

# THE REVOLUTION IN INSURANCE DISTRIBUTION CHANNELS IN HONG KONG

**Marina Lai Wah Lui\***

\*The Prudential Assurance Co. Ltd,  
Hong Kong

## Abstract

Distribution of insurance products in Hong Kong is characterized by the traditional Agency Distribution Model – Insurance Intermediary. Due to a changing landscape in the business operating environment and the evolution of information technology, significant changes in insurance distribution channels can be seen in recent years which include bancassurance, direct sales, internet sales, tele-marketing, cross-industry sales and other innovative form of distributions. Among various forms of alternative distribution, Bancassurance is dominant. Emergence of alternative distribution channels poses a threat to the traditional agency distribution system and disintermediation is an issue of concern among insurance intermediaries.

The purpose of this paper is to discuss the alternative distribution channels and their impact on the insurance intermediary profession. It provides an insight into the role played by bancassurance and its quality of service, and examines the views of agents, insurers and the public towards the changing patterns of insurance distribution.

## INTRODUCTION

The insurance industry keeps on growing in Hong Kong, as Hong Kong offers a liberal regulatory environment for insurance business. As with other countries, the industry entered a period of consolidation in recent years – inter-industry mergers and acquisitions – in an attempt to boost growth.

---

#Ms Marina Lui ACS, ACIS, FCII, SBE, Chartered Insurer, Chartered Life Underwriter, Chartered Financial Consultant, is a consultant and trainer. She has taught insurance at Lingnan University in Hong Kong, and for the Society of Registered Financial Planners. She is a member of the academic board of the Hong Kong Learning Community College, and a member of the board of governors of the Asia Pacific Risk & Insurance Association.

\*The views, interpretations and conclusions expressed in this paper are entirely those of the author and should not be attributed in any manner to the company.