
Research on the digital Reform and Development of Insurance in China under the background of China's Economic Reform

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Abstract

The global economy has generally fallen, the new crown pneumonia epidemic has spread often, and with several uncertainties, the internal and external issues facing the insurance business are also getting worse. The digitalization and intelligence of business management, process operation, channel development, and customer service have also become unavoidable necessities of the times in the age of the digital economy. Chinese traditional insurance corporations, online insurance providers, and independent institutions are all actively working to alter the insurance industry's structure and advance digital transformation. From a larger perspective, it is crucial to establish a digital insurance industry with improved performance and a more complete system in line with the new development pattern of "China's large circulation as the main body and domestic and international dual circulation promoting each other." Chinese traditional insurance companies should seize digital opportunities to the fullest extent possible, accelerate the adoption of digital transformation, improve core competitiveness and value creativity, and support the high-quality development of the industry in the face of diversified competitors like Internet companies. This study uses case analysis to examine how the insurance industry in China is undergoing digital transformation. It first focuses on the meaning and framework of the insurance sector's digital transformation through literature research, then uses inductive and summary methods to analyze the sector's current state and market structure.

Keywords: *China's insurance industry, digital insurance, insurance enterprise transformation*

1.0 Introduction

China's economy has essentially finished the transition from a planned economy to a market one since 1978. China already has the second-largest economy in the world, and it leads the globe in terms of overall manufacturing, imports, and exports. Additionally, China has joined the group of middle-income nations in terms of GDP per capita. However, China's high income represents only roughly 3% of GDP. The economy cannot function without the insurance sector, and as a result, some sizable domestic insurance businesses have started to engage in digital transformation. However, thorough research is needed to understand how to implement a digital strategy change. Digital customer service and interaction will be crucial for the insurance industry's future. Quick-response and quick-paced consumer interactions will reveal consumer demand from new consumer groups, and insurers will need to innovate quickly and adapt insurance products to meet customers' ever-changing needs. The "Internet +" era may have a huge impact on the insurance sector, which is built on data and operating hazards. Big data's significant improvements in risk detection and pricing power will increase the core competitiveness of insurance companies. Big data may help insurers improve value in a variety of ways, including risk assessment, precise product pricing, customer segmentation, and more. The primary basis for the Internet's influence on conventional insurance marketing channels is the substitution effects that allow policyholders to access more thorough information. Through the analysis and insight of big data, the creation of accurate portraits of their customers, knowledge of their precise demands, and the identification of marketing channels, insurance businesses can support the transformation and innovation of the insurance sector. The opportunities and challenges that the digital economy era presents to insurance companies have been briefly discussed in previous studies, along with some tactical steps that insurance companies can take to achieve digital transformation. However, from the standpoint of enterprise strategy, there has not been much research on how insurance companies actually go about implementing digital strategic transformation and transformation paths in the era of the digital economy. This paper focuses on the digital strategic

transformation of insurance enterprises, first discusses the driving forces of the digital strategic transformation of insurance enterprises, then explains the connotation and characteristics of the digital strategic transformation of insurance enterprises, and finally constructs the implementation framework of the digital strategic transformation of insurance enterprises on this basis in order to enlighten the theoretical research and management practice of the digital strategic transformation of insurance enterprises.

(He miao, Fan Zili and Zhang ru, 2021) .

2.0 Literature Review

2.1 Development of China's Insurance Industry

The financial sector has grown to be a necessary component of the economy, and the sophistication of the financial system has emerged as one of the key determinants of the level of economic development. (Li Guojie, Cheng Xueqi, 2012) . Financial development and economic growth frequently go hand in hand, according to the real circumstances of various nations throughout the world, and the linking mechanism between the two has come to the fore in scholarly discussion. While studying the relationship between financial development and economic growth, academics have started to pay attention to the evolution of the internal structure of the financial system and its relationship with economic development and economic growth. A major area of interest in the study of financial structure is the annuity market, which is one of them and plays a significant role. We study the relationship between financial structure and economic growth using data from 150 nations. We find that rich countries have larger, more dynamic, and more effective stock markets, non-bank financial intermediaries, and banks, and that these sectors grow along with the economy. More insurance companies are adopting digital strategies as a key path for transformation and development, whether from a global or domestic standpoint. Traditional insurance firms are undergoing digital transformation, and their key transformation idea is client-

centric, seeking continual optimization of technology and customer experience, in contrast to the fast growing internet insurance market of 2016 (He Hongqing, 2020) .

