

# The Growth and Development of Insurance Products in Korea

Various insurance products have been developed and sold since the nation's first insurance product, insurance for cow, was sold in 1897. Insurance companies have developed a variety of products according to the regulation and market conditions.

Prior to the 1960s, there were intensive development of profit-sharing products, group insurance, and education insurance. From 1962 to 1976, there was a saving potential, and group insurance, education insurance, and short-term savings insurance were mainly sold. From 1977 to 1984, various short-term savings products were developed, and cancer and accident insurance was developed. From 1985 to 1996, nonpartisan insurance was developed and a personal pension savings system was introduced. From 1997 to 2000, short-term high-yield products were developed to cope with the Economy crisis. And non-life insurance company started to sell products of third insurance area. Since the 2000s, there have been five major products, whole life insurance, CI, investment products, health indemnity insurance, simplified issue insurance and child insurance products.

Whole life insurance product has existed in the past but sales have been sluggish. However, in 1998, Prudential Life began to sell in earnest by developing new sales techniques and then whole life insurance product led the growth of the insurance market in the early 2000s. Since then, whole life insurance product has evolved into interest-linked lifetime whole life insurance, investment-linked whole life insurance, CI insurance, no surrender value whole life insurance products.

CI insurance product was developed as a prepayment of death benefit in 2002, and has become a new health insurance product. CI insurance product was very successful with using disease definition instead of using disease code. Since then, the

product has evolved due to an increase in the number of guaranteed collateral and a change in the method of payment of insurance claims.

Investment insurance was introduced in the early 2000s in order to secure competitiveness against other financial products in the low interest rate era. This product has become very popular as the low interest rate trend continues and the stock market grows. Especially, foreign life insurers who have many know-how about variable insurance have sold a lot. Since then, it has evolved into variable whole life insurance and variable CI insurance etc.

Health indemnity Insurance products have been sold by life and non-life insurance companies. Non-life insurance companies sell in addition to integrated insurance in the form of disease and injury - related riders, while life insurance companies have different strategies by each company. This product has been influenced by national policy such as national health insurance finances, consumer price, etc. and this product has been revised several times.

The simplified issue insurance was developed in line with the demand of the elderly as the society entered the aging society. A variety of products were developed after the success of the cancer insurance products that underwrote the underwriting for the elderly. With the advent of this product, the elderly have emerged as new customers.

Child insurance product has evolved from education insurance to now a variety of protection products. The adoption of fetal insurance and child CI protection led to the consumer to be willing to buy this product. Non-life insurance companies have gained an advantage in the child insurance market by guaranteeing non-life insurance as well as disease and injury insurance

It is expected that the products that will appear in the market in the future will change into new forms of insurance products and services rather than products that guarantee new risks. Insurance product linked to health age, Connected product, and Order-made product are expected to be introduced.