Korea insurance industry’s growth potential and profitability have been dwindling for the last 10 years. In order to enhance growth potential and profitability, we need to identify whether this is inevitable phenomena due to socioeconomic trends or temporary ones. If this is because socioeconomic trend, then we need to find fundamental measures for overcoming premium and profit decreasing trends.

Firstly, we forecast insurance premium volume and earning before interest, taxes, depreciation and amortization (EBITDA) from year 2018 to 2022. The compound annual growth rate (CAGR) of insurance premium are predicted to be $-1.70\%$ and $0.4\%$ for life and non life insurance respectively. EBITDA for insurance industry are forecasted to be stagnant for life insurance and to shrink for non life insurance. This results show that declining trend of premium and profit growth rates would last for next five years.

In order to suggest some measures for Korea insurance industry to sustain growth potential and profitability, we studied Spain insurance industry. Although premium volume of Spanish insurance industry is lower than that of Korea insurance industry, return on equity is higher than Korea, Japan, UK etc. We find a couple of measures: one is reasonable response to public social expenditure reductions for national health care and public pension benefits. This could help insurance industry premium increase in replace with public insurance. The others are related with cost efficiency through asset liability management and insurance claims management. In summary, Korea insurance industry should bolster cost management system while responding to public social welfare expenditure.