



Research Strategies for the Development of Rural Life Insurance in Shandong Province

Shuzhi Yao and Duanyang Geng^(✉)

College of Agricultural Engineering and Food Science, ShanDong University of Technology,
Zibo, China
dygxt@sdut.edu.cn

Abstract. This article mainly studies the development and research strategies of rural life insurance in Shandong Province. Through research and analysis, life insurance is becoming increasingly popular in rural areas, making it easier to sell. The importance of rural life insurance is determined by consulting information on the definition and characteristics of rural life insurance. Starting from practical development, people are gradually realizing the possibility of promoting life insurance in the rural market. It is suggested that measures should be taken to develop appropriate products, and reasonable pricing should be made according to the actual market segmentation and rural products to truly meet market demand; By continuously promoting the construction of rural marketing service sales points, strengthening the training and management of personal insurance marketing personnel, further standardizing the product marketing methods of insurance companies, and improving the service capabilities of insurance departments; Promote targeted insurance products and promote the development of life insurance in Shandong Province through innovative promotion methods and easy to understand display methods. The introduction of these strategies will help establish a comprehensive life insurance system in Shandong Province and promote targeted and promising market development of life insurance products. In the following practical applications, it is necessary to continuously improve the promotion methods and test whether these strategies truly meet the requirements. Only through continuous innovation and gradual improvement can life insurance products truly enter the rural market and continuously improve the quality of life of farmers.

Keywords: life insurance · rural insurance · insurance market · marketing research

1 Introduction

Due to being a powerful Western European country, Britain underwent the Renaissance and Industrial Revolution as early as the 17th century, which not only led to the rapid development of its social enterprise business, but also promoted the rapid expansion and development of the British insurance industry. As early as 1688, Britain established the “Widows’ Pension System” and “Widows and Widows’ Insurance Fund” organizations, making the British life insurance company achieve enterprise operation for the first time

© The Author(s) 2024

S. Tehseen et al. (Eds.): ICEDBC 2023, AEBMR 258, pp. 514–519, 2024.

https://doi.org/10.2991/978-94-6463-246-0_62

in history [1]. Studying economic life insurance issues abroad can be further divided into two main research methods: macroeconomic and microeconomic. Macroeconomics mainly adopts a sequential approach to overall macroeconomic research [2], microeconomics is mainly used to explain the formation of private family decision-making [3], Cheng Chunli et al. [4] established a large-scale surrender model in a heterogeneous pool, which corrects the self motivation in the Hawkes process to the cumulative motivation of accidental events, for individuals who can trigger infectious behavior when surrender becomes significant in the past. Srbinoski Bojan [1] constructed two groups of indicators to measure the robustness and ability of regulators to prevent bankruptcy and opportunism market behavior, and estimate its impact on market development. The conclusion of Yabroff K. Robin [5] highlights the importance of continuous insurance; The interruption caused by the COVID-19 may adversely affect the access and affordability of medical services. Kim et al. [6]'s empirical analysis shows that individuals with private medical insurance have 0.76–0.52 times lower rates of severe illness and 0.63–0.31 times lower rates of disability, respectively. de Sousa Leite Francisca Nathalia used micro data from farmers surveyed in 2007/08 and 2016/17, analyze the use of rural credit and rural insurance policies in productivity and crop area in the state of São Paulo, Brazil [7]. Neha Bairoliya evaluated the potential impact of rural medical insurance and pension reform on macroeconomic results and social welfare in the dynamic general equilibrium theory model for China's economy [8]. Weichao Wang analyzed the dialogue between rural insurance sales agents and customers in transitional China from the perspectives of interactive framework, foundation, and discourse identity [9].

2 Comprehensive Analysis and Research on the Development Strategy of Rural Life Insurance

2.1 Standardize the Life Insurance Marketing Service System

Promoting the Construction of Rural Marketing Service Outlets

In the process of promoting the development of Yuncheng Life Insurance market, it is necessary to establish a stable sales system. The purpose of this development is to establish a rural sales network in each village and its branches to ensure at least one seller, promote the promotion of life insurance products, expand service coverage, better manage consumers in the market, and thereby increase market share. After establishing a stable sales system, it is necessary to standardize services, so that insurance services truly benefit every rural household and realize the role of products.

The rural area in China is large and the population is sparse. The more complete the equipment of an insurance company, the stronger its competitive advantage. Given the high cost of promoting life insurance products in rural markets, it is not possible to achieve it overnight during the promotion process. Pilot work should be carried out in different cities in Shandong Province. We are gradually making progress through pilot monitoring of market conditions. In the pilot process, representative rural areas should also be selected to highlight the typical, easy before difficult, and focus on summarizing the experience after success. We need to make significant breakthroughs based on the

characteristics of rural areas. Gradually configure the network from one place to another. With the maturity of areas with high economic level, the next branch can be opened to ensure healthy development in the promotion process. There are also many issues that need to be taken seriously during the promotion process, even if the issues are small. We should actively delve into various rural households to understand the true needs of farmers. Actively communicate with city leaders, seek support, and jointly explore effective methods for promoting life insurance.

