Changing Insurance Sales Channels and Insurance Industry by the Forth Industrial Revolution

The growth of the insurance industry in Korea has been accompanied by the growth of insurance sales channels. In particular, the agent channel played an important role in informing consumers of the risks they could face on and providing solutions to the risks, which enabled the insurance companies to sell insurance.

Since the 2000s, however, various sales channels such as bancassurance, TM, and CM have emerged as a new alternative to existing face-to-face sales channels. Especially, artificial intelligence, big data, etc, the new technology of the fourth industrial revolution is expected to change the future sales channel into a completely different way channel.

The most important question in this report is how these changes in technology will change the insurance industry and what insurance companies need to prepare to survive in this change. Mainly we suggest three things to prepare for the future. First, companies need to prepare a detail plan and strategy for adopting the new technology. Second, though insurance companies can outsource AI technology but not data. So insurance companies need to cumulate data as they planned in the strategy. Third, insurance companies have to prepare their platform where consumers can use companies future insurance sales channel.

We also provide some insight into regulation and cost-benefit issues in this report.