

Exploring the Issue of Strengthening and Improving Car Insurance Claims Services

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Abstract: With the rapid socio-economic development of China and the significant increase in motor vehicle ownership, insurance claims by insurance companies have become a growing concern. Automobile accident compensation is a major developing business that must comply with the relevant regulations, both in terms of operation and management. This article focuses on the current state of motor insurance cover and the problems that exist in China, and provides an insight into the specific improvements that can be made to the quality of motor insurance claims services.

Keywords: Strengthening ; Improving ; Car Insurance Claims Services

Car accident claims have been a popular topic in society in recent years and in this country, car accident claims are increasingly being paid out. In theory, the issue of auto insurance claims has been thoroughly discussed and analyzed. Thus, it provides a certain reference basis for the claims work and insurance business development of auto insurance in China.

1. The status of auto insurance claims in China and its problems

1.1 The development of auto insurance claims in China

Car insurance claims play a pivotal role in the insurance industry, and the current development of car insurance in China is not optimistic. The current difficulties in claims in China are more serious. There are difficulties in claims management in carrying out investigations, collections, site surveys etc. This, on the contract, is related to the legal system, credit and government responsibility. The motor insurance industry needs to move with the times and continue to improve the quality. At present, there are major differences between the development of domestic motor insurance claims and the international scene. Not only is the standard of insurance business of insurance companies, but also the amount of compensation has an obvious gap. In the process of future development, tons of attention should be paid to the overall development of auto insurance companies.

1.2 Problems in the insurance business of automobile insurance companies in China

In the claims handling of motor insurance, there are several factors that influence the process. However, there are still many problems that have not been solved due to complex reasons. A common problem is the way they are marketed. Motor insurance is run both by full-time employees of insurance companies and by individual agents, part-time and intermediary sales. This approach has led to an intricate insurance business with relatively easy underwriting operations and relatively simple policy reviews (Qin Yang,2018).^[1] And under this model, companies place greater emphasis on financial efficiency. In the long term, there is a high risk of laxity. In addition, the claims problem of auto insurance companies in China is also constrained by the lack of strict regulatory bodies and other reasons. To trackle the problem of auto insurance claims, it is necessary to start with the regulator. Judging from the current regulatory situation in China, it is difficult for our regulators to intervene in the business activities of insurance companies, which poses a great obstacle to the legal system of vehicle insurance in China. In addition, the absence of understanding of the terms and conditions during the claims process, coupled with the low cost of driver irregularities, are the main reasons for the difficulties in making claims. Many people do not have a good understanding of motor insurance after they have purchased it, particularly with regard to the liability exclusion section, which leads to even worse claims at a afterward stage. The cost of breaking the law will also be minimal for those who are engaged in motor insurance, and there is a high risk that some professional problems will occur.

1.3 Excessive costs of personal injury claims in motor insurance

The most representative of vehicle insurance claims are disputes mainly characterized by personal injury. The large range of claims of this type and the many stakeholders involved have led to couples of lawsuits in which insurance companies are unable to fully satisfy their clients' needs when handling these cases. Claims in these cases are expensive, especially when liability classes of insurance are involved in general with high payouts.

1.4 Different types of vehicle insurance operating models

In practice, it is not possible to separate the accounting treatment of traffic insurance and commercial vehicle insurance business as there are different modes of operation and some overlap in accounting between the two parts. The majority of vehicle insurance policies are based on compulsory insurance, which has a single claim without liability, so car owners do not have much objection, whereas commercial car insurance is about liability compensation, and the determination of liability depends on the traffic department, and the approval of losses depends on the insurance company's loss adjusters, who are referees. In cases where insurance coverage is exceeded, the company's claims are subject to two different guidelines, which are likely to cause misunderstandings among consumers.

1.5 Excessive vehicle insurance cost rates can affect claims cost control

Involving in the fierce competition, the major insurance companies have jumped on the auto insurance, as the lifeline of the company's development, the competition between the major insurance companies can be aggressive, you can even identify as the price war, there was once a higher rate of fees, which once again on the profitability of auto insurance squeeze and blow, and in turn on the company's claims costs have a certain impact.

