Growth Schemes of Insurance Business Under Changing Insurance Environments

The volume of Korea insurance premium has been rapidly enlarged and become one of the top 10 countries. It is, however, losing its engines for further growth. Furthermore, the extensive and rapid changes such as demographic shifts and regulatory reform in financial industry taking place in Korea deepens the dwindling growth.

Population growth in Korea is stagnant, and the population is aging rapidly. Thus, Korea, like most developed countries, will be challenged by ever-rising health care costs and funding for supporting aged population. Mounting health care costs and rapidly aging population are already on the track and this trend shows no sign of slowing down.

Circumstances surrounding Korea financial markets has also been rapidly altered. The regulatory barrier to the combination of insurance, investment, and baking industries is largely being removed, and a number of financial conglomerates will be emerged. This will place keen competition not only among insurance companies, but also different types of financial institutions.

As our demographic shifts and financial markets change, it becomes clear that insurance arrangements must be modified and expanded to meet these trends. Moreover, in order to sustain insurance market growth and pioneer new markets, the insurance arrangements must be also redesigned to meet new needs of the society in which they live.

This study combines the research experience, ideas and wisdom of a
wide range of participants in Korea Insurance Research Institute in order to suggest long-term strategies for insurance companies facing threats, preparing for sustainable market growth, and pioneering new markets. We trust the insights gained through this publication will offer insurance companies new perspectives on collaborative approaches. We sincerely hope this research can play a great role in moving Korea insurance industry forward.