



Research on Risk Engineering Management Strategy of Ping An Property Insurance Company

Kaiyi Li*

Business school, Nankai University, TianJin, China

*Kaiyi_NKU09@163.com

Abstract. This article conducts an in-depth study on the risk engineering management strategy of Ping An Property Insurance Company. First, the importance and characteristics of risks in the insurance industry are analyzed comprehensively, and the current status of risk management is discussed. By providing a systematic overview of the history, business layout, and operational status of Ping An Property Insurance Company, this article elaborates on the construction and implementation of its risk management system. Hereafter, the theoretical basis of strategic management is further explored, and the integration of risk management and strategic management is analyzed, with empirical analysis conducted using strategic management models within this framework. Through case studies, this research summarizes the achievements of risk assessment, early warning mechanisms, and the implementation of management strategies, and draws clear conclusions based on these findings. The aim is to provide useful references for the formulation and optimization of risk management strategies within the insurance industry.

Keywords: Risk Engineering Management; Strategic Management; Risk Assessment; Insurance Industry; Ping An Property Insurance; Case Study

1 Introduction

Ping An Property Insurance Company is one of the leading property insurance companies in China, facing diverse and complex risk management challenges. With the development of technology and changes in society, insurance companies are facing more and more challenges and opportunities in risk management. Therefore, this study aims to explore the strategy of Ping An Property Insurance Company in risk engineering management, in order to address future risk challenges and enhance the company's competitiveness. In order to achieve this goal, this study will start from the concept and importance of risk engineering management, analyze the challenges faced by current risk management, propose relevant solutions, and provide specific implementation strategies, as well as evaluate its practical application effect in Ping An Property Insurance Company. In addition, this study will also draw on relevant theories and practical experience at home and abroad to propose feasible risk engineering management

strategies for Ping An Property Insurance Company, in order to promote the company's sustainable development.^[1-3]

2 Overview of Risks in the Insurance Industry

2.1 The Importance of Risk Engineering Management

Risk engineering management is a crucial part of the insurance industry, and its importance is reflected in multiple aspects. Firstly, risk engineering management helps insurance companies accurately assess and price risks, thereby making more scientific and reasonable decisions in product design and pricing. Secondly, through risk engineering management, insurance companies can better understand and control insurance risks, reduce claims risks, and improve their profitability. In addition, risk engineering management can also help insurance companies improve service quality and customer satisfaction. Through scientific and effective risk management, the company's position and reputation in market competition can be enhanced. Therefore, risk engineering management plays an irreplaceable role in the long-term stable development of insurance companies.^[4]

2.2 Risk Characteristics of the Insurance Industry

The risk characteristics of the insurance industry are mainly reflected in diversification, uncertainty, and complexity. Firstly, the diversified characteristics of the insurance industry are reflected in the fact that insurance products cover multiple fields such as life insurance, property insurance, and accidental injury insurance. Each field also includes various types of insurance products, making the insurance industry involve a wide range of complex and diverse types of risks. Secondly, the uncertainty of risks in the insurance industry is reflected in the long-term nature of insurance contracts and the uncertainty of future losses, such as natural disasters, economic recession, and other factors that can bring uncertain risks to insurance companies. Once again, the complexity of the insurance industry is mainly reflected in the diversification of insurance business, cross-border operations, and complex risk measurement and control processes, all of which increase the difficulty and complexity of insurance companies in managing risks. Therefore, understanding and analyzing the unique risk characteristics of the insurance industry is of great significance for formulating effective risk management strategies.^[5]

2.3 Analysis of the Current Situation of Risk Management

Ping An Property Insurance Company has adopted various strategies and tools in risk management to cope with increasingly complex and diverse risks. Firstly, the company has established a comprehensive risk management system, including risk identification, assessment, control, and monitoring, to ensure comprehensive coverage and effective management of various risks. Secondly, the company utilizes advanced risk assessment

models and tools to finely identify and quantitatively analyze various risks in the insurance business through big data analysis and risk modeling techniques. At the same time, Ping An Property Insurance Company actively introduces international advanced risk management standards and methods, continuously improves the risk management system, and enhances the professional level of risk management. [6]

In addition, Ping An Property Insurance Company also focuses on the deep integration of risk management and business operations. The company integrates risk management into the entire process of business decision-making by establishing effective communication and collaboration mechanisms between risk management and business operations, ensuring consistency and coordination between risk management and business operations. At the same time, the company also strengthens the cultivation of employee risk awareness and professional competence by conducting risk management knowledge training and skill enhancement, ensuring the participation of all employees in risk management, and forming a good atmosphere for all employees in risk management.