Strengthen the Training and Management of Life Insurance Marketing Personnel

In the process of developing the rural life insurance system, many service providers lack a true understanding of the actual situation in rural areas. Therefore, in the construction of talent reserves, rural marketing personnel should first position themselves. This enables staff to better communicate with rural populations and enhance their confidence in promoting insurance. In addition, as farmers live in rural areas, local rural businessmen have a better understanding of their actual needs and psychology. They can use local forces to help promote life insurance products. Second, in the process of expanding the number of insurance agents, priority should be given to local rural residents with insurance expertise and higher education levels. Marketing personnel are also a key objective in the marketing recruitment process. In the recruitment process, it is necessary to change past passive practices and actively interact with respected and knowledgeable individuals in rural areas, inviting them to join insurance groups. Finally, talent cultivation and management need to be strengthened, changing the shallow learning methods of the past. The rapid development of the insurance industry has put forward higher requirements for insurance marketing personnel, who must transition from a lower level to a more professional and higher level. Insurance companies need to improve the education and training level of their employees and improve the overall level of their employees.

2.2 Increase the Popularization and Promotion of Insurance Knowledge

At present, rural insurance companies in Shandong Province are still in the early stage of exploration, with many problems and gaps, and low independent growth ability. They are not only doing their own development work, but also urgently need the attention and support of government departments at all levels and higher-level units. Increasing support for local financing can help improve the after-sales service level of farmers' trade insurance and expand their participation in trade insurance. Therefore, we must seize the opportunity, find the most important point, fully understand and grasp the market demand of rural residents, align product sales points with demand, and focus on business expansion. It can be assumed that if the farmer's life insurance business operates well, it will become an important sustainable growth point and major breakthrough for the future development of the insurance industry in Shandong Province. Therefore, governments at all levels and insurance companies should consider and propose long-term plans to promote rural insurance activities, and formulate preferential policies to promote implementation. One is to introduce rural insurance in China, actively participate in childcare services such as the new rural cooperative medical system and the new rural pension insurance, and provide higher quality rural insurance services to society. Secondly, by implementing strong authorization procedures for rural organizations,

the effectiveness of audits has been improved. Thirdly, as a rural insurance regulatory agency, local governments should also strengthen the direction of agricultural market development through government actions and strengthen the human resource management mechanism of rural insurance management teams through new funds. Fourthly, the economic qualifications of agricultural entrepreneurs have been established because they are indeed prepared to participate in this sector, which can provide information to protect and support agriculture for rural residents, increase their social income, and provide them with appropriate professional qualifications. This can also enable them to form a relatively stable sales team. It provides a relatively good agricultural protection platform for farmers. The following specific steps need to be taken:

Innovative Promotional Methods

The development of rural markets can benefit from the widespread postal services provided by each community and the information dissemination methods favored by farmers. Insurance companies can also use rural amplifiers, television advertisements, newspaper advertisements, WeChat, and other means to promote. The rural economy is developing rapidly, and the living conditions of the rural population are constantly improving. Utilizing the advantages of online television, further carry out publicity and education, raise people's awareness of insurance products, eliminate negative views of rural residents on insurance, and enhance people's confidence in insurance.

The Promotional Content is Easy to Understand

Due to their own limitations, farmers may have lower cultural abilities. In insurance projects, the use of language and writing should be minimized as much as possible, and using easy to understand language can improve communication between them. When using advertising brochures, farmers can use simple, easy to understand, and vivid images to better understand life insurance products through illustration combinations. Adding innovative elements to images can improve the effectiveness of advertising. Farmers can use vivid images to remember the role of insurance. These methods can play a positive role in promoting insurance knowledge.

The Promotional Objectives Should Be Targeted

To promote the development of rural insurance, the first step is to dismantle the rural framework and change the traditional framework design. Due to the leadership role played by village cadres in rural areas, support from village cadres and the community is needed in the promotion process to help farmers understand and purchase insurance products. Choose executives who are easily receptive to new things and have good economic conditions to better understand insurance, and then guide farmers to understand insurance and increase their insurance awareness through executive promotion. Support should focus on introducing the overview, insurance coverage, and product protection content of the insurance company. Promoting this content should enhance farmers' insurance knowledge. At the same time, public relations should also focus on the medical, retirement, and education issues of farmers, who should gain practical benefits through the personal experience of management personnel.

