

# ICCA NEWS

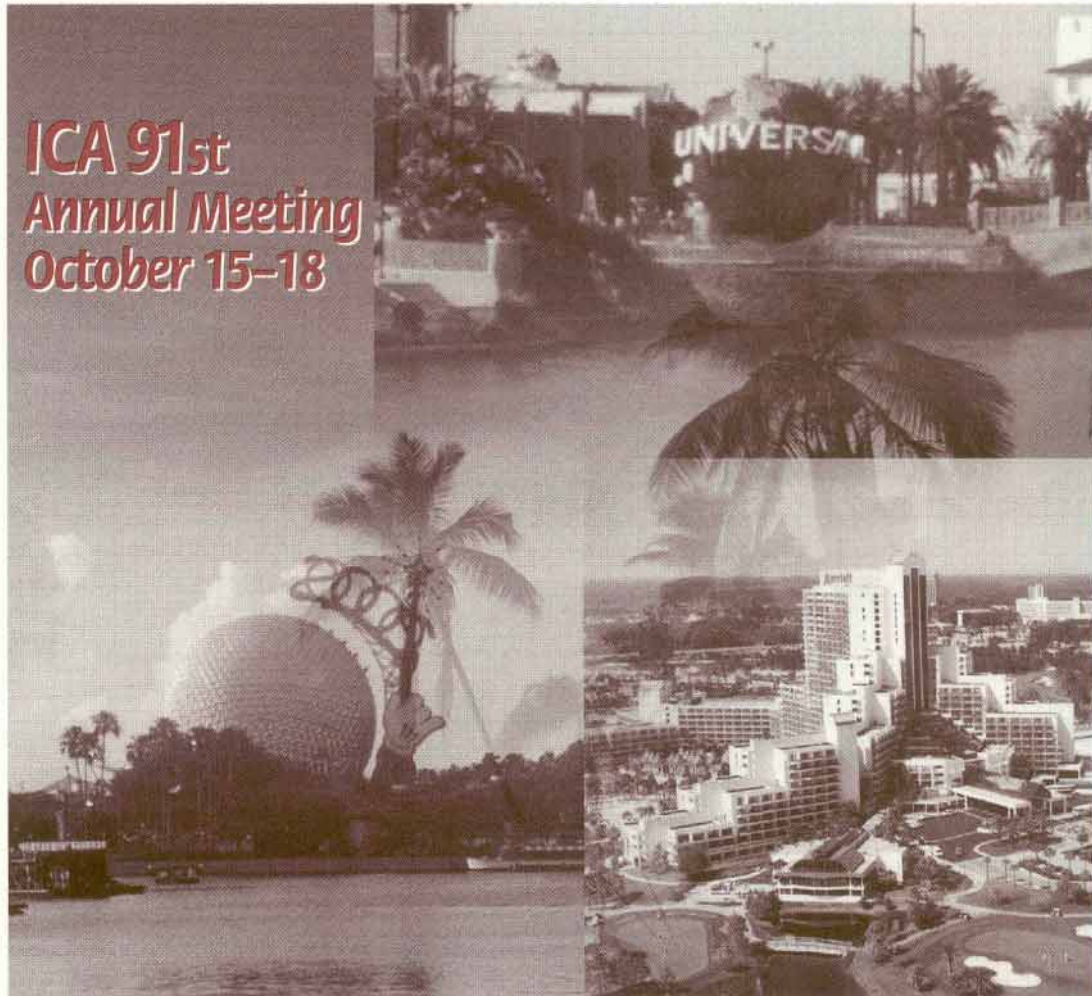
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# Claims Administration in the People's Republic of China

by Douglas A. Roth

**A**s in all countries, conducting life claim investigations in the People's Republic of China<sup>1</sup> (China) can be a matter of routine or absolute complexity.

When a claim occurs in China, what resources are available to use in the proper administration or investigation of that claim? What are the legal, cultural, religious and logistical considerations attendant to conducting normal death verifications; contestable and accidental death investigations; or when investigating claims of a suspicious nature such as disappearances or homicides?

This article provides answers to questions of concern when considering life and other type claim investigations in China. Although we are confident these findings fairly represent the current operational environment in China, this presentation should not be utilized for purposes of risk analysis, but rather as a general overview of the Chinese system of oversight of the births and deaths of its citizens.

## Identification of Citizens

In present day China, the central government's Ministry of Public Security issues most citizens a National Identification Card. Theoretically, all persons over the age of emancipation (18 years of age) are required to carry such a card, which is used for all aspects of a citizen's activity, including booking a hotel room or registering a document.