In addition, Ping An Property Insurance Company actively carries out digital transformation of risk management through the application of information technology, and has established a comprehensive, refined, and real-time risk management information system. This system can dynamically monitor and warn various risks in insurance business, improving the company's ability to quickly respond to risk events and effectively handle them. At the same time, the company has also strengthened risk monitoring and analysis of the external environment, timely understanding market and industry risk dynamics, and providing scientific basis for the company's risk management decisions. [7]

3 Overview of Ping An Property Insurance

3.1 Company History and Business Distribution

Ping An Property Insurance Company was established in 1986 and is the first insurance company in China to obtain foreign control. The company is headquartered in Shenzhen and has multiple branches nationwide, with business operations spread throughout the country. The company mainly engages in property insurance business, including multiple fields such as car insurance, property insurance, and liability insurance. At the same time, the company actively carries out risk engineering management, providing customers with risk assessment, prevention, and control services through cooperation, helping customers effectively manage risks and improve insurance payout efficiency. In terms of business distribution, Ping An Property Insurance Company has established a comprehensive network to cover customer groups nationwide, providing customers with comprehensive insurance services. [8]

3.2 Business Situation and Development Strategy

Ping An Property Insurance Company operates well and has a stable development strategy. The company occupies an important position in the insurance market, with strong

financial strength and leading technological advantages. At the same time, the company has also met the needs of different customer groups and improved market competitiveness through diversified products and services. In terms of development strategy, the company actively expands domestic and international markets, increases product innovation efforts, and continuously improves risk management capabilities to ensure the sustainable development and stable operation of the company's business. At the same time, the company also focuses on compliant operations, strengthens internal controls, and ensures the healthy development of the company's business. The company continuously innovates its development strategy and enhances its core competitiveness, thereby ensuring its stable position in the fierce market competition.

3.3 Current Risk Management System

The current risk management system of Ping An Property Insurance Company includes three main links: risk assessment, risk control, and risk response. In terms of risk assessment, the company utilizes advanced quantitative risk models and qualitative risk analysis techniques to scientifically calculate and comprehensively evaluate various risk factors, ensuring a comprehensive understanding of risks. In terms of risk control, the company has established a sound internal control system and risk management process, and has reduced its risk exposure through strict risk control measures and effective monitoring methods. In terms of risk response, the company has developed corresponding risk handling strategies and plans based on different types of risks, ensuring rapid and effective response in the event of risk events, and minimizing the possibility and impact of losses. Through this current risk management system, Ping An Property Insurance Company can effectively respond to various risk challenges, safeguard the company's stable operation, and maximize customer interests.^[9]

4 Strategic Management Theory Framework

4.1 Basic Principles of Strategic Management

The basic principles of strategic management include strategy formulation, implementation, and evaluation. In the strategic formulation stage, the company needs to conduct a comprehensive analysis of the internal and external environment, clarify the company's mission, vision, and goals, and determine the strategic direction to adapt to market competition. In the implementation phase, the company needs to translate its strategy into specific action plans, including resource allocation, organizational restructuring, and the establishment of a performance evaluation system. In the evaluation stage, the company needs to monitor and evaluate the implementation effect, adjust the strategic direction in a timely manner, and ensure the continuous effectiveness of the strategy.

The basic principles of strategic management also include the theory of strategic positioning and competitive advantage. The company needs to determine its position in the market and seek corresponding competitive advantages through differentiation or low-cost strategies. Through the theory of strategic positioning and competitive

advantage, companies can achieve a sustained competitive advantage in the market and achieve long-term profitability.

In addition, the basic principles of strategic management also emphasize the integration and coordination of internal resources and capabilities within the company. The company needs to fully leverage its resources and capabilities, form an overall advantage of strategic resources, and respond to market challenges and opportunities. Meanwhile, in the process of strategic management, the company needs to establish a learning organization and innovative culture through effective organizational design and human resource management, in order to continuously provide motivation and support for strategic implementation. ^[10-11]

4.2 Risk Management and Strategic Integration

In the risk engineering management of Ping An Property Insurance Company, risk management and strategic integration are important links. Firstly, the company needs to establish a comprehensive risk management framework, including methods and indicators for identifying and evaluating various risks, as well as establishing corresponding risk management processes and decision-making mechanisms. Secondly, risk management needs to be organically integrated with the company's strategy, ensuring that risk management activities are consistent with the overall strategy of the company through unified planning and coordination of the company's strategic objectives and risk management objectives. At the same time, the company needs to establish an effective communication mechanism between risk management and strategy, achieving a close connection between risk management decisions and strategic decisions. In addition, the company needs to incorporate risk management into the strategic execution process, continuously adjust and optimize the company's strategy through effective implementation and monitoring of risk management, and ensure the sustained and healthy development of the company. Finally, the company needs to establish a performance evaluation system that integrates risk management and strategy, quantitatively analyze and evaluate the effectiveness of risk management and strategy implementation, and provide effective reference basis for the company's strategic decision-making. ^[12]

4.3 Application of Strategic Management Model

The application of strategic management models is crucial in the risk engineering management of Ping An Property Insurance Company. Firstly, the company can use the SWOT analysis model to conduct a comprehensive and in-depth analysis of its internal strengths and weaknesses, as well as external opportunities and threats, in order to develop strategic policies that adapt to market changes. Secondly, Porter's Five Forces model can help companies analyze competition within the industry, assess threats from suppliers, buyers, substitutes, and new entrants, and determine the company's competitive advantages and disadvantages. Furthermore, the value chain model can help companies identify the main activity nodes on the value chain and enhance their core competitiveness through technological innovation and cost control. Finally, Barabashk's GE McKinsey matrix can help the company evaluate the strategic positioning and

development prospects of its business units, thereby optimizing and restructuring them to achieve the overall strategic goals of the business. By applying the above strategic management model, Ping An Property Insurance Company can better cope with market risks and enhance its competitiveness.

