

Research on Investment and Operation of Social Security Fund

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Abstract: In August 2000, the State Council decided to establish the "National Social Security Fund", while the establishment of the "National Social Security Fund Council," in charge of the National Social Security Fund investment operations related work. Before 2003, the National Social Security Fund Council entrusted investment managers that are a fund management company to invest social security funds in the capital market, marking the beginning of the social security fund. Social security funds into the market not only for obtaining a high return on investment provides a platform channel, but also conducive to long-term capital market, standardized and stable development. Cyclical volatility of capital markets, securities prices and the instability of the listed companies of varying quality, information asymmetry and other factors, so that securities with high investment risk, social security fund as a long-term national strategy for preparation is an important guarantee for the national economy, its operating conditions and risk prevention investments directly related to the sustainable development of the social security reform and innovation of China's social and economic success. In the new normal economic development, the study of social security fund investment issues of great practical significance for China's social security system for continuous improvement to provide a strong guarantee, protect the livelihood commanding play an exemplary role. Strive to make the fund under a strict regulatory regime to achieve a reasonable allocation of assets, in the case of risk control to achieve maximum benefits. This article is based on this purpose of the national social security fund investment issues and operations both as a starting point for analysis, and put forward some policy recommendations to improve the operational issues related to social security funds exist in the process.

Keywords: National Social Security Fund, investment management and supervision system

1. THE NATIONAL SOCIAL SECURITY FUND INVESTMENT OVERVIEW

1.1 The concept of the National Social Security Fund

China's social security fund in the actual operation can be divided into two parts: One is the National Social Security Fund, it is separated from the outside of the existing basic social security system, in accordance with the Fund "National Social Security Fund Investment Management Interim Measures" investment operations, which assets independently,

geographic diversification, and have access to capital markets; Second, the provinces and settling down payment savings income balance. This part of the funds for a relatively decentralized management, no specific implementation measures on investment. The main objective of this study refers to the National Social Security Fund Council managed by the National Social Security Fund has a strategic reserve properties.

National Council for Social Security Fund as the overall responsibility of the National Social Security Fund unified management, its main source of funding are the following channels to obtain: grants central government, state-owned shares classified as equity funds and assets, the State Council approved in other funds and investment income means to raise these funds by the central government focused on the formation of a national social security fund. The fund is mainly used in the future to provide the necessary social security needs when the peak of population aging is an important national strategic reserve.

1.2 The nature of the National Social Security Fund

(1) National Social Security Fund is a social consumption fund

National Social Security Fund is part of the broader social security fund, and therefore part of the process of social reproduction consumption funds. In China, personal consumption fund is mainly allocated to workers in the form of labor income, the income of these workers can direct control, for personal consumption. Social security fund is an important part of the social consumption fund, in particular the National Social Security Fund. It is mainly the management of such institutions as the National Social Security Fund Council commissioned by the government or social organization, the use of specific methods and channels to guarantee the basic living requirements of those temporarily or permanently leave the workforce and the need for social assistance citizens.

(2) The National Social Security Fund is a strategic reserve fund

National Social Security Fund managed by the central government co-ordination, is a strategic reserve fund. The fund does not pay for temporary arrangements for social security. But as a long-term strategic reserve to deal with emergencies and to focus on the future of social security payments crisis. Therefore, the National Social Security Fund expenses must be in strict accordance with the relevant provisions of the State, through the National Council for Social Security Fund reported to the Ministry of Finance and the Ministry of Labour and Social Security to give for authorization.

(3) The National Social Security Fund is a form of income redistribution

Social security is a manifestation of relations of distribution, is an important means countries and the initial distribution of national income redistribution. National Social Security Fund as an important part of the social security fund raising by state-owned shares, the financial allocation of funds, and other ways to deal with emergencies and future pension payments crisis, also plays a role in the redistribution of national income.

