

Overview of Insurance Marketing and Distribution

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Designed as a quick-reference guide for students, new hires, or anyone needing a clear snapshot of how insurance products reach customers.

1. Core Concepts

Term	Definition	Why It Matters
Insurance Marketing	The set of activities that create awareness, generate interest, and persuade prospects to purchase insurance coverage.	Drives demand, shapes brand perception, and differentiates a carrier in a crowded market.
Insurance Distribution	The channels and intermediaries through which insurance policies are sold and delivered to the insured.	Determines reach, cost structure, and the quality of customer interaction.
Value Proposition	The unique blend of product features, price, service, and brand promise offered to a target segment.	Guides all messaging, channel selection, and pricing decisions.

2. Market Segmentation & Targeting

Segment	Typical Needs	Preferred Channels	Marketing Tactics
Individual / Retail	Life, health, auto, home, personal liability	Direct (online), agents/brokers, bancassurance	Social media ads, content marketing, price comparison sites
SME (Small & Medium Enterprises)	Group health, property, liability, cyber	Brokers, affinity groups, digital self-service portals	Webinars, case studies, bundled packages
Corporate / Large Enterprises	Complex risk pools, captive solutions, reinsurance	Captive managers, specialist brokers, direct sales teams	Thought leadership whitepapers, industry events, customized proposals

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Segment	Typical Needs	Preferred Channels	Marketing Tactics
Affinity / Niche (e.g., professional associations, alumni groups)	Tailored coverage for a defined community	Partnerships, co-branded products	Co-branded newsletters, member-only discounts

Distribution

Segmentation drives product design, pricing, and the choice of distribution partners.

3. Distribution Channels – Overview

Channel	Structure	Key Advantages	Typical Cost Structure
Direct (Digital)	Company website, mobile app, call centre	24/7 access, data-driven personalization, low marginal cost	Fixed technology investment + per-sale processing fee
Agency (Captive)	In-house agents employed by the insurer	Strong brand control, deep product knowledge	Salary + commission (usually 5-15% of premium)
Independent Brokerage	Third-party brokers representing multiple carriers	Broad market reach, client-centric advice	Commission paid by carrier (often 10-20% of premium)
Bancassurance	Partnerships with banks (branch sales, online banking)	Access to large, trusted customer base	Revenue sharing (e.g., 30-40% of premium)
Affinity Partnerships	Trade groups, professional bodies, retailers	Targeted niche exposure, co-branding opportunities	Flat fee or commission per policy
Aggregators / Comparison Sites	Third-party platforms that display multiple offers	High traffic, price-sensitive shoppers	Cost-per-lead (CPL) or cost-per-acquisition (CPA)
InsurTech Platforms	API-based ecosystems, embedded insurance (e.g., travel booking sites)	Seamless integration, on-demand coverage	Transaction fee or revenue share

Overview of Insurance Marketing and

Hybrid strategies—combining two or more channels—are common to balance cost, reach, and service quality.

Distribution

4. The Marketing Funnel in Insurance

Awareness ? Consideration ? Evaluation ? Purchase ? Onboarding ?
Retention ? Advocacy

| Funnel Stage | Primary Objectives | Typical Tactics | |