Sales management and agent training and motivation
Topics

- Individual agent channel
- Sales management strategy
- Agent training and motivation
Stable individual agent force: a competitive advantage

China Life’s individual agents accounts for nearly half of the total life insurance agents in China.

Stable sales force drives continuous growth.

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*Note: The number of insurance agents of 2003 included both life insurance and non-life insurance agents. Source of data: CIRC*
Quality of our agents improves continuously

- Current individual agents at about 650,000
- Improving quality - 94% of agents are licensed

Number of insurance agents, and percentage of licensed agents

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales Number</th>
<th>Percentage of Licensed Agents</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>65.5</td>
<td>41.6%</td>
</tr>
<tr>
<td>2004</td>
<td>66.8</td>
<td>48.1%</td>
</tr>
<tr>
<td>2005</td>
<td>64</td>
<td>50.7%</td>
</tr>
<tr>
<td>2006</td>
<td>65.2</td>
<td>60.9%</td>
</tr>
</tbody>
</table>

Sales Number: 65.5, 66.8, 64, 65.2
Percentage of Licensed Agents: 41.6, 48.1, 50.7, 60.9
Solid training support to guarantee fast agent team growth

- Growing distribution network and strong sales team management
- Strong support for sales team development via structured trainings and sufficient pool of instructors and supervisors

* Source of data: China Life annual reports
Designated sales channels at all levels

- Headquarters
- Other Dept. in Headquarters
- Individual insurance Dept.
- Provincial Branch
- Other Dept. in Provincial branch
- Individual insurance Dept.
- City-level branch
- Other Dept. in city-level branch
- Individual insurance Dept.
- County-level branches/field offices
- Sales Team

Responsibilities of individual insurance dept. at different levels

- Policy-making and sales planning
- Plan and implement the promotional plans
- Develop and promote sales support tools
- Build a training system and implement training programs
- Strengthen sales risk management
- Explore new sales channels and mechanism
Topics

- Individual agent channel
- Sales management strategy
- Agent training and motivation
Mass market: current sales team

“Orphan” policy market: collection and repeat sale team

High net-worth market: High-end sales team

- Reform the current team, establish a collection and repeat sale team, expand the high-end team
- The three sales groups fully cover major markets, ensuring balanced and focused business development
Combining strategies to drive growth

**Strategy combination**
- **Marketing Strategy**
  - Demand-driven
- **Channel strategy**
- **Sales access**

**Key initiatives**
- Plan promotional events
- Organize team bonding activities
- Enhance long-term motivation plans

**Examples**
- Launch “Affinity with China Life” promotional plan
- Plan “insurance in neighborhoods” related activities
- Plan for China Life “Client Date”
- Olympic-related incentive plans
- Company-wide video agent morning briefing
- Annual summit for sales over-performers
- Stock appreciation rights for star agents
- Reward program combined with agent pension products
- Medical insurance to sales team
Standardize operations and improve efficiency

1. Individual agent
   **Agents:** Appointments, interviews, prospect information, proposal

   **Supervisors:** Customized support, joint visit, telephone review, follow up

2. Agent group

3. Distribution network
   **Sales office:** Provide logistical and administrative supports and trainings, motivation, etc.

   “Jin Ding Project”
   Build a management structure and improve productivity

   Cross training
   Learning through sharing knowledge among the sales teams, implement standard operational model

   Streamline workflow
   Standardize and quantify company objectives, process management to enhance efficiency of the whole network
Innovative sales support

Web Audio-visual System for Sales Outlets

Sales Support System

Agent Activity Management System

Agent Recruiting and Selection System

Leverage advanced IT capabilities, professional experience, agent channel development
Demands-driven product packages

- Demand-driven mass marketing
- Promoting sound insurance concepts
- Focusing on regular-premium development

2003

Upscale End Urban District Rural Areas

2004

2006
Topics

- Individual agent channel
- Sales management strategy
- Agent training and motivation
## Solid education and training

### Career path

**Levels**
- New Recruit:
  - Career orientation, exam prep course, on-duty training, assisted prospecting, continuous training, etc.
- Agent:
  - Professional and ethical standards
  - Need-based marketing
  - Prospects identification
  - Telemarketing and client service
- Team manager:
  - Career training
  - Management skills
  - Agent recruitment skills
  - Meeting skills
  - Full event management

### Qualification exam
- New Recruit:
  - Agent Qualification Exam
- Agent:
  - Financial advisor exam
  - Designation exam
- Team manager:
  - CIAM

### Educational requirement
- Junior College, University, MBA (affiliated with Peking University and Insurance Career College), China Life E-learning College
Comprehensive training system

Structured program
Comprehensive program of 63 courses (1,673 hrs) covering policy marketing, business management, financial management and teaching methods

Non-structured program
“Jin Ding Project”, trainer’s skills contest, workshop and seminar on new products, sales experience sharing

Overseas program
Industry credential including CIAM since 2004, 600 team managers have enrolled in the Level III courses

The company has established a comprehensive training and career development courses to provide multi-level training for agents, team managers, agent trainers, agent supervisors and other staff.
Ways to attract and retain agents

Main incentives

- Agent management System
- Elite Agent Club
- Stock Appreciation Rights
- Pension and health insurance coverage
- Performance ranking and rewards
- Other theme events

Motivation system

Company

- “Dual Star” Conference
- Chinese Insurance Conference
- Annual Dragon Conference
- MDRT
- IQA, IAP

Industry

- Long vs. short-term incentives
- Industry recognitions and internal rewards
Long-term Incentive Schemes

**Incentive Structure**

- Performance appraisal
  - Individual and/or team FYC, renewal premium collection rate, team structure

**Compensation**

- Individual: FYC, renewal commission, awards
- New recruit training allowance
- Management allowance, base salary
- New recruit allowance

**Compensation Structure**

- New recruits
- Retained agents
- Junior manager
- Middle management
- Senior management

- A competitive income and career development path will motivated agent managers to build a strong agent team
- A fair commission and incentive structure retains and develops a stable sales force