1.3 The characteristics of the National Social Security Fund

(1) Publicity Income

National Social Security Fund is mainly from: Funds the central government incoming funds state-owned shares acquired. Some state-owned assets are cash funds, fund of funds, and investment income in other ways to raise the formation of the State Council approved. Therefore, funding National Social Security Fund has a public nature.

(2) Nature Reserve The Fund

Establishment of the National Social Security Fund in response to the future of social security funds to cover gaps and unexpected events. Under normal circumstances, the Fund does not arrange expenditure, unless there is an emergency, incident or existing social security pays a huge gap. At present the main task of the fund is to achieve by increasing the value of the Fund's own operations, expanding its size. As a practical manager of the National Social Security Fund, the National Social Security Fund Council and the Ministry of Finance, the State Labor and Social Security reached a consensus: before the National Social Security Fund size reached 5 trillion yuan, try not to use the funds and arrangements its expenditures.

(3) Management of concentration

An important point of difference with the National Social Security Fund is managed annuity concentration. First, different. National Council for Social Security Fund management body is responsible for the National Social Security Fund unified management; and enterprise annuity is based on the actual situation of their different business established. Its manager is co-sponsored enterprises set up supplementary pension funds. Secondly, different arrangements for spending fund on. According to relevant regulations, the National Social Security Fund expenses must be reported on the approval of the Ministry of Finance and the Ministry of Labor and Social Security, approved by the real executable. While spending annuity is executed according to the actual situation, there are no such ministerial reporting requirements.

(4) The relative flexibility methods of operation

National Social Security Fund in the process of actual operation, the Fund has a balance of payments time inconsistent features. At present, the fund is in charge of only a moral state. National social security fund management institutions in accordance with relevant state regulations, this part of the social security funds, bank deposits, purchase of government bonds, commissioned by professional investment institutions securities investment funds and clearing. Furthermore, the National Social Security Fund may be further industrial investment, restructuring or reform project scope for the central straight pipe. Currently the fund has invested in the Bank of Communications. Bank of China, Industrial and Commercial Bank of China 10 billion yuan each, also participated in the national strategic oil reserve fund construction. Thus, the National Social Security Fund investment areas are more expensive compared to other social insurance funds also operates more flexible way.

1.4 The role of the National Social Security Fund

(1) Conducive to achieve redistribution function of social security

Through the reform of the economic system, China's national economy to achieve sustained and rapid development, people's living standards greatly improved, gradually narrow the gap between urban and rural areas, social undertakings have made comprehensive development and progress. However, the production and distribution process under market economy conditions also exists between urban and rural areas, between regions and between the industry and the distribution of the income gap between different social groups in a large phenomenon. Under the socialist market economy, the contradiction between fairness and efficiency also exists. Social security fund is the material basis for national social security policies and conduct of national income distribution and redistribution, and personal commitment to the country's regulation of income distribution functions.

(2) Conducive to the realization of social security savings function

Savings as a necessary condition for economic growth, one of the important driving forces, but also to promote economic growth and improve the strength of the national economy. Savings are a prerequisite for investment, there is no savings would be no investment, no investment cannot be sustained, rapid and stable economic development. The implementation of the social security system, the establishment of Social Security Fund, will be able to create conditions for social security savings function. National Social Security Fund as a strategic reserve fund current expenditure small, large and relatively stable funding to facilitate long-term social investment. According to the National Council, for Social Security Fund released the 2009 Annual Financial Report Fund, as of December 2009 the National Social Security Fund's equity capital is 736.732 billion yuan, an average annual investment rate of return of 16.1%. The nature reserve of the National Social Security Fund itself is entirely endogenous, so the National Social Security Fund will further contribute to the social security system and the savings function to play.