2.3 Consolidate the Foundation of Development

The commercial insurance business of rural enterprises has special transitional and regional characteristics. Therefore, to distinguish it from urban commercial insurance, it is necessary to adapt to local conditions, adhere to the basic principles of “scientific planning, coordinated development, moderate competition, and reasonable planning”, and maintain the healthy direction of rural commercial insurance development. In terms of funding structure, support for the new rural medical insurance has been increased, and investment in infrastructure and rural office maintenance has correspondingly increased. We have provided business guidance for new health insurance workers in rural areas and gradually introduced “sustained” support policies. Regarding marketing objectives, there has been a gradual shift towards “creating markets” to ensure effective provision of rural services.

2.4 Carry Out Integrity Promotion in a Progressive Manner

The expansion of China’s agricultural insurance market must first strengthen the public relations of various insurance companies. Firstly, we must use different expressions to promote the importance of agricultural insurance to farmers and the public, and clarify complex legislation in clear and understandable language. Different communication methods can be used, such as agricultural workers visiting rural areas as the main venue for activities, publishing credible promotional information, and briefly introducing the social and protective importance of insurance; Adopting a series of measures to promote rural insurance, with a focus on providing comfort insurance for rural residents and protecting their local rights and interests; For representatives with a certain reputation among rural populations, they can fully play their role as social role models by comprehensively introducing knowledge, thereby enhancing the awareness of agricultural insurance protection among all rural citizens. Through various insurance promotion measures, farmers in the country have gained broader insurance knowledge, understanding, and commitment, ultimately protecting their rights by purchasing and continuing to use the social security benefits of rural insurance. Fundamentally overcome difficulties such as fraudulent sales and claims, improve industry service levels, strengthen social credit construction, and further establish a standardized and standardized rural insurance service system.

2.5 Expand New Marketing Channels

With the continuous development of modern economy and society, new marketing theories, models, and channels have gradually formed. Relatively speaking, traditional marketing methods are no longer able to cope with the increasingly developed social situation and have lost their original marketing system and platform. Regardless of size or system, there are increasing drawbacks. Therefore, insurance marketing has become a key factor in the existence and development of China’s rural life insurance market, and it is necessary to actively explore new sales channels.

3 Conclusions

At present, Shandong's insurance business is mainly concentrated in urban areas, and the development of rural insurance is still in the "pioneering stage". There are few insurance products suitable for rural farmers, so there is still huge development potential in the field of agricultural insurance. Therefore, insurance companies should actively develop this huge potential market from a strategic perspective.

References

1. Srbinoski B, Poposki K, Born P, et al. Regulatory Examinations and Life Insurance Development[J]. Social Science Electronic Publishing.
2. Chan J, Strachan R W. Bayesian state space models in macroeconometrics [J]. CAMA Working Papers, 2020.
3. Zhang J, Li Z, Song X, et al. Deep Tobit networks: A novel machine learning approach to microeconometrics[J]. Neural networks: the official journal of the International Neural Network Society, 2021, 144(1)
4. Cheng C, Hilpert C, Lavasani A M, et al. Surrender Contagion in Life Insurance[J]. Social Science Electronic Publishing.
5. Yabroff K R, Zhao J, Halpern M T, et al. Health Insurance Disruptions and Care Access and Affordability in the U.S[J]. American Journal of Preventive Medicine, 2021(5 suppl 1).
6. Kim D, Lee D, Courbage C. Does private health insurance prevent the onset of critical illness and disability in a universal public insurance system? [J]. The Geneva Papers on Risk and Insurance - Issues and Practice, 2023, 48.
7. de Sousa Leite Francisca Nathalia, Castro Eduardo Rodrigues de, Tateishi Henrique Ryosuke. Regional impacts of rural credit and rural insurance policies on crop area and productivity: evidence from São Paulo state, Brazil (2008 and 2017) [J]. Agricultural Finance Review,2023,83(2).
8. Neha Bairoliya, David Canning, Ray Miller, Akshar Saxena. The macroeconomic and welfare implications of rural health insurance and pension reforms in China[J]. The Journal of the Economics of Ageing,2018,11.
9. Weichao Wang, Huan Peng. The Negotiation of Interactive Frames and Discourse Identities in China's Rural Insurance Sales Interactions[J]. English Language Teaching,2017,10(7).

Open Access This chapter is licensed under the terms of the Creative Commons Attribution-NonCommercial 4.0 International License (<http://creativecommons.org/licenses/by-nc/4.0/>), which permits any noncommercial use, sharing, adaptation, distribution and reproduction in any medium or format, as long as you give appropriate credit to the original author(s) and the source, provide a link to the Creative Commons license and indicate if changes were made.

The images or other third party material in this chapter are included in the chapter's Creative Commons license, unless indicated otherwise in a credit line to the material. If material is not included in the chapter's Creative Commons license and your intended use is not permitted by statutory regulation or exceeds the permitted use, you will need to obtain permission directly from the copyright holder.