5 Empirical Analysis of Risk Management Strategy

5.1 Case Study Methodology

The methodology section of the case study will select typical cases of Ping An Property Insurance Company in risk engineering management practice for in-depth analysis. Firstly, we will select representative risk event cases, including but not limited to natural disasters, traffic accidents, health accidents, etc., to ensure the diversity and comprehensiveness of the cases. Secondly, we will obtain detailed information related to the case through on-site research, literature collection, and expert interviews, and conduct systematic organization and analysis. Then, using qualitative and quantitative analysis methods, conduct a detailed study on the risk factors, risk assessment, response measures, and effectiveness evaluation that exist in the case. Finally, based on the analysis results of actual cases, corresponding risk management strategies and practical suggestions are proposed, providing useful reference and guidance for Ping An Property Insurance Company and other related enterprises in risk engineering management.

[13]

5.2 Risk Assessment and Early Warning Mechanism

Risk assessment is an important part of Ping An Property Insurance Company's risk engineering management. By using various quantitative and qualitative analysis methods, it comprehensively and deeply evaluates the various risks faced by the company. Firstly, the company utilizes statistical analysis methods to mine and analyze historical data, identify potential risk factors, and establish mathematical models to quantitatively evaluate risks. Secondly, using the expert consultation method, invite experts from relevant fields to evaluate various risks, combine their professional knowledge and experience, evaluate the probability and impact of risks, and form qualitative evaluation results. Once again, through the risk matrix analysis method, the probability and impact of risks are comprehensively evaluated to determine the priority of various risks, providing important basis for subsequent risk response and control.

The risk warning mechanism is an important means of risk management for insurance companies. By establishing a sound risk warning system, it aims to timely detect and respond to potential risks, and avoid the expansion of losses. Firstly, the company has established diversified data collection channels, collecting risk information from both internal and external sources, including market data, customer complaints, business data, etc., to form a comprehensive and timely information database. Secondly, the company utilizes data mining and model analysis techniques to analyze and mine big data, identifying potential risk signals. The warning system can provide real-time warnings based on certain rules and models. Once again, the company has established

a rapid response mechanism, which can quickly activate emergency plans once risk warnings are triggered, carry out risk disposal, and reduce the damage of risks to the company.^[14]

5.3 Implementation Results of Management Strategy

By analyzing the implementation results of Ping An Property Insurance Company's risk engineering management strategy, it was found that the company has achieved significant results in risk management. Firstly, the company has taken comprehensive risk identification and assessment measures, utilizing advanced technological means and big data analysis to effectively identify potential risk factors and conduct a comprehensive assessment and classification. Secondly, in terms of risk control, the company has established a sound management system and processes, formulated a series of effective control measures and response plans, and effectively reduced the frequency and severity of risk events.

In addition, the company has also carried out risk transmission and risk transfer management, adopting diversified risk management methods, including insurance reinsurance, capital market risk transfer, etc., effectively reducing the risks borne by the company itself. Finally, in terms of risk response and emergency plans, the company has established a sound early warning mechanism and emergency plans, improved its ability to respond to unexpected risk events, and ensured the stable development of the company's business.

In summary, the implementation of the company's risk engineering management strategy has achieved significant results, providing strong support and guarantee for the company's risk management work. In the future, the company will continue to strengthen the continuous optimization and improvement of risk management strategies to cope with the constantly changing market environment and risk situation, and ensure the effective control and management of the overall risk level of the company.

6 Conclusion

In the conclusion section, through studying the risk engineering management strategy of Ping An Property Insurance Company, we have drawn the following conclusions:

Firstly, risk engineering management is of great significance in the insurance industry, as it can help companies better identify, evaluate, and respond to various risks, and improve the level and efficiency of enterprise risk management.

Secondly, Ping An Property Insurance Company has established a relatively complete management system and methods in risk engineering management, including risk identification, evaluation, monitoring, and risk governance, and has achieved certain results in practical applications.

In addition, the company still has some problems and shortcomings in risk engineering management, such as the need to strengthen data analysis and risk model establishment, and there is still room for improvement in responding to new risks and emergencies.

In summary, Ping An Property Insurance Company has made certain achievements in risk engineering management strategy, but it still needs to be continuously improved and perfected to adapt to the continuous changes in risk management and enhance the competitiveness of the enterprise.

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