China's insurance market has grown significantly in recent years, surpassing those of Germany, France, the United Kingdom, and Japan. In 2019, with an annual premium income of 4.3 trillion yuan, China became the second-largest insurance market in the world and the most significant emerging insurance market. However, there is still a significant insurance depth gap with developed nations (Chu Yutang, Dang Yutong 2021) . Digitalization and information technology are also reshaping various industries' product and service models, fostering the emergence of emerging business formats, and significantly altering how society and the economy function. These factors are important catalysts for global change. Gaining future competitiveness is a vital component of seizing transformation possibilities and deepening insurance due to the sizeable market and digitalization of China's insurance sector. The digital transformation and modernization of conventional insurance companies are also being driven by the quickly shifting market environment and the unique consumer needs. The 2020 novel coronavirus pneumonia epidemic has also highlighted the vital role that the insurance sector plays in the economy and society. Additionally, a significant portion of its businesses and customers have moved from offline to online, which has further fueled the insurance sector's transformation into one that is digital and intelligent (Tang Jincheng and Song Weihui, 2021) . However, while transformation has given the traditional insurance industry many new opportunities, it has also had an unprecedented impact on it, leading to a number of new challenges and difficulties. As a result, the development path, transformation path, and business model of the insurance industry need to be examined in greater detail.

2.2 Motivations for the digital strategic transformation of insurance companies

a) External environment promotion

Businesses must promptly modify their development strategies in response to changes in the external environment since company development involves the interaction and co-evolution with many external environmental factors. The industrial, economic, and technological environments that Chinese insurance firms must operate in have undergone significant change as a result of the deep development of the digital economy, and insurance companies must now convert and upgrade in a way that is both adaptable and even looks to the future (Wang Yonggui, Gao jia, 2020) .

b) Changes in the industrial competition pattern

The adjustment of industrial structure and the change in industrial structure are the variables that directly affect the transformation and upgrading of firms among the numerous external environmental factors. The participants in the insurance market have broadened due to the deep development of the digital economy. In addition, insurtech businesses seek out technical partnerships with insurance companies across all lines of insurance and offer technical assistance to insurance companies using science and technology as their entrance point (Zhang Ruigang, Wu Yeying, 2022) . Government authorities are also actively regulating, directing, and focusing the growth of the insurance industry's digital infrastructure, promoting and enhancing insurance services through new technologies and formats, and supporting the real economy's innovation strategy (Miao li, 2021) . The operation and competitive patterns of the insurance sector are changing as a result of collaboration between traditional insurance companies, Internet businesses, insurtech businesses, and regulators, according to the industry's development trend.

c) Transformation of economic development mode

The digital economy, as a new economic form, strongly supports the high-quality development of China's economy at this time, when the fundamental characteristics of its economic development have transitioned from a high-speed growth stage to a high quality development stage (Jin Wenjun, Sun Baowen, 2019) . As a fundamental tool for risk management, insurance is essential in advancing China's economy toward a stage of high-quality development, so insurance providers must make the necessary strategic changes to build a strong foundation for high-quality economic growth.

