

Development Status and Countermeasures of life insurance in Sichuan Province

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Abstract: With the development of China's economy, Sichuan Province's economy is rising rapidly. As a province with a large population, Sichuan's life insurance industry has changed from high-speed growth to high-quality development. The status and overall strength of the life insurance industry are gradually improved and strengthened. This paper analyzes the current situation of the life insurance industry in Sichuan Province from the perspectives of premium income, insurance depth, and insurance density first, and then puts forward corresponding countermeasures.

Keywords: life insurance; insurance depth; insurance density

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ichuan Province is a big province in western China, with a large population and a large economic aggregate.

As an important part of modern financial services, life insurance has developed rapidly in recent years. However, there are also contradictions be-

tween the unbalanced development, insufficient supply, and the increasing and upgrading insurance demand. To solve this contradiction, Sichuan life insurance should actively integrate into the new environment and promote the high-quality development of the life insurance industry. Based on the development status of Sichuan's life insurance, this paper analyzes the development status of the life insurance in Sichuan Province, and puts forward corresponding suggestions.

1. Life insurance development status in Sichuan

1.1 Economic development in Sichuan

According to data released by the National Bureau of Statistics, in 2018, the total economic volume of Sichuan Province reached 4,067.8 billion yuan, ranking the sixth in China and the first in the western region. In 2018, 16 cities and counties of Sichuan Province would step into the 100 billion clubs, and 118 out of 183 counties (cities and districts) would have an economic aggregate of more than 10 billion yuan. Sichuan Province has established economic and trade ties with more than 220 countries (regions), and 347 of the world's top 500 enterprises have settled in Sichuan Province. The new development trend of "four-way expansion and overall opening-up" in Sichuan Province is rapidly forming.

China's GDP has been increasing from 2010 to 2018, and the GDP of Sichuan Province has also shown an upward trend. In 2018, Sichuan's GDP reached 4290.21 billion yuan, accounting for 4.7% of the national total. And the economy of Sichuan Province is also developing in the process of the rapid development of the national economy.

Data from the National Bureau of Statistics show that per capita GDP of China and that of Sichuan Province increased synchronously from 2010 to 2018. However, there is still a certain gap compared with the national growth rate. The GDP growth rate of Sichuan Province is in a downward trend from 2010 to 2014, with a sharp downward

trend from 2010 to 2012, and a slight upward trend from 2014 to 2018, but the change is not apparent. Compared with the national GDP growth rate, the changes of the two growth rates are more consistent, but the development status of the national per capita GDP growth rate is relatively stable. About the speed of economic growth in Sichuan Province, it has slowed down, and the income of residents is growing. The living standard of people in Sichuan Province is constantly improving in the process of economic development. The level of economic development in Sichuan Province presents a sustained and sound development trend.

1.2 Development status of life insurance in Sichuan

1.2.1 Premium income

The scale of premium income in Sichuan province continues to grow. In 2010, the life insurance premium income of Sichuan Province was 57.421 billion yuan, and by 2018, the premium income had reached 146.444 billion yuan.

When concerns the changes in life insurance income in China and Sichuan Province from 2010 to 2018, the national life insurance premium income shows a trend of increasing year by year, and the life insurance premium income of Sichuan Province is also increasing year by year. Both of them are in the synchronous rising stage. With the rapid economic development in Sichuan Province, people's living standards have improved, consumption level has been rising, the demand for insurance products is also increasing, and people's insurance awareness is increasing.

National Bureau of Statistics data shows, from 2010 to 2012, the growth rate of national life insurance premium income and Sichuan life insurance income and premium growth rate tends to be negative. Still, the overall trend is upward and in a positive development, and the growth rate of premium income between 2012 and 2018 is positive. Overall, the growth rate of life insurance premium income in China is consistent with that in Sichuan, and the change degree is also similar. This shows

that the life insurance industry in Sichuan Province is in a stable development stage. From 2015 to 2018, the growth rate of life insurance premium income in Sichuan Province showed an apparent downward trend, indicating that the growth rate of life insurance premium income in Sichuan province gradually decreased. Notably, the growth rate of the life insurance industry in Sichuan Province has changed greatly. Still, after 2016, the development of the life insurance industry in Sichuan called for further improved.

