

Improve the Motor Vehicle Insurance Consumers' Sense of Gain

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Abstract: This research direction is aligned with the people-centered development thought and the recent emphasis on “returning to the source of protection” in the Chinese insurance industry. The study could aim to analyze the sources of the sense of gain of insurance consumers and explore ways to maximize the value brought to them. The study could propose strategies to enhance consumers’ sense of gain, deepen the supply-side structural reform, and foster a healthy relationship between insurers and consumers to promote the high-quality development of the insurance industry. The insurance industry returns to its source, forms the benign interaction between the insurance company and the insurance consumer, so as to better promote the high-quality development of the whole insurance industry.

Keywords: Commercial Insurance; The Sense of Gain; Actual Benefit

Introduction

Based on its own risk protection attributes, the insurance industry should focus on its main business, strengthen its ability to serve the real economy, effectively prevent risks, and give full play to its role as a “shock absorber” and “stabilizer” for the social economy. To return to the source of security, it is necessary to increase the sense of gain of commercial insurance consumers, namely the insured.

Property insurance covers a wide range of business. From the income composition of property insurance, motor vehicle insurance is the highest premium income of property insurance, accounting for more than 50%. In terms of coverage of insurance products, motor vehicle insurance has the largest number of users, and motor vehicle insurance market is also the core area of insurance regulation.

1. Manifestation of insurance consumers' Sense of Gain

In 2015, published an article titled “Let the People Have More Sense of Gain from Reform”.As an important component, the sense of gain emerged during China’s comprehensive deepening reform period, and is also a practical achievement of the Communist Party of China’s development ideology .He emphasized the need to scientifically coordinate various reform tasks, coordinate and implement the reform measures.He fully display the gold content of reform plans, and allow the people to have more sense of gain.We should fully demonstrate the value of the reform plan, and give the people a greater sense of gain. ^[1]

The sense of gain is a very distinctive “Chinese concept” and an important, scientific, and comprehensive evaluation standard for measuring the effectiveness of reforms. General Secretary analyzed the three levels of comprehensively deepening reforms, with a focus on the people, from the priority order of reforms, the content of reforms, and the goals of reforms. The sense of gain is the positive feeling generated by the objective benefits obtained by the public. It emphasizes both the objective aspects of gains and the subjective feelings and impact.As a comprehensive indicator, the insurance consumers’ sense of gain includes both objective gains and subjective perceptions.

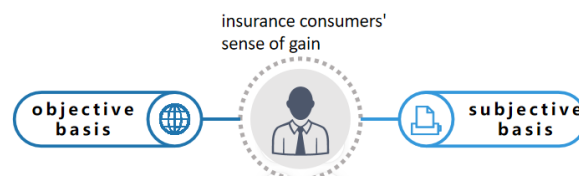


Chart 1 Insurance consumer’s sense of gain

1.1 The objective basis for insurance consumers' sense of gain in the insurance industry is the actual benefits received from protection

In order to meet the high-quality development requirements of the insurance industry and deepen the supply-side structural reform, it is important to focus on the value of insurance products, which is the objective benefits provided to customers. In 2020, the phased goal of the comprehensive reform of motor vehicle insurance was to “lower prices, increase coverage, and improve quality”, which further enhanced.

1.2 The subjective basis for insurance consumers' sense of gain is the positive and satisfactory subjective evaluation

Sense of gain is a positive subjective evaluation, which defines the subjective judgment of satisfaction as the distinction between the actual gain of meeting needs and the sense of gain^[3]. It is based on objective criteria, including judgment of actual attained results, and also on subjective feelings that influence the assessment of value of the gain. Both objective and subjective aspects contribute to the determination of sense of gain. Objective assessment concerns factual judgment and cognitive processes, while the subjective aspect emphasizes individual emotions and personal feelings.

In recent years, the comprehensive reform has led to a decrease of around 10% in average motor vehicle insurance premiums, while the scope of insurance coverage has been expanded and functions increased. In 2020, motor vehicle insurance underwent its fourth reform, and after two years of practice, the effectiveness of the reform has become the focus of attention for consumers, insurance companies, and insurance regulatory authorities.

Subjective feeling has strong personal characteristics, but it also has certain evaluation criteria. Subjective satisfaction is reflected on the customer satisfaction surveys collected by the customer service department of property insurance companies, and on the service evaluation by consumers. In July 2015, the former China Insurance Regulatory Commission issued the Management Measures for Insurance Company Service Evaluation [Trial], which clarified the service evaluation contents of property insurance companies. The service evaluation situation of various insurance companies would be announced at the end of each year. Local insurance regulatory bureaus also issued special notices on the service evaluation of local insurance companies, and the relevant data became the barometer of the service of various insurance companies.

The way to improve the subjective satisfaction of insurance consumers is to start from the receiving end that is satisfied, namely the perception of insurance consumers, to the sending end that provides services. Therefore, we should not only improve the cognition and quality of insurance, but also strengthen the customer service of property insurance companies to convey the professionalism, responsibility and temperature to consumers.