2. THE NATIONAL SOCIAL SECURITY FUND MANAGEMENT MODE

2.1 The organization and management structure of the National Social Security Fund Operations

Construction of the National Social Security Fund Management System to fully consider not only the focus of government social security funds, the overall characteristics, but also pay attention to the actual situation of China's economic development at the same time complies with the international trend. When the National Social Security Fund's central government centralized management of social security funds, as the government macroeconomic regulation and control, as a means to participate in social security, reflecting good results. National Social Security Fund uses public management model (ie, government centralized management)

operations management also by such characteristics and nature of the decision. Meanwhile, in order to make the investment and operational capacity of the national investment rate of return Social Security Fund has been further improved, it is best to introduce competition mechanism will be entrusted to the National Social Security Fund's investment operations to professional investment institutions responsible for the management, in order to achieve enhanced hedge fund the purpose of value-added capabilities. Reasonable structure of social security fund management operations is very important an element of the National Social Security Fund Management mechanism mainly consists of the following components:

(1) National Social Security Fund Council

The National Social Security Fund Council is the legal representative of the owner of the assets of the Fund, responsible for the exercise of management decision-making functions of the National Social Security Fund. In our country, if implemented fully or simply rely on the market rely on government social security system is unrealistic, so the implementation of multi-level social security system that is based on the relationship of the current market and the government. Therefore, the government and the market should be combined. Give full play to the role of both to solve the Social Security problem. National Social Security Fund in our multi-level social security system is integrated at the national level. Most importantly, the social security fund raising by the central government is unified, centralized management, and its management must rely on government forces. Overseas, the management of social security funds also has differences. Some countries will set up a special belonging to or commissioned by the government agencies, which are independent from the government agency responsible for managing the separate social security funds. There are some countries directly appointed a department of government directly responsible for the management of social security funds, and some countries have direct management of social security funds. Any of these modes, you can call the Social Security system management of public funds. As mentioned above, our national social security fund managers to National Council for Social Security Fund, the agency directly under the State Council, are designed for the management of the National Social Security Fund established. Council fund expenses by the central government, social security funds do not take up the fund, part of the fund's investment value are all owned by all the fund. In accordance with relevant laws and regulations of the State, the main work of the Council are: Management is responsible for the social security fund raising and daily affairs, social security fund assets selected fund custodian institutions with relevant qualifications, the selected fund managers and professional investment institutions the social security fund assets investment management and operations, and timely disclosure of the Fund's assets, earnings and cash flow situation to the public.

(2) The National Social Security Fund's investment manager

National Social Security Fund Investment Manager is entrusted to the National Social Security Fund Council, as an investment fund managed by agents of institutional fund investments. National Council for Social Security Fund in order to improve the rate of return on investment fund to ensure that funds can increase the value of the National Social Security

Fund's monetary assets entrusted to professional investment management institutions investment operations, these investment managers must have obtained the National Social Security the fund management business qualifications, according to the contract and is committed to the operation and entrusted management of the national social security fund. National Social Security Fund may assume this responsibility for the investment manager, either in line with state regulations of the fund management company, may be other professional investment management organization designated by the State Council. According to the "National Social Security Fund Investment Management Interim Measures" requirement, the investment manager should strictly fulfill the National Social Security Fund assets entrusted management contract, in accordance with the provisions of the contract and investment management policy using the National Social Security Fund to invest, but also the establishment of the National Social Security fund investment management risk reserve, the preparation of the National security Fund assets entrusted financial reports Social Fund entrusted assets issued by the National Social security investment operations report.

(3) The National Social Security Fund Custodian

National Social Security Fund also received the trustees commissioned by the National Social Security Fund Council, the custody of an agent of the National Social Security Fund Council to perform the functions of the fund custodian. The National Social Security Fund custodian is generally served by commercial banks. These banks need to obtain national social security fund custody business qualifications, and in accordance with contract requirements, proper safe keeping of the assets of the National Social Security Fund. Since the establishment of the National Social Security Fund since the Governing Council chose the Industrial and Commercial Bank of China, Bank of Communications, Bank of China as its custodian bank. The relevant provisions clearly shows that the social security fund custodian of the commercial banks should be strictly in accordance with the provisions of the contract for a managed fund assets, the implementation of the investment fund manager's investment instructions for the relevant financial settlement business under the name of the Fund, and the Fund Investment Management who has oversight responsibility for investment operations, accounting books and social security funds, accounting documents and annual financial reports intact.