d) Techno-economic paradigm change

The socio-technical economic paradigm is evolving as a result of the industrial revolution, and this will eventually result in changes to technical pathways, production processes, organizational structures, management paradigms, and industrial competitiveness paradigms (Huang Qunhui and He Jun, 2013), which will challenge and require the transformation and upgrading of enterprises from a deeper level. The integration of digital, networked, and intelligent information and communication technology with a green renewable energy system constitutes the new industrial revolution, which has led to significant changes in the economy and society as well as productivity and production relations (Huang Sujian et al., 2018). The product forms, service approaches, cooperative partnerships, operational management, and business models of the insurance industry will significantly alter as a result of the widespread adoption and acceleration of the next round of industrial revolution. Insurance firms must fundamentally change from the scale-expansion-focused development paradigm of the industrial economy era to a new development paradigm in the context of the digital economy era as a result of the invention of the technology economy paradigm.

e) Internal capacity reshaping pull

There are numerous issues with the growth of insurance firms in marketing, innovation, and risk management, subject to the limitations of various factors and long-

term path dependence. The extensive promotion of the digital economy has opened up new possibilities for the modernization and expansion of insurance firms. The potential provided by the digital economy should be completely embraced by the insurance industry. Digital strategic transformation should be implemented, development issues facing insurance businesses should be resolved, and organizational capacities should be changed (Xu meng, 2020) .

2.3 The connotation and characteristics of digital strategic transformation of insurance enterprises

2.3.1 The connotation of digital strategic transformation of insurance enterprises

The term "digitalization" has increasingly taken the place of "informatization" with the emergence of the digital economy era, and many traditional organizations have started down the path of digital strategy transformation, which has also garnered considerable attention from management practitioners and academic scholars. However, many businesses remain at the fundamental stage of building digital systems because they lack a scientific grasp of "digital strategic transformation". It is vital to perform in-depth study and deconstruct the digital strategic transformation of firms and its characteristics in order to have a thorough understanding of the digital strategic transformation of insurance enterprises. The phrase "enterprise digital strategic transformation" encompasses a variety of ideas, including "enterprise," "digitalization," and "strategic transformation." The term "digitalization" is a result of the development of the digital economy. The term "digital economy" refers to a set of economic activities where digital knowledge and information serve as critical production inputs, modern information networks serve as significant carriers, and effective use of ICT serves as a key catalyst for increasing productivity and optimizing the economic structure. Most academics agree that strategic transformation stresses systemic changes in the various organizational components that influence strategy, including adjustments to both strategic procedures and content. Strategic content typically focuses on adjustments to

the company's overall strategic objectives and business scope, changes to the operational level's business objectives, such as the development, operating, and competitive directions of a particular business, and adjustments to the functional level by the company's functional departments. The strategic process typically focuses on the transformation of formal management systems, organizational structures, and corporate cultures as strategic decision-making processes. These two viewpoints' definitions of the meaning of strategic transformation complement one another and work together to create a comprehensive understanding of this subject. The idea behind digital transformation of insurance companies is to transform strategic thinking into "digital thinking," use cutting-edge digital technologies to advance the growth of insurance companies, and restructure the strategic content of operations and functions as well as strategic decision-making processes like organizational culture, organizational structure, and management system (Li hui, Liang Dandan, 2020) . Insurance businesses will ultimately work to develop three essential skills through digital reinvention: omni-channel experience, artificial intelligence services, and risk prevention and control, as well as support a new cycle of "customer-centric" transformation and upgrading.

2.3.2 Characteristics of digital strategic transformation of insurance enterprises

The new direction and trend of insurance company development in the digital economy era is represented by the integrated and dynamic concept of enterprise digital strategic transformation. The features of enterprise digital strategic transformation can be deduced from the fundamental logic of strategic transformation and the operation law of enterprise development in order to comprehend the notion of enterprise digital strategic transformation more thoroughly. Strategic thinking, business flow, organizational form, management style, and organizational output are the specific manifestations of the features of digital strategic transformation of enterprises in the context of insurance firms.

