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BOOK REVIEW

## **INSURANCE SALE (VERSICHERUNGSVERTRIEB)**

*Author: **Professor Matthias Beenken, PhD***

*Published by Verlag Versicherungswirtschaft, Karlsruhe, 2017*

*Number of pages: 465*

In previous years, insurance sale became a subject that has gained increasing attention on insurance market and in our country. Insurance sale means all procedures used for maintenance, i.e. expansion of insurance products of an insurance company. Its objective, in addition to increase of premium income, is greater satisfaction of insurance services' buyers and their tighter bond with an insurer whose field teams, including insurance agents and intermediaries, usually present the main sale channel of this particular service. A specific sale channel, whose significance is growing in contemporary conditions, is a direct sale by public communications and public media, which usually excludes insurer's field teams. Stimulation for sale of policies is founded particularly on achievements of insurance marketing, first, on prompt and professional claim processing and fair resolution of insureds' complaints.

The book "Insurance Sale", which is the subject of this review, was written by a famous German and European expert in this field, professor Matthias Beenken, PhD. This is a man with over thirty years of practical experience in insurance sale who is simultaneously a lecturer at a university in Dortmund, and with an extensive experience in journalism. It is interesting to emphasize that when an insurance market of a country is big enough, a publishing company that publishes exclusively various books and magazines on insurance can operate successfully. A publishing company,

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Verlag Versicherungswirtschaft, from Germany, Karlsruhe, successfully runs its business for several years and it published the book "Insurance Sale".

This rather interesting and important book contains seven chapters. The introduction emphasizes the role and importance of researched subject, and the author later provided many various interpretations of insurance sale. Then follows overview of insurance sale history and challenges imposed by its legislation and supervision. In addition, the most important open issues on ethical standpoints regarding sale are processed.

The following part of the book is dedicated to the market of insurance agency and intermediation. Of course, it is deemed a part of a single insurance market where these operations are necessary for supply and demand, i.e. connections between insurers and insureds. Focus is on business patterns of policy sale classified to small sellers, big sellers and the most modern types of agency and intermediation, which means use of advance technologies such as internet, laptops and mobile phones. The most important data on sale channels of the European Union member states is summarised on several pages and with several useful tables.

The third chapter includes findings from research from the theoretical point of view. Several studies that observe insurance sale from various standpoints were processed. One dealt with collection, research and application of the most various notifications required in order to reach a new insured or extend the offer to the existing insured. Difficulties arising from frequent disproportion of notifications between contracting parties are emphasized here, which does not contribute at all to equalisation of insurance offers. The second part of theoretical considerations deals with sale from the point of view of institutions emerging on insurance market in order to deal with this key task. Finally, behaviour of participants in the industry, company, associates and parties were also analysed.

The next chapter provides classification of insurance sale from the legal and economic standpoint. Insurance agents and intermediaries, which exist on Serbian market, are included here as well as insurance advisors that (still) do not exist in our country. Such entities are not direct insurance sellers, but with their advisory role, firstly to bigger companies, they can stimulate sale of many policies from various insurance lines.

In the next chapter, the focus is on sale management in a modern insurance company. Research included various sale strategies, role of insurer's management, planning, stimulation of sale, human resources, and breakdown of the sale procedure itself. It is necessary to perform all the above stated items with continuous risk management, which follow sale and maintenance of sale quality, primarily in terms of satisfaction of clients' needs and requests. This part of the book is the most extensive, with nearly one hundred pages, and it contains a practical task, i.e. an example of policy sale management in an insurance company.

The penultimate part of the book "Insurance Sale" also deals with sale management, but from the point of view of insurance agents and intermediaries. It contains life phases of agencies and intermediation companies. All requirements these companies should meet before their incorporation are analysed in detail, then methods for planning and managing sale, along with emphasis on importance of creation of new value in sale operations. Closing of these companies is also elaborated with an example of incorporation of one company.

The last chapter includes rather interesting author's opinions on several various fields in terms of future development of sale. Latest trends are stated here, which may call into question traditional sale patterns, but simultaneously, offer some new approaches. They include accelerated ageing of population in the Western Europe; influence of supervision that can be stimulating but also can impede operation of companies; accelerated digitalisation; increased awareness of insureds and public; protection of customers and their data; reputation of insurance sale agents; interrelation between insurance companies and independent insurance sale agents.

In order to deal with numerous challenges the insurance industry is facing, and successfully develop this industry further, it is necessary to obtain deeper knowledge on its economic tasks, types and options to be marketed. Great attention is given to this in the book "Insurance Sale" that can be recommended with pleasure to all theoreticians and practitioners in this field.

*Translated by: Jelena Rajković*