2.2 The National Social Security Fund Management

Investment management operation includes two modes: centralized and decentralized operating model competition monopoly business model. Decentralized competitive business model is defined by the government to set some qualifications according to laws and regulations, and only meet these conditions in the private sector in order to be eligible for social security fund operations between multiple private sector to compete fairly. Centralized monopoly business model refers to the public sector by the government or government-mandated operation to deploy unified social security fund, the specific can be divided into two categories: internal investment management (participation in national finance

co-ordination or buy government bonds) and commissioned an external investment management (commissioned by the bank fund management organization, trust companies and other financial institutions). Further subdivided, then commissioned to external investment management is divided section commissioned and commissioned all modes. After the above classification, the investment operation of the National Social Security Fund is currently used in government centralized management model - the Council and Commission Management directly into the operating mode of operation. The National Council for Social Security Fund in 2002, after a rigorous evaluation process, and ultimately determine the investment manager is held by six fund management companies, custodian banks served by the two commercial banks. June 2003, National Social Security Fund finally officially enters the market. In 2006, the Fund began the pace of overseas investment. Citigroup and Northern Trust were selected as the two financial institutions worldwide trust banks. Domestic investment mainly selected China Merchants Fund Management Co., Ltd., Guotai Fund Management Co., Ltd., E Fund Management Co., Ltd., China International Capital Management Co., Ltd. and three commercial banks (Bank of China, Bank of Communications, Industrial and Commercial Bank).

3. THE NATIONAL SOCIAL SECURITY FUND INVESTMENT PROBLEMS

3.1 The National Social Security Fund Investment

(1) National Social Security Fund Investment Problems

(a) Investment channels are narrow, low operational efficiency

Press the "National Social Security Fund Investment Management Interim Measures" approved by the State Council, the social security fund investment scope is limited to bank deposits, buy and sell securities and other financial instruments with good liquidity, including taxable securities investment funds, stocks, credit rating at investment above grade corporate bonds, financial bonds and other securities. China's social security fund investment scope is too simple, mainly in the main category of financial assets, and the proportion of investment severely restricted. So that in the face of investment options over a single, high correlation, it is difficult to prevent systemic risk. And investment practice also shows that in 2008 the global financial crisis during this period, the total social security fund assets still increased by more than one thousand million reached 562.37 billion yuan, 23.362 billion yuan while achieving the income, the financial turmoil does not seem to impact. But in fact, these data only error in the old and new accounting standards on the occasion of the replacement formed: in 2008 with the implementation of new accounting standards, the structure of the annual report of the Social Security Fund and statistics have undergone major changes. One of the most crucial changes which are the measurement of financial assets such as stocks held by some to "fair value" changes in the past to replace the floating profit and loss according to the cost calculation. Calculated in accordance with the new accounting standards, the social security fund in early

2008 adjusted assets increased to 566.929 billion yuan, while investment income in 2008, compared with -336.7 billion. In stock assets, the social security fund in the current year loss arising from selling the stock will be included in the annual loss; and it holds a lot of not selling stocks, then in accordance with the market value between the market value and later when the difference between the annual accounts, included in "changes in fair value of trading assets". In 2008, Social Security fund transactions fair value of assets of up to -627.34 million, which means that its holdings of unsold stock if all the assets in liquidation settlement date, will appear this figure losses. Including this part, the social security fund in the overall deficit in 2008 up to 96.3 billion yuan.

(b) Investment means backward technology

The choice of investment strategies and methods, technical means of social security funds is not yet ripe. Since the scope of such restrictions on investment over a single asset allocation; investment philosophy is too conservative, to take a more passive investment strategy, long-term buy and hold index investment, today's capital markets, equity, partial shares or hybrid raised funds, the average annual turnover substantially between 200% to 500%, the Social Security trust fund stock composition of this indicator to reach more than 100 percent; investment operations of social security funds and more by the government to manage without the introduction of specialized asset management company to operate, at the technical level is lacking.