a) Strategic Thinking - Industrial Thinking to Internet Thinking Transition The highest degree of business management is involved in strategic thinking, which is connected to the prospects for an enterprise's survival and growth. Insurance firms are imbued with industrialized thinking characteristic of the industrial economy's mass manufacturing, mass consumption, and mass sales. In the age of the digital economy, it is essential for insurance companies to cultivate Internet thinking, including the Internet spirit of openness, equality, cooperation, and sharing, Internet concepts like the opening of virtual entities, the removal of time and space restrictions, and user-orientedism, as well as the Internet economy of the long-tail theory, market equilibrium theory, and consumer sovereignty theory. (Li Haijian et al., 2014). Insurance companies can only maintain a competitive advantage over their competitors by using strategic thinking to keep up with the trends. The digital strategic transformation of businesses is built on the innovation of strategic thinking.

b) Business Process - Traditional Business Process Transformation to Full Value Chain Digitalization The nine essential linkages that make up the standard insurance business process are: product creation, product sales, subject underwriting, policy underwriting, preservation change, claim reporting, claims investigation, claims accounting, and various insurance payouts. Emerging digital technologies have been developed in-depth, which has not only changed how traditional insurance businesses operate but has also gradually rebuilt the industry's value chain. In order to attain asset-light operations, insurance companies should actively investigate networking, intelligence, and outsourcing of non-core procedures including underwriting, preservation, adjustment, and even payment. A digital transformation of the core value chain, including risk pricing, risk management, customer service, and capital usage, requires insurance businesses to fully utilize emerging digital technologies like big data, the Internet of Things, and artificial intelligence.

c) Organizational Form - Traditional insurance companies' multi-level organizational structures are no longer adequate for the Internet environment's quick responses and

frequent iterations in the age of the digital economy. Future organizational forms should be more networked, flexible, and have traits of both huge platforms and local front-ends. It is simple to achieve new competitive advantages like scale expansion and rapid business growth because organizational platforms have the characteristics that encourage enterprises to respond to changes in a dynamic market environment with agility, trial and error, and rapid innovation under low-cost conditions. Insurance businesses must apply Internet thinking to reorganize enterprise organizational forms and create platform organizations in order to realize the digital transformation of the whole insurance value chain. Create a platform organization based on the idea of value co-creation, and encourage traditional insurance companies to platformize in order to maximize value at a low cost and achieve high-quality development.

d) Management Model - from a stakeholder-driven, enterprise-oriented management model
In the age of the digital economy, insurance companies' management styles must change from being employee- and enterprise-centered to being stakeholder-centric, with macro contracts serving as the main logic. Future platform governance development should focus on creating a multi-party co-governance paradigm that combines public involvement, platform autonomy, third-party coordination, and government coordination. Determining the innovation of management practices through original innovation, grafting innovation, and integrated innovation based on the actual situation is therefore necessary for insurance enterprises on the basis of the transformation of management concepts in order to provide the support for platform governance and optimization.

On the one hand, there is only one type of insurance product, making it challenging to meet the various protection requirements of various consumer groups in various scenarios. On the other hand, insurance products cannot be patented, and on the other hand, regulators demand that the pertinent information of insurance products be open and transparent, leading to a tendency for the products offered by various insurance companies to be homogenized. In addition to fundamentally weakening the insurance

sector's potential for innovation, this also makes it simple to overlook consumers' other insurance needs. Consumers now have increased expectations for the differentiation, personalization, and scenario of insurance products, as well as for the speed, wit, and accuracy of service responses, thanks to the emergence of the digital economy period. The complex and dynamic needs of today's consumers can no longer be met by traditional single insurance solutions. Therefore, rather than just providing one form of financial compensation, insurance companies must innovate their products and services to fully integrate the financial, protection, and service aspects of insurance products. They must also create a number of services that help them manage risks both during an event and after it has occurred (Guo lin, 2006) . Insurance firms must define the framework for implementing digital strategic transformation based on the meaning and characteristics of this transformation as well as the internal and external environments.