1.6 There are still motor insurance companies with poorly qualified claims staff

The actual implementation of insurance companies is carried out by various types of claims practitioners, which also include claims managers and general practitioners. Due to the differences in cases, the forms of damage caused vary and the uniform company guidelines for claims adopted inevitably lead to different consequences. The amount of compensation, or even the value of the damage fixed, is different. Each employee has a different work ethic, a different attitude, a different work experience and ultimately different results. At the same time, there are so many cases to handle every day, the company will not be able to look at all of them, so the standard of compensation will be different.

2. Exploration of countermeasures for optimizing auto insurance claims business in China

2.1 Countermeasures to improve the auto insurance claims business

Initially, it is necessary to do a good job in auto insurance claims. Aiming to improve the quality of auto insurance claims service, a variety of means must be adopted. First of all, the publicity work of motor insurance should be increased. In particular, it is possible to achieve an effective integration of the collective strength of the entire insurance industry. On the basis, transparency is promised to the public to issue uniform norms. The implementation of this initiative will allow for a proven regulation of the insurance industry in the application of customers. In addition, the functions of the insurance regulator and the insurance industry press should be fully utilized. Psychological counselling and training on insurance products should be provided to the majority of consumers to enable them to become more fully aware of motor insurance claims in order to protect their legitimate interests. Secondly, to provide a brief overview of the vehicle insurance claims process. Looking at the current claims problems of China's auto insurance companies, the current claims problems of China's auto insurance companies are more prominent. One of the most significant factors is the cumbersome procedures which have led to delays in the claims process. This will have adverse consequences for the reputation of the insurance industry itself. Therefore, attention should be paid to streamlining the vehicle insurance claims process. A functional unit dedicated to claims should be set up to handle the relevant documentation (Dong Youping,2019).^[2] The insured's point of view should be taken. Improve the effectiveness of the claims process. This requires continuing to strengthen the professional skills of the operators and enhancing their work and sense of responsibility. The third is to improve the insurance business model for motor insurance. In order to ensure the efficiency of vehicle insurance claims, attention must be paid to the best ways of repairing vehicles and improving them, so that repair companies must be introduced to customers in a proactive manner. Therefore, a good relationship between the insurance industry and the repair station should be ensured along with the timely improvement and optimization of the business process according to the requirements of the insurance company. The product is handled in a perfect manner. To enable insurance companies to highlight fairness and transparency. Insurance companies across

the country should implement a universal claims service as early as possible in areas where they have a provincial network, which is a main measure to improve the quality of the insurance business.

2.2 A few suggestions for insurance companies

At present, the main business of motor insurance is still dominated by insurance companies and no fundamental innovation will take place in the short term, so the only way to improve internal management is to innovate in the business. This competitive situation between companies will hardly be diluted and will continue for a long time, so the problem of high insurance costs and high claims remains a long-standing one. Companies must find a balance in their policies, give policies and claims a balance point, and get more vehicles into insurance companies so that they can guarantee their payouts, and if there is a problem, then a balance must be found in compensation rather than putting a squeezing force on the cost of claims.

2.3 Improving the terms of car insurance

The key to the difficulty of making motor insurance claims lies in the design of its products. The most fundamental way to reverse this is to improve the products that are already in place and to clarify those clauses that are prone to controversy. As a result of the ambiguity of the terms and conditions, which makes it inconvenient to make a claim, there is an increasing urgency for motor insurance customers to standardize the terms and conditions of their car insurance.

2.4 Improving car insurance claims service

In the face of unforeseen circumstances, insurance companies appear to be too cautious and have to wait for announcements from regulators or company executives, sticking to their own rules and letting customers down. In addition, delays and reactive claims create consumer blind spots and lead to customer mistrust, so it is important for major insurers to improve their own claims service standards and adopt innovative approaches to deal with unexpected public events in a timely manner in this context.

3. Conclusion

In conclusion, improving the standard of motor insurance claims service is not something that can be achieved by individual efforts. It requires intensified attention at multiple levels and targeted attention in its concrete implementation. The insurance claims service function of insurance companies must be fully utilized. This paper provides a theoretical analysis of the current state of insurance claims and the problems of China's auto insurance companies in China, and discusses how to improve the business standards of insurance companies and other issues. Thus, it provides a certain basis for improving the business quality of enterprises.

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