Case studies of Some Countries’ Earthquake Insurances and Implications

Our ancestors left us with detailed descriptions of earthquakes in the past, which tell us that earthquakes with MMI between 8~9 (or magnitude between 6~6.9) occurred at least 33 times. Yet, we have been negligent on coping with earthquakes believing that earthquakes are not likely to occur in Korea just because we have not experienced earthquakes for a long time.

However, such beliefs were shattered after the 2016 Kyung-ju earthquake, which recorded a magnitude of 5.8. The Kyung-ju earthquake, which caused 10 million dollars in property damage and multiple injury-cases, forced us to acknowledge the possibility of earthquakes in Korea and to review the earthquake risk management status.

‘Forum for the Proliferation of Earthquake Insurance and Traditional Market Fire Insurance’ held at the national assembly last year, revealed that aseismic designs are applied only to a small portion of buildings and houses, and the earthquake insurance market is not invigorated in Korea. This report focuses on identifying the problems of the Korean earthquake insurance market and presents solutions for them.

It is our sincere hope that this report would contribute to improving earthquake insurance of Korea and furthermore strengthening the safety of Korean citizens.