2.4 Current situation and challenges of digital transformation of insurance enterprises in China

2.4.1 Development trend of insurance intermediary companies

The "product + service" model, which allows insurance companies to obtain user analysis, product research and development, and other services, and customers to obtain customized protection plans, risk management consulting, and other services, has first and foremost become a barrier to industry competition; second, competitive cooperation has first and foremost become the primary relationship in the sector. (Yang Xianyue, He Guanghui, 2002) 。 They have benefited from the early results of transformation due to their early start and significant investment in digital transformation compared to other traditional large insurance enterprises, and now they are concentrating on expanding the track, extending their business boundaries, and

creating an insurance ecosystem around their own advantages (Tang Jincheng, Liu lu, 2019) ; Small insurance companies are constrained by their own capabilities, focusing on track breakthroughs, focusing on channels, actively seeking market segment breakthroughs, and optimizing experience around business models and insurance; medium-sized insurance companies are still in the stage of choosing a track, focusing on successful practices in the industry, applying mature technologies, benchmarking themselves through technology empowerment, and making up for their shortcomings.

Driven by two internal and external forces, Chinese insurance companies work together to point to the strategic transformation of digitalization, striving to realize the transformation from industrialized thinking to Internet thinking, from traditional business processes to the digitalization of the whole value chain, from organizational level systems to organizational form platforms, from enterprise-led management mode to stakeholder-led, and from homogeneous products to personalized intelligent products.

2.4.2 Transformation challenges for insurers

Despite having the benefits of a positive client experience, distinctive scene-based qualities, and great technical level, Internet insurance firms also confront the following four significant challenges: First, there is intense competition at the market level; traditional insurance companies actively sell their products through official websites, insurance agents, and e-commerce channels, in addition to the same kinds of businesses; Second, due to the fact that the business operates on a very open network platform, network information security issues could arise; Third, Internet insurance products typically have low average premiums at the operational level, which results in high customer service costs and puts more strain on business operations; The service level is the fourth Since there is less direct interaction with clients during the marketing process, issues including inadequate interpretation of insurance contract conditions and discrepancies in customer understanding are easily created. The following difficulties

are likewise faced by insurance intermediary companies: First, omni-channel supervision will be introduced by the insurance intermediary market, the issue of industry turmoil will be highly regarded, and new guidelines for operation and management activities will be proposed. The growth of the insurance industry through Internet platforms will also have an impact on traditional insurance intermediaries. On the one hand, these platforms will "disintermediate" the insurance market and make it more difficult for intermediaries to survive. On the other hand, the Internet has the advantage of big data and is more precise when mining customers. Third, the practice of "disintermediating" traditional insurance companies has become popular, and insurance intermediaries not only utilize financial technology to further their own commercial interests but also cover up some potential risks. Fourth, there is a lack of human, financial, and energetic resources, which makes it difficult to completely dedicate oneself to the building of transformations as well as scientific and technological innovation.

3.0 Methodology

3.1 Research Methods

In order to examine the digital reform and growth of the Chinese insurance business against the backdrop of China's economic reform, this study utilizes the inductive summary method and the literature research methodology. The research approach used in this study is described in full below:

a) Literature Research Method

One of the primary approaches used in this study is the literature research method. You can completely comprehend the dynamics and limitations of existing research by consulting materials and reading a variety of literature reviews, novels, etc. relevant to digital transformation. To shape the direction and ideas of this research, as well as to

give more thorough literature and theoretical support for the research, the essence, path, and existing difficulties of digital transformation are sorted out and summarized on the premise mentioned earlier. First, we will compile scholarly works, research studies, official records, and statistics from the business world pertaining to China's economic reform, the insurance sector, and digital reform. These materials will give us crucial details on the underlying history, framework of policy, trends in development, and pertinent cases of the digital reform and growth of China's insurance sector. Second, in order to develop a thorough understanding and insightful perspective, we will carefully read, assess, and synthesize the gathered literature. This strategy will enable us to identify the key traits, motivating forces, and difficulties of China's insurance digital revolution and offer a theoretical and empirical foundation for further study.