Some elderly Chinese citizens might not have a National Identification Card assigned to them and

carry, instead, a document representing their heritage and birth.

In July 1999, the population of China was estimated to be 1,246,871,951.

## State Procedures for Registration of Death

The death of a person is normally recorded in the district where the person lived or worked. A death certificate is issued by a medical doctor if the person died in a hospital. If they did not die in a hospital, witnesses are necessary to establish the death.

Normally, the family provides the deceased's National Identification Card and the doctor issued Death Certificate to the local district office to record the death.

A number of regions, provinces, or districts maintain and practice their own local customs in the administration of birth, marriage, death and other such vital records. This is especially true in rural

regions, where traditional customs are maintained concurrent with, or in place of, those imposed by the central state.

A central registry of deaths is not believed maintained by the Chinese government. A census of the country was only recently undertaken, the results of which were reportedly incomplete due to the magnitude of the undertaking.

Although Family Registers<sup>2</sup> are often maintained in regions, provinces and districts observant of traditional practices, Chinese law does not require them.

## Ethnic/Cultural/Religious Considerations

China's ethnic groups are identified as: Han Chinese (91.9%), Zhuang, Uygur, Hui, Yi, Tibetan, Miao, Manchu, Mongol, Buyi, Korean, and other nationalities 8.1%.

Although not officially recognized, the practice of many religions in China is not disallowed. These religions are primarily: Daoism (Taoism), Buddhism, Muslim (2-3%), Christian (1% est.) and New Age-Buddhist/Christian. Funeral services and processions are held, but only by family members and friends. The government does not permit such ceremonies be officiated by any religious leader or professional clergy.

Religion and ethnicity are the primary factors in the disposition of the remains of the deceased. Both cremation and burial are allowed. A burial permit is not required.

In practice, Christians often cremate the deceased after paying their



respects with a ceremony performed at a church.

Buddhists often maintain the remains of the deceased in the family household for several days to allow time for family and friends to pay their respects prior to burial.

In general, Chinese do not bury the deceased on the day the death occurs. They normally inter their deceased at memorial gardens.

Obituaries are mainly published by the Chinese out of memory and respect and to announce the site for burial and religious services.

### **Access to Government Records**

During the period of approximately 1980 to present, China has been moving toward the development of their legal system with a return to permitting the practice of law by local lawyers. Many of these lawyers have been educated during this same period of time.

Chinese government officials are apparently eager to allow access to their state records relating to the administration of life claim investigations with the understanding that these locally qualified lawyers should undertake such activities.

Representatives of interested parties of legal business matters, such as those contemplated here, can travel<sup>3</sup> to the areas of China of concern to the matter at issue, but must be invited by a host—the local lawyer. Visitors are thereafter advised they be accompanied by their host when conducting inquiries related to the claim, primarily due to the fundamental role the lawyer has in accessing records and information from the local authorities. The local lawyer is also able to speak the local dialect.

The primary government agency responsible for public safety and security is the Ministry of Public Security. To date, the government is observed to be very strict in their policies relating to the release of records pertaining to its citizens.

Most government records of interest to the claim process<sup>4</sup> can be accessed under properly executed power of attorney and authorizations from next of kin<sup>5</sup>. Nevertheless, the local Prosecutor representing the Ministry of Public Security has the ultimate discretion

relating to their release. This discretion can be exercised without citing any points or authorities.

Records from the past are not believed to exist to the extent they are now maintained on citizens of China. In the past, records of ancestors were destroyed under previous Communist regimes in response to its citizens' practice of ancestor worship and other religious customs and practices.

### **Access to Medical Records**

Medical records are also maintained by the central government in China and can only be obtained through properly executed power of attorney and authorization from the next of kin. The amount of time it takes to get the records is at the total discretion of the custodian of the records. These records could be obtained in a period of 1 week to 4 months. The Chinese medical system is largely preventative.

Translation and interpretation of these medical records requires familiarity with both the language and concepts and practices of Eastern medicine.

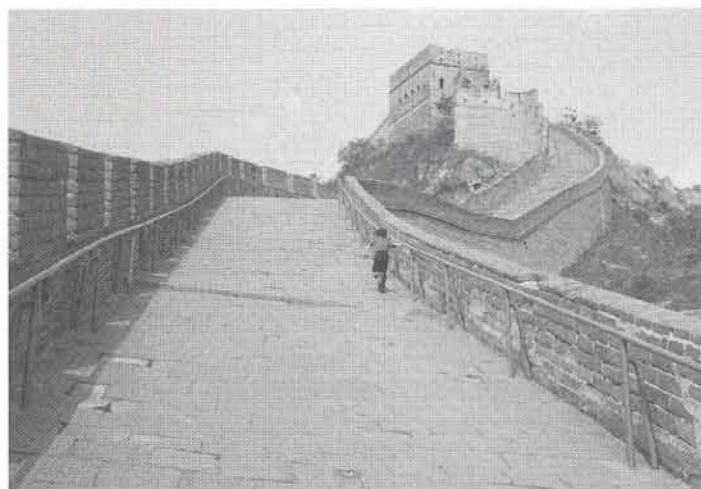
### **Logistical Considerations**

There are 23 provinces<sup>6</sup>, 5 autonomous regions and 4 municipalities in China. In addition, China governs the special administrative regions of Hong Kong and Macao.