1.2.2 Insurance density

If we judge the development level or potential of the insurance market in a country or a region, insurance density and insurance depth will be taken as two important indicators. Insurance density refers to the per capita premium income calculated according to the population of a country or region, which reflects the development level of the insurance industry in a country or region.

According to data from the national statistical authority, the life insurance density of China and that of Sichuan Province from 2010 to 2013 are in a state of slow change, with a small degree of change. From 2014 to 2018, the insurance density showed an upward trend and was relatively stable. On the whole, the change degree of life insurance density in Sichuan Province is similar to that of the national life insurance density, but there is a certain gap compared with the national life insurance density, which shows that the society is developing steadily and the people's insurance awareness in Sichuan Province is constantly strengthening, but the life insurance industry in Sichuan Province still needs to further play an effective role in economic development.

According to the official data, it can be found that the overall development trend of the national life insurance density growth rate is consistent with that of Sichuan life insurance density growth rate. Between 2010 and 2012, both the national life insurance density growth rate and life insur-

ance density growth rate in Sichuan had a negative trend, but the overall trend was positive. Both showed an upward trend from 2012 to 2016. But there was also a rapid downward trend from 2016 to 2018. The change degree of the national life insurance density growth rate is similar to that of the Sichuan life insurance density growth rate, and the gap is relatively small, which indicates that the development level of the Sichuan life insurance industry and people's insurance awareness need to be further improved.

1.2.3 Insurance depth

Insurance depth is the ratio of premium income to GDP in a particular region, which depends on the overall economic development level and the development speed of the insurance industry, reflecting the position of the insurance industry in the regional economic development.

According to the National Bureau of Statistics data, the depth of insurance decreased gradually from 2010 to 2012, and it was at the lowest point from 2012 to 2014. The change was not noticeable, and it was in a relatively stable state. From 2014 to 2016, the insurance depth gradually increased, and the insurance depth decreased slightly from 2016 to 2018, with changes but relatively stable. Compared with the depth of life insurance in China, the southwestern province's life insurance industry and the national life insurance industry are developing simultaneously. From this, it can be found that the proportion of life insurance premium in Sichuan Province in GDP is relatively low, which indicates that the life insurance industry in Sichuan province needs to be improved. Although the insurance market in Sichuan Province is developing rapidly and the market scale is gradually expanding, there is still a large space for the development of insurance depth.

2. Countermeasures to promote the development of life insurance in Sichuan Province

2.1 Enhance insurance awareness

Only by further improving the humanistic quality

of residents can we significantly improve people's concept of commercial insurance. This can gradually promote the stable and rapid development of the insurance industry in this region to enhance the contribution of the insurance industry to the local social and economic development.

First of all, we should try our best to ensure that the information between life insurance customers and insurance exhibitors is symmetrical. It must be based on a variety of methods to popularize insurance knowledge to enhance the understanding of commercial insurance. We can make full use of the publicity and planning effect of news media so that many consumers have a clear understanding of life insurance. As a result, they can carefully choose the insurance scope and further safeguard their insurance interests.

Secondly, we should fully grasp the real thoughts and experience of consumers, and then pass more scientific insurance concepts to them, and carry out personalized, customized services for individuals, so as to further enhance their property identification ability and acceptance of insurance.

Finally, strengthen insurance education. Actively promote the development of insurance majors and curriculum in local colleges and universities, and cultivate many high-quality insurance professionals. Besides, we should strengthen the internal training of insurance companies, enhance the quality of insurance practitioners, indirectly correct the misleading of agents, and make insurance play a bigger role to deepen the understanding of life insurance and strengthen its concept.

