Evaluation and Recommendation on Korea Insurers’ Overseas Business

Growth opportunities in Korea financial and insurance industry has decreased and, in particular, insurance market saturation has accelerated along with low growth and low interest rate trend. Overseas insurance business, which begun in early 1970s, has been encouraged by government as a new growth engine for national economy in recent years. However, although life and non-life insurers has been doing overseas insurance business for more than ten years, market shares in each of China, Vietnam, Indonesia, and Thailand and net income of overseas business has been in the red figures for long time.

The purpose of this research is two folds: One is to evaluate Korea insurers’ overseas insurance business performance by criteria such as insurance growth prospect, market competition, entry mode, and strategies which has been studied in academic literature and case studies. The other one is to recommend some strategic and political measures for overseas insurance business.

In order to level up overseas business as a new growth engine, insurers should develop their own core competence in foreign markets and plausible and long term strategies to manage the cost of “Liabilities of Foreignness” should be executed. Cooperation with foreign country’s government to lower insurance trade barriers should be expanded and insurers funding measures should be reviewed for balancing growth with solvency.