2. Achieve Maximum Benefits for Insurance Consumers

Motor vehicle insurance is classified into compulsory insurance and voluntary insurance according to mandatory standards. Compulsory motor vehicle insurance, One of the comprehensive reforms is to improve the level of protection. From the 2020 version, we can see that the coverage has increased by almost double, the level of protection of Traffic Insurance has been improved, and the floating coefficient of the traffic accident rate of Traffic Insurance has been optimized and the rate discount for consumers without claims has been further increased. One of the goals of the comprehensive reform is protecting consumers and to enable them to truly enjoy the benefits of the “prize-winning and penalty-imposing” rate system, promote road traffic safety, play the social security function of insurance, and maintain social stability.

Table1 Compulsory motor vehicle insurance Unit: Chinese Yuan (RMB)

	Before 2020.9	After 2020.9
Insurance coverage limit	122,000	200,000
“prize-winning and penalty-imposing” rate	lower	higher

Voluntary insurance for motor vehicles is referred as commercial motor vehicle insurance (hereinafter referred to as Commercial Insurance). In 2020, the comprehensive reform clarified the main and additional responsibilities of commercial vehicle insurance. The basic

principle of the comprehensive reform is not to increase consumer premium expenditure. Under this premise, it supports property insurance companies to expand the scope of protection for commercial vehicle insurance. Insurance fully play the role of economic compensation, and resolve and reduce conflicts and disputes in traffic accidents. The extension of insurance company services also guides the property insurance industry to standardize value-added service content, with demonstration clauses for common value-added services such as inspection delivery, road rescue, designated driving services, and safety testing, making them more standardized and practical.

Table 2 Voluntary motor vehicle insurance Unit: Chinese Yuan (RMB)

	Before 2020.9	After 2020.9
Insurance coverage limit	50,000 to 50 million	100,000 to 100 million
Insurance rate adjustment factor	0.3825-2.645	0.39-2.7
Additional fee rate	35%	25%

Since the implementation of comprehensive reform of motor vehicle insurance, the protection function has been enhanced significantly. From the implementation situation, compared with 2020, the traffic intensive insurance in 2021 generally presents the characteristics of “two liters and one drop”, that is, the total insured amount increases, the total indemnity increases, and the average vehicle premium decreases. Data shows that the amount of insurance covered by compulsory traffic insurance increased more. Overall small profit, strictly abide by the “no profit, no loss” business principle. Each reform is a great release of policy dividends to consumers, so that consumers get real benefits.

The improvement of protection and the reduction of insurance consumers’ expenditure greatly enhance the sense of obtaining. Commercial motor vehicle insurance not only has policy guidance and supervision, but also needs to face the challenge of market competition. Therefore, how to provide more valuable and attractive products is the part we should focus on. Put forward the corresponding improvement measures, so as to promote the price and various types of risk and models in various regions to match better.

3. Expanding and optimizing commercial vehicle insurance services can improve the satisfaction rating of insurance consumers

The subjective basis is positive and satisfactory subjective evaluation. The subjective perception comes from value judgments based on their actual needs and services received during the process of satisfying those needs.

3.1 The value judgment of actual value obtained from meeting the needs

That’s mainly reflected on the understanding of insurance product coverage, understanding of insurance terms and conditions, and whether reasonable and comprehensive compensation was received after the accident. Insurance companies should attach importance to consumer rights protection education. Consumer rights protection is not only about handling complaints but also strengthening comprehensive education on insurance consumer rights protection, enhancing the awareness of consumer rights protection among all employees, and providing thoughtful and considerate services. This allows customers to truly understand and master insurance products and comply with the spirit of the contract.

Insurance companies need to have a strong sales team with high professionalism, who should provide correct and effective explanations on company policies, rates, and coverage during the marketing process at the first customer touch point, to avoid unnecessary trouble for back-end service personnel. In the insurance sales process, salespeople should not make any promises beyond the insurance terms or company service capabilities and should not mislead customers with the concept of “full coverage and full payout,” which means everything is covered and everything is paid.

3.2 The service provided during the process of meeting needs should reflect professionalism, efficiency, and warmth

The regulatory authorities have specific management measures for evaluating the services provided by property and casualty insurance companies. The evaluation criteria for the services provided by property and casualty insurance companies .These quantitative criteria have

been established for the entire industry.

Researchers have also studied the customer service performance evaluation system of insurance companies and have found that the efficiency and quality of customer service are crucial. Additionally, service attitude is also important.

Good service must be responsible, intelligent, and warm, making customers perceive sincere and attentive service, which will lead to satisfactory evaluations and enhance the sense of accomplishment for insurance consumers.

4. Conclusion

The insurance industry should return to its essence, truly play the role of risk prevention, risk diversification, and risk sharing. This article focuses on the motor vehicle insurance, and studies the paths to enhance the sense of gain of insurance consumers. Three conclusions are drawn:

Firstly, the sense of gain of insurance consumers comes from two parts: objective and subjective bases. Both parts have a real impact on the sense of gain of insurance consumers.

Secondly, the maximization of the protection benefits of insurance products is a relative value, not a single absolute value based on price. The higher degree of protection is in line with the level of national economic development and also plays a better role in promoting road traffic safety management.

Expanding and optimizing services has always been an important aspect of improving the sense of gain of insurance consumers. The subjective basis of the sense of gain of insurance consumers is customer satisfaction.

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