
Chinese insurer buys Waldorf-Astoria

By Editorial Staff Thu, Oct 9, 2014

The buyer is Anbang Insurance. The seller, Hilton Worldwide Holdings, will continue to operate the iconic art deco hotel, which adjoins a 47-story office tower.

A second-tier but fast-growing Chinese insurance company, which only recently entered the life insurance market, has bought the iconic Waldorf-Astoria Hotel building on Park Avenue in Manhattan from Hilton Worldwide Holdings for \$1.95 billion, according to news reports this week.

The buyer is Anbang Insurance. The seller will continue to operate the art deco hotel, which adjoins a 47-story office tower. The landmark was built in 1931, replacing the original grandiose Waldorf Astoria Hotel at 34th St. and Fifth Ave., where the Empire State Building now stands.

At almost \$2 billion, the purchase price for the Waldorf-Astoria would be the highest paid for a single existing hotel in the U.S. and would raise to \$2.7 billion the amount that Chinese buyers have spent on New York real estate this year, Bloomberg News reported.

Chinese conglomerate Fosun International paid \$725 million for a downtown Manhattan office tower, and Shanghai-based Greenland Hong Kong Holdings bought control of the Atlantic Yards project in Brooklyn (except the Barclays Center), according to *BusinessWeek*.

Founded in 2004, Anbang originally sold auto policies and other types of property and casualty insurance. It began selling life insurance in 2010 and its share of life insurance premiums in China was 0.1% as recently as 2013. Anbang has since risen to No. 8 among domestic insurers, with a market share of 3.6%, according to Bloomberg News.

Anbang's growth has reportedly been driven by policies paying an aggressive 5% annually, a point above competitors. The insurer collected 3.4 billion yuan in property and casualty premiums through August, and its life business in the same eight months collected 33.2 billion yuan.

Overall, Chinese insurance companies had assets worth nearly 7.7 trillion yuan (\$1.25 trillion) in 2013. The China Insurance Regulatory Commission said last month that the assets may top 20 trillion yuan by 2020. That would equal 35% of China's gross domestic

product last year—or 20% larger than the economy of France, *BusinessWeek* reported.

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