2.2 Perfect insurance product system

To seek greater development in the increasingly competitive market, insurance companies must attach great importance to the quality of insurance products, improve the product innovation system, and timely grasp the market demand. According to the change of market demand, the variety of products should be adjusted to improve products' quality. To some extent, only the continuous upgra-

ding of commodities and the further expansion of the company's business can promote the sustainable and healthy development of the company. Insurance companies should focus on the timely understanding of consumer demand and continue to launch high-quality new insurance products to attract a large number of consumers, which is conducive to the stable and rapid development of the insurance market.

We should always adhere to the high-quality line, rely on the new technology reform, change the inherent business model through the advanced internet intelligent technology, effectively improve the quality of commercial insurance products and services, and present a more efficient and smart all-round insurance business, to greatly enhance the competitiveness of the provincial property insurance industry chain, attract a large number of customers, and further improve its development level of the commercial insurance industry chain. By taking these measures, the provincial asset insurance industry can not only complete the stable physical and mental health development but also attract potential customers.

2.3 Deepening the reform of insurance supply-side structure

China's economy is facing comprehensive deepening reform nowadays. For the insurance industry, it is necessary to promote the marketization of insurance, strengthen enterprise reform and industry reform, and at the same time, combine the demand of supply side structural reform in the new era to create a life insurance market with characteristics.

First of all, according to market demand, we should develop insurance products centered on people's livelihood to serve the real economy, and explore the insurance demand of emerging industries as well as strengthen cooperation with emerging industries. Relying on the advantages of commerce, culture-oriented travel in Sichuan Province, it can promote investment, consumption,

and export, introduce more consumer groups, and then stimulate consumption power. Increasing employment and further expanding the scale of the consumer market will naturally also promote the rapid development of life insurance in the province.

Secondly, we should reform the development mode and management mechanism, promote steady operation and enhance competitiveness. On the one hand, it is necessary to reduce operating costs and expenses based on innovative management, explore flat management and systematic operation, and compress molding costs to show customers affordable insurance and financial products. On the other hand, it is applying high-tech, independent innovation of business model, mobile internet, big data, artificial intelligence technology, and other new technologies, while upgrading commercial insurance business model, taking into account the demand of the insurance market.

2. 4 Improve insurance supervision

2. 4. 1 Strengthen the supervision of insurance

To promote the development of the life insurance market, the insurance supervision department must strengthen the supervision of the operation of the life insurance company, which includes the comprehensive evaluation and supervision of the insurance company's premium index, complaint rate, surrender rate, complaint handling speed, etc. The insurance regulatory department should obtain the operation situation of insurance companies from various aspects, and make punishment measures to the companies that only pay attention to high premium income, do not pay attention to service, and keep high surrender rate, and disclose the information of these bad enterprises so that these companies cannot survive and develop in the market, rectify the unhealthy trend of the market, and enable the insurance companies to achieve good operation. The insurance market can achieve good

development.

2. 4. 2 Improve the legal insurance system

In the course of the development of Sichuan life insurance, dishonesty and non-standard behaviors have led to the misunderstanding of insurance in the society, which virtually aggravates the difficulties in insurance legislation, and the laws and regulations on the protection of the rights and interests of the masses of consumers are gradually improved. Under the background, the urgency of legal insurance work is evident. According to the development of Sichuan life insurance, we should make timely and appropriate legal adjustments to the problems faced to improve the adaptability and standardization of the relevant legal system of life insurance. At the same time, we should improve the laws and regulations of life insurance to protect the rights and interests of life insurance consumers and protect the legitimate rights and interests of insurance parties and related parties from the legal system level. Whether the legislative procedure is standardized or not is of great significance to improve the quality and efficiency of legislation. By establishing and improving the review mechanism of legal documents, we can promote the development of Sichuan life insurance.

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