(2) The NSSF Operations Problems

Audit announcement revealed that in 2013 a total of 17.5 billion yuan in losses, many are due to a number of management errors, including some non-standard protocol to handle deposits, resulting in interest income decreased by 165 million yuan; holdings of H shares of income received Hong Kong dollar funding arrangements for the use or not timely settlement, because the Hong Kong dollar exchange rate decline led to foreign exchange losses 92,879,700 yuan; in addition, the Social Security Fund also includes funds in the Ministry of Finance to study and draft agreement deposit scheme, due to improper decision-making, resulting in less interest received 3.8 million yuan. Although compared with the billions of dollars in investment losses, losses caused by inadequate management of only a tiny part, but it is the loss of social security funds in real Mishap lies. Concluded, the social security fund supervision of the following problems:

(a) The lack of legal regulation, the regulatory system is not perfect

It found that, so far not even a special sound legal authority to make provision for the social security fund operations. At present, China in addition to the "National Social Security Fund Investment Management Interim Measures", the more systematic and authoritative fundamental law on the Social Security has not yet introduced, National Council for Social Security Fund, and only released quarterly by the State Council regulation, each year to oversee financial statements. Incomplete legislation leads to "no legal basis." On the whole, China's current social security law still lacks a sound legal system, the so-called "no legal basis" is not bound by law to carry out, and now only a social insurance law, the contents of the

provisions of the Act more extensive, only a few deals with the National Social Security Fund Council of the National Social Security Fund management, and the National Social Security Fund management rest NSSF specific provisions of the relevant laws and regulations of relatively low rank, a total of only six files: a three laws and regulations: "National overseas Social security Fund investment management Interim provisions "," domestic stock market switched part of the state-owned shares to the National Social security Fund implementation Measures "," National Social security Fund investment management Interim Measures ", there are three normative documents:" China banking Industry Regulatory Commission on Issuing Company management guidelines, "which" further improve and strengthen the corporate bond management notice "the" State Council on further Regulating the administration of the lottery. " Together with other related financial regulations, the National Social Security Fund Council, the law is imperfect. "National Social Security Fund Investment Management Interim Measures," made in 2001 by the Ministry of Finance and the Ministry of Labor and Social Security jointly developed, such a consequence is a lack of investment NSSF a comprehensive guide position NSSF is not clear, NSSF is the focus countries of the five-year plan, the absence of legal provisions to support, it means that the investment environment, lack of legal regulation, investment behavior out of control.

(b) The current social security fund investment trust mechanism needs to be improved

Relative dishonesty credit market is not conducive to investment in the National Social Security Fund. Due to the statute of limitations, China's National Social Security Fund to invest in the stock market must be entrusted to the social security fund investment manager and operations. And entrusted the national social security fund custodian. So there will be a question of credit risk, credit risk is the owner of the interests of its place did not do their job, the damage due to the owners and operators of the existence of asymmetric information, pursue different objectives, there may be abuse or operators in risks of. China's current financial investment intermediaries are not mature enough, the lack of specific legal constraints, we can say such a trust market is not perfect even chaotic. If only through the National Council for Social Security Fund of the Social Security trust fund to supervise the situation of these, it will be there is a huge risk agency.

4. IMPROVING SOCIAL SECURITY FUND INVESTMENT OF THINKING AND COUNTERMEASURES

China social security fund management from the scientific and legal, standardization is still a long way to go, this article focuses on investments from the National Social Security Fund and social security funds management regulatory problems in a study, to propose a solution. For a long time, who plays an important role in the social security fund livelihood and welfare, has an irreplaceable role in the protection of people's lives, welfare for the people, to ensure social stability and overall well-being. Increasing the value of social security funds can better serve the community, to protect people's livelihood. The importance of social security funds

becomes quite large. NSSF investment rate of return, although generally higher than the rate of inflation, but there is a significant risk, while comparison of similar foreign investment performance, their performance is not dominant, indicating NSSF benefits and regulatory capacity needs to be improved. Therefore, the author proposes the following recommendations.

