

# Research on the Development of Ping an Insurance Business in China

**Sun Zhaoxuan**

*Shanxi University of Finance and Economics, Taiyuan 030006, China*

**ABSTRACT.** *Ping an insurance (Group) Co., Ltd. is the first joint-stock insurance enterprise in China. Now it has developed into a personal financial life service group integrating insurance, banking and investment, with core finance and Internet finance businesses developing together. Under the background of Internet finance, if Ping an wants to keep competitive vitality and achieve sustainable development in the fierce competitive environment, it must further improve its competitiveness and achieve sustainable development.*

**KEYWORDS:** *development strategy of china's peaceful development*

## 1. Introduction

China Ping an insurance (Group) Co., Ltd. is the first joint-stock insurance enterprise in China. Under the background of Internet finance, China Ping an has both opportunities and challenges. How to maintain competitive vitality and achieve sustainable development in the fierce competitive environment is an important issue that it must face. The purpose of this paper is to analyze the development environment of Ping An, find out the problems in the development of Ping An, put forward feasible development strategies that are conducive to the upgrading of Ping An's insurance business, provide experience and theoretical guidance for the competitors in China's insurance industry, and play a positive role in the development of the insurance industry.

## 2. Development of Ping an and Its Insurance Business in China

### 2.1 Overview of China's Security

Ping an insurance (Group) Co., Ltd. of China, founded in Shenzhen in 1988, is the first joint-stock insurance enterprise in China. It started from commercial property insurance, and now has developed into a personal financial life service group integrating insurance, banking and investment, with core finance and Internet financial business developing together.

### 2.2 Development of Ping an Insurance Business in China

Ping An's life insurance business is mainly operated and developed through Ping An Life Insurance, Ping an endowment insurance and Ping An health insurance. Ping an Property Insurance is the second largest property insurance company in China, measured by the original premium income. Ping An's property insurance business is mainly operated and developed through Ping An Property Insurance and Ping An Hong Kong.

## 3. An Analysis of the Internal and External Environment for the Development of Ping an Insurance Business in China

### 3.1 External Environment Analysis

The development of insurance industry is more and more supported by China's national policies, and insurance supervision is becoming more and more perfect. Since the reform and opening up, China's comprehensive national strength has been continuously strengthened, becoming the second largest economy after the United States, and the development of China's Ping An insurance business has won new development opportunities. In the past decades, China's population and social concepts have been overturned The frequent

occurrence of natural disasters will bring people serious loss of life and property, which also gradually awakens people's awareness of risk prevention.

### ***3.2 Internal Environment Analysis***

In China Ping An's property insurance business, automobile insurance accounts for the largest proportion, up to more than 80%, and the structure of property insurance business is seriously unbalanced. Ping An mainly focuses on traditional insurance products, and its ability to develop new products is seriously insufficient. Among the on-the-job employees, the number of on-the-job employees with junior college degree or below has reached nearly 50%. This talent structure makes the highly qualified professional talents extremely lacking, and the innovation ability is difficult to be improved.

## **4. Problems in the Development of Ping an Insurance Business in China**

### ***4.1 Imbalance of Insurance Business Structure***

The structure of China's Ping an Property insurance business is very unbalanced, with more than 80% of the auto insurance business. The imbalance of this business structure makes the company's relatively weak development of property insurance rely too much on the premium income of auto insurance. Once the auto insurance business changes for some insurmountable reasons outside, Ping An's property insurance business will face greater risks and suffer a heavy blow The development of Ping An insurance has a very negative impact.

### ***4.2 Insufficient Innovation Ability of Insurance Products***

Ping an develops well in China, but compared with some foreign insurance companies, its response sensitivity and grasp to the changes in emerging markets are insufficient, which makes its insurance products lack of innovation. Nowadays, traditional insurance products such as automobile insurance, enterprise property insurance and dividend insurance are still the main business of its insurance business development, and it is weak in innovation and research and development of new products.

### ***4.3 The Imperfection of Employment System Have Some Problem***

In the process of development of Ping An, the threshold of talent introduction have some problem, the quality of insurance practitioners is uneven, too many salespeople and too few comprehensive talents, the rigid use of human body system and management mechanism makes many professionals unable to get better promotion opportunities in a short period of time and attach great importance to their own ability. Under the strong attraction of peer treatment, many employees The trade union's choice of changing environment gives itself more choices, which brings great obstacles to Ping An's subsequent efforts.

### ***4.4 Weak Awareness of Risk Management Leads to Increased Operational Risk***

In 2016, Ping An's policy surrender rate increased by 10%. The reason is that the underwriting and claims settlement system is not strict and the risk management and supervision are not in place. Ping An has been developing rapidly in China for many years, which makes it always ignore the loopholes of internal risk management, and its unrestricted mixed operation and blind overseas expansion will greatly increase the risk of its own development.

### ***4.5 The Service System is Not Perfect and the Value-Added Services Are Few***

The language of each clause in the contract of China Ping An insurance policy is obscure, while some grassroots salesmen are not accurate enough to answer the customer's questions, or even make up and deceive the customer when they can't answer them, the follow-up value-added service is backward, and they seldom can continue to design personalized insurance policies for the customer, most products will no longer pay attention to the customer's product experience once they sign the bill, which will have an impact on the image of China Ping An To some extent.

## **5. Solutions to the Development of Ping an Insurance Business in China**

### ***5.1 Balanced Development of Business Structure***

Adjust and consolidate mature insurance business, appropriately adjust the proportion of auto insurance business, on this basis, vigorously consolidate and strengthen mature other insurance business; actively develop and cultivate non auto insurance property insurance business, seize the opportunity to incorporate production safety liability insurance and environmental pollution liability insurance into their business scope; properly abandon the business with shrinking market demand, highlight the development focus, and optimize Business structure.

### ***5.2 Promoting the Consciousness of Bringing Forth the Old and Bringing Forth the New to Realize the Differential Development***

According to the changes and trends of market development, we should cultivate our own product design and development team, set up a local fighting team, design different insurance products according to the needs of consumers, and realize the differentiation of insurance products; Ping An of China has jointly launched five sharp knife services, which are focused on speed and intelligence, and use service speed and technological innovation to break through the pain points of user experience To realize the differentiation of services; to continue to promote the development of cross business and realize the differentiation of comprehensive financial business.

### ***5.3 Optimize Talent Structure and Improve Staff Quality***

Follow the strict talent introduction system, improve the entry threshold of new talents, optimize the talent introduction and training mechanism; optimize the internal human resource flow system of the group, improve the flexibility of human resource flow; enrich recruitment channels, tap industry talents, support academic innovation in the financial industry, and build a talent echelon with the characteristics of the group.

### ***5.4 Improve Risk Management Ability and Disperse Risk***

Strengthen the awareness of risk management of grass-roots personnel, strengthen internal supervision and risk assessment, use the company's internal risk rating agencies to regularly carry out sensitivity analysis and other assessments of risk management indicators such as the group's internal capital adequacy ratio and liquidity; rely on emerging network and artificial intelligence technology, innovate the "Online + offline" claim settlement service mode, and intelligently handle risk events.

### ***5.5 Service Institutionalization and Strengthening Service Consciousness***

Enhance service awareness, combine marketing and service, and promote service institutionalization; subconsciously guide the sales team to gradually transform into a mobile customer manager, and guide the sales team to transform; focus on customers in need, and gradually change from striving to provide equivalent services for all customers to focus on customers with risk accidents.

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