b) Inductive Summarization

Another crucial method used in this study is the inductive summary method, which extracts the theoretical underpinnings of the research on digital transformation conducted by both local and international experts. We can better comprehend the current position of the insurance industry's digital transformation both domestically and internationally by combining its current state with its market structure. In addition, the overall course of digital transformation is compiled through the combination of the insurance industry's digital transformation process, forming the experience of the insurance sector's technological and digital transformation and serving as a point of reference for the modernization of other businesses of the same kind. We will provide a summary of the key findings and opinions of the digital reform and growth of insurance in China based on the findings of the literature review. In order to find patterns, trends, and correlations, we will compile, filter through, and summarize the key facts and opinions in the gathered literature. We may come to more thorough and accurate conclusions and make logical recommendations for China's insurance digital reform under the current circumstances by repeatedly comparing the viewpoints in various books.

In order to disclose the digital reform and development of China's insurance sector against the backdrop of China's economic reform, this study use the literature research method and the inductive summary method to gather, analyze, and summarize pertinent literature. This method will assist us in comprehending the market's existing state, trends, and difficulties so that we may recommend appropriate policy changes and doable things to address them.

3.2 Research Content

Upgrading digital strategy is the only option for the healthy development of the insurance business as the rapid expansion of the digital economy is fundamentally changing both the internal and external environments of insurance companies. In order to address the difficulties linked to the digital transformation of insurance firms, this paper uses the insurance industry in China as an example and offers solutions, recommendations, and future perspectives. The current state of the digital transformation of insurance companies is discussed in this study from a variety of angles, including research background and relevance, research status, theoretical underpinnings, research methodologies and content, innovation points, and flaws. Analyze the current environment and difficulties associated with insurance companies' digital transformation to offer context for further investigation. Last but not least, recommendations are made to enhance the digital transformation of Chinese insurance firms.

4.0 Results and Discussion

The internal and external environments that Chinese insurance businesses must deal with have significantly changed in the age of the digital economy. driven by changes in the external environment, industrial competitive patterns, economic development models, and technological economic paradigms. In addition to internal capacity reshaping, marketing capabilities, innovation capabilities, and risk management

capabilities, insurance companies should adhere to the situation and law of economic and social development, fully capitalize on the opportunities brought by the digital economy, implement digital strategic transformation, and reshape enterprises. This is extremely important to improve the core competitiveness and value creation ability of insurance enterprises, as well as to promote the industry as a whole (Yin Ximing, Chen jin, 2022) . This essay contends that the meaning of the term "digital strategic transformation of insurance companies" is to upgrade strategic thinking to "digital thinking," use emerging digital technologies to empower the development of insurance companies, reconstruct the strategic content of enterprise operation and function, as well as the strategic decision-making processes such as organizational culture, organizational structure, and management system. Insurance companies can begin to change from three levels, starting with customer interaction, business operation, and support. They can also promote enterprise-wide digital strategic transformation through integrated channels, precision marketing, and innovative services at the customer interaction end, business operation-side product development, product pricing, and risk management, and corporate culture. From a practical point of view, This paper can successfully advance the digital level of Ping An Insurance to a new level by analyzing the entire insurance transformation process in China, measuring the impact of the insurance transformation, and identifying the flaws and improvements in the process through comparative analysis. At the same time, the proposed entire transformation path for traditional insurance companies is illustrated by the transformation case of China's new insurance. Additionally, by examining the success and benefits of insurance digital upgrading, it will help small and medium-sized insurance businesses, as well as provide experience references and useful references for the innovation, development, transformation, and upgrading of the insurance industry against the backdrop of digital finance (Tao Yana, 2013) .

