive events	↑100%	10%
		Business recovery time	↓20%	10%
	IT service continuity management	System availability	↑1%	5%
		Calamity tolerance ability	↑Grade 5	5%
Enterprise Resource Management-Risk Management	Risk management	External controlling conclusion inner audit	No change	3%
		Solvency margin ratio	No change	3%
	Catastrophe insurance management	Solvency margin ratio	No change	3%
	Reinsurance management	Efficiency and quality of reinsurance service processing	↑10%	5%

# Step 4: Quantify the impact (2)

Business Functions	Related activities	Operational indicators	The change of the indicators	Impact of standards
Customer Relationship Management-Client Service	Standard client service management	Customer satisfaction	→	3%
	Customer complaints handling	Fast handling of complaints	↑1%	3%
Product operations、Underwriting	Transaction fairness management	Coverage of auto insurance centralized trading	↑99%	50%
	Disaster prevention and derogation	Motor vehicle insurance loss frequentness	↓15%	10%
	Friendly service management	Self-service correction rate	Self-service underwriting pass rate	↑31.3%
			↑20%	3%
Enterprise Resource Management-Information Security Management	Information Security Management	Graded protection assessment	level 3	10%
		Pass rate in information security knowledge course	↑100%	10%



# Step 4: Quantify the impact (3)

Business Functions	Related activities	Operational indicators	The change of the indicators	Impact of standards
Enterprise Resource Management-Human Resource Management	Occupational health & safety management and training	Number of comprehensive welfare insurance plans	↑20.5%	10%
		Absenteeism rate	↓445%	10%
		Delay rate	Drops to 0	10%
		Injury rate	No change	10%
		Total growth rate in the number of trainees	↑23.1%	5%
Enterprise Resource Management-Equipment and Facility Management	Energy products and equipment management	Energy consumption	↓20%	3%
Product operations	Green insurance	Cases of insurance for environmental pollution liabilities	↑70%	10%

# Conclusions - Method

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The method that was applied in the quantification is as follows:

The impact of standards is estimated as a percentage contribution to the total improvement in a certain area. As an example, if an improvement in the area of information security could be identified, then 10% means that the contribution of standards was estimated by experts in the company to amount to 10% of the total improvement.

# Conclusions - Results

Significant impacts of standards could be identified in the following areas (expressed as a percentage contribution):

- **Business continuity management**
  - Early recognition of potential business disruptions (10%)
  - Reduction in business recovery time (10%)
  
- **Transaction management**
  - Increase of centralized trading coverage for automobile insurance (50%)
  
- **Information security**
  - Meeting the requirements of protection grades assessment (10%)
  
- **Green insurance**
  - Increase of liability insurance cases for environmental pollution (10%)



# Thank you!