China is a large country with limited public infrastructure in many regions. Access to all areas is generally available by means of the network of local lawyers, but travel is required to access records and information in more remote rural areas.

China also has many highly populated cities in the interior and on the coastline.

A number of local dialects of Mandarin and Cantonese are spoken in the various regions of the country. One written language system is observed throughout the country.



Time factors are difficult to accurately estimate in relationship to the verification or investigation of claims on deaths occurring in China. In general, basic verification of deaths that occur in major cities can be achieved within a period of 30 days or less. All other classes of claims, especially those occurring in remote or rural areas, could involve considerable procedure and time.

The administration of these claims is greatly influenced by the timely cooperation of the Chinese government agencies of interest as accessed via local lawyers acting on behalf of, or in concert with, the insurance company.

Access is reportedly allowed to all areas of China with the exception of military installations, according to Chinese government officials. Nevertheless, travel to many regions of China by Americans and other foreigners have been strictly prohibited.

### **Country-Specific Risks**

Evidence has been presented in the world press indicating ongoing problems in China of corruption in the ranks of government officials. These problems have been acknowledged by the Chinese government, which has recently initiated a visible campaign to arrest some government officials, and prosecute such cases. The death penalty is available as a remedy under existing Chinese law, according to widely published reports. Nevertheless, the potential for corruption of officials responsi-

*(Continued on next page)*

ble for maintaining records of interest is real.

Representatives of the Chinese government also advise that identity theft and identity fraud<sup>7</sup> are ongoing problems in China. They further advise such activities are largely the product of individuals and groups operating in the larger, coastal cities such as Shanghai or in Hong Kong.

China is also identified as a major transshipment point for heroin produced in the Golden Triangle and reportedly has a growing domestic drug abuse problem.

Recent cases of insurance fraud in the region involve activities of Chinese citizens who presumably

die in the Philippine Islands. One case involved significant policy amounts on multiple policies on multiple parties. The operation was discovered and provided evidence of fraudulent certificates of death issued in the Philippine Islands.

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## Footnotes

<sup>1</sup>Including the Hong Kong and Macao Special Administrative Regions.

<sup>2</sup>Central index of a household's membership by birth, death, marriage.

<sup>3</sup>A Visa to travel to China for this purpose can be obtained in one week, according to Chinese government officials.

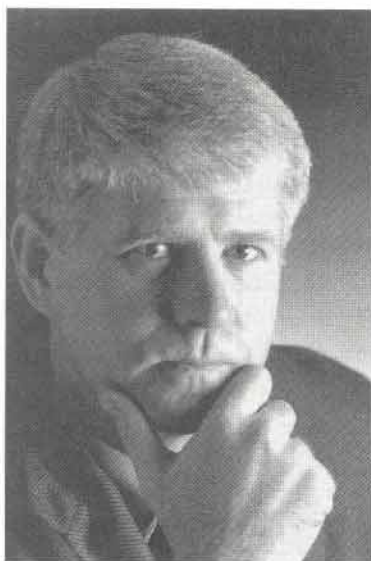
<sup>4</sup>Death Certificates, Accident Reports, Autopsy Reports, Police Reports, etc.

<sup>5</sup>One written language is recognized throughout China.

<sup>6</sup>China considers Taiwan its 23<sup>rd</sup> Province.

<sup>7</sup>China is considering the issuance of hi-tech smart cards, an identification card that can electronically store an individual's vital statistics, medical history, financial information, etc. The present status of this program is not clear, based on our initial review.

## About the Author



Douglas A. Roth is President and Director of Investigations of Investigative Resources International. He is a licensed private investigator with more than 20 years experience in the investigative industry and an active member of the California Association of Licensed Investigators. His articles have appeared in several publications including *Security Management* magazine. Through the firm's casework, Mr. Roth has been profiled in *The Los Angeles Times*, Canadian Broadcasting Corporation's *The Fifth Estate*, *Inside Edition*, and *Unsolved Mysteries*.