

Status Quo of Bank Insurance Cooperation and Deep Cooperation Development

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Abstract—At present, the trend of mixed operation in China's financial industry is obvious, which conforms to the general trend. Under this background, this paper first analyses the development process of bank-insurance cooperation in China, then discusses the existing problems of bank-insurance cooperation, and finally puts forward some countermeasures and suggestions to solve the above problems.

Keywords—Bank guarantee, Cooperation, Mode

I. INTRODUCTION

In recent years, with the rapid development of domestic banking and insurance industry, four cooperation modes coexist. The coexistence of various cooperation modes in banking and insurance industry has greatly promoted the development of domestic financial industry towards mixed operation and the cross-integration of banking and insurance industry. Because of the small scope of application of the strategic alliance model, there are still many problems in the equity cooperation model and the financial holding company model, which need to be further improved. Therefore, the cooperation model between banks and insurance companies is mainly the distribution agreement. Although the mode of distribution agreement occupies the mainstream, it does not mean that this mode of cooperation is very mature and suitable for China's national conditions. In fact, there are many problems in the mode of distribution agreement that occupies the mainstream of bancassurance cooperation.

With the deepening of financial system reform, the trend of mixed operation in China's financial industry is obvious, which not only conforms to the general trend of mixed operation in the global financial industry, but also provides a big background for the development of banking and insurance. With the rapid development of banking insurance, it has become one of the three main sales channels in the insurance industry and an important source of bank intermediary business income. First of all, the insurance products sold by insurance companies through bank channels are mainly life insurance, which caters to the needs of domestic residents and makes up for the defects of the existing domestic security system. Huge demand promotes the growth of premium income and expands the profit margins of insurance companies. Secondly, banks can obtain considerable intermediate business income through cooperation with insurance companies by using their own stable customer groups. Finally, consumers who purchase bancassurance products have both guaranteed and achieved investment returns. Influenced by the measures taken by CIRC to stop accepting the acceptance of non-bank and postal insurance part-time agency qualification approval, to intensify the clearance of existing insurance part-time agency agencies in the market, and to promote the specialization of insurance part-time agency, the number of insurance part-time agency in China has changed. The proportion of postal agencies has been increasing and has become an important insurance concurrent agency. Therefore, learning from the advanced experience of developed countries and combining with the domestic financial environment is of great significance to further improve the cooperation mode between banks and insurance companies, deepen their cooperation level and give full play to the advantages of bank insurance.

II. THE DEVELOPMENT COURSE OF BANK INSURANCE COOPERATION

Banking-insurance cooperation is that the insurance industry seeks to cooperate with commercial banks. Both sides use shared resources to establish business cooperation and seek common interests. At the beginning of 1980s, China began to develop insurance business. Since 1991, China's life insurance companies have introduced and used agent exhibition industry. In 1996, Ping'an Group took the lead in taking Beijing and Shanghai as pilot projects. The experiment was very successful. Insurance companies also quickly carried out bank-insurance cooperation to seize market resources. In 2000, China's financial market witnessed a "banking-insurance cooperation" boom. The premium income from banking-insurance channels accounted for about 2% of the total premium income in the insurance market. In 2008, the cooperation between banks and insurance companies grew more explosively. Since then, the cooperation between banks and insurance companies has gradually been in an unshakable position in the insurance industry. In 2015, the national premium for banking and insurance reached 483.9 billion yuan, an increase of 143% compared with the same period last year. In the first half of 2016, the premium for banking and insurance exceeded the trillion yuan mark, with a strong momentum of development. Although the development of bancassurance business in China is not long, it has a huge impact on China's financial industry. After the introduction of new insurance regulations, the way insurance companies carry out business marketing through traditional banking and insurance channels is being increasingly restricted by stringent regulatory policies. At present, the emergence of Internet insurance has brought new challenges to the overall cooperation between banks and insurance companies.

III. THE EXISTING PROBLEMS OF BANK INSURANCE COOPERATION IN CHINA

A. Lack of Win-win Consciousness

Banking-insurance cooperation is a win-win and promising business model, which can maximize the interests of all parties. Any party too passive will affect the efficiency of cooperation. At present, the cooperation between banks and insurance companies in China is mainly that insurance companies sell their products through banks. Because banks have a large number of high-quality business networks and customer resources, they have more voice power and occupy a leading position. Insurance companies are often in a leading position, with unequal status. Moreover, in the process of cooperation, both banks and insurance companies often start from their own interests and lack the sense of win-win, which makes both sides lose the possibility of getting more profits, and is not conducive to the long-term development of cooperation between banks and insurance companies.

B. The Mode of Cooperation is Simple and Low

At present, the cooperation between banks and insurance companies in China is still at a shallow level. The main mode is agency agreement. This kind of agreement will form a loose way of cooperation. Insurance companies and banks are a kind of distribution cooperative relationship, which often entangles both banks and insurance companies in handling fees for a long time. In order to pursue their own handling fees, some banks neglect the truth of objective win-win situation, making the current banking and insurance market chaotic. At present, there is a lack of innovation in the insurance products of bank-insurance cooperation in our country, and the variety is single. There are few products designed for bank-insurance. A single bank guarantee cooperative product will inevitably hinder the sustainable development of bancassurance. In short, the current way of cooperation between banks and insurance companies is not only lack of continuity and depth of cooperation, but also lose the motivation to innovate products and dig deep into the value of cooperation.