4.1 With respect to the investment policy recommendations

(1) Construction of Social Security Fund Investment Risk Monitoring System

Establish a reasonable and effective risk warning system. First, we need to establish a comprehensive early warning information system for the collection, statistics and information transmission, processing, raw information into information signs. Secondly, in order to quantify the information, principled and use, design a set of early warning indicators, early warning indicators can be divided into potential indicators and indicators appear. Again, that is necessary to predict the future, including information on current trends predicts the interaction of the relevant factors to predict. Finally, it is ready to respond in advance countermeasure or countermeasures of various risk conditions. Secondly, the use of financial indicators for risk management supervision. The introduction of solvency in project management, cost - income index management and non-performing assets. Solvency index management mainly uses an asset-liability ratio, some important indicators of the current ratio and quick ratio, etc. to monitor the situation of social security funds ability to pay on time. Index management of bad assets mainly uses some relevant and current assets indicators to monitor asset quality condition for operating in non-performing assets indicators including return on long-term investments, realizable degree of long-term investment, the market inventory of securities decline, etc..

(2) Social Security Fund preferred investment vehicles, to expand the scope of investment

I believe that the Council should learn from international experience in public pension administration, to further expand the scope of investment. With the steady progress of financial reform, financial innovation continue to increase, in this new situation, and expand the national social security fund investment, to adapt capital market trends, will help improve asset allocation leeway, diversify investment risks, improving investment returns, increasing the value of promoting the National Social Security Fund, and economic and social development assistance. Judging from past experience, industrial investment and trust and investment have become an important area. The world's social security funds. Social Security Fund to increase industrial investment, and guarantee the construction of public facilities, as well as to increase affordable housing, urban infrastructure and other projects involved in efforts to lower the correlation of these investments and securities investment, can effectively spread the risk, and the longer the investment period, relatively stable earnings, in line with the risk-return characteristics of social security funds requested.

In addition, it can open up new investment projects, such as the development of housing mortgage loans. Residents of housing demand in the future for a long time will remain strong. The current fund loans can not meet people's housing needs first, and promoting consumer credit, expand domestic demand and help to increase the social welfare of the people, strengthen social stability risk in residential investment is less than the risk of direct investment in real estate or stocks, earnings higher.

(3) Increased investment trust

In recent years, the index of investment effect of Social Security Fund of the poor, the reason is: First, A-share index of long-term "push-ups" not to force, PK index funds and active funds account for less than any advantage; the second is the overseas mature markets Social Security Fund habit leveraging external index fund or investment trust indexation different products, although the Social Security Fund is also part of the assets to professional funds, securities firms, PE, and overseas well-known asset management company entrusted investment, but most of the money remains the social security fund is self-employed. Nearly 70 million deficit Audit mentioned. It is this part of the self-indexation investment. And because the National Council is a government department, the investment professional quality to be improved, so I recommend that further liberalization should delegate the investment ratio, the more social security funds to professional investment institutions to manage, not only can effectively avoid risks, the investment rate of return It will be greatly enhanced. But taking into account the safety of the fund, the author proposed the Council and the authorized agency of the Fund should distinguish between rights and obligations, establishing effective reward and punishment mechanism. In particular, the stock market investment custodian should establish restraint mechanism, custodian fees shall return on investment risk reserve is extracted, not by the hosting party commission, which hosted parties have an incentive effect.

(4) Adhere to the concept of asset allocation

In the social security fund investment practice, asset allocation should continue to deepen understanding, long-term investment, recognize the value of the investment has been strengthened. Only top to bottom to form a relatively consistent investment philosophy. Asset allocation work can be carried out smoothly. After the 2008 global financial crisis, many asset managers have suffered huge losses, simply adhere to the "buy and hold strategy" may make investors cannot avoid systemic risk, after the financial crisis, should gradually establish a dynamic asset allocation idea. Dynamic asset allocation is based on the social security fund basic idea of the value of investments and long-term investments, according to the market at a certain stage of the central value in the market is up or down a substantial deviation from the central value of buy low sell high. Practice shows that specialized external managers often reflected in the choice of securities. The timing of the grasp of the market tends to short-term.

