



## 3 Insurance Companies Looking Beyond Canada for Growth

### Description

It's true that you can be insurance-poor through overinsuring. But when it comes to investing, insurance companies will add money to your portfolio. The following three companies are dividend payers with growth plans in place beyond Canada.

#### 1. Great-West Lifeco

Based in Winnipeg, Manitoba, **Great-West Lifeco** ([TSX: GWO](#)) operates through The Great-West Life Assurance Company, London Life Insurance Company, The Canada Life Assurance Company, Great-West Life & Annuity Insurance Company, and Putnam Investments, LLC. In the United States, Great-West Financial is a top provider of employer-sponsored retirement savings plans in the public/non-profit and corporate segments.

In July 2013, the company, via its indirect wholly-owned subsidiary Canada Life Limited, completed the €1.3 billion acquisition of Irish Life Group Limited. For Q1 2014, Great-West Lifeco reported net earnings attributable to common shareholders of \$587 million, or \$0.587 per common share, versus \$517 million, or \$0.544 per common share, for Q1 2013. Irish Life contributed \$52 million of net earnings to the company in Q1 2014, an increase from \$44 million in Q4 2013.

Furthermore, Great-West Lifeco announced last month that Great-West Financial reached an agreement to acquire the J.P. Morgan Retirement Plan Services large-market recordkeeping business, subject to regulatory approval in the United States. The expectation is that the transaction will close in Q3 2014.

Recently, Great-West Lifeco declared a quarterly common dividend of \$0.3075 per common share.

#### 2. Manulife Financial

A financial services company, **Manulife Financial** ([TSX: MFC](#))([NYSE: MFC](#)) has its main operations in Asia, Canada, and the U.S. It's Canada's largest life insurer and offers a comprehensive roster of life, critical illness, and disability insurance, as well as long-term care insurance. Part of the company's strategy is to develop its Asian business. It has operated in Asia since 1897 and is now operating in

over 10 countries there.

Manulife's Q1 2014 Asia division insurance sales were US\$258 million. This represents an increase of 23% over Q1 2013. In the quarter, its insurance sales in Indonesia rose 34% to US\$26 million.

Manulife Financial is entering the Myanmar market again. It had stopped operations in the country in 1942, but now is looking to grow its business in Asia via this country's growing middle class.

Indren Naidoo, Manulife Financial's executive for the region, which includes Myanmar, told Bloomberg, "we're convinced Myanmar is on the threshold of a great opportunity. Myanmar has a real opportunity here in terms of catching up with the kind of growth and development we've seen in other parts of this region."

At the beginning of May, Manulife Financial's board announced a quarterly shareholders' dividend of \$0.13 per share on the common shares of the corporation.

### 3. Sun Life Financial

**Sun Life Financial** ([TSX: SLF](#))([NYSE: SLF](#)) is the third-largest insurer in Canada. It's focusing on its operating net income objective of \$1.85 billion for 2015. The company divested its U.S. annuity business last year. An element of its current strategy is to build its asset management business worldwide. Sun Life is ranked as the number one life insurance provider in the Philippines, and in 2013 its sales there grew 51%.

In 2013, Sun Life partnered with **Khazanah Nasional** to buy a Malaysian insurance unit for US\$594 million (RM1.9 billion). It was purchased from Britain's **Aviva Plc** and **CIMB Group Holdings Bhd**. This week, Reuters reported that Sun Life Financial is increasing investment in Indonesia and Malaysia. The company is targeting its income contribution from Asia to reach 12% by 2015; it's currently 10%. Sun Life is investing \$40 million to double its agents in Indonesia.

Kevin Strain, president of Sun Life Financial Asia said, "this is not the time to slow down in Indonesia — companies that don't make the investment are going to find themselves quite far behind."

Earlier this month, Sun Life Financial's board announced a quarterly dividend of \$0.36 per common share.

Acquisitions, divestitures, and international expansion are all part of insurance company strategies in the 21<sup>st</sup> century. In a volatile arena, initiatives such as these are necessary to build market share. These three companies are an option for investors looking to earn income from this financial sector.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. NYSE:MFC (Manulife Financial Corporation)
2. TSX:GWO (Great-West Lifeco Inc.)
3. TSX:MFC (Manulife Financial Corporation)
4. TSX:SLF (Sun Life Financial Inc.)

**Category**

1. Investing

**Date**

2025/08/27

**Date Created**

2014/05/28

**Author**

mugulini

default watermark

**default watermark**