5.0 Conclusions and Recommendations

Here are some ideas for enhancing China's insurance businesses' digital transformation: 1. In terms of strategic awareness, digital transformation must first acknowledge the value of transformation from the awareness level, and senior management must set the company's transformation goals from a strategic height, in order to steer the overall situation and lay a solid foundation for the future implementation of digital and intelligent transformation. 2. From a current vantage point, domestic traffic juggernauts are strongly interested in the insurance sector, and consumer behavior and expectations will change significantly when firms enter the domestic insurance market on a huge scale. Chinese traditional insurance businesses must clearly understand their flaws and adapt their principles in order to compete in the new environment. They also need to plan ahead, strategize, and combine various channels and resources. 3. Traditional insurance companies should also define their digital development strategy from various angles, such as digital thinking, IT system and data capabilities, digitalization of back-office operations, new products, services, and business models, and establish a strategic consensus, in order to formulate digital strategies and goals. Additionally, it is necessary to create a transformation plan based on the enterprise's requirements, formulate a digital development strategy based on the enterprise's current situation, define the industrial ecological blueprint, grasp the key points, and evaluate the business model (Yang song, Zhang Yongliang, 2017) .4. To provide strong support for digital transformation, insurance companies must continue to improve organizational protection and develop innovative supporting institutional mechanisms. This is necessary given the current continuous development and innovation of digitalization, which requires updating both the organizational structure and mechanism of traditional insurance enterprises. 5. Strengthen organizational protection against digital operation: Businesses should establish a steering committee

for digital transformation to track progress and provide resources. This will help insurance companies' organizational defense against digital operation. In addition, it offers project teams and digital offices structured training so they can handle more professional digital transition. Traditional insurance providers should also hasten the creation of agile companies. Through timely and reliable digital information, you may create a flat organization, encourage employee connection, and boost communication effectiveness (Li Chuanchuan, Liu gang, 2022) .

6. Invent new digital supporting systems and mechanisms: As insurance companies undergo a digital transition, we must pay close attention to the synchronized innovation and upgrading of supporting systems and mechanisms, which primarily focuses on two aspects: In order to improve supporting organizational capacities and efficiently react to quick changes in the future market, construct a new talent training and selection system first. Those who have worked on or led digital projects are offered more opportunity for promotion as part of the enterprise's promotion system for attracting internal talent. The second is the creation of novel long-term incentive systems. It can effectively divide different levels of agents, upgrade incentive policies in accordance with the requirements of various types of agents, maintain a specific level of staff turnover, strengthen dynamic elimination and adjustment, fully support the performance and excellence of the team, promote the efficiency of the agent team with science and technology, and effectively increase agent activity rate.

7. The old agent business model has long been a source of frustration for the insurance sector since it has been unable to handle consumers efficiently. The customer-centric business model must be improved in the future by understanding consumer wants and addressing their specific pain points through the provision of high-quality goods and services (Zhang Demao, Jiang liang, 2018) .

It is necessary to place a high priority on customer resource management, strengthen the top-level design of pertinent systems, fully integrate customer data information, adjust the relationship between insurance companies and users, and perform well in life cycle connection management in order to achieve the significant transformation from "policy-centric" to "customer-centric". While the IT system is being continuously

improved, it can also compel the development of corporate management rules and, to a certain extent, encourage the process of "deprivatization" of consumers. 8. In terms of digital ecology, establishing "digital ecology" capabilities will be a basic competency for insurance businesses in the future, and digital ecology will serve as the primary operating position for insurance digitalization (Liu Shuchun, 2019). The insurance value chain should be expanded through scientific and technological methods on the one hand, while actively attempting to create an open insurance environment on the other. Traditional Chinese insurance businesses should further integrate technology across the entire insurance value chain, fully cover all insurance-related topics, extend and optimize the current value chain, support businesses to cut costs and boost efficiency, and create new opportunities for business growth. From the perspective of the business value chain, traditional insurance companies should pay attention to the use of technology to design scenario-based products, implement precision marketing, strengthen agent training, and improve agent activity rate when making underwriting claims; improve the speed of underwriting claims and simplify the claim process through the use of technology when making underwriting claims; and focus on using technology to effectively communicate with customers. In order to provide consumers with a positive experience throughout the entire process, traditional insurance businesses should also aggressively develop a digital insurance ecosystem that connects inside and outside and manage all insurance business through one-stop APP.

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