(5) Improve the capital markets and financial institutions

How to make the public sector to achieve a stable social security fund and the best return on social security policy is a huge challenge, this is a problem all over the world have faced. World capital markets after the 1990s era of high rates of return in the past, have maintained a

low rate of return, if this continues, it will be more difficult to solve these difficulties. China is no exception. Due to the relatively small size of the market for capital, current capital market of its share capital is less than 50% of GDP, far lower than developed countries, therefore, this difficulty in our country will be more apparent. In addition, China does not have a big enough market to make the debt situation can be alleviated in this case, the asset allocation guidelines proposed by the National Social Security Fund also led to a series of new challenges. Therefore, I propose should gradually improve the capital markets and financial institutions, to create a favorable macro environment for the social security fund operation, fairness and efficiency of social protection of people's livelihood and economic development assistance.

4.2 On the operational policy recommendations

(1) To improve the legislative level, the establishment of a sound legal framework

"National Social Security Fund Investment Management Interim Measures," From now on view, has been lagging behind, especially after the financial crisis, investment strategy and direction should be changed, and the provisions of this approach, such as on the proportion of the portfolio problems are too cautious, the pursuit of security, our country's current investment strategy more emphasis on value-added, so I think that should be the development of relevant laws for the conduct, complemented by some provisions flexible approach in the implementation process. Should the social security system and social insurance fund operating as legislation establishing China's socialist legal system is an important part, in a prominent position, pay close attention to the development of the basic law of social security? Social Security System and the Social Insurance Fund Legislation operations should dovetail with the content of other legislative legal department to ensure that the social security system and for operating the effective implementation of legal norms that we should enhance the rank of legislation, in particular the need to enact a law to Regulation of investment management behavior Social Security Fund Council, the People's Republic of China Social Insurance law related content can make certain changes for Social Security Fund Council specific regulations should also be supporting the introduction. So far, the core of the law is a "National Social Security Fund Investment Management Interim Measures" from abroad: Most national social security fund supervision after experiencing laissez-faire stage, beginning with a high degree of legislation on social security fund supervision to regulate the establishment from institutionalized regulatory regime. In the United States, the US social security system has gone through 100 years of history. In this process, the legislative, regulatory forms on pension changes are as realistic environment and constantly changing. 1929--1933 years after the economic crisis. Roosevelt government social security schemes, in 1935 Congress passed the "Social Security Act", the initial establishment of the social security system, and the establishment of the management structure of the federal social security schemes, regulatory organizations to the Ministry of Finance and independent social security bureau based, the Ministry of Labor cooperation.

(2) Strengthening the regulatory agency relationship

In the social security fund investment regulations, the regulatory commission for the agent relationship is very important and necessary, we should establish an appropriate incentive and restraint mechanisms for the principal-agent relationship. Principal Social Security fund should take positive and effective measures to improve the commission. An agency relationship, such as increasing the transparency of the social security fund operations, improve the social security fund management information disclosure system, the development of the social security fund management law, strengthen the supervision of the social security fund management; secondly, to strengthen the Social Security Fund Agent integrated management is to improve the social security funds entrusted investment management efficiency a top priority, such as fund management companies to establish a sound credit rating system, well-designed social security funds entrusted investment management fee and fund management companies pay system, improve the investment institutions internal risk management systems and internal control mechanisms .

(3) To strengthen the administrative accountability system, improve the relevant civil liability or even criminal responsibility

We can design a set, administrative and civil liability, based on criminal responsibility as a secondary legal accountability system. In addition to legislation, law enforcement, but more important is responsible. NSSF management is not completely free of laissez-faire. In particular, cannot do without legal escort.

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