C. Professional Level of Business Personnel is not High

The new insurance regulations require insurance company personnel not to be stationed in banks to sell insurance products, but to arrange for employees to specialize in the sale of bank insurance products. However, due to the fact that bank salesmen are not insurance professionals and lack of knowledge of insurance expertise, the professional level of business personnel is not high. Even some sales promotion personnel have a weak sense of conformity sales and can not correctly understand the importance of bank-insurance cooperation. They are very hasty in selling bank-insurance products and do not pay attention to the essence of products. They often mislead customers to exaggerate profits in order to pursue their own performance and let customers buy them; or they can not tell the insurance premiums and insurance company liabilities truthfully. To make false promises for performance, induce customers to buy insurance products. Because of the problems of low income ratio and unstable cooperation in banking and insurance business, banks and insurance companies are reluctant to invest too much in training their employees in terms of their own interests. This short-sighted behavior will lead to risks in banking and insurance cooperation.

D. The Cooperation Cycle is Short and the Cost is High

At present, the mainstream mode of bank insurance cooperation is the mode of distribution agreement. Under this cooperation mode, insurance companies will choose to cooperate with banks with huge business outlets and high-quality customer resources. Only such banks can help them expand the sales of products and increase their premium income. Banks will choose insurance companies that can pay more fees to cooperate. For the sake of their own interests, both banks and insurance companies only use each other as tools to seize interests. Nobody is willing to deepen cooperation and only take immediate interests into account. This determines that the cooperation cycle between the two sides must be very short. Once one of the two sides finds another more suitable partner, it will immediately terminate cooperation with the other side. The contract is turned to cooperate with the new partners. In addition, in addition to paying normal handling fees, insurance companies usually pay extra fees to bank salesmen privately in order to improve the enthusiasm of bank salesmen. In the fierce competition, insurance companies can not transfer these fees to consumers, which ultimately leads to the operation of insurance companies. Cost increases and profits decrease.

IV. COUNTERMEASURES AND SUGGESTIONS FOR PROMOTING THE DEVELOPMENT OF CHINA'S BANK INSURANCE COOPERATION

A. Good Faith Cooperation and Mutual Benefit

Banks and insurance companies should strengthen deeper exchanges and communication, and create more diversified sales channels, so as to promote banks to actively and effectively carry out insurance business, improve the quality of insurance services, and enhance the sales responsibility of insurance products. The integration of banking and insurance is an important process to promote banking and insurance cooperation. The two sides should renew their concepts, actively innovate, reach a clear consensus in the cooperation, clarify their respective interests and responsibilities, and seek greater profit margin. Both banks and insurance companies need to expand their business areas. They should base themselves on the long-term, establish a long-term cooperative mechanism, focus on future earnings, attach importance to complementary advantages of resources, strive to develop products, optimize services and open up channels for sharing customer resources. This is an effective way for banks and insurance companies to achieve mutual benefit and win-win situation. Guarantee.

B. Deepening the Level of Cooperation and Promoting Product Innovation

In the rapid development of China's banking and insurance market, many modes of banking and insurance cooperation

coexist. Banks and insurance companies are aware of the importance and validity of the deep cooperation of collectivization. They have also carried out bank-led acquisition and new cooperation one after another. Insurance companies should learn from the successful experience of domestic banking and insurance cooperation and gradually enhance and deepen it. The level of cooperation with banks. At the same time, innovative design is the inevitable requirement for the vitality of Bancassurance products and the only way for the leapfrog development of Bancassurance cooperation. Therefore, Bancassurance should pay close attention to market changes, conduct in-depth market research, innovate product varieties according to the demand of target market and the opportunity of credit product innovation of commercial banks, so that customers can not only enjoy convenient and fast pre-sale and after-sale services, but also let customers of both sides touch more financial products. To meet the diverse needs of consumers. Bancassurance cooperation also needs to operate through the Internet. The development of Bancassurance cooperation business system using Internet technology is the basis and guarantee of the development of Bancassurance cooperation. Both banks and insurance companies should learn from the development experience of developed countries, realize the interconnection of banks and insurance companies, speed up the pace of information development, and improve work efficiency and operational capacity.

C. Improve Marketing Awareness and Enhance the Ability of Employees

Banks should strive to strengthen the training of salesmen, and then enhance the comprehensive ability of salesmen. On the one hand, banks pay attention to the training of employees strategically, take customers as market orientation, cultivate various abilities of salesmen, and create a network sharing system that reflects the competitive advantage of differentiated services. On the other hand, insurance companies should also establish professional training teams, which are responsible for training bank outlet salesmen to help banks improve the level of their employees' business. At the same time, it is necessary to strengthen communication and management between banks and customers, formulate different types of customer-centered service strategies, analyze the needs of different customer groups, and provide differentiated services so that each customer can experience fast, convenient and accurate one-stop banking and insurance services. Establish and improve the incentive mechanism to improve the enthusiasm of salesmen. And then build a professional sales team that is familiar with both banking business and insurance marketing theory and practice.

D. Speed up the Reform of the Financial System and Improve the Financial Supervision System

With the acceleration of the process of economic globalization, the major developed countries in the world have broken the restrictions of financial industry and continuously developed towards the direction of mixed operation. On the one hand, the mixed operation of financial industry is conducive to the cross-cooperation among financial institutions and the innovation of financial products, on the other hand, it is conducive to the financial industry to better serve the real economy and promote economic development. China should follow the development trend of global financial industry, speed up the reform of financial system, and promote the financial industry towards mixed operation. While accelerating the reform of the financial system, China should improve the financial regulatory system. At present, China implements separate supervision over the financial industry. Banking and insurance industries are managed by the CBRC and the CIRC respectively. In the process of the development of banking and insurance business, the CBRC and the CIRC have not clearly divided their responsibilities in this field, nor have they put forward any special supervision measures, which has resulted in a regulatory vacuum in this field. The Banking Regulatory Commission and the Insurance Regulatory Commission should unite to recruit talents, set up a special banking and Insurance Regulatory agency, and introduce regulatory measures in this field as soon as possible to standardize banking and insurance business.

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