A Study on the Meaning and Scope of Insurance Solicitation

Insurance solicitation activities are strictly regulated by insurance laws and regulations of Korea, however, the relevant laws and regulations do not provide detailed criteria on the meaning and scope of insurance solicitation. Therefore, sometimes it could be difficult to clearly identify which activities constitute insurance solicitation and which activities are a mere introduction or advertising.

Under insurance laws and regulations, insurance solicitation can be performed only by licensed insurance intermediaries (i.e., insurance solicitors, insurance agents and insurance brokers) and further, insurance companies and licensed insurance intermediaries are prohibited from outsourcing insurance solicitation activities to non-licensed person. The violation of the foregoing might be subject to criminal penalty or administrative sanction. In this regard, it could be a significant issue whether a certain activity constitutes insurance solicitation or not.

This study examined the court precedents and regulatory ruling on the meaning and scope of insurance solicitation in Korea, looked into the cases of Japan, the U.S. and the U.K., and further, tried to suggest the key elements of insurance solicitation. We hope this study serves as a forum for discussion on the establishment of legal standards for the meaning and scope of insurance solicitation.